

# Urbanization, Employment and Urban Poverty during the Early Industrialization Period in Vietnam

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**Abstract:** After Reform (1986), Vietnam switched to a market economy and opened up to attract foreign investments. Since 2000, Vietnam entered a period of industrialization and urbanization. The proportion of urban population was growing over the years. Rural-urban migration, along with rapid urbanization would result in critically socio-economic issues. Under the economy and development view point, this article aims to analyze the urbanization trend, employment situation, unemployment and urban poverty in the early stages of industrialization. These are powerful factors affecting the natural, economic and social urban environment. The data sources were used for analyzing included: Census on Population and Housing (1989, 1999, 2009), Annual Survey on Labor and Employment (2010-2014); Vietnam Living Standard Survey (2010, 2012, 2014)...Urbanization rate rose from 20.3% in 1989 to 33.0% in 2014. There was a huge difference between geographical regions on this rate. The unemployment rate in urban areas was not high as that of other countries, but always higher than that in rural areas. Unemployment rate has been gradually falling, however, labor quality was still low. The living standard has been improved. Poverty rate gradually reduced but focused on immigrant workers. Some policy implications for urbanization in Vietnam were recommended.

**Key words:** urbanization, industrialization, employment, poverty, rural-urban migration

## 1. Introduction

After a long time passing through two wars and the first step of economic restoration in the post-war period, in 1986 Vietnam began implementing the Innovations policy, transforming the economy from subsidized and centered planning to market economy. Along with the transformation of economic mechanisms, Vietnam has attracted more investment capital, including domestic and abroad to develop the economy and improve the living standards of the people. In parallel with the process of attracting investment capital for industrial development is the process of industrialization and modernization in the country. The proportion of urban population in Vietnam continued to increase, from 19.2% in 1979 up to 29.6% in 2009 [3]. Rapidly industrialization and urbanization do encourage

migration from rural to urban and then appearance of social issues need to be solved, such as, employment, unemployment and poverty in urban, those have not been existed before Innovation. Under the economy and development point of view, this article aims to analyze the trend of urbanization, employment situation, unemployment and urban poverty in Vietnam in the early stage of industrialization. These are powerful factors affecting the economic and social urban environment. It helps create a scientific base for policy making in human resource development, poverty reduction in order to improve the natural and social urban environment.

## 2. Data Sources

This article used available data sources come from major surveys, such as the Census on Population and Housing in 2009 [3]. Data from the national surveys such as Reports on Labor and Employment Survey in 2012, 2013, 2014 [8, 9, 11]. Living Standards Survey

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Report in 2012 [10]. Report on Assessment of Urbanization in Vietnam by the World Bank in 2011 [16]; Report on Assessment of Poverty Urbanization in Vietnam [15]. Moreover, this article also used the data sources from the small sampling surveys as: Survey on Temporary Migration in Hanoi and Ho Chi Minh city [12].

### 3. Urbanization in Period 1990-2015

#### 3.1 The Number of Urban Increased

The number of urban settlements of Vietnam constantly increasing, if in 1990 in Vietnam has only 500 urban settlements, with population size was nearly 13 million, accounting for 19.5% of country's population, in 2010 Vietnam has 755 towns/cities with 26.31 million people, accounting for 30.5% of country's population and in 2013, this figure had risen 770 towns/cities with nearly 30 million people, accounting for 33.5% of country's population. Urban settlements of Vietnam are divided into 6 types, the largest of which is the special city. This is an urban area

ensuring standards as "capital or urban area has function as a center of economy, finance, administration, scientific-technology, education-training, tourism, health care, traffic, domestic and international exchange, has the role of promoting social-economic development of the country; population size of this urban type is at least 5 million people. Population density of this urban is from 15,000 people/km<sup>2</sup> or over; the proportion of non-agricultural workers accounts for at least 90% of the total labor". Smallest urban settlement in Vietnam must as "a general center or specialized center on economy, administration, culture, education-training, tourism and services with the role of promoting social-economic development of district or communal cluster, has a minimum number of population is 4 thousand; the average population density is 2,000 people/km<sup>2</sup> and over, the proportion of non-agricultural workers in the building neighborhood at least account for 65% of the total labor".

**Table 1 The urban development in Vietnam for the period 1990-2013 [13].**

Indicators	1990	1995	2000	2005	2009	2010	2013
The number of towns/cities	500	550	649	729	731	755	770
Urban population (millions)	12.9	14.9	18.8	22.3	24.3	26.31	29.57
Urbanization rate (%)	19.5	20.8	24.2	29.9	30.2	30.5	33.5

**Table 2 The urban development of Vietnam in the period 1999-2013 [3, 16, 13].**

Urban type	1999	2009	2010	2013
Special urban		2	2	2
Type 1	2	5	10	14
Type 2	8	12	12	10
Type 3	12	40	47	52
Type 4	64	47	50	63
Type 5	518	625	634	629
<b>Total</b>	<b>604</b>	<b>731</b>	<b>755</b>	<b>770</b>

The number of towns/cities in Vietnam was also always changing, if in 1999, Vietnam has 604 towns/cities, in which no special urban settlement, only had 2 urban areas ranked as type 1 (Hanoi and Ho Chi Minh city); 8 urban areas ranked type 2; 12 urban areas

ranked type 3; 64 urban areas ranked type 4 and 518 urban areas ranked type 5, then in 2013, this number had risen to 770 towns/cities, including 2 special urban areas; 14 urban areas ranked type 1, 10 urban areas ranked type 2; 52 urban areas rank type 3; 63 urban areas ranked type 4 and 629 urban areas ranked type 5 (Table 2).

#### 3.2 The Population Growth Rate of Urban Is Always Higher Than This Rate of Rural

Along with the development of urban number, the population growth rate of urban is always faster than the population growth rate of rural, despite fertility rate of rural is higher than this rate of urban. This is due to

the industrialization and modernization process that has created a rapid urbanization through rural-urban migration.

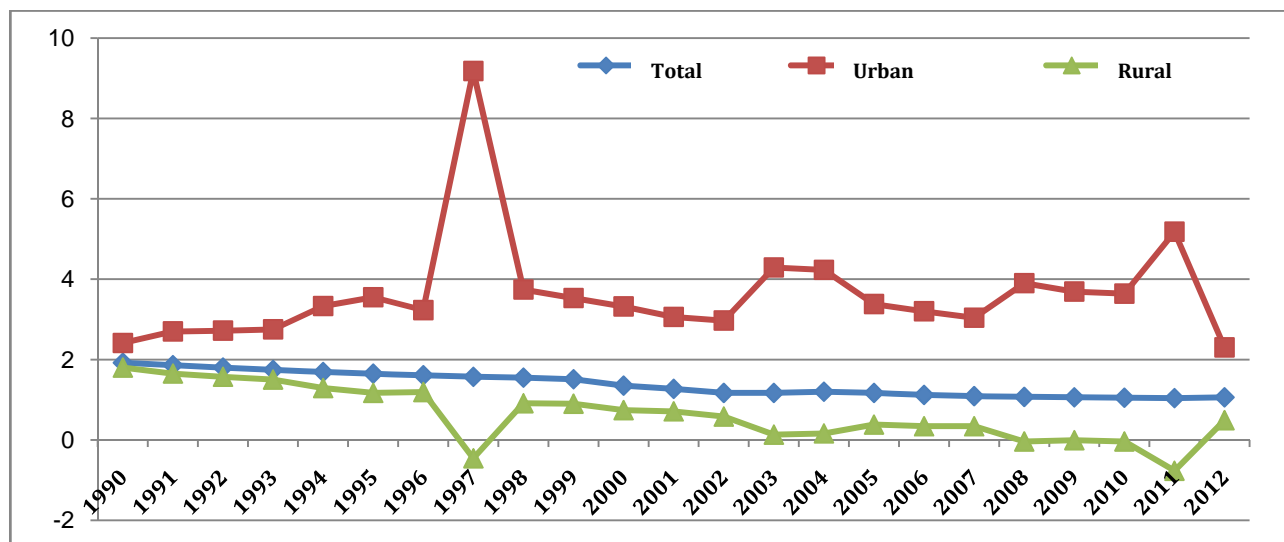


Fig. 1 The population growth rate of urban and rural in Vietnam, 1990-2012 (<http://www.gso.gov.vn/default.aspx?tabid=387&idmid=3&ItemID=14228> access date 24/8/2014).

### 3.3 The Flows of Rural-Urban Migration Is Growing

After Reform, the market economy with changes on conceptions, mechanisms and legal framework created more favorable conditions for the migrants performing the economic and other living activities. The results of the Census on Population and Housing 2009 showed that in the period 2004-2009, the number of migrants increased by more than 3.27 million people compared to the period 1994-1999 (9.086 million people compared with 5.816 million people), especially the number of migrants in the longer distance increased significantly. This proved that the social dynamics of people were more and more pushed higher.

Compared with the 1999 Census, the data of the 2009 Census showed that the rural-urban migration in the districts increased by only 275 thousand people, migration between districts rose 571 thousand people, the migration between provinces rose to 1.4 million people and migration between regions rose more than 1 million people. In terms of total migration rate, migration in the district only increased 2 points per thousand, migration between districts rose 6 points per thousand, but migration between provinces increased

12 points per thousand and migration between regions rose 11 points per thousand.

### 3.4 The Economic Role of Urban Areas Was Confirmed

Along with population growth, towns/cities in Vietnam also had confirmed their important role in economic development. In 2009, the proportion of GDP produced by the urban areas accounted for 51.3% of GDP of whole country (Table 3), of which, two special urban areas — Hanoi and Ho Chi Minh city has value of GDP accounted for 30.5% of the country's GDP.

## 4. Changes on Employment in Urban Areas

### 4.1 The Size of Workforce Is Growing, the Labor Resource Growth Rate of Urban Is Always Higher Than This Rate of Rural

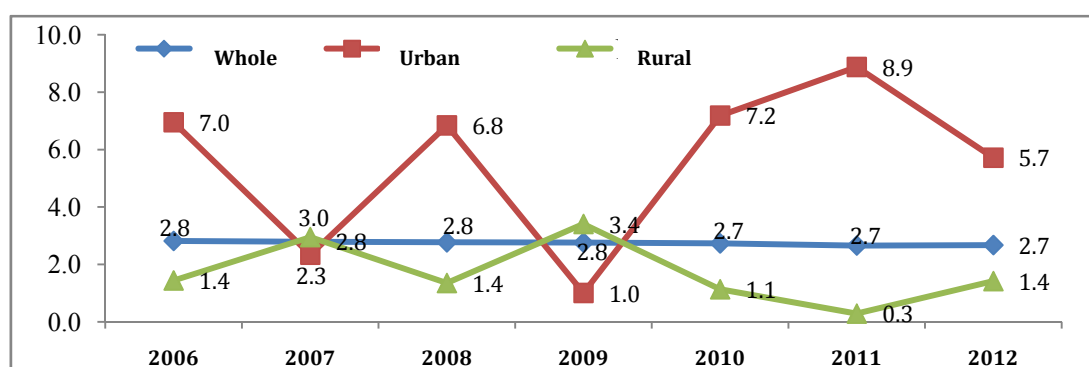
Fig. 2 shows the growth rate of labor force aged 15 and older who was working in the country were high and almost stable from 2006 to 2012 (about 2.7% per year). However, the growth rate of labor aged from 15 years-old and above in urban areas were very high (in

2012, more than 2 times higher than the growth rate of whole country and increased almost 4 times higher than that in rural areas). This is due to migration from rural

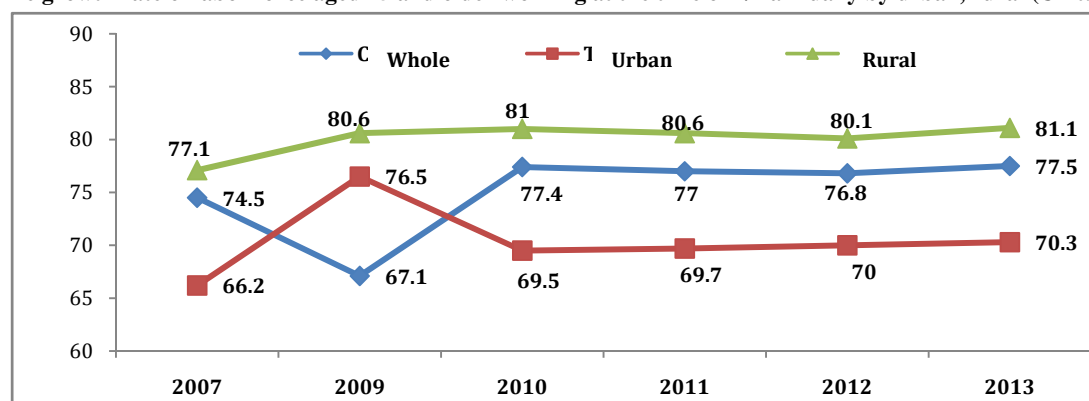
to urban areas increased. On the other hand, majority those who migrated to the urban were in working-age [12].

**Table 3** Percentage of urban population and economic strength of different urban types in Vietnam, 2009 [16].

Indicator	Population	%	Urban Pop	%	GDP (million D)	% GDP
Total	85,846,897	100	25,436,896	100	1,860,296,198	100
Spec. cities	13,614,773	15.9	8,612,920	33.9	567,505,959	30.5
Type 1	5,286,453	6.2	3,106,983	12.2	128,554,679	6.9
Type 2	3,538,283	4.1	2,812,254	11.1	96,993,428	5.2
Type 3 (B)	5,354,288	6.2	3,986,014	15.7	105,498,464	5.7
Type 4 (C)	3,522,553	4.1	1,739,495	6.8	55,980,660	3.0
% Population in special urban, urban type 1, 2, 3 and 4/Population: 36.5%						
% Population in special urban, urban type 1, 2, 3 and 4/Urban population: 79.6%						
% GDP of special urban, urban type 1, 2, 3 and 4/ Total GDP: 51.3%						



**Fig. 2** The growth rate of labor force aged 15 and older working at the time of 1/7 annually by urban, rural (Unit: %) [11].



**Fig. 3** Labor force participation percentage by urban/rural, 2007-2013 (Unit: %) [1, 3, 11].

#### 4.2 Labor Force Participation Rate Increased Slightly, but Lower Than In Rural Areas

Percentage of labor force participation of the population tends to rise on the national scale, this trend

holds true for both urban and rural areas, for both male and female. If in 2007, this rate was 74.5% for the whole country, but in 2009, it was 76.5% and reached 77.4% in 2010 (Fig. 3).

Noting that the labor force participation rate in rural areas was higher than in urban areas and this is a very clear difference. The reason here was that enrollment rates of people aged 15 to 24 living in cities was higher than that in rural areas. Even the reason that the migrants in this age group moved to the cities for schooling had ranked the fourth in the causes of movement [12].

#### *4.3 Rate of Workforce Graduated High School in Urban Was Higher 3 Times than In Rural Areas*

If assessing on the overall level, education level of the labor force of Vietnam was still low, approximately

half of these have level of education below the secondary.

A large amount of labor force educated below the junior high school would be a major barrier to improving the technical qualifications of the employees, that needs to meet the requirements of the industrialization-modernization process. Because of this fact means workers did not have some chances to access to vocational training programs or professional training courses.

Table 4 also shows that the labor force in urban areas with secondary education is much higher than in rural areas. However, this difference tends to decrease over the years 2007-2010.

**Table 4** Percentage distribution of labor force by level of education achieved and by urban/rural, 2007-2010 [1, 2, 3, 9].

Year	2007			2009			2010		
Level/Area	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural
Never attended	3.7	1.1	4.5	4.6	1.7	5.7	4.2	1.6	5.2
Incomplete primary	12.8	6.8	14.8	13.7	7.6	15.9	11.4	6.4	13.4
Completed primary	28.7	20.9	31.4	27.6	21.6	29.9	24.8	17.8	27.6
Completed lower secondary	31.2	24.9	33.3	28.5	22.3	30.9	33.8	27.9	36.1
Completed upper secondary	23.6	46.3	16.0	25.6	46.8	17.8	25.4	46.1	17.4
Under lower secondary level	45.2	28.8	50.7	45.9	30.9	51.5	40.4	25.7	46.2
Over lower secondary level	54.8	71.2	49.3	54.1	69.1	48.7	59.2	74.0	53.5

#### *4.4 Percentage of Urban Labor Force Trained in Technical and Professional Courses is 3 Times Higher Than in Rural Areas However It Only Accounts for 1/3 of the Total Labor Force in Urban Areas*

The proportion of workers trained in technical and professional courses in Vietnam is still low, it almost did not increase in 2007-2009 and was in a downward trend in 2010. If in 2007 there were 17.4% of labors in the workforce have been vocationally trained, by 2010 this proportion had fallen to 14.8%. These are issues that need to be concerned because this data was likely to reflect the trend being backward to development, it was inconsistent with the interests of the Government during past time, the Vocational Training Law enacted in 2006; Construction and approving the project “Innovation and Vocational Training Development

2020”; Project “Vocational training for rural workers until 2020”, Project “Support for Youth vocational training and job creation in period 2008-2015”.

The difference in the proportion of workers being vocational and professional trained between urban areas and rural areas is very large, particularly the proportion of workers being trained in urban is higher than this proportion in rural areas (Fig. 4).

To 1 July, 2011, in total more than 50.4 million people aged 15 and older who are working, nearly 7.7 million people have been trained, accounting for 15.2%. To 1 July, 2013 there were only 18.2% of trained labors. Thus, in 2013, to 81.8% of labors still have not been trained in vocation and profession (Table 5). Therefore, the stability and sustainability of employment and job creation efficiency is still low. That is the challenge for employees in the income, have equal access

opportunities for employment when integrating to the labor market.

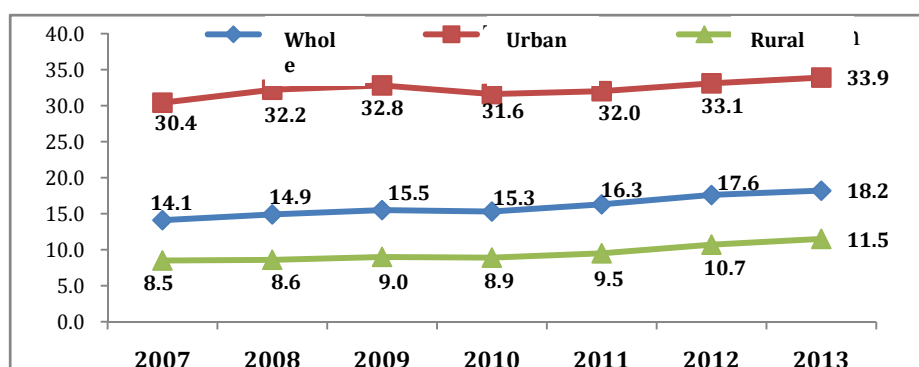


Fig. 4 Percentage of labor age workers in the economy who have been trained by urban and rural areas [1, 4, 9, 2].

Table 5 Percentage of workforce who have been vocational and professional trained, in 2013 [11].

Area	Total	Vocational training	Secondary	Colleges	University and higher
Country	18.2	5.4	3.7	2.0	7.1
Urban	33.9	8.4	5.7	3.1	6.7
Rural	11.5	4.0	2.9	1.6	2.9

4.5 The proportion of workers employed in urban areas increased over the years however the rate is still slower than that in rural areas

Along with the trend of the labor force increase, the number of employees aged 15 and older were working also increased over the years 2007-2010. The average annual growth rate of the working labor force in the

years 2007-2010 was 2.76%. Compared to the national average annual growth rate, the rate in urban areas was 4.97% and in rural areas was 1.96%. The proportion of workers aged 15 and older were employed in the total population also increased during last 11 years (from 2000 to 2010) (Table 6). This trend demonstrated the strong economic development in Vietnam in the past years has created more job opportunities for labors.

Table 6 Labors aged 15 and older employed by urban/rural, 2000-2013 [3, 11].

Year	Entire country		Urban		Rural	
	Thousand	% in pop	Thousand	% in pop	Thousand	% in pop
2000	37075.3	47.8	8382.6	44.8	28692.7	48.7
2001	38180.1	48.6	8835.3	45.8	29344.8	49.5
2002	39275.9	49.4	8986.9	45.2	30289.0	50.8
2003	40403.9	50.2	9437.5	45.5	30966.4	51.8
2004	41578.8	51.1	9812.7	45.4	31766.1	51.8
2005	42774.9	51.9	10689.1	47.9	32085.8	53.4
2006	43980.3	52.8	11432.0	48.5	32548.3	54.4
2007	45208.0	53.7	11698.8	46.9	33509.2	56.3
2008	46460.8	54.6	12499.0	48.7	33961.8	57.0
2009	47743.6	55.5	12624.5	49.6	35119.1	58.0
2010	49048.5	56.4	13531.4	51.6	35517.1	58.5
2011	51724.0	58.9	15349.0	55.0	36735.0	61.3
2012	52384.0	59.0	15886.0	55.1	36462.0	60.8
2013	53245.6	59.3	16042.5	55.3	37203.1	61.3

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### 4.6 The Unemployment Rate Decreased Over the Years but This Rate in Urban Areas Was Still Higher Than That in Rural Areas

Unemployment is an important indicator assessing the development of the labor market, served for planning and making policies on socio-economic development of a country or regions. The unemployment as defined by the General Statistics Office is people in the study week: does not work but has been finding a job and available for work.

General unemployment rate of Vietnam was low (less than 3%) and tend to move up in the period

2007-2010 due to the negative impact of the world economic crisis of 2008-2009. The unemployment rate in urban areas is always higher than the unemployment rate of the whole country and in comparison with the rate in rural areas. Due to the significance and importance of this indicator in the annual statistical yearbook, unemployment indicators of Vietnam usually allocated for urban areas. According to these figures, the unemployment rate in urban areas tend to decrease in 2010-2013. If in 2007, the unemployment rate in urban areas of Vietnam is 4.6%, then by 2010, this rate fell to 4.2% and by 2013, this rate was only 3.59% (Fig. 5).

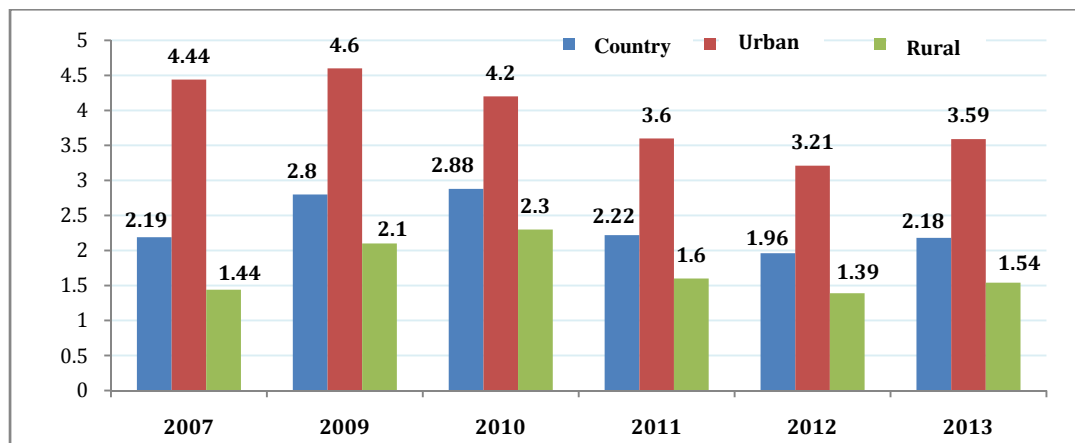


Fig. 5 The unemployment rate of workforce [1, 8, 9, 11].

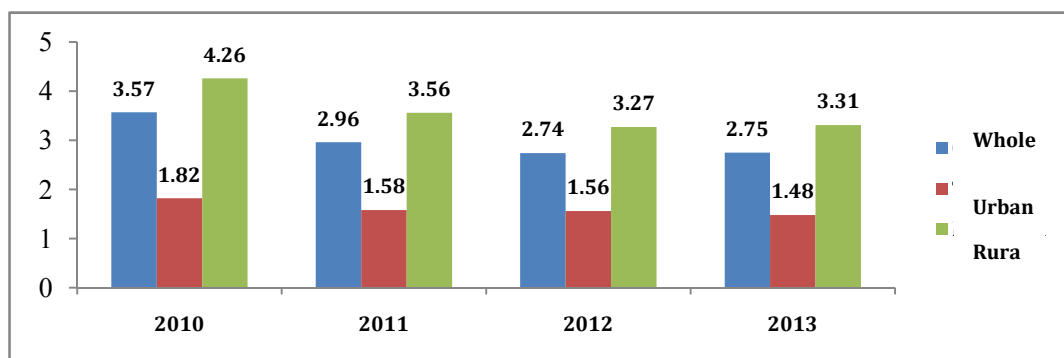


Fig. 6 Underemployment rate of Vietnamese labor by urban and rural [11].

### 4.7 Percentage of Urban Workers Were Underemployment Is Low and Remain Stable over Time

As defined by the General Statistics Office, *under-employees* are persons who work less than 35

hours a week, want and are willing to do extra work [4]. The underemployment rate is the percentage of those who are underemployed in total of employed population in the active ages.

According to Survey Report on Labor and Employment in 2010, the underemployment rate of

workforce entire country was 3.57%. This rate in urban areas was 1.82% and in rural areas was 4.26%. *The proportion of underemployed labor in rural areas were always higher than this proportion in urban areas.* This is true not only on the national level but also at the socio-economic regional level (Fig. 6). So resolving the problem of underemployment in rural areas now is considered as an effective solution to reduce migration from rural-urban, and also help reduce the pressure of population growth to infrastructure of the cities.

## 5. Urban Poverty and Living Conditions of Immigrants

### 5.1 The Urban Poverty Proportion Was Lower, Speed of Poverty Reduction in Urban Area Slower Than in Rural

Urban poverty could be measured by several different indicators. The most indicators used in popular in Vietnam is income per capital per month or expenditure per capital per month of household. Poverty status in Vietnam in general and particularly in urban areas was measured based on the national

poverty standard given by the Government. Recently the big cities (especially the two special cities) have launched their own poverty standard. Inside, the new poverty standard of Hanoi was higher one and a half time and of Ho Chi Minh City was double higher the national poverty standard [14].

With poverty standard regulations stated above, the poverty rate in the country has fallen. It seems that there was no difference in the speed of poverty reduction rate in urban and rural areas, the poverty rate in rural areas seem nearly 5 times higher than in urban area (Table 7).

### 5.2 1/2 of Urban Residents Self-Perceived Their Living Conditions Have Improved, But Not Much

In general, though the income per capital in rural was lower than in urban and the poverty rate in rural areas was also higher than in urban areas, however the proportion of people in rural areas has self perceived their living standard much improved was higher than the rate in urban areas (Table 8).

**Table 7** Poor household rate by urban, rural (unit: %).

	1998	2002	2004	2006	2008	2010	2011	2012
Whole country	37.4	28.9	18.1	15.5	13.4	14.2	12.6	11.1
Urban	9.0	6.6	8.6	7.7	6.7	6.9	5.1	3.9
Rural	44.9	35.6	21.2	18.0	16.1	17.4	15.9	14.4

Source: <http://www.gso.gov.vn/default.aspx?tabid=395&idmid=3&ItemID=13940> access date 24/8/2014

**Table 8** Percentage of urban resident self perceived their living was improved, compare to 2006, 2008 (unit: %) [11].

	Total	Much improved	Improved a little	The same	Reduction	Don't know
<b>Whole country</b>						
2010 compare to 2006	100.0	30.2	52.0	11.3	6.2	0.3
2012 compare to 2008	100.0	27.6	55.2	11.2	5.7	0.3
<b>Urban</b>						
2010 compare to 2006	100.0	28.0	51.2	13.6	7.1	0.2
2012 compare to 2008	100.0	23.4	55.1	13.9	7.2	0.4
<b>Rural</b>						
2010 compare to 2006	100.0	31.1	52.4	10.3	5.9	0.3
2012 compare to 2008	100.0	29.4	55.3	10.1	5.1	0.2



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### 5.3 The Living Conditions of Immigrants in the Cities

#### 5.3.1 Regarding Housing Conditions

About the area: narrow living area would affect health, spiritual life and also limit income increase of the poor people to be able to make beneficiaries from ground for production, business to improve earnings. The Survey of Urban Poverty in 2009 showed that in the housing area per capital in both Hanoi and Ho Chi Minh City was 17 m<sup>2</sup>/person, of which, in Hanoi it was 15.7 m<sup>2</sup> and Ho Chi Minh City it was 17.7 m<sup>2</sup>. According to the results of the Census on Population and Housing 2009 [3], the average housing area per capital was 16.7 m<sup>2</sup> for whole country. However, average numbers did not show all the important characteristics of the current housing status of in the cities that were shown in the Table 9.

In general, almost one-third of the urban population lived in the housing area less than 7 m<sup>2</sup>/person (Hanoi was 25.7% and Ho Chi Minh City was 30.7%). Households had the housing area from 7 m<sup>2</sup> to under 16 m<sup>2</sup>/person accounted for 36.3% of all surveyed households and only 34.0% of households had a housing area larger than 16 m<sup>2</sup>.

Difference in the average housing area by income group was so large. Those with the highest incomes living in the average housing area were double those in the lowest income group. On the other hand, the housing area per capita of the average income group or less was about 13 m<sup>2</sup>, while the two highest income groups were 18.1 m<sup>2</sup> and 25.5 m<sup>2</sup> respectively. This suggested that the change in terms of income, from “poor”, “near poor” to “average” did have much influence on the extent of housing area. Only those households belong richest income group were favorable to extend housing area. Up to 34.5% of the poorest households lived in an area less than 7 m<sup>2</sup>/person. This rate was 30.8% respectively in poor group and 34.3% in middle-income group, but decreased to 31.4% for richer income group and 17.1% for the richest group.

One notable problem here is the disparity in housing area among registered households and not registered households. Generally, unregistered households lived in narrower conditions than the average level (8.4 m<sup>2</sup> per capital) and the proportion of households living in the most narrow condition (under 7 m<sup>2</sup>) was also very high (61.7%).

**Table 9** Distribution of population by housing area per capital [15].

Indicator	The average area/people (m <sup>2</sup> /person)	The population proportion by average housing area		
		Under 7 m <sup>2</sup>	7 to under 16 m <sup>2</sup>	16 m <sup>2</sup> and over
<b>Country</b>	<b>17.0</b>	<b>29.1</b>	<b>36.3</b>	<b>34.6</b>
Hanoi	15.7	25.7	40.4	33.9
Ho Chi Minh city	17.7	30.7	34.4	34.9
<i>Income group</i>				
Group 1	13.3	34.5	40.7	24.8
Group 2	13.0	30.8	39.2	30.0
Group 3	12.7	34.3	39.8	25.9
Group 4	18.1	31.4	34.0	34.6
Group 5	25.5	17.1	30.1	52.8
<i>Household Registration Status</i>				
Residents	20.3	16.8	39.1	44.1
Migrants	8.4	61.7	29.0	9.3

**Table 10** Percentage distribution of households by house ownership (unit: %) [15].

Indicators	Household head is owners	Co-owner with people not living together	Rent	Borrow	Other
<b>General</b>	<b>62.7</b>	<b>3.3</b>	<b>22.9</b>	<b>2.5</b>	<b>8.7</b>
Hanoi	74.0	2.1	15.6	3.4	5.0
Ho Chi Minh city	57.4	3.8	26.3	2.1	10.4
<i>Income group</i>					
Group 1	67.1	4.9	14.8	3.2	10.0
Group 2	64.9	3.9	18.7	2.9	9.6
Group 3	58.8	2.7	27.5	1.8	9.3
Group 4	57.9	3.9	27.5	2.9	7.7
Group 5	65.4	1.4	24.1	1.9	7.3
<i>Household Registration Status</i>					
In survey cities	83.7	3.9	7.6	1.9	2.9
In other provinces/cities	6.9	1.5	63.7	4.1	23.8

About housing ownership: The difference in the right of housing by state of residence registration was very large. 83.7% of surveyed residents in cities were owners of housing, higher than the average level of the surveyed sample (62.7%) and 7.6% were renting, lower than the surveyed sample (22.9%). Percentage people renting a house who did not have resident registration in the surveyed sites was 63.7%.

### 5.3.2 Access to the National Power Grid and Clean Water

According to Surveys of Urban Poverty in Hanoi and Ho Chi Minh City, more than half the population in the two cities used clean water supplied at home. This percentage was higher in Hanoi (70.6%) but still relatively low in Ho Chi Minh City (52.5%). The second common water source was the deep water wells with water pump, the utilization rate was 26.0% (26.3% in Hanoi and 25.8% in Ho Chi Minh City). Public tap water in the past was relatively clean water source popularly in the downtown area, but at the surveyed time it was no longer. It was surprised that the percentage of households who had to buy clean water for drinking was also quite high, but concentrated mainly in Ho Chi Minh City, with a quarter of the surveyed households. The less secure water sources like dug wells, deep wells, rain water ... rather small proportion of clean water was used.

By income groups, the proportion of clean water sources increases with income while the drilled well water source and less secure sources decreases gradually. 43.3% of the poorest households with private water, 43.2% use water drilled well, the corresponding percentage in the richest group was 75.0% and 14.2%. By house type, the using rate of private tap water was highest in independent apartments or apartments with several families living together (rate 96.2% respectively and 94.3%), followed by independent houses for several living apartment (74.9%) and independent house for a family (58.9%). The proportion of private water used was high may be because infrastructure investment much better to focus on the new and old apartments, or in the streets in the city centers. Alarmingly, residents living in the boarding house/hostel using cisterns purchased water bottled (39.6%) and water drilled wells (30.6%). Tap water would not be provided safely and have the most expensive cost. Other water sources even being secure, but also keep potentially adverse effects on health, especially if it did not checked and processed quality.

91.8% surveyed households used septic toilet/half septic toilet, 1.3% used absorbent/ flush toilet, 4.7% used the wifi compartment toilet and a much smaller percentage used other forms or without toilets. Hanoi had the rate of households using septic toilets/half

septic toilet lower than in Ho Chi Minh City, however the rate of using some forms of poor hygiene such as

fish bridge in Ho Chi Minh City was higher and focused mainly on the poor households.

**Table 11** Percentage distribution of household by drink water source (unit: %) [11].

Indicators	Private tap water	Rain water	Deep drilled wells and has pumped water	Other water source
<b>Whole country</b>	58.3	14.3	26.0	1.4
Hanoi	70.6	0.3	26.3	2.8
Ho Chi Minh city	52.5	20.8	25.8	0.9
<i>Income group</i>				
Group 1	43.3	9.9	43.2	3.6
Group 2	54.3	14.9	28.7	2.1
Group 3	54.7	17.4	26.6	1.3
Group 4	59.3	18.5	21.7	0.5

**Table 12** Percentage distribution of household by connection form with national power grid (unit: %) [11].

Indicators	Direct connection to the national power grid	Direct connection but clock together	Connect through other households
<b>Whole country</b>	81.2	8.7	10.1
Hanoi	90.1	5.4	4.5
Ho Chi Minh city	77.0	10.3	12.7
<i>Income quintile</i>			
Group 1	82.8	11.3	6.0
Group 2	81.9	9.9	8.2
Group 3	79.1	8.4	12.5
Group 4	76.8	7.5	15.7
Group 5	85.4	7.5	7.2
<i>Household Registration Status</i>			
Other province	51.0	17.6	31.5
<i>Type of house</i>			
Small room	63.1	6.3	30.6
Common living hostel	34.7	22.0	43.3
Tent/temporary shelter	72.1	7.7	20.2

The rate of households sharing toilets to other households remains high. 15.8% of surveyed households used a shared toilet, which was 14.0% in Hanoi and was 16.6% in Ho Chi Minh City. Such cases were the independent house in where several families living together (42.3%), common room in the big house (33.1%), common room/common hostel/hostel (38.3%) and temporary shelter (50.5%).

Urban poverty survey showed that although being used electricity, many households had to connect the national power grid through other households, so the cost of electricity was higher than the case of direct

connection. Figures in the above table shows that only 81.2% of households used electricity directly and had a separate meter measure. 8.7% of households used electricity directly but had to share with other household's meter measure and up to 10.1% of households used electricity through other household connection. The households who would not connect directly to national power grid usually have registered in other provinces/cities (31.5%), 43.3% were rent hostel, rooms in large buildings (30.6%), or in tents/temporary shelter (20.2%).

### 5.3.3 Participate in Social Activities

Urban Poverty Survey 2009 had included a set of questions about the involvement of people in social activities. A special interest here is whether migrants have actively participated in social activities or not and whether they could create relationships with their neighbors or not.

These social activities were divided into 4 groups:

(1) Engage in political - social organizations as youth union, trade union, or women association, veteran union or older people association.

(2) Participation in social activities in the living area, including participation in meetings related to family planning or contributions to social funds.

(3) Providing information on the social services, includes information on policies and health care, vaccinations, or diseases, reproductive health care, ...

(4) Making social relationships in the living area, including participation in events such as neighborhood's weddings or chatting with neighbors.

**Table 13** Percentage distribution of population participating in social activities and the reasons for not participating (unit: %) [11].

Characteristics	Political- social Organizations	Activities in the living area	Being provided social services	Social relationships in the living area
<b>Whole country</b>	<b>58</b>	<b>75</b>	<b>77</b>	<b>93</b>
Hanoi	73	80	84	95
Ho Chi Minh city	50	73	74	92
Household head is male	60	79	79	93
Household head is female	54	70	74	93
Residents	69	95	89	98
Migrants	32	30	48	81
Group 1 (poor)	48	71	75	90
Group 5 (rich)	57	81	76	95

Immigrants in Hanoi participated in all social activities more than those in Ho Chi Minh City. Especially, it is necessary to mention that there was a huge gap in the participation of immigrants in socio-political organizations between two cities. Those who did not participate in social activities gave the main reasons that the social activities did not relate to their work or their needs. Some of them said that they did not have free time and only a small percentage informed that they were not interested in those activities

Table 13 shows that the rate of migrants participated in social activities was less than that of permanent residents; it was a half as compared with permanent residents (32% versus 69%) or accessed social services (48% versus 89%). This is not entirely surprising because migrants moved to the city in a short time and tend to relocated in the city. Moreover, immigrants could not integrate with the surrounding community or

that did not pay much attention in social activities. Notably, one of 10 immigrants informed that lack of household registration limited them to engage in socio-political activities.

## 6. Conclusions and Recommendations

The process of urbanization in Vietnam is so strong ongoing due to contributions of modernization and industrialization and rural-urban migration. That reflected the population growth rate and the labor force in urban areas was higher than rural areas.

Key characteristics of employment in the urban areas of Viet Nam now are relatively high education level but low professional training rate. The unemployment rate in urban areas in Vietnam is not high. Percentage of workers who signed a labor contract and the guaranteed minimum basic rights is low, even in urban areas, it is only at 20%.

The income of employees is constantly improving. Poverty incidence in urban areas under the national poverty standard is low, this percentage in permanent residents is lower than in group of labors not being permanent residents. However, if increasing the poverty standards as Hanoi and Ho Chi Minh city did, it would increase the gap between residents and non-residents, the poverty rate in poor household group would increase. This shows the hidden risk of poverty in urban Viet Nam is still high.

Other living conditions of urban residents are also differences between income groups. About one-third of urban population lives in housing conditions under 7m<sup>2</sup>. In which people did not have permanent registration live in narrow housing area than people having permanent registration. Most people used the national power grid, however, the resident households have connected directly to the national electricity grid and those who do not have permanent registration had to used through other household connection.

Proportion of people in Hanoi participating in socio-political and community activities was higher in Ho Chi Minh City, especially the activities of socio-political organizations. The rate of immigrants to the cities participated in these activities was only a half compared to permanent residents. The main reason given was that these activities have been less related to their job and they were so busy to participate.

Based on the findings above, some immediate policy implications were recommended as follows:

- The State should issue the policy for tuition fee exemption or reduction for poor people in general and for urban poor people in particular.

Providing learning opportunities will help to reduce poverty and inequality. In urban areas, the poor and immigrants are always vulnerable in accessing education services. School fee exemption policy will help the poor and immigrants having opportunities for improvement of educational level and for sustainable poverty reduction...

- Expanding and improving the quality of vocational

training system for employees at three level of qualifications (primary, secondary and colleges), diversification of the training types (public, private and international).

This solution would provide high-quality workers in term of good health and well-skilled, technical, industrial working style and working culture that serve for industrialization and urbanization as well as international integration.

- Organizing activities of employment services in urban area.

Activities of job information centers should focus on provision of counseling, job introduction and labor market information. Strengthening coordination is between the job information centers with enterprises and labor users. These centers should be supported equipment, financial source from the city's authority budget. These centers should develop a satellite system in rural areas.

- The authorities will strengthen inspection and supervision of the labor right implementation in urban area.

Employees working without a labor contract, the poor, the immigrants face many risks on jobs. Strengthening supervision help to ensure enforcement of workers' rights recorded in the Labor Code. It is needed to strengthen communications for employees to understand their rights and obligations in order to be able to protect themselves.

- Support for migrant workers by "widening" of the regulations on residence registration in urban areas.

Residence Law (2007) have extended the residence right of citizens, that made labor mobility become easier. The policies on urban development, industrial parks, export processing zones and key economic regions... have stimulated labor migration, especially from rural to urban areas, which contributed to labor structure change, increase the rate of employment and income for workers. Besides, the current policies on population management do not support for the implementation of urban development policies. The

regulations on residence management have hindered immigrants' access to public services.

- Support for housing, electricity, water supply, sewerage and waste treatment of the urban poor families and immigrants.

The difficulties of the urban poor households, immigrants in housing, access to electricity, water supply, sewerage and waste disposal makes them having behaviors that result in environmental pollution such as cooking by coal, disordered drainage and waste disposal.

Implementing the recommended policies would contribute reducing the negative consequences to urban environment in terms of both natural and social aspects.

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