



PARTICIPATORY MONITORING OF URBAN POVERTY IN VIETNAM

Second-Round Synthesis Report, 2009

November, 2009

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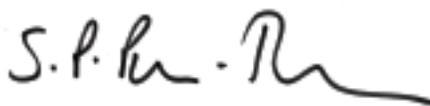
PREFACE¹

In January 2007, Viet Nam was admitted as the 150th member country of the WTO. It was widely recognised that this would bring many new opportunities to Viet Nam, but would also pose many challenges, especially in ensuring that the full benefits of WTO membership are shared by the whole of Viet Nam's population, including poor and vulnerable people.

In this context, and as organisations that have a long history of working to support the poorest and most marginalized groups in Viet Nam, ActionAid Viet Nam (AAV), Oxfam Great Britain (OGB) and Oxfam Hong Kong (OHK) 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 and cities throughout Viet Nam. Our intention is to provide analysis and recommendations for policy discussion as well as for the work of Oxfam, AAV and partners.

We hope you find this second annual synthesis report interesting and useful.



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

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We would like to thank the management and staff of both ActionAid Vietnam (AAV) and Oxfam Great Britain (OGB) 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 provided critical support with their knowledge and experience of research methodology.

We would like to thank the people's committees and the relevant departments at municipal and district levels for giving us the permission and creating favourable conditions to implement this second-round of urban poverty monitoring in their localities in 2009. We also would like to thank the core monitoring group members, including staff who assisted from the departments and mass organizations at provincial and district levels, the ward and commune staff members who closely collaborated with us and spent much time and effort to complete the field work and write 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, hamlet, and village for their active participation and collaboration in the field surveys. This urban poverty monitoring campaign would not have been successful without the participation and effective coordination of ActionAid's local partners, including the Center for Cooperation and Human Resource Development (C&D), the Center for Workers' Rights (CWR) under the authority of Hai Phong City's Labor Union, and the AAV's Development Program Management Unit directly 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, youngsters, 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 in-depth interviews. Without their cooperation, this urban poverty monitoring campaign could not have been implemented.

We welcome your comments and feedback on this report².

Sincere thanks,

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ABBREVIATIONS AND ACRONYMS

AAV	ActionAid Viet Nam
CPI	Consumer Price Index
CWR	Center for Workers' Rights
C&D	Center for Cooperation and Human Resource Development
DOLISA	Department of Labor, Invalids and Social Affairs
ELBAG	Economic Literacy and Budget Accountability for Governance
GOV	Government of Vietnam
HCMC	Ho Chi Minh City
MOLISA	Ministry of Labor, Invalids and Social Affairs
INGO	International Non-Governmental Organization
NTP-PR	National Target Program – Poverty Reduction
OGB	Oxfam Great Britain
OHK	Oxfam Hong Kong
PRA	Participatory Rural Assessment
SCUK	Save the Children UK
VHLSS	Vietnamese Household Living Standard Survey
WTO	World Trade Organization

EXECUTIVE SUMMARY

Initiative of urban poverty monitoring

Following the first round of urban poverty monitoring that was undertaken in 2008, ActionAid and Oxfam initiated a second round in 2009. They coordinated with local partners to implement the monitoring in three wards/communes in Hanoi, Hai Phong, and HCMC in July 2009. In each locality, an urban poverty monitoring core working group was established that included representatives of local agencies and departments. Information was collated based on group discussions, in-depth interviews that involved 431 people (215 female), and questionnaire based interviews with 180 migrant workers (116 female).

Overview of urban poverty

The slow rate of poverty reduction due to the impacts of 'risks and shocks' is a tendency nationwide. The official rates of poverty at monitoring sites vary depending on the poverty line of each city. Hai Phong still applies the Government's general poverty line. This makes the rate of poverty here very low, and difficult to reduce. The rates of poverty in Hanoi and HCMC have increased unexpectedly since the beginning of 2009 due to these cities both elevating their own poverty lines.

Local poor residents belong to a few "hard core" groups, which experience unique difficulties. When an official poverty line is increased it results in a considerable number of "new poor" people falling below the poverty threshold. These "new poor" include retirees, those in poor health, invalids, local government officers who have many dependents and no supplementary incomes. Many households whose agricultural land has been taken away to make way for industrial parks and infrastructure do not have the means to change their livelihoods and thus tend to fall below the poverty line. The gap between the rich and the poor is increasing in urban areas.

Poor migrants: The poverty status of migrants is more concerning when considered in the context of their "social integration", the disadvantages they face and loss of social relations as opposed to a view which only considers only their direct status in terms of "income" or "expenditure". Disintegration occurs in areas where there are greater numbers of migrant workers assembled together. Some vulnerable migrant groups include people with young children, people with poor families at rural homeland, redundant employees from large enterprises who are trying to stay and seek work in informal sectors, people who are studying and working, and people who are in debt or have become entangled in social criminal networks.

Challenges to urban poverty reduction: Infrastructure and environmental hygiene have significantly improved. However, there are still weaknesses, particularly in areas where peripheral urban industrial parks are located. Systems of waste management including collection services are still limited. Poor people in areas where agricultural land has been lost are struggling to find alternative sustainable livelihoods. The people whose agricultural land has been lost and now earn a living building houses to rent out to migrant workers have also been a vulnerable group during the global financial crisis.

A lack of "social capital" (relationships and networks, formal and informal groups, and social organizations in which the poor participate) impedes self-help efforts of the poor. Poverty in culture and lifestyle is an acute problem that is rising in peripheral urban areas where many migrant workers live.

There is still a significant lack of access to public services for local poor residents and poor migrants. Education and health services and facilities in peripheral urban areas where many migrants congregate are often limited and unable to meet the demand. Very few poor people participate in programs to support vocational training. The enrolment of children in grade 1 is quite high for both local and migrant groups. But student retention at higher levels for migrant families has proved more difficult. Migrants still suffer from high electricity prices. Poor migrants find it difficult to access formal sources of capital. The temporary residence registration process has been simplified. However, in order to receive permanent residence status in cities, most migrants still face many difficulties due to a lack of procedures.

The local governance work in peripheral urban areas is challenged by limited staff capacity and a lack of transparency and accountability in the transition period towards urbanization. The status of "suspended plans" is affecting local social-economic development and the community's psychological well-being.

Social protection: Local people have generally paid little attention to voluntary social insurance. A public policy of health insurance has been implemented widely, but many people still complain that the hospitals at district and provincial levels are overloaded and about apathetic service attitudes towards patients with health insurance. The number of people who have purchased voluntary health insurance cards has increased, but these purchases were often made reluctantly. The social protection policy under Decree 67/CP has been implemented effectively. However, as regulated only poor households are entitled to receive support, for example, a group of disabled people is not yet recognized under this policy.

Vulnerability of some particular social groups

Migrant workers: Migrant workers, mostly young and unmarried, with women outnumbering men, come from agricultural families. Informal social networks are becoming more important in helping migrant workers search for jobs. Migrant workers suffer many disadvantages in living conditions including as restricted living areas, high-costs of water and electricity, unclean water supplies and polluted environments. Residential areas where migrant workers rent rooms lack structured cultural, social and community activities, which would give migrants opportunities to feel part of a community and build their social support, networks.

Due to the impact of the global financial crisis, there is an imbalance between supply and demand of labour in the industries, which require large numbers of labourers, such as footwear and garment manufacturers³. After the difficult period during the first quarter of 2009, most companies, by the end of the second quarter, were experiencing a recovery of purchasing orders. This recovery led to a shortage of labour. However, despite new incentive policies to attract workers, these large enterprises are experiencing difficulties in recruitment. During the crisis workers experienced high risks of production with a smaller number of labourers, this meant they had to work harder and had decreased opportunities to improve their education and skills. Migrant workers are now more carefully seeking jobs with higher incomes to enable them to save and send money home. These workers have higher mobility, and tend to change their jobs quickly in order to seek higher incomes.

The coping mechanisms of migrant workers are quite diverse. The "easiest" plan is to go home. This is a temporary coping mechanism for the workers because they will eventually look for opportunities to return to the city to find jobs (except for those who get jobs in the industrial parks and companies near their homes). The second mechanism is to stay in the city and seek alternative employment in the informal sector, such as street vendors, bricklayers, and restaurant workers. Whilst undertaking these jobs in the informal sector workers continue to look for jobs through a community network of friends who come from the same province, and co-

3. The impacts of the global financial crisis on the lives and livelihoods of the poor in urban areas will be rapidly assessed by OGB and AAV every three months in 2009 and 2010 at monitoring sites

inhabitants. The third mechanism for the workers is to continue to study in schools and vocational training centres with the hope of finding stable and higher-paid jobs. This is a positive mechanism as, at monitoring sites, the number of workers who are concurrently studying and working has significantly increased.

Small traders: Small traders are mostly married women. They do not need much money to start their businesses, and their monthly savings are also low despite relatively high turnover of their sales items. Small traders mostly come from poor families, have limited education, and possess little financial resources. In early 2009, many migrant workers who had been made redundant due to the impact of the global financial crisis became small traders in order to make a living in urban areas. The income of most small traders, in 2009, decreased. This decrease in income was mainly due to a decrease in the migrant worker customer base. Many migrant workers who lost their jobs in the first quarter of 2009 chose to return to their home villages leaving small traders with large volumes of unsold stock. Consequently, some small traders either closed their businesses or started selling alternative items.

Motorbike taxi and cyclo drivers: Motorbike taxi and cyclo drivers are mostly unskilled, married middle-aged men who have financial difficulties. In 2009, the income of motorbike taxi and cyclo drivers was affected by the financial crisis and price fluctuations. The number of their customers declined due to rising competition from other vehicle transportation services and a rising number of people who switched their jobs to motorbike taxi drivers. Motorbike taxi and cyclo drivers also face difficulties due to regulations on urban management.

Some suggestions for discussion

Many of the policy recommendations stated in the 2008 round 1 Urban Poverty Report remain relevant. However, the second round of surveys in 2009 also raises some new suggestions pertaining to urban poverty reduction policy. These recommendations are:

1. **Close monitoring of the impact of risks and shocks on urban poor groups:** Urban poverty reduction in the context of many risks and shocks (such as price disadvantages, the global financial crisis, global climate change, changes in urban management policies, land use policies and urban planning) cannot be effectively implemented without clear identification of the difficulties of local people and migrants and without updating the migration flows of labour and the rural-urban linkages (e.g. job redundancies, income reduction in migrant worker groups and informal sector works). It is necessary to improve the systems of statistical labour-employment surveying and build monitoring sites in each locality, to improve the labour reporting of companies and businesses in each area, in order to gain an accurate representation of the situation, identify emerging problems, and therefore effectively respond to risks and shocks in a timely manner.
2. **Classification of the poor should focus resources towards the most vulnerable groups when the poverty line is increased in urban areas.** After the large cities like Hanoi and HCMC increased the poverty line in early 2009, a greater number of households fell under the poverty line. With limitations on resources, it is necessary to classify the poor into different groups in order to determine appropriate policies at each level of poverty. Strategic and careful planning is needed for programs of poverty reduction support in urban areas. Migrant immigrants, as one of the most vulnerable, yet overlooked groups, need to urgently be integrated into considerations of poverty. Other provinces and cities can learn valuable lessons from HCMC's experiences in allowing consideration of long-term temporary migrants and classifying the poor into two groups (one poorer group with annual incomes under 8 million dong, compared to the 12 million dong poverty line) in order to have a more appropriate social protection policies pertaining to each group.

3. **Improved and coordinated support policies are needed for households that have had their agricultural lands (e.g. over 30% of agricultural lands) repossessed to build industrial parks.** These coordinated support policies should focus on solving irrigational system problems, and issues relating to water supply, drainage, wastewater, and waste disposal, and on methods of support for sustainable livelihood change that encourage people to attain social security. There should be clear regulations to augment the responsibilities of industrial park investors in terms of providing support for the aforementioned policies. Investor responsibilities should begin from the period of land use planning, and continue to include a thorough assessment of the environmental and social impacts of any completed project. It is also necessary to improve the capacity of local management (number of staff, planning and implementation of policies, increased transparency and accountability) in the peripheral urban communes. In this time of transition to urbanization there should be a focus on planning in terms of managing the standards of rental houses and services to improve local people's lives such as, expanding education and medical centre facilities (including services for migrant workers' children), building cultural, sports, and entertainment facilities, and putting in place preventative measures against criminal activity.
4. **Building a social protection program for migrants in urban areas,** such as creating opportunities for migrant workers to be able to obtain insurance (social insurance, unemployment insurance, medical insurance), supporting people who have lost their jobs due to risks and shocks, supporting costs of vocational training and education (for migrant workers who study and work), and vocational and psychological counselling, is important. Helping migrants to have better access to social services and fairly-priced utilities (electricity, water), and improving migrants' "social capital" by creating more opportunities for them to participate in the activities of unions, residential quarters, community and cultural groups, requires an active participation of all key stakeholders (government and management and representatives of residential quarters, unions, trade unions, enterprises).
5. **Strengthening the role of community self-management groups** is an effective measure to increase social capital and improve the capacity of vulnerable people in urban areas (including local people and migrants) to cope with risks and shocks. Self-management groups may take a variety of forms and serve one or more functions, such as mutual sharing and support, access to programs supported by localities and donors/philanthropists, improvement of access to public services, organization and implementation of services to serve communities, e.g. waste collection.

INTRODUCTION

Objectives of the Report

Vietnam has been rapidly changing over the last 25 years. In recent years, Vietnam has accomplished many great achievements in economic growth and poverty reduction that have moved it beyond its previous status of the poorest countries in the world. In 1993, 60% of the population was poor but according to the 2008 Vietnam Development Report, this poverty rate was reduced to 16% by 2006.

The Government of Vietnam (GOV) has a 2006-2010 strategy to introduce several reform policies to help the country move beyond the underdeveloped status and help poor households rise above the poverty thresholds. In 2007, Vietnam became an official member of the World Trade Organization (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 municipal areas.

In view of the significant and rapid changes that Vietnam will have to face in next years, several international non-governmental organizations (INGO) collaboratively proposed the need to monitor these changes and their related impacts. These INGOs, including ActionAid Vietnam (AAV), Oxfam Great Britain (OGB), and Oxfam Hong Kong (OHK) have coordinated with local partners in provinces and cities to build a network of poverty monitoring based on the participatory method:

“Monitoring the poverty status of vulnerable people in typical communities within the context of Vietnam’s integration into the WTO and the Government’s 2006-2010 reform policies is critical to provide a sound analysis in order to propose policy recommendations and to ensure the effective implementation of Oxfam, AAV and their partners’ programs and projects.”

The purposes of this participatory annual monitoring of the poverty status of some representative communities are to:

- Provide useful qualitative information on poverty and development to supplement the statistical and survey data obtained from other sources, such as from the state and other organizations;
- Establish a network of “early warning” monitoring sites alerting to negative changes in 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.

The network of urban poverty monitoring has been implemented in the city of Hai Phong and Ho Chi Minh (HCMC) since 2008. A synthesis report on the results of the first round of 2008 urban poverty monitoring was published⁴ in April 2009.

In 2009, the network of urban poverty monitoring was expanded to include Hanoi. This report shows the results of 2009 second round of urban poverty monitoring in Hanoi, Hai Phong, and HCMC.

4. “Participatory monitoring of urban poverty in Viet Nam: Synthesis Report 2008”, Oxfam and ActionAid Vietnam, April 2009

Research Methodology

Annual survey

This poverty monitoring initiative differs from other poverty assessment programs in that it is repeated annually. The working group returned to the same survey points that were used in the 2008 first round and interviewed the same representative households and enterprises. The continuous participation of the core working group members should be maintained in each city over the years in order to effectively monitor changes in poverty status at different times at each monitoring point.

Survey Location

In each city, a representative (in poverty status of local people and migrants) ward or commune was chosen. Based on AAV's working relationship with local partners and consideration of time and budgets constraints in the expansion of the network (to Hanoi), the 2009 second 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 Northern Thang Long Industry Park
- Hai Phong: Poverty monitoring was repeated in Lam Ha Ward, Kien An Urbanized District.
- Ho Chi Minh: Poverty monitoring was repeated in Ward 6, Go Vap Urbanized District.

In each ward or commune, two residential quarters or hamlets were chosen to carry out poverty monitoring. Therefore, three wards/communes and six residential quarters/hamlets participated in the second-round urban poverty monitoring in 2009.

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

TABLE 1. 2009 Urban Poverty Monitoring sites

Ward/Commune	District	City	Geographic Location	Total area (ha)	Total permanently registered households	Total permanently registered people	Total temporarily registered people	Proportion of poor households in 7/2009
Kim Chung	Dong Anh	Hanoi	Suburban district	395	2,326	9,526	20,474	5.0
Lam Ha	Kien An	Hai Phong	Peripheral urbanized district	175	2,698	10,868	1,348	0.66
Ward 6	Go Vap	HCMC	Peripheral urbanized district	165	1,951	8,648	13,699	8.5

Sources: Ward/commune level information cards, 7/2009

Some of the main features of six residential quarters/hamlets monitoring sites during the time of the second round of monitoring in 2009 are shown in TABLE 2.

TABLE 2. Some characteristics of 6 residential quarters/hamlets participating in the urban poverty monitoring in the second round of 2009

City	Hanoi		Hai Phong		HCMC	
District	Dong Anh		Kien An		Go Vap	
Ward/commune	Kim Chung		Lam Ha		Ward 6	
Residential quarters/hamlets	Nhue Hamlet	Bau Hamlet	Quarter 2	Quarter 30	Quarter 25	Quarter 27
Total number of households	805	896	70	72	51	60
Total permanent residents (persons)	3,256	4,000	280	362	238	278
Total temporary residents (persons)	1,982	11,036	170	133	940	480
Proportion of population growth in 2008 (%)	0.028	0.05	N/A	3.3	N/A	N/A
Proportion of poor households in late 2008 (%)	5.3	2.3	2.8	2.7	1.96	35
Proportion of near poor households in late 2008 (%)	0.5	0	2.8	4.16	-	-
Proportion of households using tap water (%)	0	0	100	100	90	5
Proportion of households using electricity network (%)	100	100	100	100	100	100
Proportion of households using septic/semi-septic tanks (%)	95	100	60	100	100	100
Proportion of households living in temporary houses (%)	0	0	0	0	0	0.6
Proportion of malnourished children under 5 (%)	16.31	5	N/A	N/A	N/A	0
Total people receiving social insurance help monthly (according to Degree 67/CP)	N/A	N/A	N/A	N/A	N/A	N/A
Of which:						
Orphans	0	0	N/A	N/A	0	0
Single elderly	0	0	N/A	N/A	0	0
Disabled people	17	4	N/A	4	0	2
HIV/AIDS infected people	N/A	N/A	N/A	N/A	0	0
Single parent caring for young children	N/A	N/A	N/A	N/A	0	0
Proportion of children at the age of primary school entering schools (%)	N/A	100	N/A	N/A	100	100
Proportion of children at the age of middle school entering schools (%)	N/A	100	N/A	N/A	95.5	95.5%
Proportion of children at the age of high school entering schools (%)	N/A	100	4	N/A	80	98
Households borrowing preferential loans (household/ equivalent to % of total households) (%)	125 (14%)	205 (0.25%)	N/A	N/A	20 (33%)	N/A

Source: Information cards at residential quarter/hamlet levels, 7/2009

(Note: N/A – Not Available)

The core working group conducting poverty monitoring

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

- Representatives of AAV's local partners in the area, such as the Center for Collaboration and Human Resource Development (C&D) in Hanoi, the Center for Workers' Rights (CWR) in Hai Phong, and the Development Program Management Unit in Go Vap District, HCMC.
- Representatives of some city departments (only in Hai Phong), such as the Department of Labor, Invalids, and Social Affairs (DOLISA), the Women's Union, Youth Union, and Labor Union.
- Representatives of district departments, such as DOLISA, Department of Agriculture and Rural Development, Department of Finance and Planning, Department of Natural Resource and Environment, Fatherland Front, the Farmers Association, the Women's Union, Youth Union, and Labor Union.
- Representatives from wards/communes and residential quarters/hamlets were selected to carry out the survey.

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

Urban Poverty monitoring framework

The second round of monitoring urban poverty based on participatory methodology undertaken in 2009 includes three main themes:

Theme 1. Overview of urban poverty: urban poverty changes, diversity and multi-dimensions of urban poverty, challenges to urban poverty reduction, and people's feedback on policies and projects/programs. 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. Vulnerability of specific social groups in urban areas: Vulnerability is a critical characteristic of urban poverty and is associated with specific social groups. These vulnerable social groups often include migrant workers and those working in informal sectors. This topic explores the features, living conditions, livelihoods, and vulnerability of such groups in urban areas. This topic also aims to provide some case studies on social issues related to poverty in the current urban environment.

Theme 3. Impact of the global financial crisis on livelihoods and lives of the poor in cities: The current global financial crisis has had a profound impact on enterprises and as a result the job opportunities and incomes of migrant workers, people who work in the informal sector, and local people. This in-depth topic will have its own report and will be assessed rapidly and repeatedly every three months from July 2009 to July 2010 (combined with the monitoring of the impact of the crisis in Nghe An and Tra Vinh provinces in rural areas). Therefore, in this report, the relevant information obtained from the topic of impact of the global financial crisis has been integrated into the two previous themes.

Field work

The second round of urban poverty monitoring was implemented in July, 2009. The monitoring was undertaken using a participatory methodology and, survey teams spent approximately 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, such as migrant workers, motorbike taxi drivers, small traders, and people working in informal sectors. Forty-seven group discussions were held with the participation of 266 local people, migrant workers, and local officials (mostly Kinh people), of which 127 were male and 139 were female. The discussions utilised PRA tools, such as classification of households (wealth ranking), time lines, listing and ranking, livelihood analysis diagrams, mobility charts, cause and effect diagrams to understand the effect of changes on people's lives, livelihoods, access to public services, people's feedback on policies, and programs/projects.

In-depth interviews to record life stories: in-depth interviews 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. The objective of the in-depth interviews was to further understand people's perceptions of poverty, and their living conditions, vulnerability, difficulties in overcoming, poverty and feedback on policy. One hundred and sixty-five in-depth interviews were conducted with 79 men and 76 women.

Interview questionnaires for migrant worker group: A specific questionnaire was developed for the migrants working in enterprises. These interviews concentrated on demographic characteristics, working conditions, and living standards. The interview locations were randomly selected in some rental properties where migrant workers were living. Due to the tendency of migrant workers to frequently change their workplaces and accommodation situation, the 2008 survey sample was not used as a basis for the 2009 survey. Thus, one needs to be cautious in comparing this 2008 and 2009 data given the two different random samples in the same location. One hundred and eighty interview cards for migrant workers in Hanoi, Hai Phong, and Go Vap District (HCMC) were completed. Of the 180 interviewees, 64 were male and 116 were female.

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

Interviews with enterprises and market agents: Thirteen interviews were conducted with representatives of several enterprises in the area (mainly in the leather shoe and garment manufacturing sectors in Hai Phong and HCMC), and seven interviews were undertaken with market agents (Kiosks/stores/agents who do business in food, groceries, general merchandise, agricultural materials). This interview related to the daily lives and livelihoods of local people and migrant workers.

Interviews with officials: In addition to the tools mentioned, 21 interviews were conducted with officials of district departments during the survey trip.

This urban poverty report of the second round of poverty monitoring summarizes results of the surveys at different monitoring sites in July, 2009 and highlights the changed status of urban poverty over the last 12 months since the last survey and in the context of the on-going global financial crisis. In addition to a thorough analysis of focus issues, this report provides a general overview of changes in poverty and examines specific vulnerable groups as an autonomous report on urban poverty.

PART 1

OVERVIEW OF URBAN POVERTY

1.1 URBAN POVERTY TRENDS

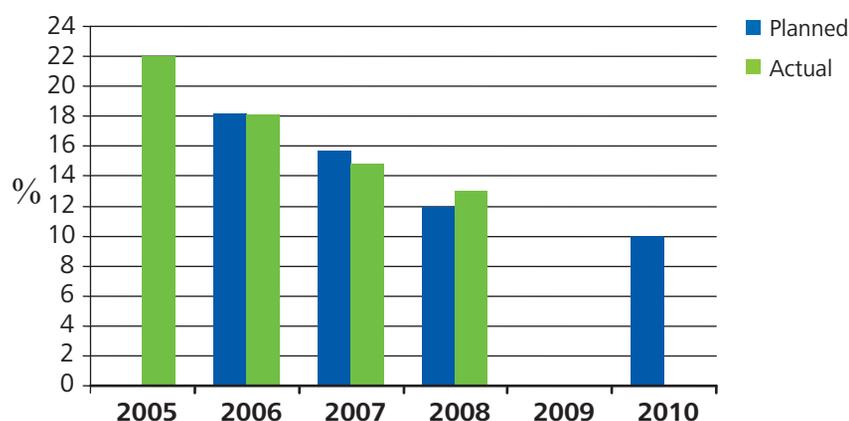
1.1.1 Slow rates of poverty reduction due to the effects of risk factors and impacts of unanticipated shocks

The poverty rate is reducing slowly due to risks and shocks

According to the government's poverty line, the proportion of poor households nationwide is continuing to gradually fall. Table 1 shows the implementation of the National Target Program on Poverty Reduction (NTP-PR) for the stage of 2006-2010 in the first two years (2006-2007). The proportion of poor households, on average, declined 3.6% each year. At the end of 2008, the proportion of poor households in the whole country had reduced to 13%, only a 1.8% in decrease compared to that of the late 2007⁵.

The proportion of poverty reduction has slowly declined. In some places, this proportion has even increased. There are several reasons that have impacted the rate of poverty reduction, but price shocks, natural disasters, and the global financial crisis are the main factors. The urban poor have been seriously affected as they face uncertainty in their job security and lowering incomes but prices of food, groceries, and other basic expenses remain high.

FIGURE 1. Poverty trends nationwide based on the government's poverty line



Source: Midterm assessment report on National Target Program - Poverty Reduction Ministry of Labor, Invalids, and Social Affairs, 2009

5. Until Oct 2009, the General Statistics Office (GSO) had not released the result of VHLSS2008 thus there is no updated data on the separation between urban and rural poverty for the year 2008 (poverty line based on income by GSO). The data of urban and rural poverty until 2006 was mentioned in the first round synthesis urban report. The data from MOLISA source (national poverty line) updated the national poverty rate for the end of the year 2008 but there is no separation between urban and rural poverty. Furthermore, each province can use their own poverty line (not below national poverty line).

HCMC and Hanoi increased their poverty lines, resulting in a spike in the poverty rate in 2009

1.1.2 The proportion of poor households at monitoring sites increased unexpectedly in 2009 due to an increase in the poverty line.

The 2008 urban poverty monitoring report recommended that the poverty line needed to be raised to correspond with the inflation rates and high costs of living in cities. In actuality, in Hanoi and HCMC, the proportion of poor households increased unexpectedly in the middle of 2009 due to these local governments' implementation of an elevation of their own poverty lines.

Table 3 shows that when Hanoi increased its poverty line, the proportion of poor households in Kim Chung Commune increased from 1.7% to 5%. Similarly, when HCMC doubled its poverty line, the proportion of poor households in Ward 6 increased from 0% to 8.5% (according to the previous poverty line, by the end of 2008, Ward 6 would not have had any poor households). Hai Phong is the only city which still uses the government's national poverty line; thus, the proportion of poor households in Lam Ha Ward was still very low (0.68%), and this proportion is unlikely to be reduced easily. Hai Phong is planning to develop its own poverty line beginning in 2010, which will be higher than that of the government.

TABLE 3. The proportion of poor households at monitoring sites, 2005-2008

	District	City	Geographic Location	The proportion of poor households based on the result of a survey at the end of each year according to the old poverty line (%)				According to the new poverty lines
				2005	2006	2007	2008	7/2009
Kim Chung Commune	Dong Anh	Hanoi	Suburban district	-	6.6	3.8	1.7	5.0
Lam Ha Ward	Kien An	Hai Phong	Peripheral urbanized district	-	1.54	0.93	0.68	-
Ward 6	Go Vap	HCMC	Peripheral urbanized district	3.6	2.2	1.26	0	8.5

Source: Poor household review data for the period of 2005-2009 at monitoring sites

Note:

- Hanoi's poverty line applied for the period of 2005-2008 states that people with a monthly average income under 350,000 dong in urban areas and under 270,000 dong in rural areas are considered poor (according to Decision No. 6673/QD-UB of Hanoi's People's Committee dated 09/28/2005). Hanoi's new poverty line applied from the middle of 2009 states that people with a monthly average income under 500,000 dong in urban areas and under 330,000 dong in rural areas are considered poor (according to Decision No. 1592/QD-UB of Hanoi's People's Committee dated 04/07/2009).
- Hai Phong's current poverty line (the same poverty line of the government) applied for the period of 2006-2010 states that people with a monthly average income under 260,000 dong in urban areas and under 200,000 dong in rural areas are considered poor. The city's DOLISA is developing guidelines for districts to review people's monthly average incomes based on four categories: Poor, according to the current poverty line (under 260,000 dong in urban areas and under 200,000 dong in rural areas), near poor 1 (under 390,000 dong and under 300,000 dong respectively), near poor 2 (under 500,000 dong and under 400,000 dong respectively), and near poor 3 (under 650,000 dong and under 500,000 dong respectively). The city's DOLISA will submit its planned proposal to raise the poverty line to Hai Phong's People's Committee in Quarter 4/2009
- According to HCMC's poverty line applied for the period of 2005-2008, people with a monthly average income of less than 500,000 dong are considered poor. HCMC's new poverty line applied from the

beginning of 2009 states that people with monthly average incomes under 1,000,000 dong in urban areas and under 833,000 dong in rural areas are considered poor.

- MOLISA is developing a proposal for a new poverty line to be implemented for the period of 2010-2015. According to this new proposed poverty line, people with monthly average incomes under 450,000 dong in urban areas and under 350,000 dong in rural areas are considered poor (this is nearly double the average income based on the current standard: 260,000 dong in urban areas and 200,000 dong in rural areas). MOLISA also proposed that the national poverty line will be updated when the annual inflation rate is over 10 percent.

Increasing the poverty line fits with rising basic living expenses and shows a better reflection of the true status of the poor

Given the high living costs in urban areas, increasing the poverty line helps more accurate identification of poverty status (living costs here means basic needs in terms of food, groceries, non-food items, and non-grocery items) and provides better conditions to annually screen poverty status in each locality. The lower poverty line of Hai Phong is not a true reflection of its real poverty status because in reality the living costs in Hai Phong are not less than those in Hanoi. As each local government can set its own poverty line, it is impossible to make effective comparison of the poverty rates amongst cities. For example, Lam Ha Ward in Hai Phong City has a poverty rate of 0.68%. This does not mean Lam Ha Ward has better living conditions than that of Ward 6 (HCMC) where the poverty rate is 8.5%.

Increasing the poverty line during the financial crisis leads to the high rise in the poverty rate

Increasing the poverty line is an administrative decision, which allows households with incomes, which are slightly higher than that of previously classified poor households to receive support designated to 'poor households'. The concept of "poor households" changes when the poverty line is increased, but in reality whether the lives of the poor have improved or not is another matter. Increasing the poverty line in 2009 took place when urban residents' incomes and jobs were being significantly affected by the global financial crisis and the 2008 price inflations, factors which also contributed to the rising poverty rate.

1.2 TWO URBAN POOR GROUPS: LOCAL RESIDENTS AND MIGRANTS

Official urban poverty data does not take into account migrants even though there are some more beneficial policies

As the 2008 urban poverty report stated, the survey data of urban poverty shown in Table 3 does not take into account migrants, although, in principle, local governments like HCMC do consider long-term temporary poor migrants. The following section discusses the common problems relating to poverty reduction for the two urban poor groups: poor local residents and migrants. In 2009 updating specific information on the characteristics, living and working conditions, and vulnerability of some typical vulnerable social groups in urban areas (migrant workers, small traders, motorbike taxi drivers, cyclo drivers) took place in the context of the global financial crisis as discussed in Part 2 of this report.

1.2.1 Local poor residents

Features of the poorest group in 2009 remain unchanged, compared to 2008

The 2009 survey results indicate that the characteristics of the poorest group ("hard core poor") in the urban communities are unchanged from 2008. The poorest local resident groups are still the groups who have specific difficulties, such as, the elderly, those with disabilities, people with long-term illnesses who are dependant on relatives, single women, people with many young children, people with low education and skills, people working in the informal sectors without stable incomes (like motorbike taxi drivers, cyclo drivers, bricklayers, and small traders). Most local poor households still have long-lasting assets, such as inexpensive televisions and motorbikes. These households do not have the issue of running out of food but are trying to

put their children in school, including universities and colleges, which can make their lives which are difficult, are even more difficult.

Children have vivid and sincere perspectives on poverty

Groups of children aged 10-15 years at monitoring sites in the 2009 survey also made comments about issues of poverty which were similar to those made in the 2008 survey. When asked questions, such as, "What are your thoughts of the poor in the hamlet?" or "What is the difference between the rich and the poor?" children often made vivid and sincere comments about the poor related to incomes, assets, houses, meals, and their difficulties in helping the children go to school (Table 4).

TABLE 4. Awareness of local children regarding the poor

Children's group in Kim Chung Commune (Dong Anh, Hanoi)	Children's group in Lam Ha Ward (Kien An, Hai Phong)	Children's group in Ward 6 (Go Vap, HCMC)
<ul style="list-style-type: none"> • Poor families do not have houses for rent. • Poor families do not have good food to eat and nice clothes to wear. • Poor families have to live in shabby houses. • Poor children do not have money to take extra courses. • Poor families do not have motorbikes, expensive furniture. • Poor families' children have to work. • Parents have to work as motorbike taxi drivers, vendors, or sell plants and vegetables to workers to make money. 	<ul style="list-style-type: none"> • Poor families do not have essential things at home (household tools, supplies) • Poor children whose parents cannot afford their school fees have to stay at home. Poor children whose parents do not have enough money to pay for their school on time so they have to pay late when the money comes in, and their children are criticized and laughed at by their classmates because of their late payment • Poor families' houses flood when it rains hard, and their low built houses get polluted. • Poor families do not have bikes for their children so they often arrive at school late. • Poor families do not have good food to eat, nice clothes to wear, and money for their medical treatments. • Poor families do not have good and stable electricity. 	<ul style="list-style-type: none"> • Poor children go to school less and have a limitation on their food • Poor families do not have money to spend. • Poor families do not have money for their children to eat their breakfasts out of the house. • Poor children go to school less and have little time to study at home. • Poor children do not receive much care from their parents, and their living environment is often unclean and uncomfortable. • Poor families do not have enough furniture and facilities, have a lack of food, and cannot afford their children's school fees.

Source: Children group discussions at monitoring sites, 7/2009

The poorest group often has particular difficulties, such as the elderly, single women, the disabled

Particular difficulties of the poorest groups of people prevented their lives from improving over the last year. This static poverty status was clearly demonstrated at the monitoring sites, especially in Hai Phong – where the common poverty line, which is outdated and applied in the context of inflation, makes the poverty rate here appear very low. In Lam Ha ward (Kien An, Hai Phong), there are 19 poor households, of which 12 households are single women, 9 households include disabled people, and 8 households include weak or elderly people. Lam Ha

Ward leaders commented, *"for the 19 current poor households in the ward, if loans are provided, they do not know what to do with them... just when their children grow up to work will they may get out of poverty, or just when the sick elderly in their families die."* Lam Ha Ward has 18 near poor households (consisting of 0.6% of the total households in the ward). These are also households with difficulties and whose families work as cyclo drivers, bricklayers, and small traders, and have many young children.

Increasing the poverty line results in many low income earners falling below the poverty line

In HCMC in 2009, the poverty line doubled, compared to the old poverty line. Thus, as well as the poor households with particular difficulties, the city has a considerable number of new poor households. These households include those with low incomes working in informal sectors such as small traders, simple construction workers, motorbike taxi drivers, retirees, those who are in poor health, war invalids, and civil servants without any supplementary income to their basic salary but with dependents. According to the core group of Ward 6, *"there are people who receive support from the government such as war invalids who could take care of themselves, but they have difficulties in taking care of their children, grandchildren, and/or wives. The number of these people accounts for 2-3%. The Ward has some teachers, two policemen, and four war invalids, and their families which all fall into the poor group"*. The local poor often concentrate in small lanes and isolated places without formal land ownership and stable jobs. Residential unit 27 in Ward 6, Go Vap district, is typical for the poor-concentrated places in urban areas (see Box 1).

Box 1: "Pagoda Village" in Ward 6 - where poor people assembled together

Beginning of 2007, when Ward 6 (Go Vap District, HCMC) was separated from Ward 17, Residential Quarter 27 (new) was formed by 30 households in Residential Quarter 161 and 30 households in Residential Quarter 162 (old). That that time, Residential Quarter 27 had 7 poor households according to the old poverty line (income under 6 million/person/year). In 2008, thanks to the poverty reduction fund's loans, the 7 poor households overcame their poverty. In 2009, when HCMC applied its new poverty line (income under 12 million/person/year), Quarter 27 became the quarter with highest rate of poverty in Ward 6 with 21 poor households (equivalent to 35% of the total households in the quarter); of which, there were 13 poor households with a yearly income under 8 million per capital and 8 poor households with a yearly income between 8-12 million per capital. All 7 households who overcame poverty according to the old poverty line have now become poor households based on the new poverty line.

All of these 21 poor households live within Quarter 162 (old). Before the liberation, this land was a military base. After the liberation, the land was sold with a cheap price to poor migrants or poor local people whose parents did not have land. Before 1990, a hundred m2 of land was sold with the amount of money equivalent to 100-200 grams of gold. A part of Quarter 27's land was given to Pho Chieu Pagoda. For many years, the current Buddhist monk at the time let 5-6 poor households who did not have land live temporarily on the land of the pagoda. Gradually, this part of land became these households' land for a long time. Therefore, this part of the Quarter 27's land has had most poor people for several years, and it is called "Pagoda Village".

The infrastructure of "Pagoda Village" has many difficulties. A part of a dirt road leading to the quarter is often muddy in the rain season. Most families use drilled well water because they do not have money to buy clean water. In the rain season, 2-3 households living in the low land next to a river are flooded. There are about two-thirds of the households with hand-written land paper. However, there are about one-third of the households with house and land ownership right's certificates ("red book").

Of the 21 poor households in "Pagoda Village", 3 households have the motorbike taxi occupation; 3 households plant morning glory vegetables in Green Park; 1 (one) household has elderly; 5

households sell sugar cane water (juice) and noodles at a gate of the park; and the rest are working as bricklayers, laborers, and motorbike taxi drivers. Because they are uneducated and lack skills, most poor households have uncertain jobs and unstable incomes. During the last financial crisis, street vendors and motorbike taxi drivers were also affected because of their fewer customers (workers got laid off). People's incomes were unchanged. For many days, they had only 30-50,000 thousand/person per day. Bricklayers or porters earned about 70-78,000 thousand per person per day, but their jobs were uncertain and depended on the weather. Households who plant morning glory vegetables in the park also have difficulties. During the rain, their vegetables get flooded and spoiled due to the rising water level of Vam Thuan River. If Green Park continues to be built, these households who plant morning glory vegetables will have a risk of unemployment.

These households have poor quality homes which were mainly made out of materials including iron roofs and bamboo walls or temporary brick walls without plaster. The largest house is 30-40 m², while the smallest one is 10m². The difficult households have no property and furniture except cookers and clothes.

Because they have low incomes and small children who are still at school, these households' lives are very difficult. In the past, poor families' children only finished primary or middle school. Because the ward and Quarter 27 paid much attention to the children, such as providing them with scholarships and helping them go to school, in 2008, the status of early-school drop-out was limited - 100% of children went to first grade when they reached school age.

To have appropriate support policies, HCMC divided the poor households into two groups

HCMC does not identify a separate near poor group, but the city has divided the poor group into 2 levels: income less than 8 million dong per year and income from 8-12 million dong per year. In Ward 6, of the 287 poor households with incomes below 12 million dong per year, 213 poor households have incomes less than 8 million dong per year and 74 poor households with incomes between 8-12 million dong per year. Like near poor households, 74 poor households with income from 8-12 million dong per year (accounting for 2.2% of total households in the ward) receive some support policy benefits – see subsection Social security benefits in Article 1.3 below.

Some people whose agriculture land was confiscated do not have a means to convert their livelihoods and fall under the poverty line

Kim Chung (Dong Anh, Hanoi), is a typical case of a suburban commune in transition due to the impact of industrialization. It has a large number of people whose agricultural land was taken away to build industrial parks and infrastructure. Most people received compensation to invest in building houses for migrant workers to rent, and some others changed their jobs to small businesses. Money earned from renting to migrants is the main source of income of wealthy households and average households in the commune. Most of the 117 poor households in the commune have particular difficulties, such as lack of land or capital to build houses to rent out. The whole commune has only four near poor households who live in Nhue Hamlet, which is quite far away from the centre of the commune, and these families work mainly in the field and have dependents (see Box 2).

Box 2: Renting and doing other services in Kim Chung Commune

Kim Chung (Dong Anh, Hanoi) located next to Noi Bai Highway is a typical case of a commune in transition from agriculture to industry, commerce, and services. Nearly 170 hectares of the commune's agricultural land were repossessed to build industrial parks and infrastructure, comprising of over 40% of total agricultural land area of the commune. People have used the compensation provided for agricultural land to build houses as rental properties to provide an alternative source of livelihoods. Small traders and services serving migrant workers also thrive.

The trend of building houses as rental properties has flourished since 2005 when Thang Long Industrial Park was expanded and attracted a significant number of migrant workers. Presently, the commune has over 20,000 migrants (twice as many as the local residents in the commune), of which, up to three-quarters of the workers are women. The commune has about 10,000 rooms for rent. Over 90% of the 876 households in Bau Hamlet, a central hamlet of the commune, have rooms for rent, and nearly 30% of them have small businesses. In comparison, Nhue Hamlet, which is located far away from the central commune, and still contains much agricultural land, has only about 25% of households with rooms for rent.

The average rental price of a 16m² room that could accommodate three to four workers is 300,000 dong per month. About 10% of rooms that cost more than 300,000 dong per month (from 450,000 to 500,000 dong) are for families to rent. If the average cost of rent per person is 150,000 dong per month, the local residents of Kim Chung Commune are gaining 3 billion dong in revenue each month from the rent of 20,000 migrant workers. Since the transition, the income of most people has substantially increased. Most households with three to four rooms and above for rent have an average to good income.

Of the total of over 2,300 local households in the commune, there are 117 poor households with specific difficulties (65 of 117 poor households are receiving social security benefits under Decree 67/CP) that have no rooms to rent out, are still farmers or small traders, go fishing for snails and crabs, and work in the informal sectors with unsecure incomes.

The gap between the rich and the poor in urban areas continues to widen

The 2009 survey shows that the gap between the rich and the poor continues to grow. Kim Chung Commune, for instance, has a clear contrast between the wealthy households with some dozens of rooms for rent and the poor households that have no rooms for rent and face particular difficulties, such as ill health and loneliness. According to Kim Chung Commune's leaders, *"the poor people here are truly extremely poor"* and *"the gap between the better-off and the poor is so big that it is a concern of the local government. Some people make five million dong per month from renting out their rooms, but some others may or may not earn as little as 50,000 dong per day"*.

1.2.2 Poor migrants

HCMC does consider people with long-term temporary residence living in stable houses in poverty screening

Migrants as temporary residents are usually overlooked in annual poverty screenings in urban areas. However, the poverty screening according to the new poverty line in HCMC that was brought in early 2009 does take into account some long-term temporary residents with stable houses as part of the official list of poverty in the city. Of the total 287 new poor households in Ward 6, there are about 30 households with long-term temporary residents. The leaders of Ward 6 commented that in order to be part of the poverty review migrants, *"must have stable homes or live in their relatives' homes with the proof of residential quarters. The review systems have been relaxed to include these long-term temporary residents who in previous years were not included in such reviews."* At the monitoring sites in Hanoi and Hai Phong, long-term temporary residents have not been reviewed to be included in the local poverty list.

Migration flows of labor are diversified but also selective

The migration flows of labour are diverse but they also are selective. Migrant groups from different walks of life often congregate at each monitoring location due to cultural customs of moving based on group and informal social relations. In Dong Anh, migrant workers mostly come from the northern and central provinces (from Nghe An in the centre to provinces in the north). In Go Vap, migrants mainly come from the provinces of Mekong River Delta and central provinces (from Thanh Hoa in the centre to provinces in the south). The diversity of origin of migrant workers in Go Vap is greater than that in Dong Anh. It was easier to meet with migrant workers from Hoa Binh, Vinh Phuc, Nam Dinh, or Ha Nam in Go Vap, but proved harder to find

a migrant worker from the Central Highland provinces or southern provinces in Dong Anh. Migrants in Hai Phong are classified as 'internal migration', meaning that their destinations are factories, enterprises, urban industrial parks, and their departure points mostly are suburban districts and some neighbouring provinces.

The poverty status of migrants is more serious when viewed in a "social inclusion" context.

According to the 2009 monitoring results, a migrant, even an enterprise worker or worker in the informal sector, has a monthly average income of 1.5 – 2 million dong – far beyond the monthly average income under the current poverty line. However, after subtracting the expenses associated with rent, electricity, water, and money remitted home, migrants have very limited budgets for food, groceries, and other basic items. Moreover, the poverty status of migrants is more serious when considered within the context of "social inclusion", i.e. the hardships they face in terms of loss of social relations and support networks, compared to poverty in terms of "income" or "expenditure".

Within the migrant workers group, there are groups with more difficulties

The monitoring results in Kim Chung Commune show that even within a migrant worker group a gap can exist between the workers with many difficulties and the workers with more favourable conditions. Stratification in vulnerable migrant workers can be classified into the five following groups.

Including people with young children

The first group includes all migrant workers who have families and young children. Of the 20,000 temporary residents in Kim Chung Commune, about 800 are families of migrant workers with young children. As they require private rooms for their families, workers in this group have to pay more in rent than the other workers who can share rooms. They also need to bring their parents or relatives in from the countryside to look after their children while they are at work. Some workers send their children to baby sitters in the form of "family children's groups". Wages of both the husband and wife are needed for their children and their relatives provide care for their children and help with housework. Life for a single-mother migrant worker is even more difficult.

... have dependent families in home provinces

The second group includes migrant workers who have poor families in the countryside dependent on their remittance for support. These workers substantially limit their own spending and live on poor quality food and in inadequate conditions in order to save money and send money home to their families to pay for the family's expenses and children's school fees in the countryside.

... work in informal sector after losing the job

The third group consists of migrant workers who had been made redundant from their previous employment in enterprises (due to the global financial crisis and other personal reasons) but try to stay in the cities by working in alternative informal employment as restaurant helpers or merchant vendors. However, it is hard for them to compete with local residents in this merchant vending occupation. This group is awaiting higher income employment opportunities in enterprises.

... study while working

The fourth group consists of migrant workers who work and study at the same time. During the day, they work in enterprises, and at night they study at vocational schools, intermediate schools, or colleges, with the hope of finding better jobs after graduating. Within the context of the global financial crisis in 2009, the number of workers studying and working at the same time increased. This group not only has to pay general living expenses but also have to pay costs associated with their studies and have little time off. Sometimes workers in this group turn to their parents at home for support for extra expenses.

... or are debt ridden or have alcohol or gambling addictions

The fifth group consists of migrant workers who are in debt, lack plans, and/or have addictions such as gambling and alcoholism.

1.3 THE CHALLENGES TO URBAN POVERTY REDUCTION

The 2008 report noted the challenges of inadequate infrastructure in areas where poor people live, the issues with local poor people and poor migrants in accessing social services and support, and the challenges of local governance in alleviating urban poverty. The 2009 report updates the aforementioned challenges at monitoring sites with a specific analytical focus on the limitations in the access to public services and social protection policies for poor people.

1.3.1 Infrastructure

Infrastructure in areas where the poor live has been improved considerably

... thanks to investment in transportation and electricity infrastructure

The State programs and investment projects completed in 2009 have considerably helped improve the infrastructural conditions at monitoring sites in peripheral urbanized areas, which are generally areas where poor people, both local poor people and migrants, congregate to live. However, to meet the minimum infrastructural needs of people, better management and synchronization of investments is required.

For example, Residential Quarter 30 in Lam Ha Ward has made a surprising leap in terms of improvements to roads and power networks after only one year. This poor quarter in 2008 was named "Island Village" with muddy roads and highly priced low quality electricity. But this quarter in 2009 investments have been made to build asphalted main roads and complete power network construction (see Box 3).

BOX 3: "Island village" is on the move

Prior to the year of 2008, Residential Quarter 30 in Lam Ha Ward (Kien An, Hai Phong) was known as "Island Village" because of its isolated location, poor infrastructure and resulting low land prices that attracted the poor to live there. By July, 2009, "Island Village" had made a surprising turn around. The district of Kien An built a new paved 800-metre long road (seven metres in width) running through Quarter 30. People were very excited about the road, and all households along the road voluntarily donated their land to widen the road. A complete power network project under construction in the quarter is due for completion by the end of 2009. Hopefully, this new power infrastructure will mean that the local people no longer have to put up with overpriced low quality power (1,800 dong per KWh). In addition, at the beginning of 2009, Lam Ha Ward equipped the quarter with a broadcasting speaker system to disseminate information to people.

Since the paved road was completed, travelling has been more convenient. Some households have opened stores along the road. The local women's union members have organized a system of sweeping the road weekly. The city's urban environment company sends a vehicle daily to the quarter to collect rubbish. The phenomenon of throwing rubbish onto the streets has vanished. Environmental hygiene has improved considerably. Since "Island Village" became an area of concern and received higher-level government infrastructural investment, the community has been more supportive of paying taxes and fees, community activities, support, and fundraising for unions.

Officials at the grassroots level and local people shared the following positive thoughts about the investment in the area:

--- "Over 20 households along the road voluntarily donated their land to build the road because they all wanted to have a nicer and wider road. Each household on average moved their properties back by 1m, equivalent to 5-10m² of land. Some households donated up to

20m² of land, equivalent to a large amount of money today (Core Group 30, Lam Ha ward).

--- "This year, the quarter has a new road. Thus, travelling is more convenient, and life has improved. Now people can transport the materials they acquire at work all the way to their houses. This did not happen in the past (the male poor group in Quarter 30, Lam Ha Ward).

--- "This year is much better because a rubbish trolley can come to every alley and house. Like people in other places, Quarter 30's inhabitants have to pay only 14,000 dong a month per household, and they often pay in full (Mr. N.N.C, Quarter 30, Lam Ha Ward).

... or in installation of clean water supply lines, and building cultural houses

In 2009, Kim Chung Commune (Dong Anh, Hanoi) invested in three two-floor hamlet cultural houses, upgraded internal village roads, and built three concrete inter-hamlet routes. Also in 2009, Ward 6 (Go Vap, HCMC) built tap water supply lines to households. Via this tap water supply system it is hoped to improve the safe water access to a majority of the remaining households who have not had safe water for many years.

But many aspects of infrastructure are poor, especially drainage systems

However, infrastructure at monitoring sites in many ways is still inadequate and has a serious impact on the daily lives of people living there. In the "Island Village", Lam Ha Ward, although roads, the electricity network, and water supply systems have been improved, the drainage system remains inadequate due to the broken Canh Hau Sewer (the main drainage for 2,000 households, 2 schools, 1 electricity station, and 50 enterprises is to the Lach Chay River) and a hamlet drain which continuously blocks in some areas causing significant flooding in heavy rain. The internal roads and alleys of "Island Village" are still very muddy. Also in this area, land ownership remains uncertain. Almost all people in the hamlet do not have certificates of land ownership rights (or "red books"). Land prices along the new road built in 2009 have doubled. People need more than ever to have certificates of land ownership. But in actuality it is very difficult for them to obtain a "red book" because most of them do not have the legal papers for their land and the costs or 'tax' associated with obtaining a "red book" is simply too high for them to pay. Some households have land that is part of the safety corridor of the hamlet dykes, which makes it even harder for them to acquire "red books". In Ward 6, even though the water supply system has been installed in each alley, some poor households have not installed water meters because of the incomplete paperwork for their houses or the fears they have of not being able to meet their monthly water payments. Thus, they continue to use drilled well water.

Land ownership of the poor is uncertain

High-priced electricity is a problem for migrants

Migrants who rent rooms from house owners continue to endure higher electricity prices. In Kim Chung and Lam Ha communes, migrants often pay prices from 1,500-2,000 dong/KWh. In Ward 6, migrants still have to pay up to 2,500-3,500 dong/KWh (the highest level of electricity prices) to house owners. The price of electricity in Lam Ha is a little bit less expensive mainly due to the smaller scale of the rented rooms there. Electricity prices in Kim Chung are less because, in 2006-2007, the Hanoi Electricity Company implemented a policy of installing electricity meters in individual rooms to reduce electricity costs for tenants (at that time some households had up to 10 electricity meters, however, subsequent new rooms built did not have separate meters). To implement the policy of "supporting migrant people in paying for electricity according to the regulated price of the State", HCMC Electricity Company, in 2009, is implementing a solution to increase the electricity consumption quota for the houses with migrants by a method of sharing electricity meters among tenants or signing contracts directly with tenants under the guarantee of the house owners. However, the implementation of these solutions is proving to be still very slow⁶ due to the procedural difficulties and the apprehensiveness of house owners.

6. "Trên địa bàn TP.HCM đã có 41 chủ nhà trọ ký bảo lãnh để 343 người lao động được trực tiếp mua điện. Và đây là những điểm sáng hiếm hoi." (nguồn: <http://www.nld.com.vn/20090506112236709POC1010/quyet-liet-dua-dien-dung-gia-den-cn.htm>, ngày 7/5/2009).

Infrastructure in transition communes has many limitations and is not keeping up with the rate of population increase

In the process of industrialization and urbanization, Kim Chung Commune, a typical commune in the transition area has many infrastructural limitations. Investment in the commune's infrastructure has been inadequate in relative to the sudden increase in population. This has resulted in infrastructure being overloaded and severely degraded. The number of migrants has reached 20,000, doubling the number of local residents in the commune. Although the commune has a water supply plant, people do not have clean water to use, and they still have to use drilled well water. The Northern Thang Long Industrial Park was built at a higher level than local people's houses and paddy fields and caused damage to the irrigational system. This has resulted in water stagnating and flooding 50 ha of the commune's paddy field, making it impossible to cultivate. In addition, when it rains hard, some hamlets, such as Bau Hamlet, usually flooded. During these floods, sewerage water mixes with dirty surface wastewater creating pollution. Residents all face the risk of air pollution and underground water pollution in residential areas near the industrial park.

Kim Chung Commune's local people and officials shared the flood situation with us as follows:

--- *"When it rains, the water level reached one's knees. Drainage systems cannot keep up with the rain flows. From one end of the hamlet to the other, only 5-10m of roads do not flood. The rest of the hamlet floods up to one's knees. Motorbikes get stuck, and people have to walk"* (local resident group discussions in Bau Hamlet, Kim Chung Commune).

--- *"Waste water here is very dangerous, often causing disease. Before the Northern Thang Long Industrial Park was constructed, water from rains went from higher lands to the lower ones before it poured into the river. Since the industrial park was finished, most drainage routes have been blocked. During the last rain, the water got clogged and poured onto the vacant land. Young rice could not grow in the flooded field, so no one could transplant their young rice. They reluctantly let green weeds grow. The water level could be two metres deep. The drainage system is very poor and dangerous"* (official group discussions in Kim Chung Commune)

Waste collection in peripheral areas is still a problem

The rubbish collection services in peripheral areas are still very poor because the city's Urban Environment Company does not service the outlying alleys and disconnected areas. Each locality has its own way to solve its rubbish problems. In Kim Chung, three cooperatives in three hamlets are assigned to collect rubbish from local people and bring it to the commune's temporary landfill. Approximately every two to three days, a truck from the city's Urban Environment Company comes to remove the rubbish. The large volume of long-term stagnant, decomposing rubbish creates pollution for residential quarters and a nearby medical centre. The wage for collecting rubbish is so low (about 1 million dong/month) that people are not interested in doing it. The rubbish collection fee, of 2,000 dong per person per month, is often slow to be collected or not fully received from all people. Many families give a false number of the total people living in their houses (e.g. 40 people may report a family of 50), making the rubbish collection cooperatives offset their losses in order to maintain their operations.

... relating to the difficulties in managing private rubbish collection services

In Ward 6, there are three types of rubbish collection systems working together: public environment companies who work on the main streets, private cooperatives and private groups (called "so thung" or "recycle bin owner") whose operations are in small alleys. The monthly rubbish collection fee in 2009 is 15,000 dong per household. This is an increase of 5,000 dong per/household compared to 2008. In addition, supplementary rubbish collection fees may apply during the Tet Holiday or when a family has excessive rubbish. Since the end of 2008, Go Vap District has had a policy of assigning an organization to collect the rubbish fees. Each ward is responsible for assigning its residential quarters to collect fees from people, but the policy implementation slow.

"Suspended plans" affect people's lives and psychological well-being

The suspension of construction plans for developments, "suspended plans", at monitoring sites, continues to affect the socio-economic development of the areas, general life, and psychological well-being of people. In mid 2009, there had been very little progress on these 'suspended

plans' since the 2008 monitoring. Planning of "cultural parks" in Ward 6 or planning of "Lam Ha Market" in Lam Ha Ward are typical examples. The leaders of Lam Ha Ward commented, "*Lam Ha Market is an investment by the city. More than ten years have passed and the market has not yet been implemented due to a lack of investment partners and complicated compensation... Every year the ward says, "striving to build Lam Ha Market". This year, we chose to take this plan out of the Ward's report because people are bored of hearing about it in speeches*".

1.3.2 Livelihood conversion

People reposed agricultural land have converted their occupation to renting rooms and providing services to migrants

Conversion of sustainable livelihoods is a very common theme emerging in peripheral urban localities in the process of industrialization and urbanization. After losing their agricultural land to make way for the building of industrial parks or construction of infrastructure and seeing many migrants seeking accommodation, people in these areas began to change their occupation from farming to building houses to rent and providing services for migrants. A career conversion trend has clearly formed. Bau Hamlet where 90% of households have houses with rooms for rent and nearly 30% households operating businesses that provide services for migrants is a typical example in Kim Chung Commune. Income that can be earned from rental houses is significant. For example, a family with four to five rooms can make a monthly income of 1.5 -2 million dong if a room is rented at a rate of 400,000 dong per month. Some families have dozens of rooms for rent.

Rental house owners and people serving migrants faced difficulties in the financial crisis

In the context of the global financial crisis, many migrant workers who have lost their jobs have returned home or moved to seek work elsewhere. As a result, in the first few months of 2009, rental house owners experienced a rapid decline in their rental incomes. In Kim Chung Commune, during the first three to four months of 2009, particularly during the month of the Tet Holiday, a large number of migrants who had lost their jobs, vacated their rooms, and returned home. Bau Hamlet (near the centre and market) had 20-30% of rooms empty. Nhue Hamlet (further from the centre) had 40-50% of rooms empty. Some rental house owners had to lower rental rates to 30-50,000 dong per room per month due to a glut in tenants seeking accommodation. Fortunately, this glut in tenants did not last too long. As of July 2009 when firms entered a recovery period, occupation of rental houses increased and room rental rates also increased by 10-20 %, compared to 2008. Broadly speaking, rental house owners provide services to migrant workers who are an increasing vulnerable target group due to the global financial crisis.

Local residents and grassroots officers shared their opinions about the difficulties for rental house owners in finding tenants during the crisis:

... "There have never been so few people as of the last Tet Holiday. Before the crisis, the streets were very crowded with workers, motorbikes had no way of being used, and people got used to calling Bau Hamlet "Bau Street". By the time of the Tet Holiday, the number of workers was reduced by one third "(An official group of Kim Chung Commune, Dong Anh district).

" ... During the time of the crisis, there was a time when one room was vacant, two rooms were vacant for almost a month. A room usually holds three to four people. But when the workers lost their jobs, the room may hold only one to two people. They asked for a rental reduction of 30-50,000 dong per room," (L.T.M, the owner of a house in Kim Chung Commune, Dong Anh District).

--- "A year ago, our 5-room house was fully occupied; then, only students stayed. The workers did not stay because they lost their jobs and had to either go home or look for jobs elsewhere. Recently, we have only two rooms rented and three rooms vacant because there has been no one looking for a room to rent and because the rooms have gone into disrepair. Since the workers did not rent the rooms, each month the family loses 600,000 dong in rent. The family

Just a few people in the areas where agricultural land has been confiscated are employed by enterprises

Poor households that have had their land confiscated and are unable to build rooms for rent, are now working in informal sectors making some of the most vulnerable

faces more difficulties. We had to reduce our expenses by way of shopping less, saving electricity and water..." (D.X.L, rental house owners in Lam Ha Ward, Kien An District).

Labour recruitment and continuity of using local labour whose agricultural land was confiscated to work in companies still poses problems. In Kim Chung Commune, very few people were employed to work in the factories in Northern Thang Long Industrial Park. The commune officials estimated that there were no more than 150 young people in Kim Chung working in the industrial park. This number of employees is very small, compared to the total of 9,000 local residents in the commune. It seems that local labourers from Kim Chung were discriminated against when applying for jobs in the industrial park because companies held prejudices against the commune's young people due to previous incidents in which young Kim Chung people had displayed poor attitudes and behaved badly towards other labourers and migrant workers. A motorbike taxi driver group in Kim Chung said, *"One rotten apple spoils the barrel. People have individual characters. But some youngsters did lead a group to fight against others, and this has affected the reputation of all of Kim Chung's young people. So, these young men now have a hard time to get jobs in Northern Thang Long Industrial Park."*

Without much residential land or capital to build rooms for rent, poor families whose agricultural land was lost have become the most vulnerable people in the peripheral urbanized areas. Many people have had to work in jobs without secure income such as street vendors, motorbike taxi drivers, cattle farmers, crab and snail fishers, or bricklayers and so on. Some poor households still plant rice on the areas which have not been taken away, but the work is also difficult due to a failing irrigational network as a result of construction in the area (Box 4).

BOX 4: Difficulties of households with agricultural land confiscation

By visiting Mrs. H.T.H in Bau Hamlet, Kim Chung Commune (Dong Anh, Hanoi), one can gain a greater understanding of the difficulties endured by a poor family that has had its agricultural land confiscated. Currently, there are 12 people in Ms. H's family living under the same tiled roof of a 3-section-poor quality house. The family had 1,080 m² of agricultural land that was located in the path of the area designated to build the industrial park. After the land was confiscated, the family received compensation of 36 million dong. They used this money to invest in a grapefruit orchard. After the orchard was complete, the family expected to earn 2 million dong per month. Unfortunately, the orchard flooded. Mrs. H said that the orchard flooded because of blocked drainage systems preventing rainwater from getting through and thus causing it to stagnate in the orchard. The grapefruit trees absorbed too much water and could no longer come into flower. Mrs. H wanted to raise domestic animals, but the family had no money to invest, and feared the spread of disease. The family does not have money to invest in building rooms to rent and nor do they now have enough land to allocate to building rental rooms.

Presently, the oldest son of the family sells breakfasts in the morning and some small items on streets during the rest of the day. Mrs. H's husband takes care of their cattle, the garden, and the grandchildren. The youngest son has had to drop out of high school because of his gastritis and the family has spent much money on his medical treatment. This son has applied for a job in the industrial park eight times, but his application was refused every time. He now works in a bicycle repair shop and sells tea from home. The second son's wife used to sell bread on streets. But she is now at home and expecting a baby. The family's daughter got married and moved away from home, but now both she and her husband have returned home to live with her parents. The family's bride and groom who only had middle school education have had a hard time trying to find jobs.

Daily spending is the family's concern. To save money, all 12 people of the family only spend 30,000 dong per meal, and they do not eat breakfast. When a wedding or funeral happens, they have to borrow money. Mrs. H is very concerned about the current life of her family

because everything is uncertain. The children do not have stable jobs while her elderly husband is weak and the youngest son has gastritis, which requires money for medical treatment. Mrs. H has to take care of the housework and expenses for the family. She often feels exhausted.

As the family's members are mainly street vendors and workers in the informal sector, they have also been affected indirectly by the economic crisis. Mrs. H said, *"We were affected by the economic crisis in early months of the year, more workers got laid off. Street vendors could not make enough money to make a living. At that time life was too hard, and I felt I could not continue living because we did not have any source of income for the family's expenses."*

Improving infrastructure without consideration of livelihoods has not helped people get out of poverty

In Residential Quarter 30, Lam Ha Ward (Kien An, Hai Phong), a new and beautiful paved road, finished in 2009, provides little comfort for the quarter's cyclo drivers, the main occupation of most households. Riding cyclos is a traditional occupation in the quarter. In the early 90s, cyclos were used to transport bricks, but in the late 90s they were used to transport passengers. In recent years, cyclos have been used to transport construction materials and recyclable junk. Both wives and husbands of about 20 households are cyclo drivers. Life has been more difficult for them as their work dwindles due to competition from other transportation vehicles. Cyclos are banned during daytime in the city, forcing cyclo drivers to go to the city at night. Working in the city at night is a tough job for cyclo drivers. The improved infrastructure of Quarter 30 has not so far helped the people of this quarter to get out of poverty because the economic transition is a challenging puzzle for the old, the uneducated, and the unskilled.

The policy of supporting the poor in changing their self-modified vehicles is hard to implement

In Go Vap District, when a decision to ban self-modified three to four -wheeled motor vehicles was implemented, a support policy to help the poor owners of these vehicles move on to another career such as truck driving was concurrently issued. Each person who makes a living by driving these vehicles is entitled to a grant of seven million dong, and a preferential loan of 30 million dong from the district's poverty support fund, and may borrow further money from the Vietnam Social Policy bank. Of the 600 households with self-modified vehicles in Go Vap, 90 households are considered poor. Up to July, 2009, only three applications to buy lightweight trucks had been completed. In reality, poor people are not qualified to drive trucks (they are older and do not have drivers' licenses), so they have moved to occupations such as being motorbike taxi drivers.

Very few poor people access the vocational training support policy

Policies supporting access to vocational training for poor people to convert their livelihoods have been implemented widely. But in reality very few people access these supports. Go Vap District annually receives a grant of 50 million dong to support poor households to receive vocational training. This allocation of money has hardly been used because only a few households participate in vocational training programs. Hanoi established a "support fund to stabilize life, learning, vocational training, and employment for households whose agricultural land was confiscated." This fund is applicable to those who had over 30% of their agricultural land confiscated after 1 July, 2008. The support for vocational training is a maximum of six million dong per person. In addition, the city supports insurance for people over retirement age and gives aid to the elderly and the single in difficult circumstances. In order to receive support, people have to submit to the city a letter of acceptance of the confiscation of their agricultural land, the certification of the confiscated area, the proportion of the land confiscated, and the time of confiscation. Many households had lost the necessary documentation mentioned and commune's officials do not keep copies of the papers either (due to the changes in personnel). In addition, some other papers, such as a birth certificate and a certificate from a vocational training centre are needed to submit to the city to access support. A survey indicated that very few people were going to the vocational training centres, and people found it difficult to compile a complete package of necessary papers to access the support. Moreover, in reality,

people in Kim Chung Commune had had their agricultural land confiscated prior to July 2008, and are thus not entitled to this policy.

1.3.3 Social capital

Social capital is very important to the poor

Besides the commonly faced difficulties in relation to human resource and physical assets, the local poor people and the poor migrants still have further difficulties in terms of "social capital", that is, their relationships and networks, and the official and non-official groups, and social organizations in which the poor participate. Social capital support for the poor is often seen as an effective means to provide opportunities to better their lives and help them respond to risks and shocks more effectively.

The poor are often afraid of contact with people in better financial positions and expressing their opinions

Local poor people: Generally speaking, local poor people in urban areas lack social relationships. Often they are afraid of contact with other people in financially better positions. Differences in education, incomes, and social positions further augment this division between rich and poor and an invisible wall is formed. The worries over the poor focus on basic needs: "cooked rice, clothes, uncooked rice, and money", they have little time for to participate in community activities. Except for issues, which have a direct impact on their lives, the poor are unlikely to offer their opinions or make comments during public meetings. In rural areas, like Kim Chung, which are in the process of urbanization, the lifestyle of a hamlet and commune is gradually being replaced by an urban lifestyle of isolation ("one just knows ones own home"). People used to meet and discuss stories about their crops, and when the harvest came; they all went to the paddy fields together. Things are different now and rental rooms have replaced the paddy fields. Incomes are increasing and in turn every house has a "closed gated and high walled" façade.

Poor people in Kim Chung Commune shared their community relations as follows:

When they are cared and supported, the poor can actively participate in community activities

--- *"In the past, the feelings of village neighbours were more unified than they are now. People were poor but friendly, and now they are rich but unfriendly. I am afraid of visiting the rich because someone may say that I just wanted to make friends with the rich"* (small trade group in Bau village).

--- *"During difficult times, the poor do not have money for us to borrow. The fastest way to acquire money is to borrow from someone with high interest rates. We are afraid of borrowing money from the rich because they may say that we are not able to repay the loans"* (poor rural women group in Bau village).

The roles of residential units and residential quarters are becoming more important as the poverty line increased

The poor in Go Vap are supported reasonably well by the local government, departments, organizations, and unions in terms of preferential loans, house renovation, and children's scholarships. During difficult times, these poor people may receive extra support from the voluntary fundraising of organizations and unions. In Go Vap, there are many examples of the poor receiving care and support; and then, they enthusiastically participate in social work in the community (Box 5).

In 2009, HCMC doubled the poverty line, the number of poor households therefore suddenly increased. For instance, in 2007, Ward 6 had 40 poor households according to the old poverty line. In 2008 there was no poor household in the ward. However, in 2009 after the new poverty line was applied, the number of poor households increased to 297. Staff working on poverty reduction management from the ward and local departments have not been able to keep up with the increase in poor households in terms monitoring and support. This monitoring and support work has been transferred to the residential quarters of the district. The roles of residential quarters in urban areas are becoming increasingly important, and these quarters should provide a strong position for the poor to help themselves.

BOX 5: Poor single women actively participating in social activities

Mrs. L.T.L in Residential Quarter 4, Ward 6 (Go Vap, HCMC), a poor woman, enthusiastically participates in social work. She currently lives with her two children: the older one is a 20-year-old son who has a job, and the other is a 17-year-old daughter in Grade 12. Mrs. L.T.L's husband left her with a 3-year-old girl and a debt of dozens of million dong. Ten years ago, due to an accident, Mrs. L.T.L had five operations that have affected her health and increased her current debts. In 2007 she tried to invest in cricket farming but she did not succeed because she had to dedicate much time to her to take her daughter who was in hospital. In February 2009, her son had an accident in which he ran into a pedestrian, so she had to pay the hospital and other high expenses related with this incident.

She said, *"I have been enthusiastically helped by many. In 2004, the house was in serious disrepair, so people told me to write an application proving the house was leaking to seek support. My application gained me seven million dong, the districts' Labor Union gave me 3 million in support and, neighbours and friends helped me with 2 millions, and I received a loan of 10 million from the poverty reduction fund which enabled me to repair the roof and add a loft for my children to live in."* In 2008, aware of her difficult circumstances, the unit commissioners advised her to build a separate room to rent. The ward provided support of 3 million dong, a total loan of 10 million, the unit commissioners supported 4.9 million dong, and a group of local people helped her out with 500,000 dong and one individual with 1.5 million, and her first tenant paid the rent in advance of 7 million dong, and she borrowed the remainder of 30 million dong that it cost to build the separate rooms. After which, she had two rooms for rent, better living situation herself, with some savings to gradually make repayments.

Her life is full of changes and obstacles. The support of the local government, unions, and community has helped her to overcome her situation and become an active role model the community. Although it is hard for her to make a living, Mrs. L.T.L is still involved as vice leader of Residential Unit 4 and vice leader of Residential Quarter 27. She was elected to be a committee member of the residential unit. She attends almost every activity in the neighbourhood, from the activities of the children to activities of the elderly. In addition, she plays an important community role to apprehend and arrest thieves and robbers.

When asked about her current aspirations, Mrs. L.T.L stated, *"My wish is for my children's good health and success. When they are healthy, they can do anything"*. She encourages her children to actively participate in social activities. She shared, *"I had many difficulties in the past, and people helped me so much. I told my children to participate in activities to help those who helped us."*

Migrants often rely on informal social networks with co-workers roommates

Migrants in major cities often rely on informal social networks with roommates, and co-workers to find job opportunities and support. The integration of migrants into the communities where they rent rooms is limited. Residential quarters' officials rarely invite these migrants to join in community activities. Some local people also have a discriminatory attitude towards the poor migrants and do not want to communicate with them.

Migrants have limitations on their social development in the cities

The poor cultural life based on a daily schedule of "working, sleeping, and chatting" is common in migrant groups. Through interviews, many migrants in Go Vap District have not been in District 1, the central district of the city, for five to six years. Both recent migrants and migrants living in the city for longer periods consider themselves "tenants of the city," narrowing their social relations with nearby communities. Some migrants frequently move between different jobs and accommodation situations or in hope of finding a higher income. In the context of employment insecurity since the end of 2008, migrant workers have also been significantly limiting their spending in order to save money and send money home. This is likely to also be an important reason for migrant workers to lack participation in cultural – social activities.

Poverty in terms of culture, lifestyle needs to specifically considered

When discussing the poverty status in Kim Chung Commune leaders of Dong Anh District (Hanoi) suggested that it is necessary to not only pay attention to the “economic poverty” of local people and migrant workers but also to their “cultural and lifestyle poverty”. Officials and local people in Kim Chung often mentioned the “three no’s” of migrant workers in the area: no mass organizations, no cultural activities, and no community.

In areas with many migrants, there are several critical culture and lifestyle issues

Critical issues in culture and lifestyle in Kim Chung Commune include the degradation of community customs as people change their occupations from being farmers to being landlords. The mix of living habits and behaviours of tens of thousands of people from dozens of different provinces assembling together is of concern in terms of security, order, and degradation of traditional community customs. Specific issues of concern included rebellious children, educational drop-out, gambling, drug addiction; increase in divorces; limited knowledge of the labour laws, reproductive health, and levels of HIV/AIDS in the worker group; alarming abortion rates in female worker groups and risks of increasing prostitution and human trafficking. As they lack skills, capital, understanding, and social relations, young workers, mostly female, working in companies such as garment, footwear, and electronic assembly, find it particularly hard to maintain a healthy living standard in the city when they faced with the global financial crisis and lose their jobs. Overcoming the limitations of culture and lifestyle in areas in the process of industrialization and urbanization like Kim Chung is a huge challenge which needs to be studied more carefully in order to develop appropriate policies and measures for the years to come⁷.

1.3.4 Access to public services

Access to public services is very important to the poor

The 2008 urban poverty survey noted some limitations and disadvantages of the poor in accessing social services and policies of support, as well as, some challenges of local governance in reducing urban poverty. The 2009 urban poverty survey more thoroughly analysed the access to public services of the poor, including migrants and local people.

Urban poor people are very concerned about their children's education

Education has been a priority for people at the monitoring sites. While being interviewed, the majority of urban poor people expressed their determination to help their children study to the highest possible level even if they have to borrow money or sell their assets to cover study costs. One of the main purposes of the workers migrating to cities is to send money home to cover study costs for their offspring.

Mobilization of children as they commence school is quite successful, even with children of migrants

The enrolment of children as they come of school age is conducted well by local governments. All children, regardless of whether they are children with permanent residence or migrant children, receive the attention of schools, unions, and officials of residential units/quarters when they reach first grade age. Procedures for school admission for migrant children are relatively simple. They just need a birth certificate and a temporary residence certificate certified by the local authority.

--- *“To encourage and mobilize children to go to school is a joy, no need to know whether they are migrant children or urban children”* (School teachers in Hoang Van Thu School, Ward 6).

--- *“Two months before the summer vacation, residential units screen households to see if they have any children at school age and help them to go to school when a new academic year starts. The units try not to let any children of school age stay home”* (core group of Residential Unit 27, Ward 6).

Overloaded schools are affecting the opportunities for migrant children to attend school

The most pressing current issue in education at monitoring sites is that schools are overloaded. As the rate at which schools have been constructed has not kept up with the high population growth rates in recent years in urbanizing areas, the opportunities for migrant children to attend public schools has reduced. The academic year of 2009-2010, is likely to be a particularly difficult

7. See report “Impacts of economic – financial crisis on female migrant workers and risks on human trafficking” of C&D Center and ActionAid, July 2009.

one because there is an expected increase in the number of students due to commence grade 1. This increase is occurring as 2003, as the year of goat or "golden goat" was a popular year to have children and these children reach their school age in 2009. In Go Vap District, schools must develop a plan to limit the boarding classes and increase regular classes (either in the morning or afternoon) in order to create conditions for all children, including migrant children, to go to school.

Problems arise in kindergarten and primary school for migrant children in areas with many migrants

Kim Chung (Dong Anh, Hanoi) is a typical commune with overloaded kindergartens due to an increase in the number of migrant workers' children. All three hamlets of Kim Chung Commune have separate kindergartens which were built soundly but do not meet the national standards because the number of students per class is too high. The kindergarten of Bau Hamlet alone had nearly 700 children in 2009. As there were so many children in the hamlet, teachers of the kindergarten only accepted migrant children after all local children had a place in school. The lack of classes does not only occur in the kindergarten but also in the primary school. Kim Chung Primary School is borrowing the hamlet's cultural house to provide more classrooms. In the coming years the number of primary school students will rapidly as the workers' children finish kindergarten and move up to primary school primary education. Aware of the difficulties in Kim Chung Commune, the education department of Dong Anh District had a plan to build more classrooms for the kindergarten and primary school to address the problem of limited classrooms for migrant children. However as of the middle of 2009, there has been no progress in the implementation of this plan.

Education in non-public schools is one solution for migrant children, but the quality of these schools needs to be improved

A popular solution for migrant children to receive education is to attend non-public schools. However, the quality of preschool education in non-public schools is of concern. Lam Ha Ward (Kien An, Hai Phong) has currently had many private kindergartens and "family children groups" which charge 30% in fees for a child than that of public facilities. At these private kindergartens there is flexibility for parents to drop off or pick up their children. Tuitions and other expenses for a child are also flexible (e.g. if a child stays at home for over 10 days, the parents will be refunded one-third of tuition fees and meals calculated on the actual attendance of the child). In contrast, these private kindergartens also have many disadvantages in terms of cramped classrooms (16-20m²) and limited space for children to do exercise and play outdoors. The "family children groups" manage children without any classification of their age. Some facilities tend to "keep children" more than to "teach children". There are eight private kindergartens registered in Lam Ha Ward. But none of the "family children groups" have been registered with or had quality management certification from the education department of the district. Leaders of Huong Sen Public Kindergartens commented: "The education department can only check the quality of expertise but not nutrition or quality of meals."

Community classes are held for children with difficulties, and migrant children who are too old for regular schools, but have learning needs

Children with disadvantages or too old to attend regular schools can attend community classes. Ward 6 (Go Vap, HCMC) has been implementing these classes effectively. Most students in community class in Ward 6 are poor migrant children. They are given priority for support from primary schools, temples, philanthropists, and programs of ActionAid. This support includes free tuition and other associated costs, textbooks and notebooks, learning tools, organization of field trips during summer breaks, scholarships, and free health insurance cards. However, the attention for learning and dedication to study of many of the children attending community education classes is usually limited because most of them are attending these classes whilst also selling lottery tickets or working in informal sectors to help their family

--- "In the school year 2008-2009, there were 116 students, mostly children from rental houses and only 20 local students, in Hoang Van Thu Popularized Primary School. The location of classrooms was in Ky Quang Pagoda because there were more rooms in this pagoda and teachers came from the school. There was no discrimination against popularized schools. Teachers may come from other schools where they were working, or they may be selected from many other teachers. If a teacher's quality of teaching does not meet the school's teaching standards, they may be laid off. Students are given the opportunity to have the best classes and teachers. In the early academic year of 2008-2009 they were given many things, including

textbooks, notebooks, and tuition. AAV bought health insurance for students in popularized classes. The school also hired foreign teachers to teach English three times per week, from 2.00 P.M. to 4.30 P.M. On June, 1st, students will go on a trip for free."

"... Even though they received such support, the level of students' diligence to their studies was not high. In some cases, children were lazy, but in some other cases children's parents did not let them go to school because they wanted their children to work and make money to help the family. These cases happened mainly in migrant families who come from the provinces in the west of HCMC and have poor parents working in informal sectors. Sometimes at the beginning of the year, unions coordinated with each other to mobilize about 200 children to go to school, but by the end of the year, there were only about 100 children who still attended the school." (Mrs. N.H.H, Hoang Van Thu School, Ward 6).

Most people prefer to bypass ward level medical centres in and seek medical treatment at district or city level

Health is a serious concern of the poor because it is their most precious capital and means of income. Skipping the ward/commune medical centre level to seek medical advice and examination at a higher level is quite common. When interviewed, most urban residents said they often used the medical services in hospitals of a district or city, or in visited private clinics rather than using medical services offered in wards/communes. In these situations it is finances and networks and contacts that make the difference as to whether a family gets examined and/or treated.

The number of people buying voluntary health insurance has increased

The number of people buying voluntary health insurance has increased dramatically in 2009, compared to 2008 due to improvements in of health insurance purchasing policies (individual policies can now be purchased, instead of only family policies) and the high medical treatment costs which people faced when they did not have medical insurance. Nevertheless, people are primarily interested in buying health insurance for their family members who are frequently sick or are aging to lessen the cost of long-term treatment in a hospital. Women's union staff who are in charge of Lam Ha Ward's health insurance said, "*Ha Lam Ward, in 2008, had 212 people buying voluntary health insurance, but in the first six months of 2009 the ward had 268 purchasers who were mainly the people with some kind of disease*".

Hospitals at district and city are overloaded, people with health insurance cards complained about the services they receive

Hospitals at district and city levels are overloaded with patients. People with health insurance cards often complain about the poor customer service attitudes and the long waiting times. The overloaded status of these hospitals is becoming more and more serious, resulting in poor patient care. From July 1, 2009, health insurance laws specify that people with health insurance cards should initially register for medical treatment at District or ward/commune level. If not improved, overloaded hospitals will turn people off purchasing voluntary health insurance.

--- "*I bought a health insurance card this year, but next year I will not buy anymore. I went to the hospital three times, but I had to wait for almost a half of the day. Pills did not help. Like me, people who bought health insurance had to wait at least three hours, meeting with the doctor and telling the doctor what he asked for a long time, then being sent for blood tests which they receive the results in the afternoon or in the next 2-3 days. If medicine is free, we wait and our turn doesn't come until the next morning... it is a pain to have health insurance even though we were in the right line for examination* (N.T.S, a poor man in Quarter 25, Ward 6, Go Vap District).

Patients who go to commune medical centres are mainly children and the elderly with health insurance

Patients who go to the ward's medical centre are mainly children and elderly with health insurance cards. In Kim Chung Commune (Dong Anh, Hanoi), local people highly appreciate the facilities and quality of medical examination they receive in the commune's medical centre. The number of visiting patients is quite remarkable (an average of about 40 patients per shift).

Very few people in urban areas, including the poor, go to the medical centres at ward level. Lack of facilities is an important reason that makes people not to trust a ward's medical centre despite the presence of a doctor. The medical centre in Lam Ha Ward (Kien An, Hai Phong) has borrowed the cultural house from a residential unit to set up the facility (even though the ward has been divided since 2005). The medical centre has a bed but not a private room or toilet. Due to a lack of equipment, the centre is limited to providing patients with first-aid treatment, so the centre's main purpose is to implement immunization programs for children under the

Very few people visit the ward level medical centres because of poor quality facilities

age of six. The medical centre in Ward 6 (Go Vap, HCMC) still shares its office with the medical centre of Ward 17 in a cramped area although employee and equipment have been divided since the two wards were split in early 2007. The number of people who visit the centre in Ward 6 is about 40 patients per month.

Migrants working in informal sectors are not yet interested in health insurance

Most migrant workers working in informal sectors do not buy health insurance. When they are sick, they just go to a pharmacy. When they have a more serious disease, they often go to a hospital for medical examination and treatment services according to their needs, or go home. In Ward 6, because of the low medical examination fees, only 3,000 dong per visit, about half of the 40 people visiting the ward's medical centre every month are poor migrants who live nearby. The rest of the ward's visitors are local children with medical insurance. Procedures for free examination and treatment for migrant children under the age of 6 in the ward's medical centre are still difficult. Every year the centre offers two free clinics for the poor and the elderly to receive free medical examinations, but the number of visitors each time is limited to only 70-80, so the medical centre has to give priority to the local people.

--- *"At present, free examinations for children under 6 years old are mainly for local children. Since June, 2008, migrant children have had difficulties because they have to get examined in the place where they are registered on the cards. This has made it difficult for migrant children whose health insurance cards were issued in their home provinces. Migrant people can change their children's cards at the ward's government office, but they rarely go there because they are afraid of dealing with wards'/communes' procedures ... "*

--- *"... Patients do not seem to believe in the medical centre. They skip the ward's medical centre level for the higher level. In many cases, patients did not want to get free drugs I give because they say inexpensive drugs do not heal. In the periodic free medical examinations, a large number of patients are usually poor people, especially the poor migrants who rent houses. We just charged them 3,000 dong per visit. Most of them did not buy drugs because they did not want to pay for prescription of 5-7 days. They only took drug for one day and said they were cored." (Mrs. P.B.T, Medical Centre's Staff Member in Ward 6).*

Migrant workers who often change jobs are not interested in social and health insurance

Migrant workers who have formal contracts with foreign investment enterprises, state-owned enterprises, or large private enterprises are allowed to buy health insurance in hospitals in a district or city. However, due to the distance to hospitals, most workers just buy medications from their local pharmacies because it is more convenient. Workers working in small-scaled private enterprises tend to change their jobs frequently and are less interested in health insurance and social insurance.

There is a low demand for loans amongst the officially poor households

Loans. The access of the local poor and poor migrants to preferential loans depends on the implementation of the support programs in each area. In Lam Ha Ward, there is a low demand for loans amongst the officially poor households. Only 1/19 of the ward's poor households borrow preferential loans to buy household appliances and to pay for living costs. Migrants are not included on the official poor household list, so they are not able to access the preferential loan and other support programs for the poor.

HCMC divided the poor into two groups with different preferential credit policies

In Kim Chung Commune, the poor can borrow loans from a variety of sources, such as from credit funds of the commune or from the local Social Policy Bank. Loans are often used to raise domestic animals or change to a new crop (they mainly change from rice to Dien Grapefruits or from rice to vegetables to meet migrant workers' needs). In addition, many households also use loans to build houses for rent.

In Go Vap, most poor people with "codes" are entitled to borrow preferential loans from a variety of sources. Since early 2009, after increasing the poverty line to 12 million dong/person/year in urban areas, HCMC divided the poor into two entitlement groups : households with an income less than 8 million dong/person/year are entitled to borrow loans from the poverty reduction fund and receive 100% subsidized medical insurance, and the households with a yearly averaged income from 8 to 12 million dong per person can borrow loans from the Social Policy Bank and

There are several sources of loans, which the poor can borrow

get 50% subsidized health insurance (this is similar to policies for access to support for near-poor households in other localities). Due to the hard and dedicated staff from ward's poverty reduction team and genuine support from the residential quarters, departments, and unions, the poor here have been able to have effective access to the preferential loans.

Developing group activities increase social capital for the poor

Developing self-help or credit saving groups is a way to strengthen social capital for the poor. The access to loans should be considered an integrated benefit alongside many other opportunities to raise awareness and share with community when group's activities are implemented. Groups for local people and migrants in Go Vap District, in which some activities received the support of ActionAid Program, have been gradually developing (Table 5). Some female migrants who have borrowed loans in this way are now having less difficulty than they might otherwise because they did not have to borrow loans at high interest rates and had more capital for their businesses (Box 6). However, the number of these people benefitting from this model is still small. Managing groups is still difficult for most groups and migrant clubs because some people often change their accommodation, generating risks in collecting loans.

BOX 6: Female migrants borrow loans

Mrs. H.T.C, born in 1961 in Quang Ngai, moved to HCMC over 10 years ago for her career. Because they did not have stable jobs when they first arrived, Mrs. H.T.C, her husband, and their 5 children had many difficult times. The family's main source of income is from selling soy bean milk and boiled half hatched duck eggs with the working capital of about 300,000 dong. As the family has a small business, many dependents, children at school age, the family "only has poor food to eat, and no food from time to time". Mrs. H.T.C frequently has to borrow money at high interest rates to cover the family's living costs.

Knowing her family's difficult circumstances, the management board of AAV Development Program of Go Vap District, together with the Women's Union, invited Mrs. C to join a credit saving group for poor female migrants. After being a member of the group, Mrs. C was entitled to borrow a 1.5-2 million-dong loan with a 3-month term and an interest rate of 1.5%. According to the group's regulation, principle and interest will be collected and given to the group's leader daily, with a norm from 20,000 to 30,000 dong per day. In addition, women are encouraged to save money from 2,000 to 10,000 dong per day in their bank savings account depending on the income of each of the family's members. Thanks to the loans borrowed from the credit saving project, which was supported by AAV, the life of Mrs. C's family has improved.

Unions can help the poor through community credit group

Associations and unions, such as the Women's Union, also organize contributions to their fund in order to provide rotating loans. The source of capital from this program is small, but poor women and non-poor women with or without permanent residence can borrow money to help their businesses and raise their domestic animals. For example, Residential Quarter 30, Lam Ha Ward (Kien An, Hai Phong), in 2008, established the group "women helping each other do business" which included the participation of 50 women, who each donated 10,000 dong per month. The number of the group's participants in 2009 increased to 80, which consists of almost all the members of the women's union in the residential quarter (including women with or without permanent residence). The amount of money contributed to the fund has also increased over the last year to 20,000 dong per month. Each time, the group provided 2-3 women with a one million dong loan with a 6-month term and an interest rate of 1% per month. Concerns about the need for investment in infrastructure for Quarter 30 in 2009 also contributed to the promoting such group movements.

Policies to provide loans to poor students are useful

The program for students from poor families, near-poor families, and families with difficulties to borrow preferential loans continues to be utilised widely in 2009, and it has been highly appreciated by people. At monitoring sites, in cases in which, poor households were trying to help their children go to university, the loan they borrowed from the student program really helped. People feel more comfortable with these types of loans because they can use the money flexibly and are not under pressure to make their repayments in a short time.

Table 5: Some group models in Ward 6 (Go Vap, HCMC)

	Poverty reduction self-managed group (To tu quan giam ngheo)	"Self-help" Club (CLB Vuon len)	"Self-motivation" Club (CLB Vuot kho)	"Empathy" Club (CLB Dong cam)	Community Development Club (CLB phat trien cong dong)
Participants	All poor households with codes	Migrant women, poor women: 15 female members	Migrant workers: 18 female members	Mothers with drug addicted children: 6 members	Groups living in the community
Supporting source	City's poverty reduction fund	AAV	AAV	District's Women's Union	AAV
Operation models	Providing loans	Organizing groups, group meeting periodically once a month	Organizing groups, group meeting periodically once a month. Organizing training courses, Organizing a singing contest "workers' singing voice"	Organizing groups, thematic meetings once a month	Group meeting periodically once a month. Solving pressing issues presented by or given by groups, Budget analysis
Economic benefits	Poor households receive care and benefits of health and education. Receive support in reducing difficulties and improving life		Give Tet gifts to workers Provide supporting in school fees, clothes, textbooks and notebooks for children and siblings of the club members.		
Social benefits		Disseminate policies and laws. Sharing, and spiritual/psychological support	Increased awareness of workers Receive life-skills training in terms of raising and organising a family. Reducing the risk of family violence	Sharing information among members. Dissemination of knowledge about caring for HIV infected people with	Help leaders of the ward understand and solve pressing issues of the community
Disadvantages	Some poor households develop a lazy dependence: when their living standard improves they do not necessarily support the program; Many households refuse to pay back their loans even when they have high incomes	Activities are mainly heavy labour; Meetings and activities are irregular.	Meetings and activities are irregular. Members often change their accommodation situations so move on. Number of total members varies greatly	Few participants, No budget to maintain activities. Hard to get the group together the meet.	
Advantages	Self-managed groups coordinate closely with the poverty reduction board of the commune, to submit timely proposals to help poor households	Receives support in a group operating budget, Confident women sharing information.	Easy to call upon each other to participate because members live near each other		Frequently disseminate information on local government's policies to local people

Source: Go Vap District's AAV Project Management Board, 7/2009

Administrative procedures at ward/commune level are well implemented

Administrative procedures. As in 2008, local people were satisfied with the administrative procedures at the ward/commune level in 2009. Wards and communes still organized the "one-door service" well for people. Lam Ha Ward (Kien An, Hai Phong) and Ward 6 (Go Vap, Ho Chi Minh City) have been split for some years. So, the population of each ward has significantly reduced, compared to that of the ward before the split, making it easier for people to accomplish administrative tasks.

Lack of office space can be a problem for administrators

Lam Ha Ward does not have its own administrative office. The ward borrows the small cultural house of a residential unit and rents a cramped house from local people. This makes it difficult for the ward to find a reception room, sufficient workplaces for the staff, and an archival area.

The temporary registration book ("green book") has many effects, such as helping children go to school, and in purchasing health insurance

Migrant people generally do not undertake many administrative procedures. They mainly declare their temporary residence and temporary absence through their landlords. Previously, after their first registration, people had to register their temporary residence (Yellow Book) again every six months. But from the beginning of 2009, HCMC has allowed migrants to register for a new long-term temporary residence (Blue Book). People can use their Blue Books as a "family register" to undertake required administrative procedures in geographical areas, such as school admission procedures for children, the purchasing of health insurance cards (the Blue Book does is no applicable when purchasing valuable property). This is really a favourable policy for migrants.

--- *"The Blue Book can help children go to school, and children need enough papers when they go to school. The Blue Book does not have any effect on vehicle purchases, and we still have to have someone else's name on the vehicle registration certificate, with only the informal purchase contract bearing our name. The main documents remain in the vehicle salesperson's hands. If we want our names on our vehicle registration certificate, we have to go home where our family registration was made (groups of poor women, Quarter 27, Ward 6, Go Vap District).*

...and is an has enabled migrant families to register in the city

The Blue Book is also used as a basis to calculate the duration of stay over 12 months, which is condition for migrants to acquire a family registration in the city. However, the requirements for family registrations for migrants in 2009 has no changes, compared to that in 2008, because landlords are opposed to signing verification papers for tenants to file for family registrations with their tenanted addresses as their homes.

A two-level management has recently been applied in Hai Phong to improve administrative procedures

Two-level management model. The Urban Poverty Report 2008 noted a number of limitations of the management model at the grassroots level in urban areas at three levels: ward, residential unit, and residential quarter. In 2009 Hai Phong has transferred to a 2-level management model consisting of ward and residential quarter management, according to a decision of the city's People's Committee. Lam Ha Ward is currently is preparing for the official application of a two-level model. Lam Ha will eliminate five residential units and plans to merge 46 old residential quarters into 25 new ones, which includes 100-200 nearby households in each quarter. The two-level model will help improve a two-way flow of information between people and the ward. However, the implementation of the two-level model will increase the budget for the ward (an allowance for a new residential quarter leader is planned to be equivalent to the allowance previously paid to a residential unit leader). Some years ago, there was a movement to build "cultural-residential units", where people contributed billions of dong to construct a cultural house for the residential unit. Now that there is no residential unit level there should be a policy developed to share the cultural house.

The leaders of a residential quarter play a critical role in the two-level management model

In the two-level model, the role of the leader of a residential quarter is very important. The leader of a residential quarter is "the right hand" of a ward in terms of the implementation of policies, programs, and projects at the grassroots level. The leader of a residential quarter is a representative voice of the people in the quarter presenting their recommendations and opinions to higher levels. In reality, where there are dynamic and active residential quarter leaders who are also trusted by people, there are effectively conducted community activities and efficiently implemented policies, programs, and projects (Box 7).

BOX 7: A leader of a residential quarter trusted by its local people

Mr. N.N.C, the current leader of Quarter 30 in Lam Ha Ward (Kien An, Hai Phong) is a leader who receives the absolute trust of his people. He collaborated with leaders of residential unit No. 4 and Lam Ha Ward to discuss and find a way of resolving difficulties to help improve the lives of the people in the quarter. From 2008 to 2009, transportation and electricity networks, and broadcasting speaker systems of the quarter were upgraded. Mr. C significantly contributed to the aforementioned construction. Since he became the leader of his quarter, the collection of taxes and fees are easier and people are more enthusiastic about participating in community activities in the quarter.

Mr. C is always enthusiastic about all the work in the quarter. He often goes to each household to learn about people's living circumstances. People love him because of his sincerity and openness. In some cases, he has provided extra care for solitary families and disabled people and helped them to acquire support from the community, unions, and local government. He said, *"They trusted me and selected me as the leader of the quarter, so I need to work hard even if I have to sacrifice personal interests for the benefit of the collective."* That is why he always receives the love of the people in his quarter. Everyone treats him as a family member. He is the leader of hearts who works for his people.

An initiative to establish a security team for the quarter has been appreciated by people in HCMC

Security and order. A survey at three monitoring sites showed that the work of security and order in residential units in Ward 6 (Go Vap, Ho Chi Minh City) has made clear progress in 2009, compared to that in 2008 thanks to the establishment of a "community security force" at residential quarter level and a "community security board" at ward level in line with the general policy of the city. The community security board of Ward 6 includes 24 members divided over six guarded areas working 24/24h. Mechanisms and policies of the members of the community security board are covered by the city, including an allowance of 900,000 dong per member per month, health insurance, two sets of working uniforms per year, working tools and equipment (record books, batons, and soon-to-have walkie-talkies), annual training, and supplementary allowances for attending training courses. In addition, each residential quarter uses its funds to provide a member of its community security force an extra allowance of 300,000 to 500,000 dong per month.

Community security forces support temporary residence and temporary absence procedures provide timely support in solving problems in security and order

Prior to 2008, the work of maintaining security and order was managed by the community defence group in each residential unit. In 2009, community security forces replaced the community defence groups. The advantage of the model connecting community security force of each residential unit/quarter and the community security board at the ward level is that when anything happens within the ward, the board can quickly mobilize its members, "just a phone call and staff members from all teams will come". Community security forces support the local policemen unreservedly in managing temporary residence and temporary absence procedures, deterrence, investigation, and dealing with social problems such as criminal activity, traffic accidents and fights in the area. After the interviews, people were quite pleased with the investigation and protection services provided by the community security forces.

People are not yet interested in buying voluntary social insurance according to the current method

1.3.5 Social protection

At all three monitoring sites, up to the mid-2009 people had not purchased voluntary social insurance. The lag between the purchase of social insurance and when pension benefits are received is quite long (20 years), whilst people still face many difficulties in their present day lives. A lack of understanding about the benefits of social insurance is the main reason preventing people from buying voluntary social insurance. A group of staff in Kim Chung Commune said, *"Officers in the commune bought compulsory social insurance, but people do*

not buy voluntary social insurance. They receive the top-down directives, the radio station broadcasts informing them about it. But they still do not understand the benefits of social insurance, and none of them bought it."

Migrant workers rarely pay attention to social insurance, small and medium-size enterprises are also not interested in buying social insurance for their workers.

Migrant workers interviewed were often not interested in buying social insurance or even unemployment insurance (which can into application from January 1, 2009). Migrant workers usually have the philosophy that their jobs are short-term, and they can change their workplace from time to time (because they made redundant, or they may leave current jobs to find other ones with higher income). Thus, they are more interested in receiving monthly wages to cover their living costs in the city, saving some money, and sending money home to help their families. Some small and medium-size enterprises are also not interested in buying social insurance and unemployment insurance for their workers. A group of staff in Go Vap District shared: *"Every year the district has statistics from businesses, especially the garment industry. Big and prestigious businesses have schemes for workers, but some businesses with 200 employees or fewer often ignore their schemes/programs. We have to take the initiative, and we have to ask employer the number of workers they have employed and why they did not buy insurance. And when we encourage them to buy insurance for their workers, they will buy it. We also create favourable conditions for businesses to buy insurance for their workers. Some small businesses do not sign labour contracts with their workers"*.

Near-poor households receive 50% contributions to health insurance,

Policies to support health insurance were implemented nation-wide for the poor, people who have made significant contributions to the country, children under 6, people who are entitled to receive social security benefits, and retirees. Some restrictions on health insurance were mentioned previously in this report (in the section "Access to public services" under sub-section "Health"). In 2009 there was a policy implemented to support near-poor people to purchase health insurance. The near-poor people are supported with 50% of the money needed to buy voluntary health insurance. Localities may further support them, and local people cover the rest of the expenses. In Kim Chung, because the number of near-poor people is so few (only four near-poor households in the commune), the government of the commune used its fund to fully support with 100% of the money needed to buy health insurance.

HCMC divided the poor into two groups in order to provide effective social protection policy

HCMC has a different approach. In early 2009, after increasing the poverty line to 12 million per person per year in urban areas, the city divided the poor into two groups: (1) the group with a yearly average income of under 8 million per capita. This poor group receives the support of covering 100% of their health insurance; (2) the other group includes people with a yearly average income from 8 million to 12 million per capita. This group receives support of 50% of their health insurance (like the policy for near-poor people in other areas). Preferential loans also have this distinction: the group with income under 8 million is entitled to borrow loans from the city's Poverty Reduction Fund (quicker and simpler procedures) while the other group (with income from 8-12 million) is entitled to borrow loans from the Social Policy Banks and other sources. HCMC supports poor people who are elderly, in poor health or suffering from diseases, and do not have the ability to overcome poverty, out of the poverty reduction fund of the City in order to provide a private protection policy for each of these two groups. This support has been highly appreciated by staff working at grassroots level, as it greatly reduces pressures at this level in trying to alleviate poverty. The steps HCMC is taking in dividing the poor into two groups in order to provide appropriate support policies at each level is a new direction which is somewhat different from other current common poverty reduction policies.

Replacing temporary houses in urban areas is becoming more difficult because there are not as many temporary houses and legal land title papers are often lacking

Policies to support poor households in replacing temporary houses and fixing leaking roofs in urban areas are appreciated by the poor. But the implementation of these policies has become more and more difficult because the number of temporary houses has declined and the origins of land are not clear. Several poor households do not have legal papers for their land because they either temporarily borrowed the land, took over the land, have land which is under dispute, or have land that is in a government plan. Go Vap District has a budget to help households with leaking roofs, but the budget has hardly been used. The core group of Residential Quarter

25, Ward 6, states, "It was hard to find a family who has a temporary house that is eligible for support. For example, a family has a shabby house, but the land is not formally registered so the owners of the house were not allowed to receive government support. The quarter has only 2-3 households that are entitled to get support for improving houses".

The level of social insurance support is not keeping up with the level of annual inflation

A social protection policy in accordance with Decree 67/CP has been implemented at monitoring sites with few cases of error. However, there are some inappropriate elements to it. For example, in order to receive support, a number of target groups, such as disability groups, have to be considered as poor households. In addition, the minimum support of 150,000 dong per month in Hanoi and HCMC is too low, not keeping up with the inflation situation over the last two years. HCMC has supported policy beneficiaries 50,000 dong per month from July 2008, and the city continues to implement this policy until the end of 2009 (support money comes from the Poverty Reduction Fund of the city). The elderly must be over 85 to receive support while the number of these elderly is very small. It has been recommended that the eligibility age for the elderly to receive government support be lowered to 80.

Not many local poor people attend vocational training courses, while there is no policy supporting vocational training for migrants

The provision of supporting for vocational training and jobs for urban poor people is an important issue for many local governments and is financially supported by these authorities. Many mobilization and promotional campaigns have also been conducted. But the fact remains that very few poor people are actually participating in this program because they remain concerned about immediate daily lives and do not think about the future. Some poor people who had participated in vocational training courses had not found jobs after the courses. The migrant labourers do not have access to the benefits of this policy.

--- "There are very few poor households participating in vocational training. It is because these poor people cannot absorb the knowledge given in classrooms, and they just want to make money quickly, they do not want to invest in studying for a long time. The ward also has Quang Trung vocational training centre with notes and announcements stuck on the bulletin boards of residential quarters. Some residential quarters have promoted it, but the poor do not go." (A staff group of Ward 6, Go Vap District, HCMC).

--- "Three years ago, the Women's Union invited four children to participate in vocational training courses. One student learned how to repair motorbikes while the rest (3) learned how to cook. At the end, only one student who was learning cooking stayed until the end of the course and was introduced to a hotel by the teacher. The three others do not have the patience to finish the course. There were no students last year. Each student learning in the vocational training centre receives a support of 1.5 million." (A staff group of Kim Chung, Dong Anh District, Hanoi).

The success of community fundraising drives to support the poor and people in need have been creatively implemented in each locality

Forms of community support for the poor, the disadvantaged, the war invalids, and those who have made significant contributions to the country, are vary greatly between monitoring sites. For example, in Kim Chung Commune, the district's Farmers Association annually gives each poor household 10kg of rice seeds and a bag of fertilizer. Some movements raising donations to help the poor, support disaster-prone areas, and assist poor children overcome difficulties are receiving enthusiastic support with many interesting approaches. Go Vap District, HCMC, maintains good contribution campaigns for "Go Vap Friendship Fund." In reality, fundraising movements in enterprises and schools will be more effective if they use a creative method such as that used in Kien An, Hai Phong (Box 8).

BOX 8. Enterprises and students supporting people in difficult circumstances

Phuong Ha Ward (Kien An, Hai Phong) was quite successful in mobilizing the support of businesses in the area. Lam Ha's leaders shared their experiences of the campaigns. *"We need to focus on the activities and find the right time to implement them. We should not ask for a little money for the frequent activities of the ward because it may result in negative responses from people. For example, the 27th of July, in 2008, the ward mobilized 75 packages of gifts with 300,000 dong/package and five savings vouchers with a value of one million each for war invalids, war victims, and those who have significantly contributed to the country. The ward invited enterprises to include their logos in each of the gift packages, and the ward also invited people from the local television station to report the event. The enterprises invited saw the transparency and accountability, and that the enterprises' images were promoted. In 2009, some enterprises came and asked, "are you doing it again this year?"*

To help poor friends overcome difficulties, from 2005, high schools and middle schools in Kien An District mobilized their students to "raise pigs" by putting money into a clay or plastic pig within 15-20 days after the Tet Holiday. When the fundraising was finished, each school organized a competition of slaughtering the pigs to see whether they would be the biggest and/or fattest ones. Some schools collected money from these pigs with a value of about 2-7 million (in 2009, the district collected 72 million). The purpose of this program is to keep 25% of the money collected for the orange agent victim support fund, those with depression, or at risk. The rest of the money is kept in the fund of the schools in order to deliver gifts to families whose children are orange agent victims in the area, to excellent students, and to children of families with many difficulties. The meaningful gifts are often money or physical items which are supported directly at the event. This movement helps students learn the importance of saving and raises awareness about doing meaningful jobs "Whole leaves care for torn ones."

PART 2.

SPECIFIC VULNERABLE SOCIAL GROUPS

Two continuous shocks: negative prices and the global financial crisis

Vulnerability is a main characteristic of urban poverty, relevant to specific social groups. The second-round of urban poverty monitoring in 2009 continued to update the trends of livelihoods and lives of some specific social groups at monitoring sites. These groups included migrant worker groups (formal sector) and groups of people working in informal sectors, such as small traders, motorbike taxi drivers, and cyclo drivers. After the inflation of prices in 2008, these particular groups were further impacted by the global financial crisis, which persists in 2009. Supporting vulnerable groups toward sustainable poverty reduction has become more and more urgent.

2.1 MIGRANT WORKER GROUP

As workers in group frequently change their accommodation and the number of monitoring sites in Hanoi has increased, the model of monitoring 180 migrant workers in Dong Anh (Hanoi), Kien An (Hai Phong), and Go Vap (HCMC) in 2009 is different from the model that was used in monitoring the 120 migrant workers in Kien An (Hai Phong) and Go Vap (HCMC) in 2008. Therefore, any comparison between the survey data over these two years, shown in following tables, needs to be carefully explained. Comments collected via questionnaires and qualitative information collected through in-depth interviews and group discussions considered the differences between male workers and female workers under the prism of gender.

2.1.1 Group features

The demographic characteristics of migrant worker groups in the survey model of 2009 do not differ significantly from 2008. Of the 180 workers who were interviewed, two thirds were women, and all were Kinh people.

Migrant workers mostly are young, with middle school or higher education and unmarried. Women outnumber men, coming from agriculture families

Figure 2 shows that more than four fifths of the migrant workers are aged between 18 years old and 30 years old. Three-quarters of the workers are not married. Most have at least a middle school level of education. Migrant workers in Dong Anh (Hanoi) are more educated than those in Kien An (Hai Phong) and Go Vap (HCMC). This can be explained by the fact that migrant workers at the Dong Anh monitoring point mostly work in Thang Long Industrial Park, where many foreign investment companies (mainly Japanese Companies) are located. These companies require higher levels of education from their workers.

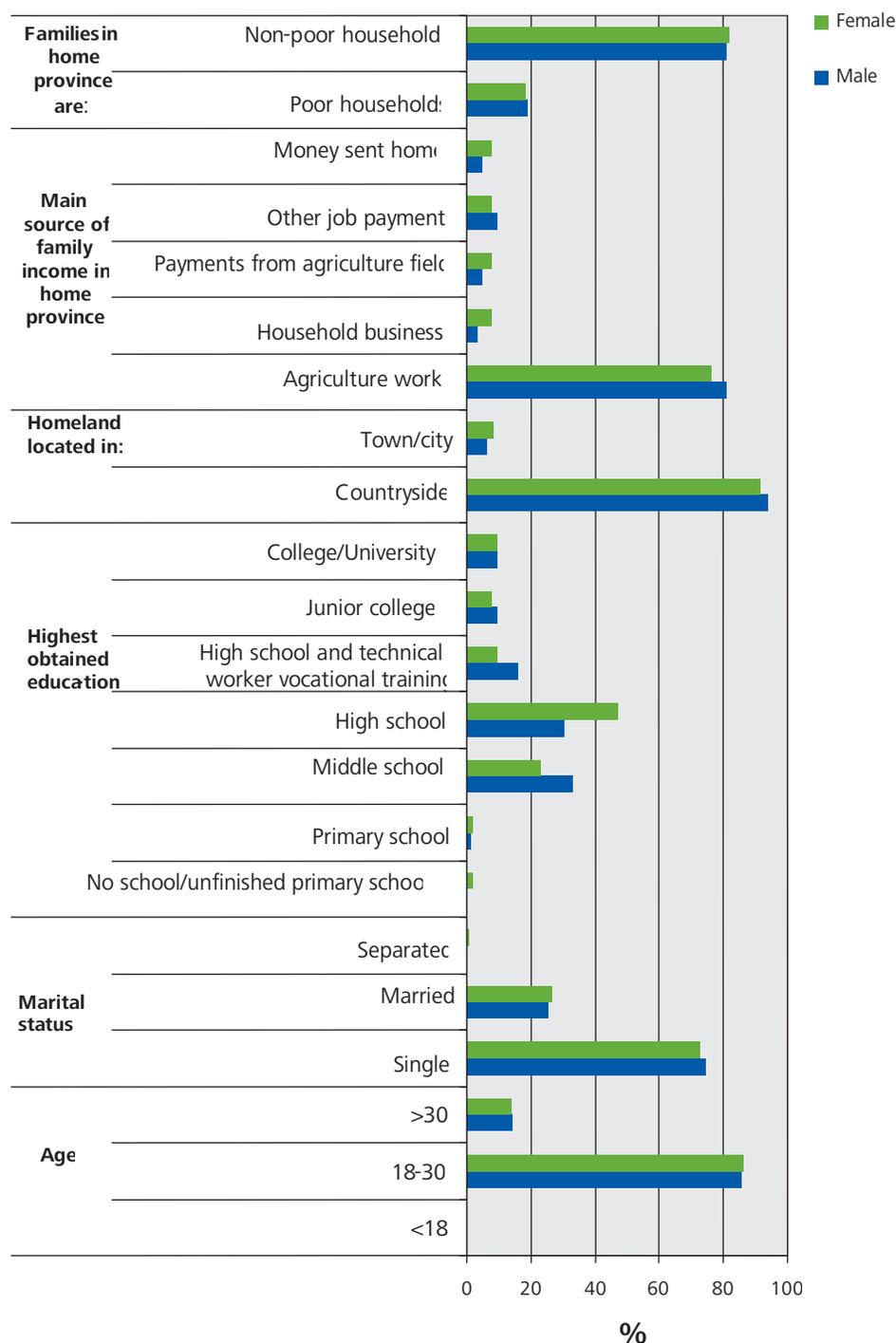
Most migrant workers come from agricultural families in rural areas. The backgrounds of the workers vary at the three monitoring sites: Workers in Dong Anh (Hanoi) mainly came from the Red River Delta provinces and central provinces from Nghe An to the north; workers in Kien An (Hai Phong), mainly came from suburban districts and some neighbouring provinces; and workers in Go Vap (HCMC) mainly came from provinces in the west of HCMC and the North Central provinces from Thanh Hoa to the south.

Nearly half of the workers interviewed cultivated rice fields or worked in informal sectors in the countryside. One-fifth of these workers were students before they went to the city for work.

The poorest groups in countryside do not have opportunities to find jobs in the city

Nearly one-fifth of workers interviewed belonged to the list of poor people in rural areas according to the current government poverty line. However, only less than one-tenth of migrant workers said the money that they send home is a main source of income for their families in their home provinces.

Figure 2. Features of migrant worker group, 2009



Source: Migrant worker survey data, 7/2009

Only some workers are selected to attend vocational training

Most workers at the monitoring point in Dong Anh work for foreign investment enterprises in the Thang Long Industrial park. Most workers in Kien An work for large companies which specialise in building ships, footwear, garments, or food processing. The majority of workers in Go Vap work in private small-scale companies, which focus on garment making and engineering. Over one-third of the workers in the survey said they had participated in their companies' vocational training courses. The rest of the workers acquired their knowledge and skills through on the job training or studying whilst working. There was a difference between the cities: about 50% of the workers in Dong Anh and Kien An had participated in the companies' training courses, whilst only 10% of the workers in Go Vap had been through company training.

Informal social networks are critical for migrant workers seeking jobs

Table 6 shows, in 2009, nearly four-fifths of the workers had found their current jobs through friends who had been working in the companies or who had good relationships with the companies. This rate in Kien An and Go Vap in 2009 increased significantly, compared to 2008. This indicates that informal social networks seem to be becoming more and more important mechanism for migrant workers in sourcing employment in urban areas in the context of the global financial crisis.

Migrant workers do not use services of an agency to find jobs, but some have used individual job brokers

Workers rarely find jobs through service/employment agencies or recruiters, although in reality forms of informal private job brokering may exist. For example, in Kim Chung Commune (Dong Anh, Hanoi), before 2006-2007, when enterprises in the industrial park were doing well, a migrant worker had to pay a 'job broker' up to several million dong to secure a job in a foreign investment company that offers better salary and bonus policies. The 'job brokers' often have a relationship with Vietnamese people who are the managers or hold high-ranking positions in those companies. However, since late 2008, the global financial crisis has spread to other enterprises in the industrial park, dramatically decreasing numbers of employees. As a result these informal brokerage activities now hardly exist.

Table 6. Job seeking information channels based on current employment (%)

	Dong Anh (Hanoi)		Kien An (Hai Phong)		Go Vap (HCMC)		Average	
	2008	2009	2008	2009	2008	2009	2008	2009
Introduction from relatives/ friends working in the same place	-	72	48	58	47	65	48	65
Help from relatives/friends who know the firms	-	2	8	17	7	25	8	14
Through recruitment announcement in the mass media	-	17	12	13	2	8	7	13
Through recruitment announcement hung on the factory's gate	-	48	10	10	47	20	28	26
Through agency/service, referral/job broker	-	2	3	2	0	0	2	1
Workers of the firms go home/ previous employer re-employs	-	2	8	3	0	0	4	2
Do not know/ do not remember	-	0	10	0	0	0	5	0

Source: Migrant worker survey data, 6-7/2008 and 7/2009

Migrant workers habitually frequently move and change jobs

The survey in 2009 showed one third of workers had worked in their enterprises for less than one year, and one third of workers had been with their enterprises for between one and two years. The number of migrant workers who had been working for their current enterprises for over three years in Kien An and Go Vap in 2009 had decreased, compared to 2008. This indicates a high tendency for city labourers to move around and change jobs and they have limited psychological commitment to any workplace. When the management of some footwear and garment manufacturing companies were interviewed they confirmed that the flow of labour is an every day reality and resulting in difficulties for the companies.

--- *"We recruit workers everyday, and we have workers leave their jobs daily too. They leave the companies right after receiving their wages. Today, we just employed dozens of labourers. Tomorrow we expect to have 300 workers leaving the company after they receive their wages."* (A representative of a footwear company in Hai Phong)

--- *"We currently need about 150 workers. It is a major problem. To recruit 150 workers and to retain these workers is hard. But the biggest challenge of all is to manage the flow of workers leaving the company and workers starting work for the company everyday. There is a trend for new workers to leave the company without a word after working for a short period of time or after attending a training course for just some days. The number of the workers who have worked with the company since the business was established (about two years ago) is about 15% of the total number of current workers. Workers are trained for free, and they are entitled to receive allowances and other company benefits. After one to two months working for the company, they move on."* (A representative of a garment company in Hai Phong)

2.1.2 Living and working conditions

Migrant workers usually share very basic rooms

Most migrant workers rent rooms near their companies. They mostly live with two to three other people. At the three monitoring sites, the price of a room as of mid-2009 had increased approximately 10-20%, compared to 2008. The price of a room (about 200-300 000 dong per month⁸) in Go Vap (HCMC) is higher than that in Dong Anh (Hanoi) and Kien An (Hai Phong). Facilities in a room of a migrant worker are simple; mostly they only have a bed, a cloth wardrobe, and an electric fan. There are a few rooms with televisions.

... have to pay electricity at higher prices

Workers in Dong Anh and Kien An often have to pay electricity fees to their landlords at a rate of 1,500-2,000 per KWh. Workers in Go Vap usually have to pay electricity fees to their landlords at 2,500 – 3,000 dong/KWh. Landlords also collect a monthly fixed fee for clean water (mostly drilled well water), rubbish collection, and residential quarter security. The status of migrant workers who have been forced to pay high electricity prices in Go Vap had not changed in mid-2009, compared to 2008.

... and face many difficulties in living conditions, environmental hygiene, and remoteness from leisure facilities

Table 7 indicates migrant workers still have many problems and much anxiety related to their problems. They want to improve their existing accommodation situations, especially their cramped living areas, poor quality of clean water, polluted environments, low levels of hygiene, and remoteness from entertainment venues. In 2009, the rate of workers who were worried and uncertain about their living conditions has rapidly increased in many areas, compared to 2008. In fact, from early 2009, many enterprises have been badly affected by the global financial crisis, so incomes of workers have dramatically declined. Meanwhile, the cost of rent has not decreased or only slightly decreased, resulting in workers having to look for cheaper rooms with poorer facilities and/or smaller in size, or share rooms with two to three others.

8. In Dong Anh (Hanoi): a few workers with higher salaries rent rooms with ensuite bathroom and toilets in multi-floor buildings at a price of 700,000- 800,000 dong/room, or clean rooms with open spaces , mostly live alone or with a friend. Most workers with lower incomes rent rooms at 200,000-400,000 dong/room/month. In Kien An (Hai Phong), rooms are between 350,000 and 500,000 dong/month. In Go Vap (HCMC): there are usually two types of rooms: private ensuite rooms, and lofts at a price of 1-1.2 million dong/month and rooms without ensuites - normally 3-5 rooms share a toilet and bathroom - at a price of 600,000 – 800,000 dong/month.

Table 7. Existing accommodation issues (%)

	Dong Anh (Hanoi)		Kien An (Hai Phong)		Go Vap (HCMC)		Average	
	2008	2009	2008	2009	2008	2009	2008	2009
Cramped housing	-	52	13	40	17	58	15	50
Poor quality/temporary homes	-	12	0	17	2	7	1	12
Poor quality water	-	48	12	13	23	55	18	39
Poor kitchens/cooking conditions	-	15	5	23	0	8	3	16
Poor bathrooms/toilets	-	25	8	18	3	13	6	19
Poor security	-	33	8	8	5	10	7	17
Anti-social behaviors	-	52	5	8	7	7	6	22
Poor electricity supply	-	28	8	5	0	0	4	11
Poor road access	-	35	3	18	18	23	11	26
Polluted environment/ poor hygiene	-	80	0	8	40	25	20	38
Far from markets/shops	-	3	2	2	3	2	3	2
Far from places of leisure and entertainment	-	42	5	33	7	17	6	31
Poor relations between neighbours	-	7	0	2	0	2	0	3
Lack of attention from local governments	-	27	5	7	0	13	3	16
Other	-	3	0	2	0	5	0	3

Source: Migrant worker survey data, 6-7/2008 and 7/2009

There is a diverse cultural and lifestyle mix the areas with a high density of migrant workers

In the surveyed area of Dong Anh, the percentage of workers who are concerned about their current accommodation situation is higher than the other two monitoring sites in most respects, especially in terms of security and safety, anti-social behaviour, potable water, environmental pollution, and poor hygiene. In the survey in Kim Chung Commune, problems mentioned were similar to the problems that local people and grassroots-level staff had raised (see sub-section "1.3 Challenges to urban poverty reduction"). There is a diverse cultural and lifestyle mix the areas with a high density of migrant workers (mostly young, unmarried, fresh from the countryside and wanting new experiences in an urban environment.

Female workers pay more attention than male workers to risks of anti-social behaviour, hygienic and environmental conditions in the areas where they rent rooms

The opinions of migrant workers in 2009 in terms of on disturbance, anxiety, and desires to improve current accommodation situations were also important to consider in the context of gender. Differences in the opinions of male worker groups and female worker groups among monitoring sites show differing gender concerns. At three of the monitoring sites, the male worker group often had stronger opinions in regard to the conditions of poor quality and temporary houses than the female workers. The female worker group, on the other hand, often made greater reference to their concerns about anti-social behaviour. In particular, in Dong Anh, the male group was more concerned about the poor quality of roads, and remoteness from entertainment areas. The female group, contrastingly, focused more on environmental pollution and poor hygiene. In Kien An, the male group were more concerned about access to

entertainment areas, and the female group more about their cramped housing and poor, kitchens, and toilets. In Go Vap, the male groups were more concerned with the poor quality of their water source, and the female group more concerned about their cramped housing, polluted environments, poor hygiene, and roads.

Migrant workers do not have balanced lifestyles or access to news and information

Most migrant workers interviewed said they knew they had to work hard during their shifts and did not have any form of transport so it was hard for them to find the energy or means to go out for leisure or entertainment. Most of the migrant workers spare time after work is spent sleeping or chatting with their roommates or neighbours. As their rooms do not have televisions, it is hard for migrant workers to access news and information. If they want to watch TV, they have to go to somewhere else where they can access a TV. Moreover, most migrant workers' social lives were reduced in line with the lower income they received in 2009, compared to 2008.

There are few community activities for migrant workers to participate in

When asked, migrant workers said they would like to be able to participate in cultural activities, such as concerts, sports, life skills, union activities, and community activities in residential units. Yet, they are unable to do so because the areas that they live in do not facilitate such activities. At the monitoring sites, in 2009, there was also some information sessions for migrant workers about labour laws, reproductive health, and HIV/AIDS prevention, that were run with the support of the unions and organizations at commune and district levels, or by as part of an ActionAid program. However, the number of workers who participated in these programs was still small.

Migrant workers are worried about their working conditions

Table 8 shows migrant workers concerns about the need to improve their working conditions, particularly, the negative impacts of heat, chemical vapour, dust, sunburn/heatstroke, noise, long working hours, tedious jobs, straining work, limited opportunity for leisure, and lack of information on the rights and obligations of labourers and employers. The result of the survey in mid-2009 indicates that the number of workers with concerns about their working conditions dramatically increased in all respects, compared to mid-2008. In Dong Anh, the ratio of interviewed workers concerning about their current working conditions is much higher in all respects, compared to other monitoring sites. The survey in Kim Chung showed that workers working in foreign investment enterprises in Thang Long Industrial Park usually had to work in high pressure conditions with restricted labour regulations, intense working day, with more shifts and longer working hours (especially when there were high numbers of orders).

Table 8. Current problems in working conditions (%)

	Dong Anh (Hanoi)		Kien An (Hai Phong)		Go Vap (HCMC)		Average	
	2008	2009	2008	2009	2008	2009	2008	2009
Overcrowded work areas	-	48	0	7	2	2	1	19
Effects from temperature, chemical vapours, dust, light, noise	-	73	7	42	25	65	16	60
Unsafe equipment and workshops	-	17	3	13	15	32	9	21
Lack of potable water	-	7	0	8	5	17	3	11
Limited facilities for personal hygiene purpose (wash stations/showers/toilets)	-	15	5	8	7	23	6	16
Long working hours	-	50	3	18	17	12	10	27
Tedious, high-intensity work with limited breaks or downtime	-	45	7	8	20	18	13	24
Lack of information about the obligations and rights of employees/employers	-	35	3	5	12	30	8	23
Other	-	5	2	0	5	13	3	6

Source: Migrant worker survey data, 6-7/2008 and 7/2009

Female workers are more concerned about the issues of long work hours and mundane nature of their jobs

At all three monitoring sites, the male worker groups often voiced stronger opinions than female workers about uncomfortable working conditions such as heat, chemical vapour, dust, sun, noise, and unsafe equipment, facilities, and workshops. However, the female groups expressed greater concerns than the male worker groups in almost all other respects, such as long working hours, tedious/boring jobs, strain, limited facilities for personal hygiene and a lack of information on their rights and obligations.

The living conditions of workers are worsening in the context of financial crisis

It is important to note that the data mentioned are the opinions of the workers at the monitoring sites in each locality in regard to their living and working conditions. It does not mean the real living and working conditions in Dong Anh are worse than those in Kien An or Go Vap, or vice versa. A cautious interpretation of the survey results could suggest that in the context of the global financial crisis in 2009, the sensitivity of migrant workers to their disadvantaged living and working conditions has increased significantly since 2008. Migrant workers in Dong Anh seemed to be more sensitive to disadvantages of living and working conditions than those in other areas.

2.1.3 Vulnerability in labour relations

Working without labour contracts often happens in private enterprises

It appears that the signing of labour contracts and the implementation of basic social schemes for labourers in Dong Anh have been more effectively implemented than those in Kien An and Go Vap. This could be explained by the fact that most workers in Dong Anh are working in foreign investment companies. However, these companies often tend to implement only the minimum standards in terms of the labour law of Vietnam. Table 9 shows that all workers in the 2009 monitoring in Dong Anh were provided with official labour contracts to sign. In contrast, about a quarter of surveyed workers in Kien An and about one-third of the surveyed workers in Go Vap have not yet signed official labour contracts. Most of those without official contracts are workers in private enterprises.

TABLE 9. Labour contracts and benefit policies in enterprises (%)

	Dong Anh (Hanoi)		Kien An (Hai Phong)		Go Vap (HCMC)		Average	
	2008	2009	2008	2009	2008	2009	2008	2009
Types of labour contracts								
Unlimited term	-	7	33	40	20	23	27	23
1-3 year term	-	85	62	30	33	8	48	41
Short-term (under a year)	-	8	3	5	5	35	4	16
No signed labour contract	-	0	0	25	38	32	19	19
Other	-	0	2	0	3	2	3	1
Basic social policy								
Social insurance	-	98	93	60	58	65	76	74
Health insurance	-	85	90	73	52	45	71	68
Leave	-	97	92	42	55	47	73	62
Sick leave	-	98	98	43	35	67	67	69
Maternity leave	-	38	40	20	30	23	35	27
Other	-	7	2	2	0	8	1	6

	Dong Anh (Hanoi)		Kien An (Hai Phong)		Go Vap (HCMC)		Average	
	2008	2009	2008	2009	2008	2009	2008	2009
Benefits, bonuses								
Meal allowance, in middle of shift	-	67	88	53	73	53	81	58
Bonus on national holidays, Tet	-	92	88	47	83	68	86	69
Rental allowance	-	48	25	8	5	10	15	22
Transport allowance	-	53	15	10	0	18	8	27
Clothing allowance	-	30	63	32	38	10	51	24
Other	-	0	2	0	0	2	1	1

Source: Migrant worker survey data, 6-7/2008 and 7/2009

There is no evidence of gender discrimination in whether a worker is given a contract or not

A comparison of the numbers of male workers with female workers who have been entitled to sign labour contracts and receive benefits indicates there is no evidence (on the surface) of gender discrimination in this regard at all three monitoring sites.

The rate of workers who sign 1-3 year labour contracts declines rapidly...

The number of migrant workers who have signed labour contracts with period of between one to three years in Kien An and Go Vap has significantly reduced in 2009, compared to 2008. The survey data also substantiated evidence of labour mechanisms used by enterprises to cope with the impacts of the global financial crisis in 2009. Some companies faced with a situation of major fluctuations in labour choose to employ excess numbers of workers to buffer them from employees leaving. In addition, in a risky economic environment where production contracts are not guaranteed some companies are reluctant to sign labour contracts tying them into conditions.

... and benefits of workers also decrease during the crisis

The proportion of workers in Kien An and Go Vap receiving basic employment benefits (such as social insurance and health insurance), allowances, and other bonuses (such as bonuses on holidays, and work clothing allowances) in 2009 has decreased significantly, compared to 2008. This is also in line with the enterprises' overall cost reduction strategies in 2009. Workers' employee benefits and welfare protection schemes appear to have negatively been affected by the global financial crisis.

Migrant workers are interested in short-term benefits but not in insurance

In fact, some migrant workers surveyed tended to place more emphasis on immediate employment benefits in terms of income rather than caring about longer-term benefits such as health insurance. In the context of the global financial crisis in 2009, when the mobility of workers is high, their loyalty to their employers is likely to decline, which in turn means, the trend will be workers to increase their focus on short-term benefits. The following is a typical opinion of a migrant worker in Kien An (Hai Phong), *"The Company allowed me to buy health insurance, but I did not buy it. I know that it is helpful to have health insurance when you are far away from home. But because I do not intend to work here for a long time, I chose not to buy it."*

There is an imbalance in the supply and demand for labour

The survey results from July 2009 show that as a result of the global financial crisis, that in the footwear and garment manufacturing industry where there are large labour forces there is an imbalance between the supply and demand on labour.

In July 2009, most footwear and garment manufacturing workers who were interviewed were showing good signs of recovery despite the fact some of them were still only working part-time hours. The traditional customer base is returning for this industry. The number of processing orders was on the increase compared to the peak of the difficult period from October/November 2008 to March 2009. Electrical companies, electronic companies, and engineering firms have been slower to recover, but their orders tended to increase gradually toward the end of the year of 2009.

During the time between late 2008 and early 2009, several enterprises had to reduce their

Khi đơn hàng phục hồi, doanh nghiệp thiếu lao động

The financial crisis has given many workers a very real understanding of the high-risk nature of export market businesses with large labour forces

workforces. Workers felt uncertain about their jobs and the effects of reduced incomes and felt they could no longer afford to stay in the cities, so they returned to their home provinces to look for alternative employment. Now that the enterprises are recovering and receiving increasing orders, they are facing labour shortages. The mobility of labour is therefore high.

The labour shortages and high mobility of labour have many reasons. The footwear and garment manufacturing industries commonly employ labourers who casually come and go, this disturbs labour force stability and production plans. A large number of workers have no allegiance to their workplaces and will easily move on after a short-time if they are offered a higher income elsewhere (the increase of salary can be as little as some ten thousand dong per month).

The financial crisis has given many workers a very real understanding of the high-risk nature of export market businesses that utilize high numbers of general labourers. Meanwhile, since the crisis workers have had to work harder and have fewer opportunities to build new skills or knowledge. With decreased incomes, workers did not have money to save or send home, and they felt they could no longer cope in the city. Enterprises have developed a variety of strategies to attract and retain labourers, but the mobility of labour remains high and the enterprises are struggling to find sufficient numbers of labourers.

Enterprises shared the following views about their difficulties in securing sufficient labour forces:

--- *"As it is hard to recruit young workers and because of this imposed situation, we now have to recruit workers aged from 30-35 years old. Enterprises must change the structure of recruitment and utilize local sources of labour. Also, enterprises need to increase wages to attract workers. After the crisis, enterprises have been attracted more workers by increasing wages, buying ice for their drinks, and providing opportunities for them to choose from either lunch or money."* (A representative from a large leather and footwear company in Hai Phong)

--- *"Workers cannot live on a monthly income of two million per person now. At least each one of them must have two and half million to cover their living expenses. In addition, in late 2008, when they heard about the crisis, many workers went home and did not come back to work. Some other workers changed their jobs. If they work near home, they do not have to pay for meals and or rent for rooms."* (A representative from a garment company in HCMC)

--- *"When the unit price does not rise, workers' wages remain unchanged. Restaurants attract a large number of labourers. I have a sore back from sitting for a long time, but I only receive a wage of one million. Some other places pay higher and the jobs are more comfortable."* (A representative from a garment manufacturing joint stock company in HCMC)

Today, businesses usually have two ways of addressing the shortage of labour:

Some enterprises look for ways to attract labourers by reducing recruitment standards and broadening their geographical recruitment areas

The first strategy which companies are using overcome the shortage of labour is that many enterprises, especially those in Go Vap (HCMC) and Hai Phong, have developed reasonable policies to attract workers. They have also increased their maximum recruitment age from 25 to 35, or even in some cases over 40, and lowered their educational requirements for simple jobs. Some businesses' plans are targeting local farmers who live in areas distant from the local industrial areas. Other strategies include encouraging employees to find other rural workers, cooperating with provincial vocational training centres, and had instigating a commission system for local officials who find workers for them.

... and pay more attention to incentive policies for workers

During the crisis period, many enterprises in the leather shoe and garment manufacturing industries reviewed their employee welfare policies. Companies are offering more policies to attract and retain workers to meet current and future work demands. New incentive policies include: increased wages; increased bonuses for attendance; travel allowances; reduced wage deductions for regulation violations; improved work conditions (such as installing additional ventilation, re-painting and refurbishing workshops and factories). A few other changes are small but noticeable, such as providing iced lemon juice, purchasing milk for workers to drink during mid-shift breaks, allowing workers to choose to eat lunch in the factory or to receive a

monetary allowance, allowing the men to have an area in a hostel, relaxing client regulations, and letting families stay in a hostel. Some companies revealed that they had to accept lower profits, and even losses to offset salary in order to keep skilled and experienced labourers.

Enterprises shared their various methods of attracting workers:

--- *"During a period of crisis period, companies have time to review themselves, consolidate, and improve. During this difficult time, it is necessary to keep workers and to take care of them. If they are helped and taken care of, workers will be more dedicated to the company. To maintain wages and attendance bonuses, the company has to use accumulated income to offset wages because of the long-term benefits."* (A representative from a leather and footwear company in Hai Phong)

--- *"We lowered our requirements in recruiting labourers. We used to recruit young workers under 30 years old, but now we recruit labourers over 40 years of age. However, the work does not require much education or skills."* (A representative from a garment manufacturing company in Hai Phong)

--- *"The enterprise supports workers with an allowance of 40,000 dong per month for rent. The number of workers receiving this support is more than 30%."* (A representative from a shoe company in Hai Phong)

Increased occurrences of employee-employer conflicts

The other way companies are overcoming the shortage of labour, which was particularly evident in Thang Long Industrial Park, is they are finding ways to expand the use of their current workers. These companies normally do not lower their recruitment standards, but instead try to recall former employees. They also recruit more new workers, raise their basic salaries (normally not in compliance with the three basic salary levels regulated by the Government), and make slight improvements to their welfare schemes. In July 2009, some enterprises increased their shifts and maximum working hours, resulting in increased occurrences of employee-employer conflicts (these incidents were common prior to the crisis, but did not occur during the most difficult period from late 2008 to early 2009).

When new employee benefit policies are not systemically integrated, labour relations still include risks.

The many new employee incentive policies are giving some workers benefits that they could not have hoped for just five years ago. However, whether these policies are sustainable and the companies will maintain these new standards of treating workers is still unclear, and should be carefully monitored in the next research rounds. According to the officials from the Kien An Department of Labor, Invalids, and Social Affairs, in order for their policies to be sustained, companies would have to include these policies in the companies' operational regulations or collective labour agreements (if a dispute occurs, trade unions and authorities resolve issues based on these agreements and regulations). If these measures are not institutionalised and not included the financial policies, there are still signs of risk for workers that policies will be revoked.

2.1.4 Vulnerability in incomes and expenditures

In late 2008 and early 2009, incomes of workers rapidly decreased

In the context of the global financial crisis, businesses are facing a variety of problems. The 2009 monitoring showed that the employment status and income of migrant workers had in turn been greatly impacted. In particular, during the fourth quarter of 2008 and during the first four months of 2009, workers were not receiving bonuses for overtime hours, and were also only receiving 50-70% of their base salaries because companies did not have enough work for them.

--- *"Last year, because the working shifts were increased from Monday to Friday, I had to work until 8:00 P.M. everyday. But after the Tet Holiday there have been no shift increases. In March, we had two weeks without work. The six workshops of the company took turns to rest. Normally I receive 1.2 million per month, plus payment for overtime hours. Now I receive only 800000 per month."* (Migrant worker group, Ward 6, Go Vap District, HCMC)

--- *"In January and February, the company did not have enough jobs and forced workers to be at home and receive 70% of base salaries. If workers, during the time the company allowed us to stay at home, went back to the factory to clean the products house (not to work in*

production), they would receive 100% of their base salaries. During the months without work, the company benefits for workers were cut off. The low income forced workers to leave their jobs." (LTD, migrant workers in Kim Chung Commune, Hanoi)

--- "The average income in 2008 was 1.2 to 1.4 million per month plus overtime money. In early 2009, because there was not enough work, I only had a reduced income. From February to April, my income was only 1 million per month, and I had no overtime hours." (L.T.L, a migrant worker in Lam Ha Ward, Hai Phong)

Thirty-two percent of migrant workers interviewed said that over the last 12 months their incomes had been suddenly reduced. Monthly incomes were reduced on average by 20% for a period of two to four months. The main reason for this sudden reduction was factories simply did not have enough work.

A higher proportion of female than male workers had their incomes reduced during the early months of 2009

Table 10 shows a greater proportion of female workers than male worker had their incomes reduced over the last 12 months (40% for female and 15% for male workers). The average period over which their incomes were reduced was also higher for female workers than male workers (3.3 months for female and 2.2 months for male). This data confirms that female workers are more vulnerable than male workers in the context of crisis. Female workers often work in the industries which with limited labour forces and that do not require high levels of education or skills, such as leather and shoe manufacturing or electronic assembly factories which are also industries which are more sensitive to fluctuations in the export market. Moreover, female workers also have specific rights, such as pregnancy and maternity leave requirements, so they are often made redundant before male workers.

TABLE 10. Sudden decreases in incomes over the last 12 months (%)

	Dong Anh (Hanoi)		Kien An (Hai Phong)		Go Vap (HCMC)		Average	
	Male	Female	Male	Female	Male	Female	Male	Female
<i>Percentage of workers with reduced incomes</i>	23	55	8	38	18	22	15	40
<i>Number of months workers endured reduced incomes (month)</i>	3	4	2	2	2	2	2	3
<i>Reasons for income reductions</i>								
Factories lack of work	100	85	100	69	75	75	89	79
Sick	67	19	0	46	25	25	33	28
Other	33	4	0	0	0	0	11	2

Source: Migrant worker survey data, 6-7/2008 and 7/2009

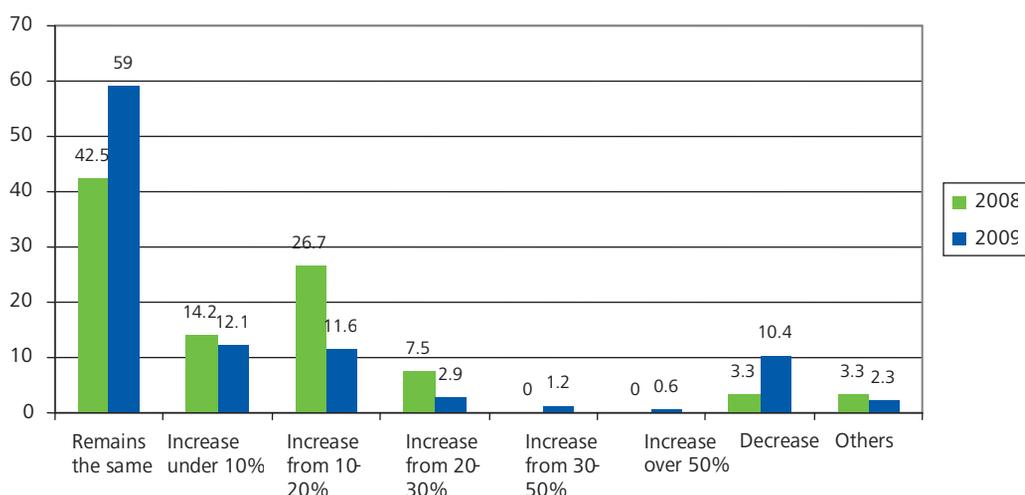
From Quarter 2 of 2009, incomes of most workers were recovering

From the second quarter of 2009, as companies started to show signs of economic recovery and were implementing policy improvements, the monthly incomes of most workers increased. However, increases were not much above pre-crisis rates. Data from the survey sample of migrant workers in Dong Anh, Kien An, and Go Vap indicates that total average incomes (including base salary, overtime payments, increased hours payments, attendance bonuses, seniority allowances, and responsibility allowances) of the migrant worker group in June, 2009 was 1.86 million per person per month, which is slightly higher than the average income of 1.67 million per month in May, 2008 found in the survey sample of migrant workers in Kien An and Go Vap.

Figure 3 shows that the monthly incomes of over half (59%) of migrant workers in July 2009, did not change, compared to the same period in 2008. Workers monthly incomes decreased more in 2009 than 2008 (10% and 3% respectively). The punctuality of salary payments in the migrant worker group was also affected by the economic crisis in the first months of 2009.

Figure 3. Changes in monthly average incomes, over the last 12 months (%)

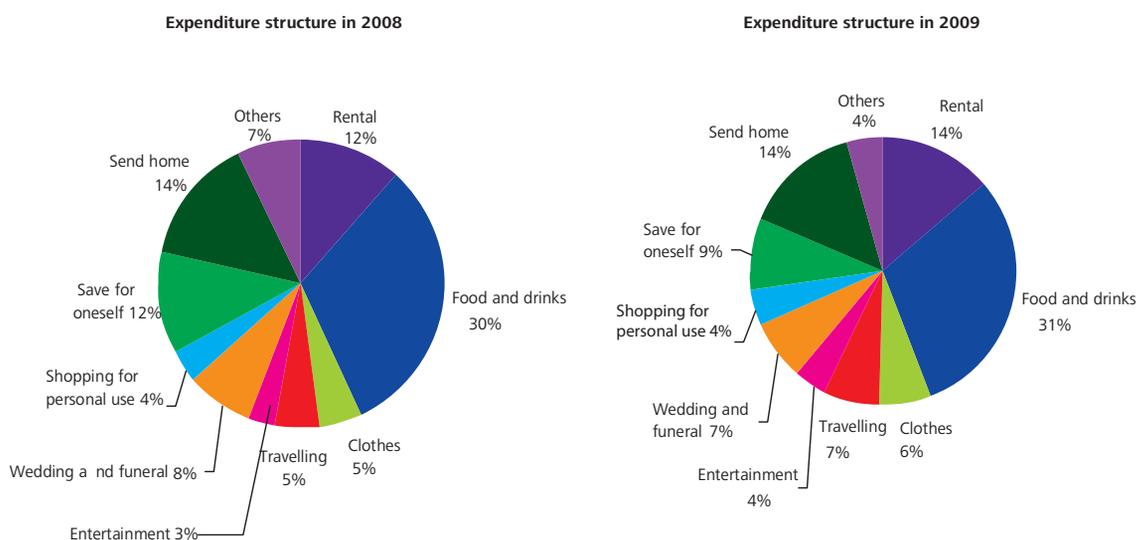
Source: Migrant worker survey data, 6-7/2008 and 7/2009



Meals, drinks, rent, and remittance are the biggest expenses

Figure 4 compares the monthly expenditure structures of migrant workers in May 2008 and June 2009. It shows that although the absolute level of spending changed, the expenditure structure of workers remained relatively stable for various items. The largest expenditure was on food and drinks, followed by rent, and money sent home. The rate of their personal savings for decreased slightly in 2009, compared to that in 2008.

FIGURE 4. Structure of monthly averaged expenditures (%)



Source: Migrant worker survey data, 6-7/2008 and 7/2009

Male workers spend more money on travelling and entertainment; female workers spend more money on personal shopping and make-up.

A common way to cope is to spend less

A comparison of the expenditure structures of male and female workers in 2009 also shows slight differences. In addition, to the mandatory expenses, such as meals, rent, wedding and funeral costs, the male worker group tend to spend money on travel, and communications and activities with friends, so the amount of money they to spend on travel and entertainment was 13% of an average monthly income whilst these expenses only took up 9% of an average total female income. But female workers spend more money on personal shopping and make-up and their appearances than male workers. Female workers spent more on clothes, shoes and sandals, cosmetics, hair-dressers, or personal shopping than male workers (12% of female and 8% of male).

Table 11 shows that, to deal with a decrease in income and an increase in living costs, workers mostly cut-off or reduced their expenditures, such as clothing (66%), daily food and drinks (59%), and travel expenses (57%). Notably, 44% of workers in the monitoring model of 2009 had to reduce money they put towards personal savings. This reduction in personal savings appears to be higher than in 2008 (26%). A comparison of plans to cut-off or reduce expenditure between male and female workers showed that most male workers cut their costs associated with entertainment (60%). And most female workers decreased their spending on clothing (74%) and daily spending on food and drinks (66%).

TABLE 11. Migrant workers' cost reduction strategies (%)

			Kien An (Hai Phong)		Go Vap (HCMC)		Average	
	2008	2009	2008	2009	2008	2009	2008	2009
Reduced spending on rent	-	7	17	3	5	13	10	8
Reduced personal savings	-	50	21	35	29	47	26	44
Reduced spending on clothing	-	67	79	52	63	80	69	66
Reduced spending on travel for pleasure and entertainment	-	48	69	40	73	82	71	57
Reduced spending on weddings and funerals	-	22	33	3	22	17	27	14
Reduced pending on daily food and drinks	-	73	33	35	64	68	52	59
Less shopping for other personal effects	-	57	67	40	31	42	46	46
Send less Money home	-	27	29	58	21	2	25	29

Source: Migrant worker survey data, 6-7/2008 and 7/2009

--- "Last year prices rose, but my salary remained steady, just my spending increased a little more. Now they pay less, but prices of many things, such as rent, electricity, and food and drinks have increased,... [making it] more difficult." (Migrant worker group in Ward 6, Go Vap District)

--- "This year, my income is low. We had to spend less on clothing, food and drinks, and entertainment." (Group of migrant workers in Lam Ha Ward, Hai Phong)

--- "Less work and salary was low, so we had to cut-off and reduce our daily expenditures, such as clothing, buying things, food and drinks. If I have money, I may spend up to 300-400 000 dong per month on my personal shopping. But it is harder now, so I just spend about 100 000." (L.T.L, A migrant worker in Lam Ha Ward, Hai Phong)

Savings and money sent home decreased

After the Tet Holiday, prices of essential items required for daily living such as food, groceries, rent, electricity, clean water, and gas increased but monthly incomes did not increase in

proportion to these price increases. So, migrant worker groups faced difficulties covering their monthly expenses. The level of savings of the workers in this group also decreased.

Most migrant workers consider the main purposes for them being in the city to work are to accumulate personal savings and to send money home. However, with reduced incomes and rising living costs, saving money and sending money home became increasingly difficult. Table 12 shows that the number of workers that are able to remit home has decreased in 2009 compared to 2008 (45% and 59% relatively). Those who send money home regularly still tried to maintain that amount of money, so on average this amount only decreased slightly (less than 25%), compared to 2008.

TABLE 12. Savings and money sent home over the last 12 months (%)

	Dong Anh (Hanoi)		Kien An (Hai Phong)		Go Vap (HCMC)		Average	
	2008	2009	2008	2009	2008	2009	2008	2009
<i>Monthly savings (after subtracting expenses)</i>	-	58	60	63	58	41	59	55
<i>Money sent home during the last 12 months</i>	-	43	63	58	55	33	59	45
<i>Degree of decrease in money sent home in 2009, compared to 2008</i>								
Less reduced (< 25)	-	58	46	66	74	0	65	62
Relatively reduced (25-50)	-	0	15	14	4	0	8	9
Significantly reduced (> 50)	-	0	15	0	0	100	5	2
Temporarily stop sending money home	-	42	23	20	22	0	23	27

Source: Migrant worker survey data, 6-7/2008 and 7/2009

2.1.5 Coping mechanisms

Three are three main coping mechanisms used during the crisis

The first coping mechanism is to go home, but it is just a temporary mechanism

Mechanisms that migrant workers have used to cope with the impacts of the global financial crisis as it hit Vietnam from late 2008 are diverse. Three common mechanisms are explained below.

The first mechanism is to simply go home. This seems to be the "easiest" one, because workers can receive support from their parents, and relatives, and their families at least have rice to feed them. However, this is not a preferred long-term choice for most migrant workers, but it is a temporary solution. They return home for the most difficult period of the last months of 2008 and early 2009 (commonly they went home for the Tet Holiday and then did not return after the holiday). Then, after the most difficult period subsided these workers return to the cities to look for work again. People who chose to go home and stay there on a more permanent basis were normally workers who had small children. These workers could not afford to have a relative come and baby-sit their children nor did they have enough money to send their children to school in the city. Other people who chose to stay and home and not return to the city were those who intended to start afresh with a new career at home.

--- "I thought after receiving support and having a baby, I should go back to my home province because my salary is too low to bring someone from my home province to baby sit my child. In my village, there is a woman who has a salary of about four million, but after giving birth to her child, her parents on both sides took turns to come and help her. But she could not save any money, she even went into debt." (N.T.H, A migrant worker in Kim Chung, Hanoi).

Some go home and work for local enterprises

Some people returned to their homes in order to find jobs in industrial areas and enterprises closer to their homes. Although, the salaries offered by nearby enterprises may be lower, it is more convenient for them to return home for dinner and sleeping: "eat at home, sleep at home". However, these employment opportunities are often limited, or the jobs at companies near their houses do not meet the ambitions of the youth (e.g. young people in the Mekong River Delta do not want to work for aquatic product processing enterprises that are close to their homes). This thinking is in line with psychology of the young to get away from home: "flying, jumping, discovering new things".

--- "I went home to work, but my workplace is far from my home. In the evenings the road is dark and empty. Travelling on the dark streets one may meet with drug addicts. Moreover, jobs at home are not as stable as they are here. Some industrial areas are new, so they have less work. Jobs at home are uncertain. My friend works there, so I know – she often stays at home."

--- "Here the weather is better than it is at home. Because I have worked for three to four years now, and I do not have savings. I do not want to go home without money." (A migrant worker in Ward 6, Go Vap)

The second coping mechanism is to stay in the city, doing temporary jobs

The second mechanism is to remain in the city. In Kim Chung (Dong Anh, Hanoi), before and after the 2009 Tet Holiday, there were thousands of workers without jobs, of which about one third chose to go home and two thirds chose to try and stick it out in the city and for other jobs. In Go Vap, most workers who lost their jobs did not go home but stayed in the city look for more work. Many migrant workers only had enough income for living, so most did not have much money saved. Even with unemployment support from a company, a migrant worker is likely to just barely have enough to live for a few months. Most migrant workers had to find alternative means of earning a living in order to remain in the city such as working as street vendors, bricklayers, and in restaurants. However, the income that a migrant worker can derive from small scale trading is not high because they are not used to trading, or because local people already have regular preferred vendors. While working in these temporary jobs, workers maintain networks with former colleagues and roommates to find work in large enterprises.

The third coping mechanism is to return to studies in schools and in vocational training centres. This is a positive mechanism.

The third mechanism is to return to studies in schools and vocational training centres. This is an active self-improvement mechanism of young people who are aiming to gain greater knowledge and skills in order to better position themselves for more stable careers and earn higher wages. The financial crisis has in this way had a positive effect as a wake up call for migrant workers to take control of their own career paths. Many workers realise that if they only work in clothing and footwear manufacturing companies, or electronic assembly factories, the risk of unemployment and being made redundant is high. But if they have skills, knowledge, and higher educations, they will have greater opportunities to find more stable, higher paying jobs. In fact, the number of workers who study while working has increased considerably across the monitoring sites. While they are studying and working, migrant workers' families often help provide support in terms of rice or money.

--- "At present, I work and study in order to take a college entrance exam. Working here is not secure; it is easy to be laid off. Some older workers here said if the company went bankrupt, we would be out." (H.T.Y, a migrant worker in Kim Chung, Hanoi)

Studying whilst working is an option which many migrant workers take, particularly women.

--- "I am learning computer skills and English. I know the workers' incomes are very low. If the company goes out of business, I will have no job. I study and hope I will have an office job." ... And "I am thinking about the job of doing make-up for brides. Studying for three months I can learn something. If I have money, I will open a business, or I otherwise I can find another job here." (A migrant worker, Ward 6, Go Vap District)

--- "In December, 2008, the company faced the crisis. The company did not have jobs for its workers, so if workers wanted to leave the company; they could receive two months salary (one month with other benefits and insurance from the company, and the other month only salary). I left the company, I have not found another job but I do not want to go home; I focus on studying accounting at Northern Thang Long Technical Junior College. I will finish studying in August 2009. After my graduation, I may ask my cousin to help me find a job in Binh Phuoc. My parents now pay all expenses for me with a help from my sisters and brothers." (N.T.T, a migrant worker in Kim Chung Commune, Hanoi)

It could be said that the combined impacts of the 2008 price inflations and the global financial crisis have pushed young people to seriously consider their educational and professional options in order to have greater job security and higher incomes. Many migrant workers have chosen to work and study at vocational training and/or junior colleges. Some others continue to study 3-year college or university. In Ward 6 (Go Vap, HCMC), the number of rooms rented by students studying in colleges and junior colleges dramatically increased in 2009, compared to 2008. In Kim Chung (Dong Anh, Hanoi), the number of migrant workers who are concurrently working and studying at the Northern Thang Long Technical-Economic Junior College has increased rapidly over the last two years, most of which are women (Box 9). A program to provide support for migrant workers studying at vocational training centres in terms of career counselling and advice about long-term planning for their futures is vitally needed.

Box 9: Technical-Economic Junior College of Northern Thang Long: a trusted address of migrant workers

Northern Thang Long Technical-Economic Junior College is a successful model of vocational training with the training orientated towards improving the quality of workers, with a specific focus on two sectors: Technology and Economics-Tourism. Students are selected based on their high school academic results. The school also organizes some training courses that are run in cooperation with colleges and universities in Hanoi. They joint courses can help prepare students if they wish to continue studying. After completion of their course if they wish to continue studying a higher level three-year degree in a Hanoi college or university they are required to take two exams of mathematics and one specialised subject.

With the formula of being in close proximity to businesses and supporting students' needs, in the 2008-2009 academic year, the number of students, (mostly female migrant workers who work and study), at the school increased in the 2008-09 academic year.

	Academic year 2007-2008	Academic year 2008-2009
Total students of the school	5,298	5,484
Of which:		
Junior college	3,779	4,373
College, university	1,519	1,111
Rate of female (%)	75%	84%
Total students who are workers	4,132 (consists of 78% of total students of the school)	4,496 (consists of 82% of total students of the school)
Total students who are migrant workers	3,602 (consists of 68% of total students of the school)	4,113 (consists of 75% of total students of the school)

To help students balance work and study as 82% of the students work and study, the school changed its teaching schedule to: (1) Each subject is taught twice a day so students can choose to attend a morning or afternoon class, depending on their work schedules (some companies in Northern Thang Long Industrial Park have three shift working days); (2) Examinations are held at weekend.

From mid-2007, the Business Relations Department of the school developed a business network connecting with companies to ensure support for students who are studying and working. Through this network the department also helps companies recruit qualified labourers.

The President of the Technical-Economic Junior College of Northern Thang Long shared the following:

--- " With an understanding of the current labour shortage for companies located in the industrial park the school has a plan of recruiting workers within the industrial park to study in order for

them to gain work skills and degrees. This includes workers between 18-25 years of age, who are lacking skills and the ability to work independently. They are only used to simple, menial production line work. After graduating from school, or three-year degree from a college, or a university, a number of students have found better jobs with higher incomes. If these students continue to work in the same companies, their salaries will increase according to their skills and degrees. The monthly income of a junior college graduate is many times higher than that of a general worker, while an income paid to a university graduate is even higher."

--- "Because many companies in the Northern Thang Long Industrial Park were badly affected by the crisis, many workers lost their jobs. At the beginning, the school was worried about a big decrease in enrolments. But after a while, (July 2009), the number of students who dropped out of school was very small, slightly affecting the school. We understood then that the school's students were educated, conscientious, and serious learners, so most of them could keep their jobs. The number of students who lost their jobs was about 1-2% of the total number of the school's students. Many students who lost their jobs continued to go to school. The Business Relations Department of the school has made a great effort to introduce its graduates to the companies that have been less affected."

2.1.6 Plans and aspirations of migrant workers

Migrant workers wish to get help with their work and life skills.

Table 13 shows the main aspirations of migrant workers working in enterprises at the three monitoring sites are to gain additional knowledge in health care (83%); law, rights and obligations (69%); HIV/AIDS and HIV/AIDS prevention (69%); and to gain higher professional qualifications, and improve their work skills (67%). A comparison of the surveyed data from 2008 and 2009 shows a slight increase in the percentage of migrant workers wishing to be provided with knowledge about health care and HIV/AIDS.

TABLE 13. Aspirations in regard to support needed (%)

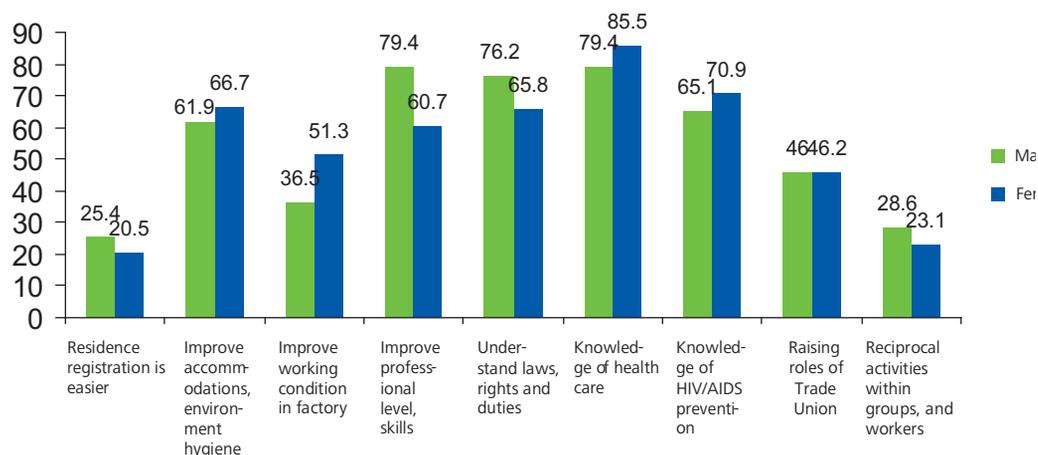
	Đông Anh (Ha Noi)		Kien An (Hai Phong)		Go Vap (TP.HCM)		Average	
	2008	2009	2008	2009	2008	2009	2008	2009
Residence registration needs to be easier	-	12	25	5	17	50	21	22
Would like improved accommodation, environment hygiene	-	72	33	60	55	63	44	65
Would like improved working conditions in factories		60	72	37	37	42	54	46
Would like to increase professional levels, skills	-	55	85	70	30	77	58	67
Would like to improve their understanding laws, rights and duties	-	68	67	60	47	80	57	69
Would like to improve their Knowledge about health care	-	80	63	78	47	92	55	83
Would like to improve their knowledge of HIV/AIDS prevention	-	58	63	87	28	62	46	69
Would like to increase the role of Trade Unions	-	45	63	47	12	47	38	46
Would like to more joint activities within groups of workers	-	22	67	13	20	40	43	25
Other needs	-	0	2	0	2	0	2	0

Source: Migrant worker survey data, 6-7/2008 and 7/2009

Compared to male workers, female workers pay more attention to health care, living and working conditions.

When comparing the different desires for support of female and male workers, female migrant workers focused more on the areas of health care, HIV/AIDS prevention, need for improved working and living conditions, and environmental hygiene. On the other hand male migrant workers were more interested in areas such as improving professional qualifications, working skills, and knowledge in workers' rights and obligations (Figure 5).

FIGURE 5. Aspirations for help based on gender 2009 (%)



Source: Migrant worker survey data, 7/2009

The rate of migrant workers who intend to retain their current positions is low.

When asked, "How long do you intend to do your current job in your company?" Sixty-two percent of workers said, "undecided". About four percent of the workers said they intended to try to change their jobs to other jobs in the same company or move to another company. For those workers who wished to continue working in the same company, they generally stay for terms of between one and three years. The number of the workers who remain with their companies for over three years is very low (Table 14).

TABLE 14. Workers' future job plans 2009 (%)

	Dong Anh (Hanoi)	Kien An (Hai Phong)	Go Vap (HCMC)	Average
Continue this job for less than 6 months	2	0	5	2
Continue this job for 6-12 months	7	5	8	7
Continue this job for 1-3 years	30	18	12	20
Continue this job for more than 3 years	2	7	8	6
Undecided	53	68	63	62
Intend to move within the same company or move to another company	7	2	3	4

Source: Migrant worker survey data, 6-7/2008 and 7/2009

2.1.7 The role of Trade Unions

Many workers do not participate in trade unions

The 2009 survey indicated that more than 60% of workers were members of trade unions within their enterprises. In a comparison of different types of enterprises, the participation rate in trade unions was lowest in private enterprises (Table 15).

TABLE 15. Rate of trade union participation based on types of enterprises, 2009 (%)

	Types of Enterprises				Average
	State	Private	Company with 100% foreign investment	Joint venture company	
Yes	82	35	80	70	61
No	18	65	20	30	39

Source: Migrant worker survey data, 7/2009

A number of workers feel they have not received benefits from being members of the trade union.

The most common reason for workers not joining trade unions was a lack of trade union in their companies (40%), particularly in private enterprises. Other reasons that were given for non-participation in unions included workers not being allowed to participate (30%); workers do not know how to participate (19%), and do not like or feel necessary (10%).

Of the workers who were current trade union members, 46% said they would get benefits from participating in trade union organizations; but 16% said they had not yet seen any specific benefits from their trade union memberships (Table 16).

Female workers expressed a greater appreciation for the benefits of trade union membership than male workers (49% female, compared to 42% male). It is possible that female workers have received more attention from trade unions in terms of a focus on seeking support in the areas of maternity leave, and health care.

TABLE 16. Benefits from participating in trade union activities, 2009 (%)

	Dong Anh (Hanoi)	Kien An (Hai Phong)	Go Vap (HCMC)	Average
Have seen benefits	41	35	71	46
Normal (not so good or bad)	39	45	25	38
Not yet seen specific benefits	21	20	4	16

Source: Migrant worker survey data, 6-7/2008 and 7/2009

Trade union activities have not been developed effectively.

According to some workers, trade unions have not effectively promoted and protected the rights of the labourers and it is for this reason that they choose not to join trade unions. Without the participation of all workers it is difficult for trade unions to effectively represent the majority. A lack of participation is an obstacle for the trade unions in their activities.

--- "When a comment is sent to a trade union, it may vanish" (N.T.H. a migrant worker in Ward 6, Go Vap)

--- "My company has a very good soccer team. I have worked for almost a year now, and I have not been invited by anyone to see any of the company's matches. Actually, we did not

know the names of the members in the team, when the team played, and with whom the team is going to compete. In general, I am not very involved in the trade union, but I also want to see a soccer match but I am not invited" (P.T.H, a migrant worker in Kim Chung, Hanoi).

2.2 SMALL TRADER GROUP

2.2.1 Group features

Small traders are mostly married women

The small trader groups include people who sell goods and items in a fixed store, market, or location (usually local people) and street vendors (usually migrant people from nearby districts and provinces, commuting to or living temporarily in the areas where they do business). At monitoring sites, most small traders were female aged between 15 and 55 years. Most small traders were married, and they are the main labourers in their families. The general characteristics of this group were the same in both the 2009 2008 surveys.

Some farmers whose agricultural land has been confiscated has become small traders

The background of small traders differs in each area. Small traders in Kim Chung Commune (Dong Anh, Hanoi) and in Lam Ha Ward (Kien An, Hai Phong) are mostly local people from nearby districts and communes. Some of these small traders also work in the rice fields but they are selling goods on the streets to supplement their incomes. In Kim Chung, the majority of small traders are former farmers whose agricultural lands were confiscated. In Ward 6 (Go Vap, HCMC), street vendors are mostly migrants, who moved from provinces in Northern Vietnam, such as Thai Binh, Nam Dinh, Ha Nam, Hai Duong, Ninh Binh, and Vinh Phuc, to make a living.

Poor, uneducated, and a lack of capital why many people become small traders

Small traders at all three monitoring sites are mostly poor. Some of them have family members who are sick. They have low levels of education and are too old to be workers in companies and factories. So, the occupation of being a street vendor occupation is their livelihood solution. This occupation is an easy one to do, and does not require much capital (just a few hundred thousand dong is needed to start a new business).

Some workers who lost their jobs became small traders

Since early 2009, in all three cities, new groups of small traders have appeared. These new traders include migrant workers who were made redundant as a result of the financial crisis and have taken up temporary work as street vendors, selling clothes, or working in restaurants. Most of these people consider working as a small trader as a temporary option while they seek other work or wait for the worst period of financial crisis to pass.

2.2.2 Living and working conditions

Small traders have uncertain incomes

Most small traders have insecure incomes due to their unstable customer bases and the effect of factors such as weather on the places where they run their businesses. The best time for small traders to earn money is on worker paydays. In addition, small traders can make more money on the weekends, of the 1st, 14th, and 15th of each lunar calendar month than on normal days. In contrast, these small traders' stock hardly sells on rainy days.

... and hard working hours, with little time for relaxing

The working hours of small traders are particularly difficult. In Kim Chung, a large number of women get up between 2:00AM and 3:00 A.M. to buy goods and items from wholesale markets, such as Long Bien Fruit Market, Cau Giay Night Market, and the Ninh Hiep Fabric Market which are located many kilometres from their homes. These traders will then take the stock that they bought to their market stalls to sell, and they will not go home until 6.00 - 7:00 P.M. and sometimes as late as 10:00 P.M. In Lam Ha Ward and Ward 6, street vendors do not have to travel as far in the mornings to the wholesalers, but they do have to get up between 4:00 5:00 A.M. They do not like going to the wholesale markets in the dark because they fear they may buy lower quality goods. Due to their tight work schedules, small traders have little time for pleasure. After showering, doing the laundry, having dinner, and relaxing for a few minutes, small traders do not even have time for television.

--- "I left home for the vegetable market at 4:00 A.M. and arrived in here (Lam Ha Market) at 7:00 A.M. I rode on a vegetable transporting bike." (A street vendor group in Ha Lam Ward)

--- "At about 5:00 A.M., I often carry cakes to sell in businesses. From 7:00 A.M to 10:00 A.M., I sell in the market. In the afternoon, at about 3:30 P.M., I carry the cakes back to the businesses before taking them to sell in the market between 4:00 P.M and 6:00 P.M. Not counting the rainy days when we have to take the cakes home to eat, terrible!" (D.T.T, selling cakes, Ward 6)

Street vendors' lives are even more difficult because they have to move around a lot, and face heavy rains and the burning sun.

--- "There are many low quality fruits. There are times when I have bought four packages of dragon fruits and had to throw a lot them away; 20 kg of fruits may contains 5 kg of bad ones. It is the law of Long Bien Market that if one wants to buy cheap fruit; they are not allowed to choose. If one opens a box and finds many bad fruits, they have to pay the price of the whole box. After opening a box, if one says, "spoiled", they may get a slap." (Dang Thi A, selling fruits)

--- "After selling fruits in the market, I go home late, feel tired, and just want to turn in, no time for entertainment. I also want to watch television, but I am often too exhausted to watch much." (D.T.T, selling fruits, Kim Chung Commune)

A fixed vendor often has a higher income than that of a street vendor.

Fixed vendors often have stores, rent kiosks, or have seating available. Street vendors' selling locations are usually on curbs, near and around tea stalls, park gates, school gates, industrial park gates, bus stations, bus stops, and under bridges. The work of the fixed vendor groups is less difficult because they eat their meals in their stores and do not have to worry about heavy rain or the burning sun. Street vendors, on the other hand, hardly go home for lunch or siesta. They eat their lunches at cheap sidewalk restaurants at a cost of 10,000-15,000 dong.

The incomes of fixed vendors and street vendors also differ. The daily profit of a street vendor can be easily calculated after a working day. But the profit a fixed vendor makes for a day is harder to estimate due to the unsold stock. In HCMC and Hai Phong, fixed vendors often earn twice as much as street vendors. In Hai Phong a street vendor makes 20,000-40,000 dong per day, and a fixed vendor makes 60,000-120,000 dong per day. Meanwhile, in HCMC, a street vendor makes about 50,000 dong per day, whilst a fixed vendor receives an income of about 100,000 dong per day. As migrant workers in Kim Chung (Hanoi) like buying cheap goods, generally street vendors in this commune tend to have higher incomes than those of fixed vendors, except for street vendors who sell boiled sweet potatoes and vegetables who make only some tenths of thousands of dong per day because of unsold stock and low sales.

--- "Street vendors do not have to rent kiosks, so they can charge 50 000 for a shirt. I have to pay for tenths of thousands of dong for kiosk rental, so I have to charge more than 50 000 for the same shirt. Students and workers want to buy cheap clothes, so I do not sell much. Sometimes I only go to the wholesale market once a week." (Small trader group in Kim Chung Commune, Hanoi)

Hardly have savings

Most vendors provide the main source of income for their families so what they make in a day must cover the family's expenses. They save very little money because "what they make is what they spend". Fixed vendors may save more money because their financial situations are often better than those of the street vendors.

--- "When I earn 20,000, I try to spend under 20,000. When I earn 100,000 I also spend 100,000. What I make for a day is spent in that day. There is not enough for spending, no money for saving." (Small trader group in Kim Chung Commune, Hanoi)

Migrant street vendors suffer high rentals and electricity prices

In Ward 6, Go Vap (HCMC), many migrant households that sell goods and items on streets have to rent houses from 12-16 m² with a loft and private toilet in each house. In addition, the price of electricity is 3,000-3,500 dong/KWh, making it hard for these migrants to live.

2.2.3 Vulnerability

In July 2009, the number of street vendors at the HCMC monitoring sites decreased. But at monitoring sites in Hanoi and Hai Phong, the number of street vendors increased, compared

The number of street vendors in Hanoi and Hai Phong is increasing

to the same period last year. The number of street vendors in Ward 6 slightly decreased because the migrant street vendors, already with many difficulties, could not sell their goods. No longer being able to pay their rents, these migrant street vendors were forced to go back to their home provinces. Meanwhile, in Kim Chung and Lam Ha, small traders are mostly local people or are from nearby districts and communes, so they are able to easily commute to work each day. In the first quarter of 2009, the number of workers who lost their jobs in Hanoi and Hai Phong increased quickly, forcing them to convert to selling goods on the street, working in restaurants, or wait for new job opportunities. Some female workers also became street vendors because they became pregnant and could not continue to look for new jobs. Competition in the street vendor occupation has increased.

--- "Before, there were only a few sellers, but after the Tet Holiday, the number of people selling clothes, shoes, and sandals increased by 45%. And there were also more people who were collecting and selling recyclable waste and junk. There are dozens of people, standing along the road. I felt our life was even harder." (Small trader group in Kim Chung Commune)

--- "Since footwear workers became unemployed, they have gone to work in the markets in a large number. There are dozens of new people who have entered the market since last year. It was boring to be here before because I was at the end of the market, but I am now in the centre of the market." (Small trading group, Ha Lam Ward)

Income from small trading, decreased in 2009

Most small traders said their incomes in 2009 decreased. This they said was particularly the case in the first quarter of 2009, when unemployed factory workers went home in a large number. The items that used to be sold to workers remained in stores, so these small traders had to either shutdown their businesses or find other products to sell.

--- "At the end of 2008 the fruit sales were lower than that in previous years. But in early 2009, it was even harder to sell fruit. The number of buyers, especially workers, noticeably declined, so the sales were about 80-90,000 dong per day during the crisis to compare with 130,000 dong per day before the crisis. It is somewhat less difficult now. Each day, it is easy to make 100,000 dongs or more." (D.T.T, selling fruits in Kim Chung Commune)

Fluctuations of prices and local government policies affect some of the small trading occupations

In HCMC, the income from purchasing empty bottles decreased over the last year due to price fluctuations and lower sales (e.g. iron was 7,000 dong/kg in 2008, but it was down to 2,000-2,500 dong/kg in early 2009 and up to 3,000 dong/kg in July, 2009). Last year people threw bottles away. But because of the crisis, living standards generally decreased so people collected bottles for money. Since for environmental reasons the Ward no longer allows piles of recyclable bottles and torn papers to be left in the streets, the bottle collectors have to travel further to sell recyclable bottles after gathering them (because it is necessary to sort out recyclable bottles before selling them to the buyers).

Box 10: Vendors during the crisis

Mrs. N.T.T., 50 years old, living in Lam Ha Ward (Kien An, Hai Phong), has very difficult circumstances. Her husband was paralyzed 15 years ago, so he is unable to do much for the family. Her son is studying at university, and he needs a great deal of money for his schooling. Mrs. N.T.T.'s main and daily job is selling fried cakes (or "donuts" which are made out of sticky rice dough and green beans with or without sugar in side) to make an income to take care of the family's living expenses.

The financial crisis period in late 2008 and early 2009 made her family's financial situation even more difficult. Before the crisis, she sold donuts at the gate of Niem Nghia Shoe Company, due to the crisis in late 2008 many of the workers lost their jobs, so her customers dramatically reduced. Since there were no longer enough customers Mrs. N.T.T. moved her business to Lam Ha Market. Mrs. N.T.T. said, "I sold about 300 donuts a day before the crisis, but I can only sell around 100 donuts per day now."

Currently she does not know what else to do to make a living. As her husband is bed-ridden, Mrs. N.T.T. has to spend a lot of time at home to provide care for him. For her, the job of making and selling donuts is the only profession she knows that will allow her to have time for the family. The family has to be very cautious with their spending, as her current income is all they have for expenses. She said that even when the crisis is over, she will not go back to the same place to sell donuts because once she left her place someone else took it. It will be very hard to find a new place to do business now.

The inflation of prices in 2008 followed by the financial crisis in 2009 has greatly affected small traders' incomes

Small traders were also affected by the negative prices in May and June 2008, making their cost outlays increase. During the economic crisis, their customers had to save their money, cut their spending, and consider prices more carefully. During this time small traders wanted to only buy low cost products so they can keep the price that they charge their customers down in order to maintain customers.

--- *"The number kilograms of meat sold this year went down quite a lot; people made less money, so they bought less. Before the Tet Holiday, 30-40kg of meat was sold during a day, and now only 20kg is sold per day (group of small traders in Ha Lam Ward)*

--- *"Workers want to have low prices, so I have to sell fruit at low prices. I will not have customers otherwise. But if I sell at cheap prices, I may not make money because the box of fruit I bought had many spoiled fruits. So the safest solution was to weigh less. I hired someone to adjust my scale so that one kg is now really equal to 800 grams. If someone does not ask for low prices, I will give them more." (D.T.A. selling fruits, Kim Chung Commune)*

--- *"This year the sales of noodles were not as good as those of last year. A bowl of noodles could be sold for 5,000-6,000 dong last year, but it is sold at 10,000 dong this year due to an increasing cost of materials. Workers have lower wages, and the price of a bowl of noodles is higher than that last year, so they eat less noodles. I sell 10,000 dong per bowl, but if they ask for only 5,000-6,000 dong per bowl I will have to sell it to them." (Group of small traders, street vendors, Ward 6)*

Box 11: Difficulties for restaurants when prices increase

Mr. N.T.D, living in Residential Quarter 30, Residential Unit 3, felt that the year 2009 has been the most difficult year for his restaurant in over 10 years of selling rice in Lam Ha Ward.

The main reason that it has been difficult for my restaurant is that the prices of food, groceries are still very high in 2009. Living costs, such as electricity, clean water, and gas, increased rapidly in early 2009. The restaurant has had many difficulties. Mr. N.T.D. said: *"In order to prepare one rice serving, the owner of the restaurant has to spend about 9,000-10,000 on food and groceries, not including other costs, such as labour, fuel, electricity, clean water. But if we charge 15,000-16,000 per serving, we may not have any customers. If we keep the price of a serving at 9,000-10,000, we can not guarantee the quality of a serving, and no one wants to eat."*

Due to unemployment, a large number of workers have to cook for themselves instead of going to restaurants as they had previously done. So, the number of my customers has dropped by many. According to Mr. N.T.D., *"In 2009, the number of customers reduced by two thirds, compared to in 2008. I sold 100 servings per day in 2008, I can only sell 30-40 servings per day now."*

Mr. Doanh (N.T.D) and his family were feeling the effects of difficult time for their business. In order to cope with immediate challenges, Mr. Doanh's family knew they had to cut spending, but, as for the future, they do not yet have a specific direction.

A brighter situation from the second quarter in 2009

From April 2009, the situation seems to have been more positive. Workers started returning to work, and businesses recruiting new employees. Thus, the number of buyers increased, compared to early 2009. However, people still have psychological fears that continue to curtail their spending and maintain their cost-saving habits.

--- "Life is more difficult than it was last year. Prices increased dramatically; trading is less than it was last year because there are more sellers and fewer buyers who are trying to cut their spending. I could sell very well before. People could buy 10 items at one time, but there are not many people who can buy 10 items at once now. They just buy five to six items now." (Small group of traders, Ward 6, Go Vap District)

Conflicts with urban management policies and psychological abuse from customers

Besides the risks of low incomes and high expenses, street vendors also have limitations because of regulations on the areas where they are allowed to sell. They are at risk of being pursued and arrested when they sell in banned places. However, even so, they do not change their jobs because it is their only means of living. When they encounter police inspection officers, or staff from market management boards who come to "visit" them, street vendors have to "flee". They then continue to sell their goods elsewhere. Small traders also have to deal with the risk of being psychologically abused or disrespected by their customers.

--- "Sometimes meeting old friends, I feel ashamed. Some customers look down at me as if I were a rural person, an idiot, and poor. I myself felt very upset, but when I thought of my children, I overcame it. Provided that I have money to bring up my kids, I can continue to do my job." (N.T.T. selling sweet potatoes, Kim Chung Commune)

2.2.4 Coping mechanisms**A popular coping method is to increase their hours of selling and limit on spending**

With small traders, the best way to cope with crises is to increase their selling hours, "leave home early and go home late", and to save on expenses.

--- "In the countryside, it is difficult to make money. If I have money I will buy meat, if I do not have money, I will buy cheap fish to eat. In the countryside, it is not necessary to have a certain kind of meat. If you pay school fees for your children, you may just eat fish sauce." (A small trader group, Lam Ha Ward, Hai Phong)

Many retain the street vending jobs because they have limited options.

When asked, most street vendors said they intended to be in their current businesses for a long time. Their ideas about changing their jobs had more to do with changing the items that they would sell than with actually changing the type of work they did. Due to their low levels of education and age, they are unable to pursue working in a company or factory, and with no other alternative options, these street vendors are dependent on these jobs to guarantee their families' livelihoods. Most street vendors are very concerned about their occupation if it banned more widely as they have little else to fall back on. Most of their families do not have agricultural land and they are unable to find other means of supporting their families.

--- "If street vendors are banned, I will not know what to do to put food on the table for the family. After most of our agricultural land was confiscated, we now have only 750 m². We do not eat just rice but also meat and vegetables. I do not know where to get money for the food. I would like to find another job, but it is difficult because I am not educated." (D.T.T, selling fruits, in Kim Chung Ward)

2.3 MOTORBIKE TAXI DRIVER GROUP**Motorbike taxi drivers mostly are male, middle-aged, married, and unable to work in other occupations.****2.3.1 Group features**

Motorbike taxi drivers have an average age from 30 to 55 years old, and are unskilled. At monitoring sites in Hanoi and Hai Phong, the majority of motorbike taxi drivers are local people, but some are commuters from surrounding neighbourhoods. Most motorbike taxi drivers at monitoring sites in HCMC are migrants living in nearby rental houses, with a small percentage being local people.

... muddled-age people in difficult circumstances are dedicated to motorbike taxi occupation.

In Kim Chung Commune (Dong Anh, Hanoi), some motorbike taxi drivers come from families whose agricultural lands were confiscated to build roads or industrial areas. Many local men choose the motorbike taxi occupation after trying other jobs and finding them unsuitable such as construction work. While many motorbike taxi drivers said they are unhappy with their current jobs, most of them have no intention of changing occupations because they are too old to apply for other jobs.

--- *"Before I was a worker, but since my wife died, I left the job and became a motorbike taxi driver in order to have more time to take care of my children. I also do not have agricultural land to cultivate. My children are grown up now, but I am still a motorbike taxi driver because I am too old for any other job."* (L.V.V, a motorbike taxi driver in Kim Chung Commune)

In some cases young men choose to be motorbike taxi drivers as a temporary job while waiting for more suitable work. Some motorbike taxi drivers, after gaining some capital, have changed their jobs to small traders and landlords. Middle-aged men in difficult circumstances tend to stick to their jobs as motorbike taxi drivers for a long time.

The income of a motorbike taxi driver is unstable

Due to the instability of this work and the rising number of motorbike taxi drivers, the monthly average income of a motorbike taxi driver is only about 1 million to 1.5 million dong depending on their age. The younger men normally gain higher incomes because they are in better physical condition and so they can transport customers longer distances, and work longer hours. The majority of motorbike taxi drivers' wives and children work in low-come informal sectors, such as small traders and bricklayers.

2.3.2 Living and working conditions

Motorbike taxi drivers have hard working hours.

Motorbike taxi drivers have no fixed working hours. However, they mostly start working from 5:00 A.M. and return home around 6:00-7:00 P.M. Depending on the number of customers and their requests, a motorbike taxi driver may not go home until midnight. Some motorbike taxi drivers go home for lunch if they live near the places that they wait for customers and can come back to work at around 3:00-4:00 P.M. Some others whose homes are not as close just rest at a tea stand or in the shade to relax while waiting for customers.

--- *"Working time is not fixed. It depends. If one makes much money during the day, he may go home early. But if one has not made much money, he may work late. If I am near my house, I will go home for lunch. If I am not close to my house, I will just go home when it is dark. During lunch time, I just get something to eat and relax while waiting for customers."* (Motorbike taxi group in Kim Chung Commune)

Motorbike taxi drivers have to take care of their children's school fees and many other expenses

In HCMC, most motorbike taxi drivers rent cramped low-priced houses with poor environmental hygiene conditions. In Hanoi and Hai Phong, most motorbike taxi drivers do not have to rent houses. They tend to be the families' breadwinners. So, even with little savings, they have to take care of all their families' living expenses, meals, their children's school fees, wedding gifts, and funeral costs.

--- *"Now driving a motorbike taxi only helps me to barely cover our modest living expenses. We do not even have enough money to pay for expenses, much less to save; thus, we have to pick and choose what to spend it on."* (Motorbike taxi group in Kim Chung Commune)

They are not yet interested in buying health insurance

When interviewed, motorbike taxi drivers generally acknowledged the importance of health insurance, but they do not buy voluntary health insurance due to a lack of money. Some people also said they did not wish to purchase health insurance because they do not like to pay for it. According to these motorbike taxi drivers, health insurance is insufficient to cover people's medical treatment needs. Moreover, they feel that people with health insurance receive poor customer service from nurses and doctors.

--- *"Money is not enough to buy food, much less drugs. I also want to buy health insurance a*

lot because I am ill. I had to go to a hospital 6-7 times last year because of a back problem. Since the beginning of the year, I have gone to the hospital twice, but I did not have money to pay. If I pay in an open market, I can pay on credit.” (N.T.P. motorbike taxi driver in Ha Lam Ward)

--- “I do not want to buy health insurance because I do not have a need for that. If I am sick, I just get medical treatment in a private clinic where the services are faster, more convenient, and do not require health insurance. When they want to have medical examinations or treatment, people with health insurance often have difficulties. For example, they may receive poor customer service from nurses and/or doctors, and they may have to wait in line for the whole day for their turn.” (L.V.V, motorbike taxi driver in Kim Chung Commune)

--- “My motorbike taxi job is hard, and I do not have money for health insurance. I even have to deliberate over which of the two insurances – health insurance and Vietnam Insurance (normal life insurance) - to choose for my children.” (L.V.C., a motorbike taxi driver in Kim Chung Commune)

Rarely participating in community activities

As they quite often work until late in the evenings, most motorbike taxi drivers said they did not have time to partake in community activities or social activities in their residential quarters. After a day of working, motorbike taxi drivers said they feel exhausted and do not want to socialise with friends who are not motorbike taxi drivers or neighbours.

--- “I do not have time for leisure activities because I often come home late. In the early morning I have to take my children to school because my wife has to buy goods for her business. I try to spend my time only with my neighbours. I also have time to participate in the residential quarter’s activities, but very little.” (L.T, motorbike taxi driver in Ward 6, Go Vap District)

In some places, motorbike taxi drivers share work in groups, sharing the work supporting each other.

Some motorbike taxi drivers form their own groups for convenience purposes and to help one and other out. The "self-management motorbike taxi group" near Nhi Duc Hospital, Lam Ha Ward is a typical example. Members of this group take turns to service customers, and when a member of the group is in trouble the whole group will contribute to help. However, because of their financial situations the members of the "self-management motorbike taxi group" can only offer a member facing difficulties with limited financial support.

---“Each person contributes about 10,000 dong to a fund which is used for visiting friends when they are sick.” (A motorbike taxi driver in Lam Ha Ward, Hai Phong)

2.3.3 Vulnerability

Motorbike taxi drivers have had many difficulties in 2009 due to a decrease in customers and an increase in competition.

In 2009 motorbike taxi drivers were affected by many factors, including: (1) the financial crisis, as it affected workers’ incomes and employment, it in turn resulted in fewer customers for motorbike taxi drivers; (2) competition from other forms of transport such as city buses and taxis; (3) a rising number of motorbike taxis as redundant labourers changed occupations to become motorbike taxi drivers; (4) price inflation in 2008, causing a decrease in their customers.

--- “The number of taxis gradually increases. People’s living standards have been improved. Patients are mostly women and children, and they often take a taxi. Taxi companies bought a place at the hospital last year. Now the number of taxis in the hospital is larger than the number of motorbike taxis, waiting for customers at the hospital’s gate (10 taxis and 8 motorbike taxis). It has been hard for motorbike taxi drivers because people now can afford different types of transportation . City bus routes have also been expanded, even travelling to suburban districts and neighbouring provinces.” (Motorbike taxi group in Lam Ha Ward, Hai Phong)

--- “Before Tet Holiday, we had some more motorbike taxi drivers. During the crisis at the beginning of the year, we also had some more new motorbike taxi drivers, mainly local people. Migrants from other provinces hardly do this job now.” “I did not think of working as a motorbike taxi driver before. But because I did not have a job and because I was cheated and lost money to someone who told me they would help me to get a job but never did. I was so bored that I started this job last year. There are about 16 motorbikes on the two sides of me

now. Drivers are middle-aged and young men. Some drivers are retirees who want to make some extra income. Other drivers do this job after their classes have finished. Some workers also do this job." (Motorbike taxi group in Kim Chung Commune, Hanoi)

---"I have driven my motorbike taxi since 1991. Because there are more motorbike taxi drivers now, it has been hard for us for the last three years. This place did not have any sign of a motorbike taxi driver. Now people are here with their motorbike taxis because they need food and clothes." (Motorbike taxi group in Go Vap, HCMC)

Petrol prices also severely affect motorbike taxi drivers.

Motorbike taxi drivers not only face a decreasing number of customers, but they also have to deal with the rising prices of petrol, oil, and motorbike repairs. Even when the price of petrol suddenly spikes motorbike taxi drivers do not charge their customers more because they fear that they will lose custom. In order to ensure a stable daily income, some motorbike taxi drivers are forced to work overtime to compensate for in the effects of a decreased number of customers and higher petrol prices.

--- "Last year I made 1.5 million to 1.6 million per month, but I could only make 1.1 million to 1.2 million this year. The lucky ones have customers, the unlucky ones just wait. Now I do not take a lunch break; if I am hungry, I just look for food then. Last year I could have time to relax during lunchtimes. This year, I have to sit on my motorbike and wait for customers through the lunch period. About half of my working days each month I go without a lunch break." (Motorbike taxi group in Lam Ha Ward, Hai Phong)

--- "My income this year decreased by about 50%, compared to last year. In previous years, I made 1 million per month, but now I just make 500,000d (after subtracting petrol and oil expenses). Some people know this, and some others do not. Even when the price of petrol increased we could not charge customers more because they are used to previous prices and will not accept a price increase." (P.C.B, motorbike taxi driver in Lam Ha Ward - Hai Phong)

--- 'Motorbike taxi drivers do not make much money. Although the price of petrol has increased, customers will not take our higher prices. When the petrol price increased to 19,000, the prices for motorbike taxi drivers remain unchanged. The only way to solve this problem is to make just a little income on each customer; low labour is alright.'" (L.V.C, a motorbike taxi driver in Kim Chung Commune, Hanoi)

---"Compared to 2008, motorbike taxi drivers this year have more difficulties. The price of petrol has increased again, but prices for our services do not increase. For the same distance, we charged customers 10,000 dong when the price of petrol was 11,000. And when the price of petrol was 15,000, we still charged them 10,000 dong, meaning that our income decreased." (N.N.C, a motorbike taxi driver in Go Vap, HCMC).

Finding enough money for their children's school fees and meals is a major challenge for a motorbike taxi driver.

The rising costs of living also affect the lives of motorbike taxi drivers. Prices of electricity and clean water are increasing and prices of food and groceries also remain high. Children's schooling expenditures take up a large proportion of a motorbike taxi driver's income. With schooling costing between 500,000 to one million dong per month, they comprise 50% of a motorbike taxi driver's monthly income. But they will always consider their children's educations as a priority.

--- "Now the prices of electricity and water increase. Spending on weddings and funerals can never stop. We just cut our daily meals." (A motorbike taxi driver group in Lam Ha Ward, Hai Phong).

--- "Children's school expenses are our biggest concern. At the beginning of the year, we did not have enough money to pay for our children's tuition. To put our children in school is our highest concern now. We are uneducated, and we have to help them to get educated. We have to borrow money from siblings and friends when we have to pay school expenditures for our children." (A motorbike taxi driver group in Lam Ha Ward, Hai Phong).

Because they do not have savings, motorbike taxi drivers have to borrow money with a short-term high interest rates

Due to their uncertain incomes and unstable jobs, motorbike taxi drivers do not have savings. What they make for a day can only cover their own and their families' cost for that day. When they need a larger amount of money, they borrow short-term high interest rate loans.

--- "We cannot save money; we spend what we make right away. If we need to pay tuition for our children or pay for some urgent needs, we borrow a loan. Borrowing can help us save money." (N.V.B., A motorbike taxi driver in Go Vap, HCMC)

--- "In general, we cannot save money. If we make money well, we use it all as well." (A motorbike taxi driver in Lam Ha Ward, Hai Phong)

Box 12: Motorbike taxi drivers during the economic crisis

The rising price of goods and services and the economic crisis have greatly affected the incomes and expenses of the motorbike taxi driver group since May and June 2008. Mr. L.V.V., born in 1969 in Kim Chung Commune, works as a motorbike taxi driver at a bus station, and is a typical example. The solution he employs to cope with the difficulties for his family is to reduce the money they spend on food and drink, and to work more hours.

--- "My income, including petrol costs, was about 100,000 dong per day in June, 2008. Around the Tet Holiday period, my income was less, compared to that of the previous year. Last Tet Holiday I made 150,000 per day, but this year I made only 100,000 per day. In March and April of the Lunar Calendar, there were hardly any customers. Sometimes I made 30,000 per day, but I spent 2,000 for long-pipe tobacco, 3,000 for tea, and 25,000 for petrol. I actually did not make any dong for my labour. If I work hard from dawn to dusk, I may make between 70-80,000 dong per day, including petrol costs."

Motorbike taxi drivers may get warnings or fines from the policemen for not parking in the permitted areas from time to time

Motorbike taxi drivers generally do not have problems with local government, but during national holidays and the Tet Holiday, they may get warnings and/or fines from local policemen and transportation investigators for loitering on sidewalks and around bus station corridors.

--- "The problems do not come from the commune. Sometimes staff members of the transportation investigation department and policemen issue warnings. Sometimes they take our motorbikes and put in their truck without issuing warnings. A month ago, someone lost 100,000 for violating a bus station corridor." (A motorbike taxi driver group in Kim Chung Commune, Hanoi)

Ill-health and the risk of people using their service without paying are two ongoing concerns for a motorbike taxi driver.

Motorbike taxi drivers also face health risks due to their insecure working conditions and unstable weather. Motorbike taxi drivers are particularly afraid of getting sick because they do not have savings or health insurance. Most of them just go to a pharmacy and buy medications when they are sick. When the illness is more serious, they may consider going to a hospital for medical treatment, but in reality they rarely go to hospitals. Motorbike taxi drivers, unfortunately, also risk confrontations with dangerous customers or drug addicts who rob them or use their services without paying. In order to limit the risk some drivers ask untrustworthy customers to pay them in advance.

--- "A motorbike taxi job is hard, especially when it rains, it's hot, or cold. In the beginning, I always thought of the risks would be accidents on roads, not of drug addicted people who use our service but never pay for it." (L.V.T. A motorbike taxi driver in Lam Ha, Hai Phong)

--- "In 2008, I was almost cheated. They told me to go to the highway then to Melinh Plaza. They wanted to go through the graveyard and to the golf course, but I was careful. It was about 8:00 P.M. I was almost hit. Fortunately, some people came and they ran away. People using my services without paying happens to me from time to time." (T.V.K., A motorbike taxi driver in Kim Chung Commune, Hanoi)

2.3.4 Coping mechanisms

Reducing expenses is the most popular mechanism to cope with risks.

Most motorbike taxi drivers' employment options are limited because they are older and uneducated. So a career change was simply not an option to cope with the increasingly difficult situations they found themselves in 2009. When interviewed, the majority of motorbike taxi drivers said that they had cut spending on things such as food, drink, water, electricity, and personal items in order to cope with current challenges.

--- "Our expenses have been reduced since the beginning of the year. We re-use the water after washing our laundry to wash the toilets. We only take a bath once a day instead of twice a day as before. We use much less electricity now, just use when it is needed. Living expenses for the whole family used to be 2 million per month, but now they are 1.3 million." (P.C.B A motorbike taxi driver in Lam Ha Ward, Hai Phong)

--- "I intended to change my job, but I have not found a better job yet. In the near future if there is a support for those who lost their agricultural land (100%), I may change my job to become a small trader. This job is hard." (L.V.V., A motorbike taxi driver in Kim Chung Commune, Hanoi)

Middle-aged motorbike taxi drivers also tend to stick with the job because they are too old to find other jobs.

Middle-aged motorbike taxi drivers also tend to stick with the job because they are too old to find other jobs. Motorbike taxi drivers who still have some agricultural land continue to do this work for as long as they are able to and then as 'retirees' they return home to work on their land. Other younger drivers do have an option to change their jobs to driving trucks or other vehicles. But often they choose not to make the change because they still lack the capital to invest or are fearful of the investment risk.

2.4 CYCLO GROUP

The Cyclo group is a particular group only surveyed in Lam Ha Ward (Kien An, Hai Phong) because cyclo driving is a common profession at this urban poverty monitoring point.

2.4.1 Group features

Cyclo drivers also do other jobs such as porters, bricklayers

Cyclo drivers live together in Quarter 30, Lam Ha Ward (Kien An, Hai Phong). They have limited education and a lack of other skills. Cyclo drivers often wait in groups for jobs at a "cyclo market" (near Hai Phong Junior Medical College). When hired, they share the work. Besides pedalling their cyclos, this group also supplements their incomes with other casual work such as portering and bricklaying.

In some cases both the husband and wife in one family are cyclo drivers

Most cyclo drivers in Quarter 30 come from families who migrated to the quarter many years ago and are living in low quality houses with no "so do" (or "red book" which effectively is a "certificate of the rights for land use"). These families have either one parent or both parents pedalling cyclos. Quarter 30 has about 20 female cyclo drivers. Due to their low unstable incomes cyclo drivers usually experience difficult living conditions. The total number of cyclos in the quarter has declined, compared to previous years because older people have been gradually retiring from pedalling cyclo profession (now about 30 households have cyclos, before there were 50 households).

Cyclo drivers have unstable income, and may go many without work.

2.4.2 Vulnerability

The work of cyclo drivers is greatly dependent upon weather and local construction so the amount of work they can get is always uncertain. From January to June, during the dry season, cyclo drivers can make money by transporting construction materials because there are more

construction projects being undertaken during this time. During the wet season, when construction projects decrease, they often work in alternative jobs as bricklayers or porters. Some cyclo drivers without work stay at home. The income that they can receive from pedalling a cyclo is very unstable. After spending money on food and drink, a cyclo driver may on average earn 50,000 dong per day. They often have to spend much time waiting or on bad days they might not have a job all day.

--- *"My cyclo pedalling job is not to transport passengers but construction materials. But it is hard to change jobs. In an average day, I can earn 50,000 dong a day after spending money on food and drink. On average in a month, I may have jobs for only 15 days, and the rest of the month I spend waiting and relaxing. From July to December, there is less work for cyclo drivers because there is less construction work. At that time, the housekeeping is my job. The cyclo pedalling occupation is very uncertain and has an unstable income"* (Cyclo Driver Group, Residential Quarter 30, Lam Ha Ward).

Delays in construction projects in early 2009 affected cyclo drivers.

In early 2009, cyclo drivers had a hard time in their business. Many construction projects were delayed due to the rising prices of construction material due to the impact of the global economic crisis. Cyclo drivers' incomes reduced by 20-30%, compared to the same period in 2008. In this period their work hours were cut by about half of those they had worked in previous years.

--- *"This year, building a career is very bad; cyclo drivers' jobs are also bad. We do not know what to transport if there is no construction work. Last year we each could make 100,000 dong per day during the building season (dry season), but we could only make 70-80,000 dong a day this year. From the beginning of this year our work has been much less, 12-15 days a month with jobs this year, compared to 20 days last year"* (Cyclo Driver Group 30, Lam Ha ward)

The policy of restricting cyclo drivers from entering the city during the day time is making their lives harder.

The current government policy prohibits self-modified three-wheel and cyclos to operate in the city centre between 8 A.M. to 9 P.M. In order to work in central districts, cyclo drivers have to go to the city after 9 P.M., and they may have to work until midnight. Some drivers that were caught pedalling their cyclos during prohibited hours were arrested. They had to pay fines and/or had their cyclos confiscated and as a result lost their means of making an income.

--- *"I mainly transport construction materials, starting from 6:30-7:00 A.M. When I do not have much work to do, I may go home at about 2:00 P.M., but when I have work to do, I may go home around 4:00-5:00 P.M. About 3-4 times per month, I work at night mainly because some streets are prohibited for transport during day hours."* (P.T.D, has husband pedalling cyclo, Quarter 30, Ha Lam Ward)

--- *"The cyclo occupation was banned more last year than it has been this year. From 5 A.M. to 9 P.M. cyclos are banned. If you are caught pedalling through an intersection, you have to pay a fine of 100,000 dong. If you do not have money, the policeman will keep your cyclo"* (Cyclo Driver Group, Quarter 30, Lam Ha Ward)

Cyclo drivers have less work in the wet season.

During the wet season, from July to December, cyclo drivers find it more difficult to find work transporting materials. During this season, cyclo drivers often change their jobs to work as bricklayers, porters or house cleaners. But the number of people seeking this casual work, vastly out numbers the actual number of jobs available. In the end, often during this time many cyclo drivers opt to stay at home.

--- *"During the months towards the end of the year, we have to look for other jobs, such as bricklayers, house cleaners, and house builders."* (Cyclo Group in Quarter 30, Lam Ha Ward)

Due to their low incomes and unstable jobs, cyclo drivers do not have savings. To cope with their immediate problems or during times when they do not have work, cyclo drivers often have to borrow money from friends, relatives, or a pawnshop at high interest rates.

--- *"With this occupation we run out of money before our sweat dries, so we do not have savings. Now we do not have money for food, and we have to borrow.....We have to borrow money at a high interest rate (5%) because our friends and neighbours are also poor and do not have money for us to borrow."* (Cyclo Group, Quarter 30, Lam Ha Ward)

Without savings, they sometimes have to borrow.

Due to their poor status cyclo drivers are psychologically afraid of borrowing from banks. Their lacking of red books also affects their opportunities to borrow money as they cannot borrow money against their land. Some people in this group were entitled to borrow from organizations and unions, but they did not dare because they did not know how they would ever repay the loans. Some others had wanted to borrow larger amounts of money to invest in production, but had been refused loans because they did not have red books.

--- *"We can not borrow loans because we do not have the appropriate papers for the land. In one or two cases, people came home from Co To Island and lost their papers. Some others have property in their home provinces and do not want to lose it, so they keep their permanent residence papers from their previous accommodations." "Some people want to borrow money and cannot do it. Some others are afraid of taking loans because they do not know what to do with the money. My family borrowed 5 million. The Women's Union actually wanted to lend us 7 million, but we only dared take 5 million. If we borrow too much, we do not know how we are going to repay the loan". "[We are] using a 5-million loan from the Women's Union to invest in daily vegetable trading, but we do not make a big income. Now we need money. If we had a red book to mortgage, we can borrow ten of millions, and then we can replace our cyclo with a small truck. But without a red book, we cannot implement this plan."* (Cyclo Group, Quarter 30, Lam Ha Ward).

Fears about borrowing money from banks and mostly do not have a red book for a mortgage.

Although they are aware of the benefits of health insurance, most cyclo drivers do not buy it because of in their financial situations it is simply impossible. Only when someone in their family is sick will these cyclo drivers show interest in purchasing health insurance.

--- *"Poor people who are currently healthy do not spend 640,000 to purchase health insurance cards because they have to take care of so many things". "My mother is sick, but when we wanted to buy a health insurance card in order to go to the hospital, we were told that there were no cards left. They said they would have a card the next morning, so we went home."* (Cyclo Group in Quarter 30, Lam Ha Ward).

Less interested in buying health insurance cards.

Although they do not make much money and their jobs are uncertain, many people still have to stick to the cyclo pedalling occupation because they are unable to find better jobs.

--- *"I have had this business since 2005. In the past, I worked as a bricklayer and an assistant house builder. My last jobs were low paid and uncertain, so I chose the cyclo occupation as my job because I can make some money even though the job is uncertain. Also, because I am unhealthy I cannot climb high or carry heavy stuff in order to pursue the construction occupation. Because I have not found a better job, I continue to pedal and wait for a chance to change my job."* (Mr. V.H.D, a cyclo driver in Quarter 30, Lam Ha Ward).

PART 3.

CONCLUSION: 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. Some specific social groups such as migrant workers, street vendors, motorbike taxi drivers, and cyclo drivers were selected for this survey to reflect the diversification of urban poverty.

In 2009, according to official statistics the poverty rates suddenly escalated due to the local governments in Hanoi and HCMC increasing their poverty lines. A new cycle with new challenges for poverty reduction programs has begun in these cities because the concept of "poor households" changed when the poverty line was increased. In addition to a pre-existing hard core poor group (which remains) there are now a large number of low-income people falling under the poverty line. These 'new poor' include retirees, the ailing and weak local officials with many dependents and without supplementary income, small traders, suburban farmers whose agricultural lands have been confiscated, and those lacking the ability to change their livelihoods. Hai Phong City still applies the Government's general poverty line, which makes its poverty rates seem very low and unlikely to reduce further.

The official urban poverty data does not consider migrant groups. However, HCMC did in early 2009 allow some households with long-term temporary residence to be considered. The poverty status of migrants is more serious when considered within the context of "social integration" and the hardships they face in terms of loss of social and familial relations and lack of access to support networks and services, as opposed to poverty simply in terms of "income" or "expenses".

Diversified and complicated urban poverty also has many specific social groups with their own difficulties and disadvantages and vulnerabilities to risks and shocks. The vulnerability of urban poverty groups is highly evident in the context of the effect of the global financial crisis on Vietnam, and the ongoing impact of the persistent increasing price of commodities since 2008. Since these impacts, many urban poor people, including local people and migrants, have not felt that their lives have improved to any significant degree. Some people have even seen a degradation in the quality of their lives over the last year. The migrant worker group, in particular, suffered major shocks in the first months of 2009 when businesses had a drop-off of export orders.

The 2008 Urban Poverty Report predicted that the influx of migrants to large cities would gradually decrease due to low wages, high living costs in urban areas, harsh working conditions in factories, and more job opportunities arising in rural areas. The survey in 2009 showed that in fact an exodus of migrants from large cities did occur as forecast. This movement of migrant workers out of cities has led to an imbalance in labour supply and demand in businesses such as footwear and garment manufacturers which found themselves with a shortage of available labourers as they recovered.

However, in the last months of 2009 and first months of 2010, as the world financial crisis

subsidies and enterprises enter a period of rapid recovery the influx of migrants to large urban areas is likely to increase again, although its unlikely to be at a pre-crisis level. The process of urbanization follows the in-flow of migrants. Challenges of urban poverty reduction mentioned in this report may continue to become more serious so should be carefully monitored to ensure the development of effective policies towards sustainable poverty reduction.

Many of the policy recommendations stated in the 2008 round 1 Urban Poverty Report remain relevant. However, the second round of surveys in 2009 also raises some new suggestions pertaining to urban poverty reduction policy. These recommendations are:

1. **Close monitoring of the impact of risks and shocks on urban poor groups:** Urban poverty reduction in the context of many risks and shocks (such as price disadvantages, the global financial crisis, global climate change, changes in urban management policies, land use policies and urban planning) cannot be effectively implemented without clear identification of the difficulties of local people and migrants and without updating the migration flows of labour and the rural-urban linkages (e.g. job redundancies, income reduction in migrant worker groups and informal sector works). It is necessary to improve the systems of statistical labour-employment surveying and build monitoring sites in each locality, to improve the labour reporting of companies and businesses, in order to gain an accurate representation of the situation, identify emerging problems, and therefore effectively respond to risks and shocks in a timely manner.
2. **Classification of the poor should focus resources towards the most vulnerable groups when the poverty line is increased in urban areas.** After the large cities like Hanoi and HCMC increased the poverty line in early 2009, a greater number of households fell under the poverty line. With limitations on resources, it is necessary to classify the poor into different groups in order to determine appropriate policies at each level of poverty. Strategic and careful planning is needed for programs of poverty reduction support in urban areas. Migrant immigrants, as one of the most vulnerable, yet overlooked groups, need to urgently be integrated into considerations of poverty. Other provinces and cities can learn valuable lessons from HCMC's experiences in allowing consideration of long-term temporary migrants and classifying the poor into two groups (one poorer group with annual incomes under 8 million dong, compared to the 12 million dong poverty line) in order to have a more appropriate social protection policies pertaining to each group.
3. **Improved and coordinated support policies are needed for households that have had their agricultural lands (e.g. over 30% of agricultural lands) reposessed to build industrial parks.** These coordinated support policies should focus on solving irrigational system problems, and issues relating to water supply, drainage, wastewater, and waste disposal, and on methods of support for sustainable livelihood change that encourage people to attain social security. There should be clear regulations to augment the responsibilities of industrial park investors in terms of providing support for the aforementioned policies. Investor responsibilities should begin from the period of land use planning, and continue to include a thorough assessment of the environmental and social impacts of any completed project. It is also necessary to improve the capacity of local management (number of staff, planning and implementation of policies, increased transparency and accountability) in the peripheral urban communes. In this time of transition to urbanization there should be a focus on planning in terms of managing the standards of rental houses and services to improve local people's lives such as, expanding education and medical centre facilities (including services for migrant workers' children), building cultural, sports, and entertainment facilities, and putting in place preventative measures against criminal activity.
4. **Building a social protection program for migrants in urban areas,** such as creating opportunities for migrant workers to be able to obtain insurance (social insurance, unemployment insurance, medical insurance), supporting people who have lost their jobs due to risks and shocks, supporting costs of vocational training and education (for migrant

workers who study and work), and vocational and psychological counselling, is important. Helping migrants to have better access to social services and fairly-priced utilities (electricity, water), and improving migrants' "social capital" by creating more opportunities for them to participate in the activities of unions, residential quarters, community and cultural groups, requires active participation of all key stakeholders (government and management and representatives of residential quarters, unions, trade unions, enterprises).

5. **Strengthening the role of community self-management groups** is an effective measure to increase social capital and improve the capacity of vulnerable people in urban areas (including local people and migrants) to cope with risks and shocks. Self-management groups may take a variety of forms and serve one or more functions, such as mutual sharing and support, access to programs supported by localities and donors/philanthropists, improvement of access to public services, organization and implementation of services to serve communities, e.g. waste collection.



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