

MULTIDIMENSIONAL POVERTY IN HO CHI MINH CITY

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ABSTRACT

Rapid urbanization took off as a global megatrend at the beginning of the twenty-first century. In 2018, according to the United Nations, 55 per cent of the world's population lived in urban areas, a proportion that is expected to move up to 68 per cent by 2050, adding a gigantic 2.5 billion people to the global urban population. This trend has been happening in major cities in Viet Nam, especially Hanoi and Ho Chi Minh City. Ho Chi Minh City—the biggest city in the country—is still experiencing strong population growth and faces many challenges that have come along with its economic development. Despite high economic growth with a multitude of opportunities to overcome poverty, some parts of the population remain left behind. Many of them are migrants living in degrading living environments. These people face many obstacles in accessing social services, such as education and health care, due to many institutional barriers, such as lack of permanent residence status in the city.

Since 2016, poverty in Viet Nam has been defined and measured in multidimensional terms, which include living conditions, health care, housing and education. This assessment generated a more comprehensive picture of poverty in the country. Based on the multidimensional criteria, the research looked at the living conditions of the urban poor in the central and peri-urban districts of Ho Chi Minh City and analysed relevant policies regarding assessed indicators to suggest alternative solutions towards improving living conditions and accessibility to social services for urban poor households. The survey findings hopefully will be of interest to policy-makers and governmental officials on national and local levels, urban planners, researchers, civil society organizations, international NGOs as well as interested citizens.

INTRODUCTION

Due to the Doi Moi policy (economic reform of the 1980s and 1990s), Viet Nam has achieved remarkable economic growth over the past three decades, averaging 7 per cent per year, which moved the country into the middle-income category. Thanks to the growth, studies and data on poverty in Viet Nam^{1*} show that national poverty rate has reduced over the past three decades, from 58.1 per cent in 1993 to less than 6 per cent in 2018. Based on indicators of income and access to health care, education, clean water and electricity, people's living standards have increased. The economic growth also brought along the rapid urbanization process taking place in the country's major cities, especially Hanoi and Ho Chi Minh City.

Ho Chi Minh City, the national economic engine as well as a centre for culture, science and technology, has experienced high economic growth that has generated economic opportunities for millions of people and lifted millions of people out of poverty. The city annually attracts hundreds of thousands of migrants who create a boom in the urban population. The highly urbanized city and increasing migration have brought social problems, including gaps between rich versus poor and urban versus rural households. The nature of poverty has become more complex. "Urban poverty" has emerged as a particular issue in the context of poverty reduction in Viet Nam in general and in Ho Chi Minh City in particular.

This paper analyses the poverty in Ho Chi Minh City with a multi-dimensional perspective. In addition to living conditions, the report discusses accessibility to basic services and public transport as well as the policies and individual capacity to overcome poverty.

1. DESCRIPTION OF POOR HOUSEHOLDS AND CAUSES OF POVERTY

Impoverished households are found in different parts of the city and, as noted, categorized as poor and near-poor. Due to the country's economic development, the poor population has decreased over the past few decades. Most of the remaining poor households are those whose members are old, chronically ill or live with a disability and cannot go to work; they also include people who rely on or look after such disadvantaged people. Poor households are largely those in which one person who goes to work must look after other members who are children, ill or old. They often are single mothers working in a factory and, on average, raising two or more children.

Many of the urban poor are migrants who come as a family or individuals to the city. They work in industrial parks or in services and earn more income in Ho Chi Minh City than in their previous residence. The city authorities consider them as outsiders and do not allow them to benefit from the same policies as local people because they fear these migrants want to settle permanently in their locality. They are usually not allowed to access information on such benefits as housing support and poor household allowances. They are not entitled to be registered on the Poor Household List and cannot benefit from the poverty-reduction policies, at least not until they have lived in the city for more than six months. If they are poor and would like to benefit from the poverty policies in Ho Chi Minh City, they must obtain certification from the authorities where they previously resided that they are not receiving any benefits there.

A number of impoverished people are associated with social evils, such as drug abuse. They do not work but may be involved in a rehabilitation programme. A few households have become impoverished

¹ The United Nations Development Programme, Ministry of Labour, Invalids and Social Affairs and Viet Nam Academy of Science, Multi-dimensional Poverty Assessment Report in Viet Nam (Hanoi: UNDP, 2016); UNDP, MOLISA and Irish Aid, General Report on Poverty Reduction Studies in Viet Nam (Hanoi, UNDP, 2015); Viet Nam and Ho Chi Minh City Statistics Yearbook. Data on poor households (multidimensional poverty criteria) from the National Poverty Reduction Programme. The World Bank, World Bank in Viet Nam—Overview (Worldbank.org/en/country/Vietnam/overview)

due to illness or an accident. The cost of medical treatment was too high for them to manage without moving into destitution. Some older parents have given their land to their children but have been left alone without support from those children or with little or no social welfare.

Several poor people have become comfortable with the poverty policies and want to remain on the Poor Household List, even though they earn income that is higher than the city poverty line. The city poverty officials find it difficult to convince them to withdraw from the list. They often argue with the officials to be allowed to stay because they are poor. One prominent characteristic of many people considered as urban poor is that they prefer freelance jobs or to work in the informal sector rather than with a company, despite the large number of manufacturing factories, especially for garment, electronics and auto parts production.

The findings of the research reflected in this report indicate that 68.7 per cent of households in Ho Chi Minh City have lived in chronic poverty since the National Poverty Reduction Programme began in 1998, an unchanged situation they attribute to illnesses and the low education level of the family breadwinner. The percentage of households falling into poverty after the start of the multidimensional poverty policy of 2016 is 5.6 per cent. These cases were attributed to the impact of illness, disability or separation of the household. Based on the findings of this study, the health status, education level and occupation of the breadwinner in a family generally has great impact on the status of household poverty.

2. DEMOGRAPHIC CHARACTERISTICS OF POOR HOUSEHOLDS

This research relies on the multidimensional poverty measurement indicators created by the Oxford Poverty and Human Development Initiative and the United Nations Development Programme. The indicators cover income, access to social services (education and health care), living conditions plus employment, social insurance and access to information. It is, however, adapted to the Ho Chi Minh City multidimensional measurement criteria. For the research, we used all indicators, including income. The indicator on access to information was adapted in the HCMC multidimensional poverty survey to refer to the use or ownership of information-accessing equipment, such as television and smart phones, rather than what type of information people access. We also added mobility (which was used in the Social City Research Project on Housing and Transportation in Ho Chi Minh City, 2017).

This study entailed a survey of 520 questionnaires for poor households in seven peri-urban districts (Cu Chi, Can Gio, Binh Chanh, District 12, Thu Duc, Go Vap and Binh Tan), using the district multidimensional poverty criteria. In the districts of Thu Duc, Go Vap and Binh Tan, which are closer to the city centre and have been urbanized much longer, 240 households were surveyed. And 280 households were selected in the districts farther from the centre and in the process of urbanization (Cu Chi, Can Gio, Binh Chanh and District 12).

Due to the difficulty in approaching poor households and the need for support from the local authority officials, a convenience sampling method was employed to select poor and near-poor households registered on the Poor Household List. The survey was conducted at the household level; data on each household member were provided by a household representative who answered the survey. In-depth interviews were carried out with household members, local officials and experts at the same time as the survey.

Household size

Household size in Viet Nam has been declining in recent years. The average number of persons in a Vietnamese family is about 4.4, according to the 2016 Viet Nam Statistical Yearbook. In Ho Chi Minh City, the lower the income, the higher the number of household members. On average, low-income

households have 4.1 members, which is more than high-income households (at 3.3 members), according to the 2014 Viet Nam Household Living Standards Survey findings. Our multidimensional poverty survey findings indicate an average household size of about 4 persons in poor households and 4.7 persons in near-poor households (table 1).

Table 1: Number of family members (person, mean)

	Central districts	Peri-urban districts	Total
Poor	4.1	3.9	4.0
Near poor	4.7	4.6	4.7
Total	4.4	4.1	4.2

The survey finds a relatively common phenomenon in poor households in terms of the separation of household registration. According to the current calculation of average household income in poverty surveys, several people who are either poor, alone and elderly or disabled without any support, and live in big households whose members do not share living costs and income together even though they are kinship, are not entitled to benefit from poverty policies. As a result, they tend to apply for household registration separation in order to benefit from poverty policies as their income are now, after the separation, below the poverty line. Nonetheless, this act of household separation is in some cases, a kind of trick for these households to benefit from the poverty policies².

The separation of household is one way that people approach the poverty policies: some household members who are categorized as poor live in the same house and share the household residential registration (*ho khau*) with other non-poor members, who do not share income or expenditures with them. As a result of this house sharing, the persons who are poor in these households are not entitled to the poverty policies.

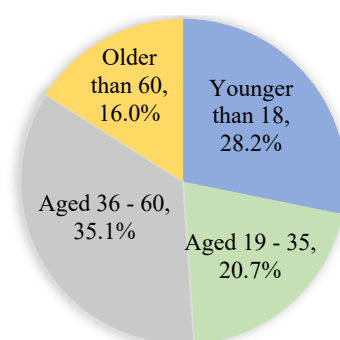
The application of the poverty-reduction policies is based on household registration and the size of the impoverished household. Generally, according to this survey's findings, some poor households have one to three members and no breadwinner. The analysis of the household members included in this study finds that 46 per cent of the poor households has four to five members and 35.4 per cent has one to three members (table 2).

² In Viet Nam, population administration is based on household residential registration (*ho khau*). The household is like a unit for administration. A household can include families or related members. The benefit from the national and local welfare policies are allocated to citizens, depending on the household registration and their eligibility for certain policies.

Table 2: Number of family members within the study's poor households

	Poor	Near poor	Total
1–3 persons	41.3%	25.0%	35.4%
4–5 persons	41.3%	54.3%	46.0%
6 persons or more	17.4%	20.7%	18.6%
Total	100.0%	100.0%	100.0%

In terms of age groups, 55.8 per cent of the poor household members are of working age, or 19–60 years old (figure 1).

Figure 1: Age groups

Duration of residence in Ho Chi Minh City

Most of the poor household members are born and grow up in the city, accounting for 83.5 per cent of the study participants. Only 16.5 per cent come from other provinces. Most of the impoverished migrants have lived in Ho Chi Minh City for around 20 years, while a small proportion (5 per cent) have come within the past five years.

Income

On average, the poor households have an income of slightly more than 1.5 million dong per person per month, whereas the near-poor households live on slightly more, at 1.99 million dong per person per month (table 3). In households of one to three persons (54 per cent), there is one breadwinner; a single-person household does not earn income and rely mainly on the social allowances. For households of four to five members, there are usually one to two breadwinners. Among the working members, 27 per cent have irregular income (means having salaries of fewer than 10 months per year). This reflects income stability of the poor households.

Table 3: Income per person per month (thousand dong)

Poverty category	Mean	Median
Poor	1 519.75	1 366.67
Near poor	1 985.74	1 825.00

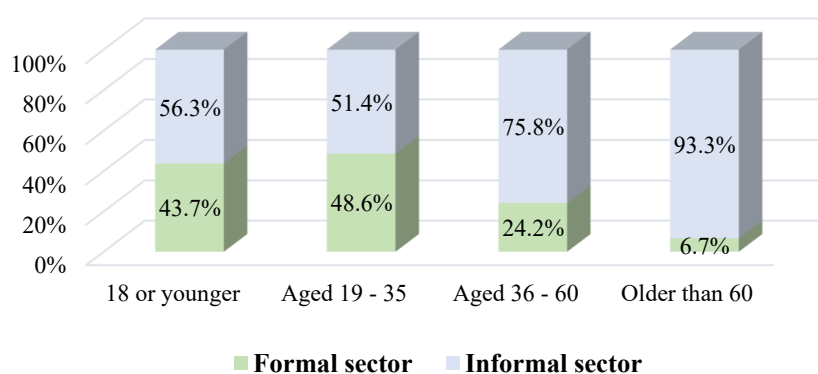
Profession and employment status

The proportion of working-age members in this research is 55.7 per cent (of 2,202 individuals), of which 71 per cent are working. Persons older than 60 years who are still working accounted for 25.5 per cent of the total individuals. Around 2.6 per cent of the study individuals are younger than 18 but working. The remaining individuals who do not work, excluding children younger than 18, are usually in poor health, studying, unemployed, old and retired or not intending to work (table 4).

Table 4: Job classification

	18 or younger		Aged 19–35		Aged 36–60		Older than 60		Total	
	N	%	N	%	N	%	N	%	N	%
Having a job	16	2.6	313	68.8	559	72.2	90	25.5	978	44.4
Younger than 6 years	112	18.0	0	0.0	0	0.0	0	0.0	112	5.1
Studying	485	78.2	69	15.2	0	0.0	0	0.0	554	25.2
Retired	0	0.0	0	0.0	38	4.9	260	73.7	298	13.5
Having mental or physical problem	6	1.0	14	3.1	54	7.0	3	0.8	77	3.5
Not going to work	0	0.0	53	11.6	122	15.8	0	0.0	175	7.9
Other	1	0.2	6	1.3	1	0.1	0	0.0	8	0.4
Total	620	100.0	455	100.0	774	100.0	353	100.0	2 202	100.0

The analysis of occupational structure finds that the number of impoverished people working in the informal sector is relatively high, at 69.3 per cent. The occupational characteristics of working people in the poor households also differ between the younger and older age groups. Young workers, aged 19–35, are more likely to work in the formal sector (48.6 per cent), while people older than 36 (and especially older than 60) work mainly in the informal sector (figure 2).

Figure 2: Working in formal or informal sector by age group

Job stability and type of employment

The majority of the poor workers have stable jobs, accounting for 66.9 per cent. There is a difference in job stability between those working in the formal and informal sectors, however. Most of the jobs in the formal sector are in factories, which the younger age group reported having. Jobs in the formal sector are highly rated for stability, especially for those aged 19-35 years.

Jobs in the informal sector are usually in tailoring, security, daily or seasonal employment, small business, peddling, vehicle repair and moto-taxi driving. Among the workers in the informal sector, 57.1 per cent of them regard their job as stable, which is far lower than the rate by workers in the formal sector, at 89 per cent.

Table 5: Employment stability by age group

	Age groups									
	18 or younger		Aged 19-35		Aged 36-60		Older than 60		Total	
	N	%	N	%	N	%	N	%	N	%
Stable job	11	68.8	238	76.0	358	64.0	47	52.2	654	66.9
Unstable job	5	31.2	75	24.0	201	36.0	43	47.8	324	33.1
Total	16	100.0	313	100.0	559	100.0	90	100.0	978	100.0

Education

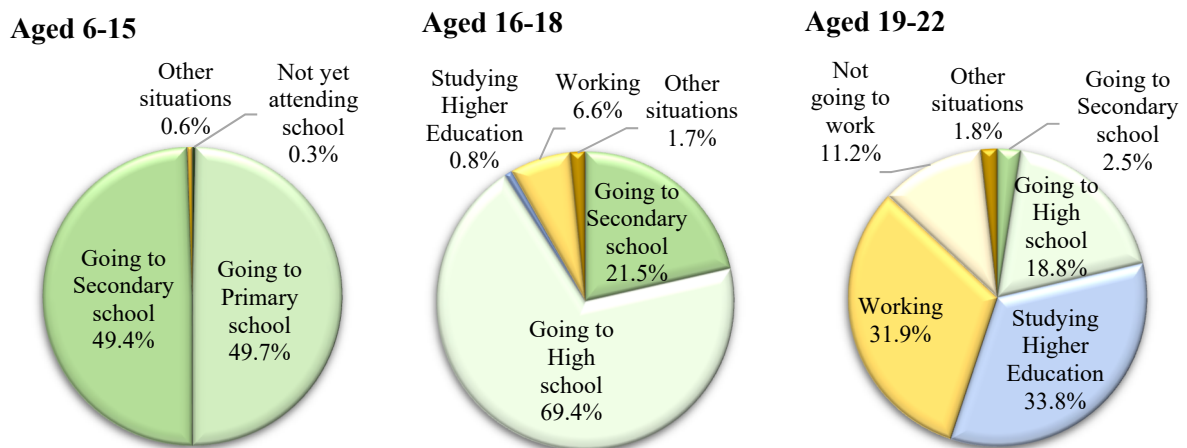
At present, children in poor households receive support for tuition fees from the city's poverty reduction programme. The study shows that most children under 18 in poor households go to general primary, secondary and high school. Among the children aged 6-15, 99.1% go to school (49.7% primary school and 49.4% secondary school). Among children aged 16-18, 91.7% go to school. Though, 6.6% of children of this age stop schooling to go to work and the remaining do not go to school due to poor health or low awareness. This rate is lower among those aged 19-22. Accordingly, 55.1% of the children of this age go to school (33.8% higher education, 18.8% high school and 2.5% secondary school).

In general, the education level of younger age groups is higher than that of the older age groups. Among the people aged 19-35, 35.4% of them complete higher education, 27.9% high school, 27.5%

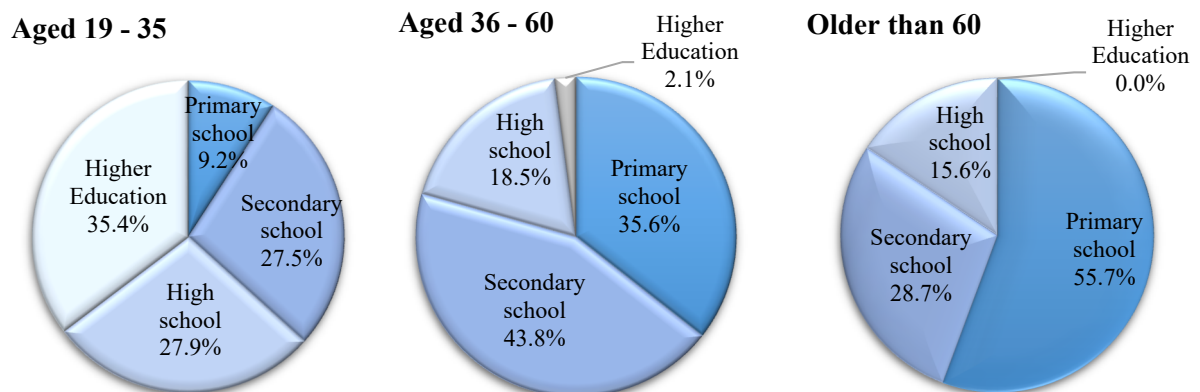
secondary and 9.2% primary school. The education level is lower among people aged 36-60. Only 2.1% complete higher education, 18.5% high school, 43.8% secondary school and 35.6 primary school. This level is even lower for those aged over 60. Among them, no one completes higher education and several only complete primary school (55.7%) and secondary school (28.7%) whereas only 15.7% complete high school. This tightly correlates to the ability to find a stable job in the formal sector (Chi-square test: Pearson Chi-Square with Asymp. Sig. (two-sided) <0.05; Pearson correlation 0.371; there is a statistically significant correlation between two variables: education and the formal-informal sector).

Figure 3: School attendance of students aged 6-22 and adult educational attainment

School attendance of those aged 6-22



Adult educational attainment (aged 19 - older than 60)



3. LIVING CONDITIONS OF POOR HOUSEHOLDS IN THE CENTRAL AND PERI-URBAN DISTRICTS

Living conditions of the poor households were analysed in terms of housing, power supply, water supply, sewage system, garbage collection and sanitation.

Residential location of the poor households

The research indicates that there is no concentration of poor households in any area of the city. On the contrary, they are dispersed in the same neighbourhoods as better-income households. The poor households mostly are located in small alleys (at 84.6 per cent) in both the central and peri-urban districts.

The percentage of the poor living in alleys is about 7 per cent higher than that of the near-poor households. The average width of alleys is about 2.9 m. There are 18.5 per cent of the poor households living in alleys that are 1.5 m wide or even narrower.

Regarding the distance from the poor households to main roads, there is a distinguished difference between the poor and the near-poor and between the central and peri-urban districts. In the city centre, the alley networks are quite intertwined and connected to the main roads. In this study, the distance from the poor households to main roads is not far, at approximately 300 m on average. In the peri-urban districts, the distance from the poor households in deep alleys to main roads is longer, approximately 512 m on average. This is due to the network in peri-urban districts having fewer roads than the city centre. Only one or two main roads cut through the peri-urban districts, such as Binh Chanh, Cu Chi and Can Gio.

Table 6: Width of road or alley and distance to main roads nearby (m)

	Poor	Near poor	Total
Width of road or alley in front of house (mean, m)	2.8	3.0	2.9
Distance to the main road nearby (mean, m)	398	274	347

The housing conditions of the poor in the inner districts are better than those in the peri-urban districts. The basic housing conditions of poor households have improved due to the city's poverty reduction programme, which provides support through housing loans or by offering a residence (charity house). This policy has contributed to better housing conditions for poor households.

The houses of the poor families are larger in the peri-urban areas, at 70.4 m² on average, than in the city centre, at 53.5 m². This equates overall to about 17.3 m² per person, which is 1 m² smaller than for the whole city (at 18.5 m² per person in 2017, according to HCMC Real Estate Association's real estate market report. The housing area per poor person in the central districts is significantly different from that of the peri-urban districts. In the central districts, the average area per poor person is 14.1 m², while it is 19.6 m² in the peri-urban districts. Although the peri-urban districts, such as Binh Chanh and Cu Chi, are being urbanized, people maintain agricultural activities. Vacant land in these districts is still spacious, and the houses are not so dense as they are in the central areas. Most of the poor households own their dwelling (at 87.5 per cent overall).

Table 7: Housing area and housing area per person (m²)

	Central districts	Peri-urban districts	Total
Housing area (mean, m ²)	53.5	70.4	62.7
Housing area per person (mean, m ²)	14.6	19.6	17.3

Power supply

Most of the poor households, at 94.2 per cent, are connected to the power network, thanks to the city policy. The power network covers most of the districts in the city, regardless near or far, and most of the poor households have their own electricity metre. In addition, poor households can receive a monthly allowance for the electricity fees, although some people in the study are unaware of this provision.

Water supply

The water supply system is connected to most districts in the city. Basically, most of the poor households have access to the system. However, access to the water supply system is different between the central and peri-urban districts. In the peri-urban districts in this study, 73.1 per cent of the poor households can access the water supply. The others are using safe water taken from a well or purchase it from a water supply service, especially in some distant districts, such as Cu Chi and Can Gio. In the central districts, 88.8 per cent of households are accessing safe water and 10 per cent are using well water (table 8).

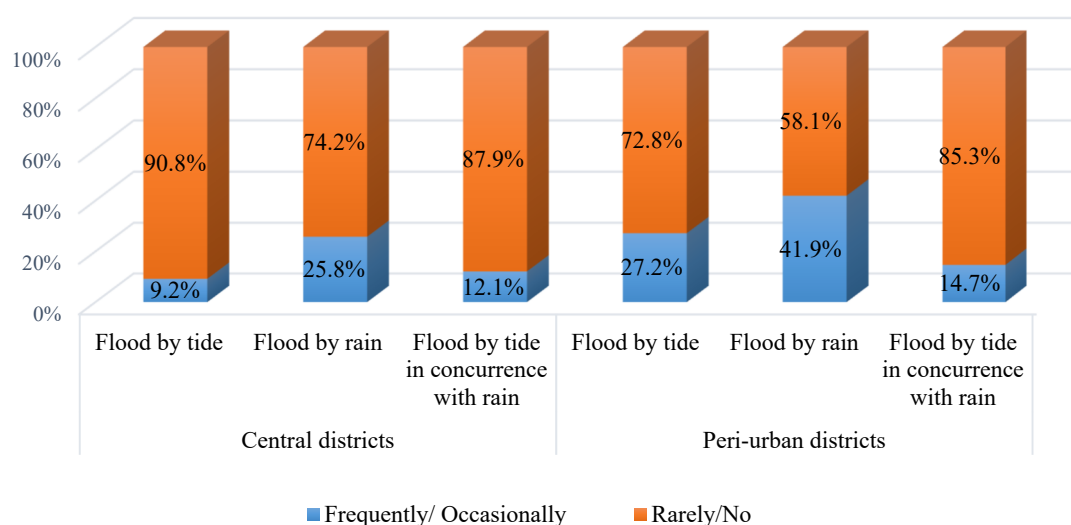
Table 8: Main domestic water source

	Central districts		Peri-urban districts		Total	
	N	%	N	%	N	%
Tap water	213	88.8	204	73.1	417	80.4
Clean water purchased from a water supply station or water tank	2	0.8	20	7.2	22	4.2
Water from wells protected by curb or harvested rainwater	24	10.0	53	19.0	77	14.8
Other	1	0.4	2	0.7	3	0.6
Total	240	100.0	279	100.0	519	100.0

Sanitation and environment

The drainage system in the central districts seems more complete than in the peri-urban areas. The proportion of poor households in the central districts connected to the domestic drainage system is high, at 89.2 per cent, while in peri-urban districts, only 60.9 per cent of the poor households is connected to the system. The rest directly discharge their wastewater into a canal, pond or surrounding grounds. In addition, poor households suffer from flooding, which has increased around the city recently. About 18.9 per cent of the poor households live in a tide-flooded area, and 34.5 per cent live in a rain-flooded area; 13.4 per cent get flooded due to rain combined with high tides. This phenomenon takes place more frequently in the peri-urban districts than in the central districts.

Although the peri-urban areas have more open spaces, the drainage capacity is slower than in the central districts. This is partly because the sewers in these districts have not been fully completed. Some poor households in the study report being flooded for three to four days and that they must pump the water out of their house. Several of the houses are located on lowland or the foundation is lower than the road surface and neighbouring houses. As a result, when it rains, their house floods, and the water remains stagnant while slowly draining out. In these areas, the studied households report that the water takes 11 – 13 hours to drain, but in the central districts, it takes only three to six hours (figure 4).

Figure 4: Flood situations

Regarding the ambient environment — air, noise, surface water, groundwater and solid waste — most of the poor households consider surface water in canals, rivers and other water bodies to be a serious problem, compared with the other environmental problems, in both the central and peri-urban districts.

Garbage collection systems are well operated in the central districts, and the poor households report being connected to the service. Yet, the system operates differently between the two areas of the study. In the central districts, garbage is collected every two days. But in the peri-urban districts, there is less formal garbage collection; people tend to dump their garbage in a garden or surrounding area (table 9).

Table 9: Garbage collection

	Central districts		Peri-urban districts		Total	
	N	%	N	%	N	%
Paid garbage collection service	210	87.5	211	75.9	421	81.3
Putting garbage in collection points (charging monthly fee)	18	7.5	28	10.1	46	8.9
Throwing garbage into river, canal, vacant land	3	1.2	6	2.1	9	1.7
Self-disposal of garbage by burying, burning, putting in garden	9	3.8	33	11.9	42	8.1
Total	240	100.0	278	100.0	518	100.0

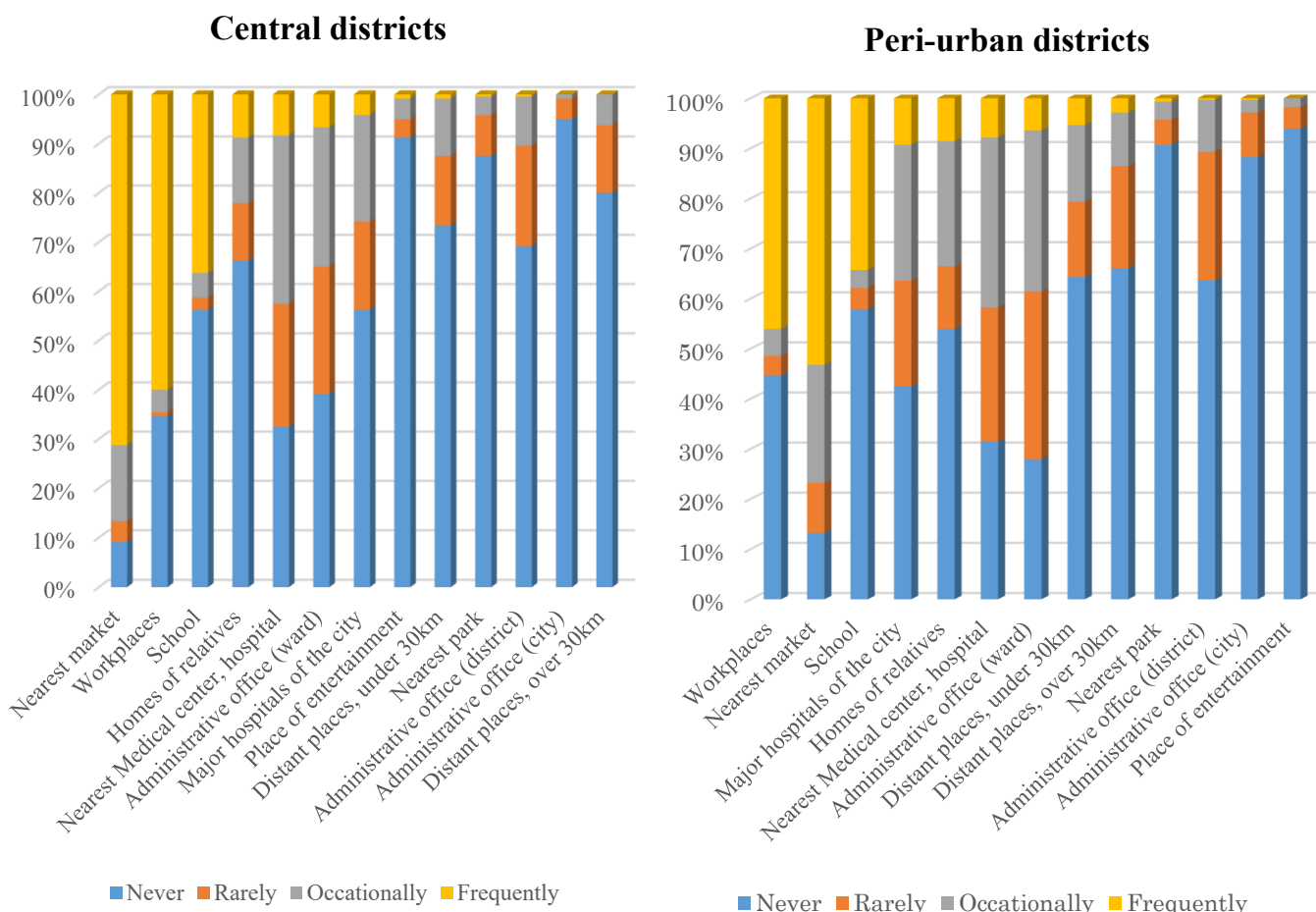
4. MOBILITY

Commuting habits

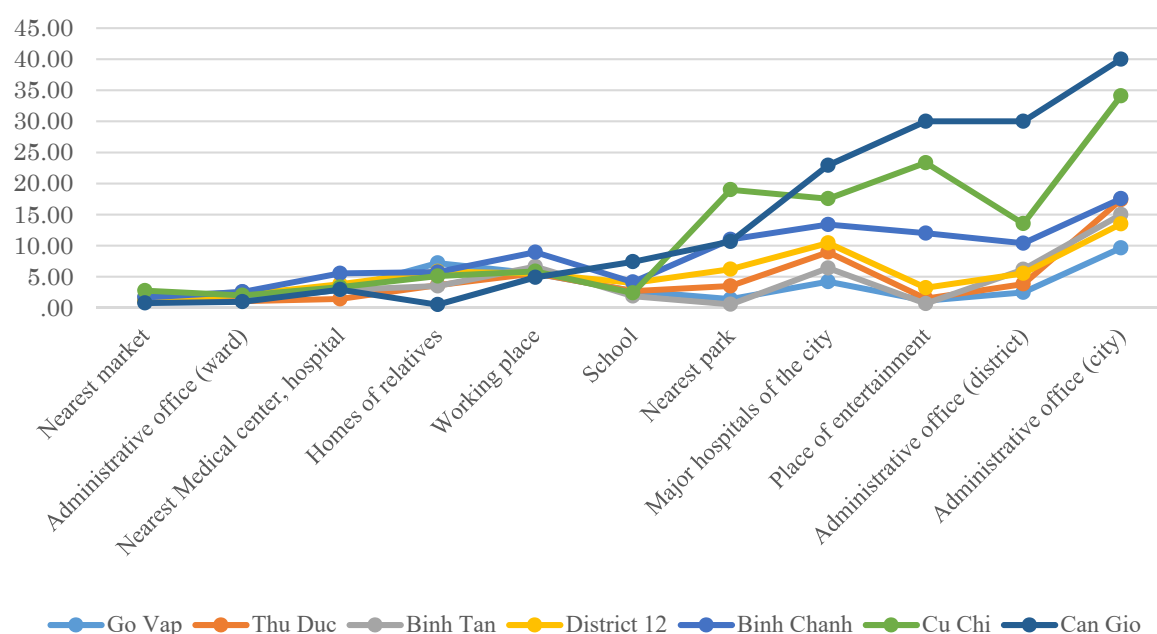
Commuting habits tell a lot about poor households. In this study, there are clear differences between

the central and peri-urban districts (figure 5).

Figure 5: Commuting habits of poor people in the central and peri-urban districts



Commuting habits are mainly for going to the market, workplace or school. However, the peri-urban poor households commute less than the respondents in the central districts. They report rarely going to recreational facilities, parks, residences of relatives, local authority offices and other distant places because they are far from their home (figure 6).

Figure 6: Comparison of distance to destinations, by central or peri-urban district (km)

People in the poor households in the peri-urban districts usually travel a far distance to reach some social services, such as a hospital. Markets and schools tend to be closer to their home. The central districts of Thu Duc, Go Vap and Binh Tan are more densely populated and have more social facilities, but the poor households have fewer parks, health centres and hospitals nearby.

Means of transport

Although public transport, such as bus, taxi and moto-taxi, are available, people in the poor households prefer using their own motorbike. Overall, many people still walk or bicycle to the market (table 10).

Table 10: Means of transport for poor people (%)

	Bus	Taxi	Moto-taxi	Motorbike	Bike	Walk
Workplaces	1.9	0.0	0.4	45.8	6.7	8.8
Nearest park	0.6	0.0	0.0	4.0	0.8	2.3
Place of entertainment	0.2	0.0	0.0	4.0	0.8	0.6
Nearest market	1.0	0.0	0.4	35.8	20.4	35.4
Nearest medical centre, hospital	8.1	0.0	2.9	35.4	8.1	9.2
Major hospital of the city	14.4	0.6	2.7	26.3	1.3	2.9
School	4.0	0.0	0.4	23.5	9.6	5.2
Administrative office (ward)	0.8	0.0	0.6	31.0	11.5	13.3

Administrative office (district)	3.7	0.0	0.6	20.8	2.1	1.9
Administrative office (city)	2.3	0.0	0.0	7.9	0.6	0.8
Homes of relatives	2.7	0.0	0.6	17.5	3.3	9.6
Distant places, fewer than 30 km	6.0	0.0	0.6	17.3	1.2	0.8
Distant places, more than 30 km	6.0	0.6	0.2	13.8	0.8	0.0

For public transport, buses are reported as mostly used for visits to district and city hospitals, at 14.4 per cent and 8.1 per cent, respectively. The bus to a hospital is preferred because people use the time on bus to rest. They also use the bus to travel to far-away places.

A taxi is considered as an expensive means of public transport. Thus, people in the poor households only use a taxi in an emergency, such as severe illness or going to visit relatives for an important event, such as a wedding. The moto-taxi is also regarded as a costly means of public transport. It is reported as used primarily for travelling to a doctor's appointment for medical check-ups. In general, poor people, like other Vietnamese, use a motorbike as their personal means of transport. Motorbike is most preferred for travelling to near or distant places, such as commercial centres, health centres and markets. Bicycling and walking are also cited as the mode of transport for travelling to places close to their home.

The findings indicate that a personal means of transport, particularly motorbikes, are the main form of transport for poor households regardless of distance. Of the public transport, only buses meet their needs when travelling to a distant place or to health care services. The poor households in the peri-urban areas tend to use buses more than those in the central areas. Regarded as expensive, taxis and moto-taxis are much less used.

Access to public transportation

Of the 230 respondents commenting on the use of a taxi, 93.5 per cent consider it as too expensive. And app-using taxis are also described as expensive, although the respondents almost never use a smart phone app to search for taxi information, but they know that this kind of taxi is as expensive as the traditional taxi. The respondents characterize the moto-taxis as expensive (at 87.3 per cent) and time consuming (at 12.7 per cent) (table 11).

Table 11: Limitation of moto-taxi, traditional taxi and app-using taxi (multiple-choice questions)

	Moto-taxi	Traditional taxi	App-using taxi
	N = 142	N = 230	N = 193
Expensive	87.3%	93.5%	93.8%
Time consuming	12.7%	3.9%	5.7%
Difficult for taxi to enter narrow alleys	0.7%	6.1%	4.7%

Buses, which is the most popular means of public transport used by the poor households, is considered to be time-consuming because of the inefficient connections, although they are affordable. Most of the respondents know of a few bus routes going to their usual destinations, such as school, hospital and health care centre (table 12).

Table 12: Limitations of the bus (multiple-choice question)

	Central districts	Peri-urban-district	Total	
	%	%	N = 268	%
Time consuming	77.9	44.5	160	59.7
Far from connection points	34.4	51.4	117	43.7
Inclined to many transfers	27.0	27.4	73	27.2
Expensive	0.0	5.5	8	3.0

Generally, distance to bus connection points is more disadvantageous for the poor households in the peri-urban districts than in the central districts: 51.4 per cent of the peri-urban respondents regard bus stops as far away, while only 34.4 per cent in the central districts do so. Thus, using the bus is considered a waste of time for daily tasks and requires walking to the bus stops and bus connections. Time-consuming is a bigger limitation for respondents in the central districts because the buses move slowly due to the heavy traffic. In the peri-urban areas, people take buses when they go to distant places and thus it is considered a better option for the respondents.

Cost of mobility

Buses help poor people reduce the travelling costs to distant destinations, such as a hospital. People who are poor do not opt for taxis or moto-taxis because of their high cost. For short distances, they also prefer personal motorbikes because of the convenience for mobility and time. But only 32.5 per cent of the survey respondents consider using a motorbike to be economical and low cost. Although the cost of buses is said to be low, it is only the third-leading reason for choosing this form of transport. The main reasons are convenience and less fatigue when visiting a doctor (table 13).

Table 13: Reasons for transport use frequency (multiple-choice questions)

	Bus		Motorbike	
	N=141	%	N=378	%
Convenient	108	76.6	292	77.2
Fast	78	55.3	236	62.4
Cheap	72	51.1	123	32.5
Safe	49	34.8	81	21.4

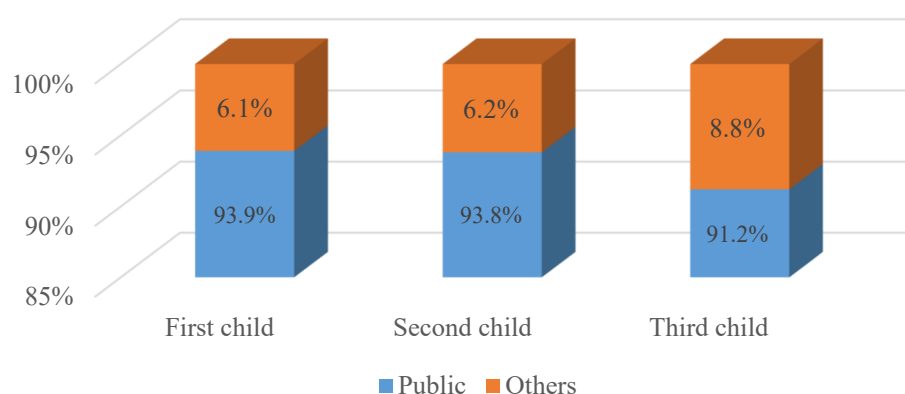
Travelling is a basic activity, and its costs account for more than 10 per cent of the total family expenses in the poor households, even though they are less likely to be involved in many travel-relevant activities.

5. ACCESS TO BASIC SERVICES

Educational system

As noted previously, children from poor households have equal opportunity to access general education due to the financial support from the city government.

Figure 7: Public or other school enrolment



Most of the children in the household sample are attending primary or secondary school; only 1.6 per cent of them are attending vocational training. And 33.8 per cent of household members aged 19-22 go to colleges or universities. These are positive figures for the next generation of poor households. Most of the households consider schooling costs as consuming an average to large portion of the family budget.

Table 14: Cost of education in poor household expenditure

	Household category					
	Poor		Near poor		Total	
	N	%	N	%	N	%
Very low	1	0.5	0	0.0	1	0.3
Relatively low	6	3.2	4	3.4	10	3.3
Average	96	50.8	55	46.2	151	49.0
Relatively high	64	33.9	49	41.2	113	36.7
Very high	22	11.6	11	9.2	33	10.7
Total	189	100.0	119	100.0	308	100.0

Despite the education-support policies, tuition remains the most expensive expense, followed by

boarding costs for all-day school attendance. The next costly items are extra tuition, school supplies and uniforms. The poor households have good access to the public education system, including children pursuing higher education and children supported with reduced tuition fees or preferential loans for study. However, due to the low level of household income, the expenditure on education account for a considerable portion of the family budget.

Access to health care system

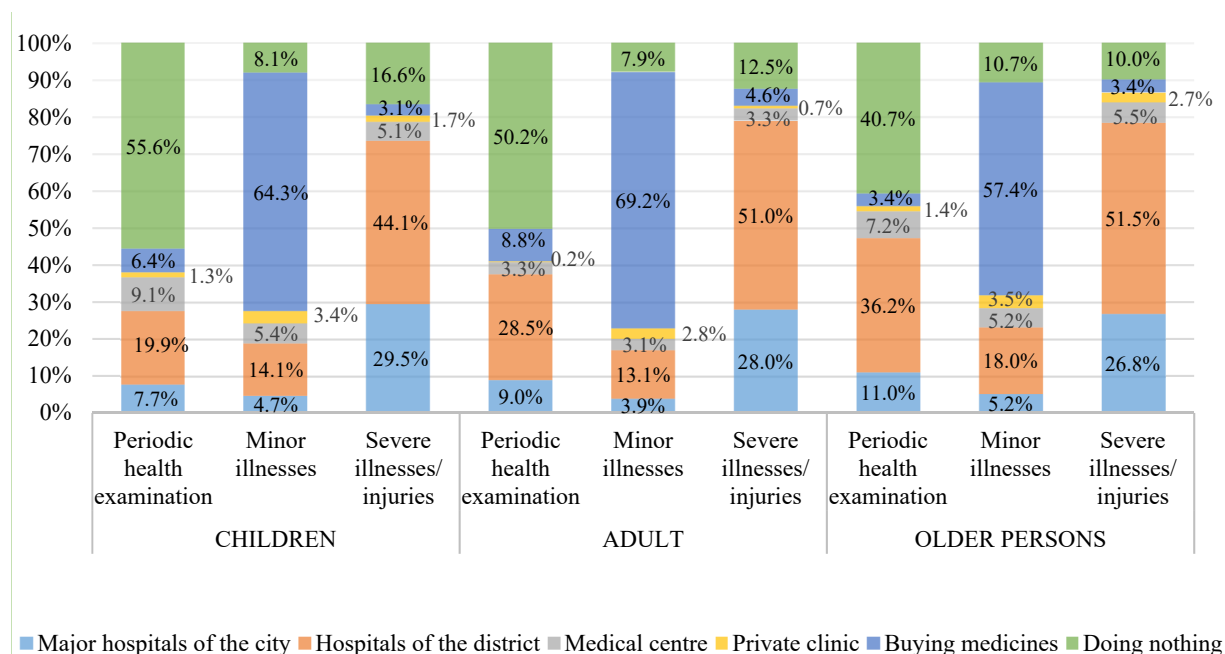
Poor people benefit from free health insurance in Viet Nam, and the research finds that only 4.4 per cent of the household members in the study do not have health insurance. According to the findings, the poor households mostly use health insurance for medical treatment so they do not spend much on health care. Thus, medical expenses account for only a small portion of their household expenditure, even though most of the households include older people with illnesses and ill younger persons (table 15).

Table 15: Use of health insurance for medical examinations and treatment

	Yes	No	Total (N=520)
For medical examination	91.9%	8.1%	100%
For treatment of disease and injury	85.0%	15.0%	100%

Most of the household members did not have regular health check-ups, only for the older persons. For minor illnesses, most households buy medicine at a pharmacy, even for children. When they have more severe health problems, they usually go to a district or city hospital.

Figure 8: Health care habits



Buying medicine is reported as easy, although 24.6 per cent of households in the central districts and 34.6 per cent in the peri-urban districts consider it easy to buy needed medicines. Households in the central districts, however, report having better access to pharmacies than those in the peri-urban areas.

Entertainment in public spaces

Entertainment activities are limited. According to the findings, the most popular leisure and entertainment activities are watching television, listening to music, hanging out in the neighbourhood and talking to neighbours. A few household members in the study go to entertainment facilities or public spaces. Some households occasionally take their children to supermarkets, bookstores, parks or nearby cultural centres.

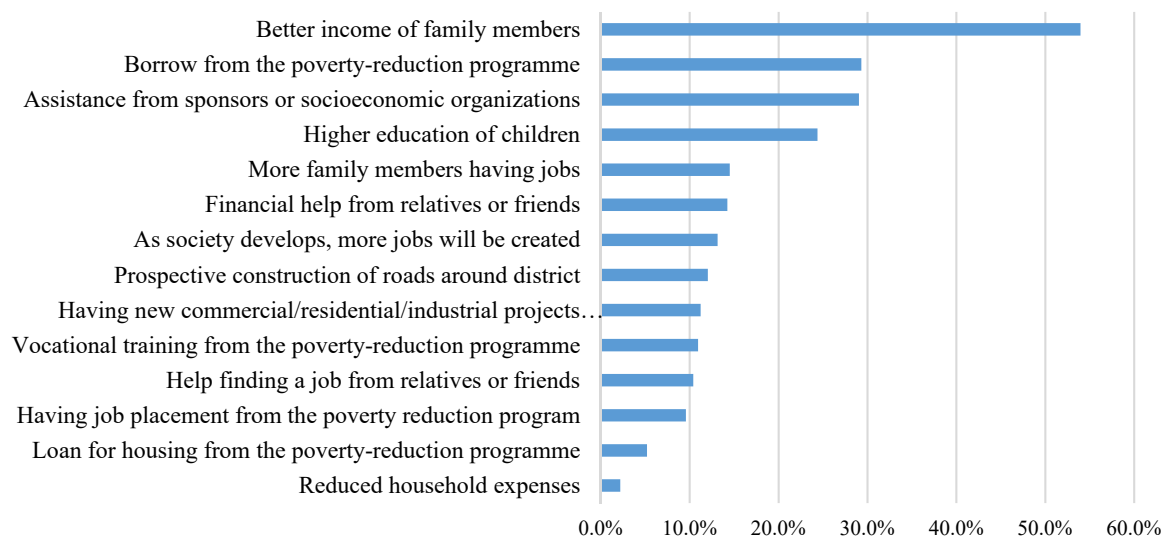
6. FACTORS AFFECTING POVERTY

Most of the households are uncertain of their ability to improve their situation. Only a small proportion said they are able to overcome the poverty. Notably, 28.7 per cent of the households reported they cannot escape poverty. The near-poor households are more optimistic than the poor households about their ability to move out of poverty (table 16).

Table 16: Self-assessment on ability to escape poverty

	Household category					
	Poor		Near poor		Total	
	N	%	N	%	N	%
Within 5 years	16	4.8	24	12.8	40	7.7
Between 5 and 10 years	29	8.7	16	8.5	45	8.6
Within 10 years	27	8.1	10	5.3	37	7.1
It may be possible, depending on the conditions	87	26.2	81	43.1	168	32.3
Uncertainty of improvement	56	16.9	25	13.3	81	15.6
Not able to improve	117	35.3	32	17.0	149	28.7
Total	332	100.0	188	100.0	520	100.0

Figure 9: Reasons for improving living standard in the near future



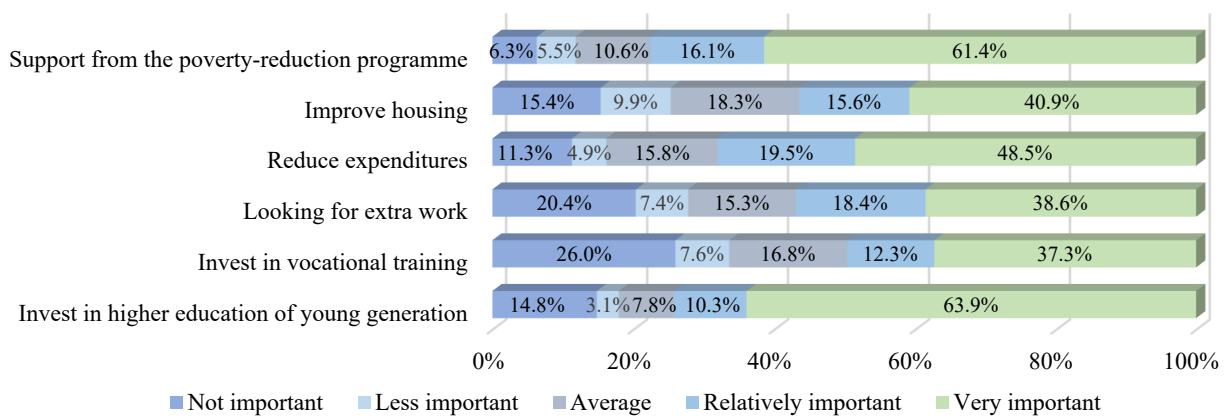
The study finds that approximately 55.7 per cent of the surveyed poor households think they are capable of escaping poverty in the near future due to the following factors, in order:

1. Higher income of household members.
2. Taking a loan from the poverty-reduction programme.
3. Receiving support from sponsors or socioeconomic organizations.
4. Higher levels of completed education among their children and youths.

Increasing income is key to living condition improvement in the survey households’ perceptions of their future. Receiving external support and children completing higher education levels in the near future give the household members reasons to believe their lives will improve. Thus, the top-three strategies they reported for household poverty reduction (figure 10):

1. Investing in higher education for their children.
2. Receiving support from the poverty-reduction programme.
3. Reducing expenditures.

Figure 10: Strategy to overcome poverty

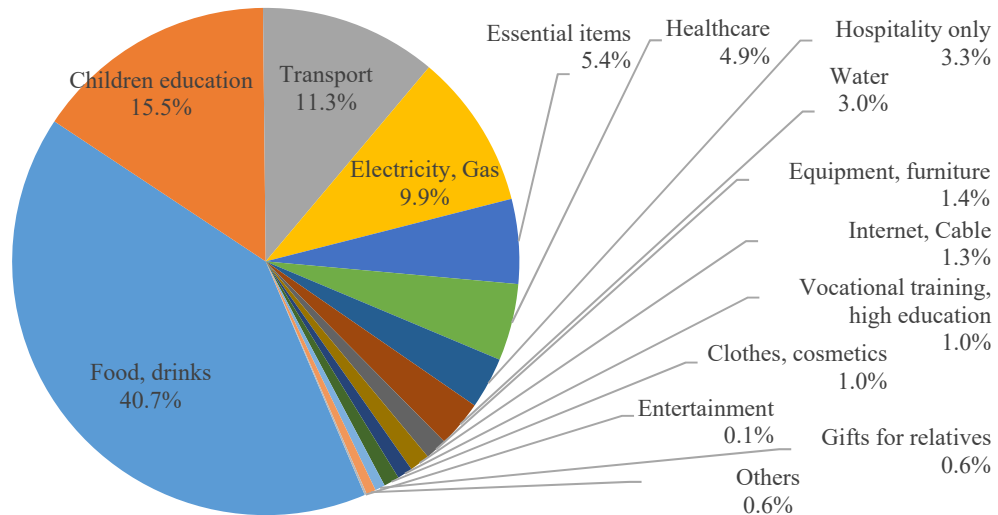


Although higher income is perceived as an important element for escaping poverty, the poor households do not consider “looking for extra work” and “investing in vocational training” (means of

higher income) as essential strategies. This may be because looking for extra work or looking for jobs after vocational training are not easy for people in the labour marketed who are poor.

As a family strategy, the poor households acknowledge that reducing expenditures is highly important. Yet, the analysis of household expenditure indicates most of their expenditure is for basic needs: food, drinks, education, mobility, electricity and gas, which are hard to reduce (figure 11).

Figure 11: Monthly Household Expenditure



7. EVALUATION OF THE POVERTY POLICIES

The city poverty line, which is 1.75 million dong per person per month (equivalent to 2.30 US dollars per person per day), is adopted in both urban and rural districts of the city. As a result, there are more rural households living in poverty than the urban ones. Statistics show that 0.6% of the rural population live in poverty (SGGP, 2019) whereas no urban people do (Tuoi Tre, 2019). This creates pressure on local authorities in rural districts.

The multidimensional poverty approach of Ho Chi Minh City sets out to accommodate the needs of each member of a poor household through policy. In reality, some of the policies have proven hard to implement, according to local authorities who were interviewed. They require more work from poverty officials who must monitor each poor person’s needs while managing different tasks in their local authority office.

The local governments have designed numerous favourable policies for poor households. For example, in District 12, poor persons are permitted to divide their agricultural land into smaller pieces for sale or transfer that is usually not in other districts. This policy is regarded as a particular administrative support for some households, who have potential to improve their living condition from a land sale. Other support, such as free electricity and water metre installation, provide impoverished households with access to basic services.

Although the living conditions of the urban poor are improving, and most poverty-reduction policies, such as health insurance and credit programmes, have been well implemented, a few policies remain a work in progress, such as social insurance and adult education (to complete their secondary education). Most of the working members of the poor households in the study have jobs in the informal sector and do not have social insurance. The local authorities cannot afford social insurance for all poor people, and it is hard to convince them to buy it for themselves, they reported. And most poor adults refuse to improve their education and skills because they are busy working to make ends meet.

According to the latest survey of impoverished households (2017), no one in Ho Chi Minh City lives

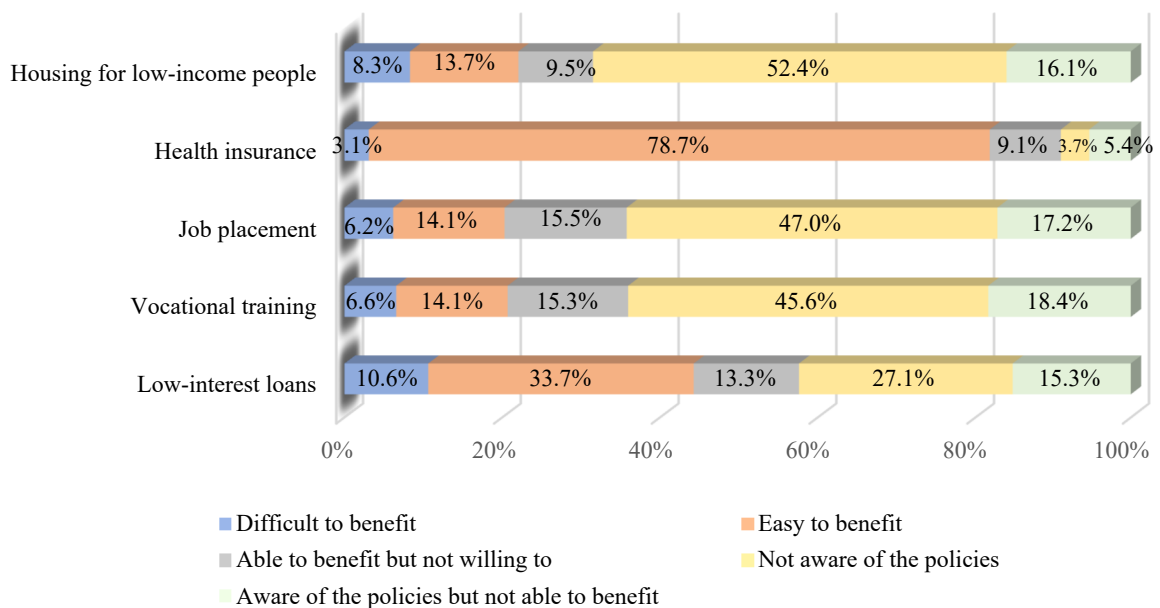
on income below the national poverty line, with few people living under the city income and multidimensional poverty lines. Most of the poor household members suffer from illness, old age or physical disadvantage. There is a need to provide social protection policies to the disadvantaged people who are not able to work and/or have high medical costs and/or no support from family or relatives to keep them from falling into destitution. Several of the poverty policies have proven to be not effective, such as the education support or the electricity access bill support or even health insurance. They are not effective, however, in that they have rendered people dependent on the government support. Several survey respondents indicate they prefer to stay in “poverty” to enjoy the benefits of the poverty policies. Given the city government plan to set the poverty line higher in 2019, the urban poor population might be larger in a year’s time. But it is not the poverty-reduction policies that should be determining the success of the fight against poverty. That instead should depend largely on the efforts of the poor households. They must work hard to escape poverty rather than rely on government support.

Benefitting from poverty policies

Many of the households in the study are not aware of the poverty policies and the benefits available (figure 12): 52.4 per cent of the households have not heard about the low-income housing policies, 45.6 per cent do not know about the vocational training assistance, and 47 per cent know nothing about the employment policy. Smaller portions of them have heard about the policies but have not yet accessed the benefits: 18.4 per cent of the households have not yet accessed the vocational training assistance, 17.2 per cent have not availed of the employment policy, 16.1 per cent have not applied for low-income housing, and 15.3 per cent of households have not reached out to the low-interest credit programme. And then some of surveyed households know what is accessible but do not want to engage: 15.5 per cent of the households is not interested in the employment assistance, while 15.3 per cent is not interested in vocational training and 13.3 per cent is not interested in the low-interest credit programme.

The health insurance scheme is the best-known policy among the surveyed households, with 78.7 per cent reporting it easy to access.

Figure 12: Awareness of the policies



Policy effectiveness

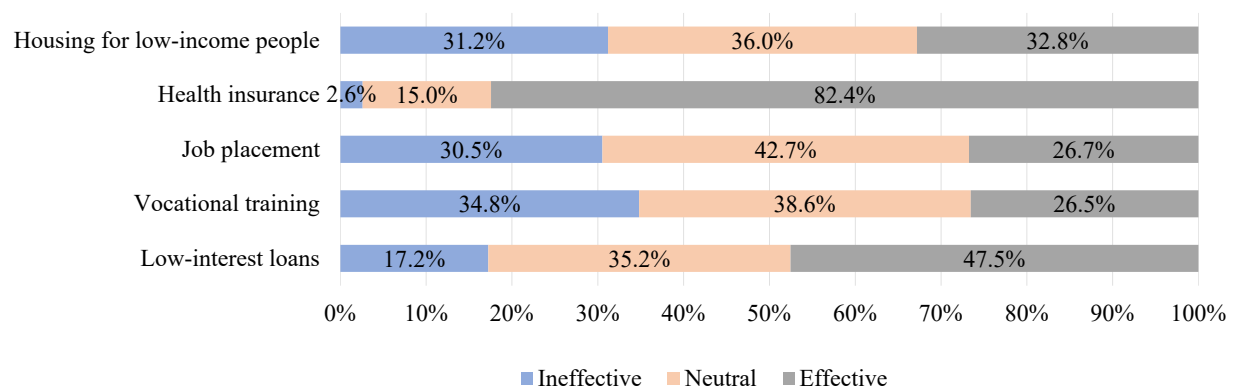
Around 82.4 per cent of the surveyed households indicate that the health insurance policy has been the most effective. Local authority officials also highly appreciate this policy, based on interviews with them for the research. In addition to free health insurance, poor households receive allowances for hospital stays. The amount of allowance depends on each local authority’s budget, which depends on its mobilization of donations from enterprises. The health insurance policy also benefits the near-poor households who are entitled to support for 70 per cent support of the health insurance fee. Certain types of medicine not specified in the insurance list can be available for free to poor households when certified by the local authorities.

Local poverty-reduction officials consider the policies on health, education, housing, credit and social welfare as the more typical policies implemented. The low-interest credit programme receives relatively high appreciation from officials who were interviewed (at 47.5 per cent). The programme, coordinated by the Bank of Social Policy, the Ward People Committee and credit groups, consists of many types of projects, such as job creation and education through various channels like the Vietnam Women’s Association and the Youth Union. Although most borrowers return the loans, a few do not due to a sudden accident or other reasons, including gambling debts. Migrants are not eligible for the credit programme because they do not have any assets for collateral or they lack the permanent residence registration.

According to the survey findings, the policies on vocational training, employment and housing are perceived as having an “average” effectiveness (respectively, 38.6 per cent, 42.7 per cent and 36 per cent). Annually, around 20 courses are offered in each ward, which cover training on agriculture and non-agriculture production, such as IT, husbandry, cooking, cosmetology and veterinary skills. These courses are organized for all people in need of jobs, including people with little income. The vocational training policy is characterized by interviewed officials as not effective because the courses do not meet their needs and expectations. Many people who are old or disadvantaged cannot participate in the courses, and some participants cannot find jobs for which they could use the newly acquired skills.

Most local authorities provide poor households with funds for repairing their house or building a new house. These funds are mobilized from enterprises operating in their locality that donate to the programme. Some very poor households are fully funded for their house repairs. Households consider as near poor can borrow money from the Poverty Fund. Very poor households are entitled to a new scheme called Compassion Houses (Nhà Tình Thương), which provide them housing for free. The programme of loans for social and low-income housing is hard to implement because few people with little income can afford the loans.

Figure 13: Effectiveness of policies



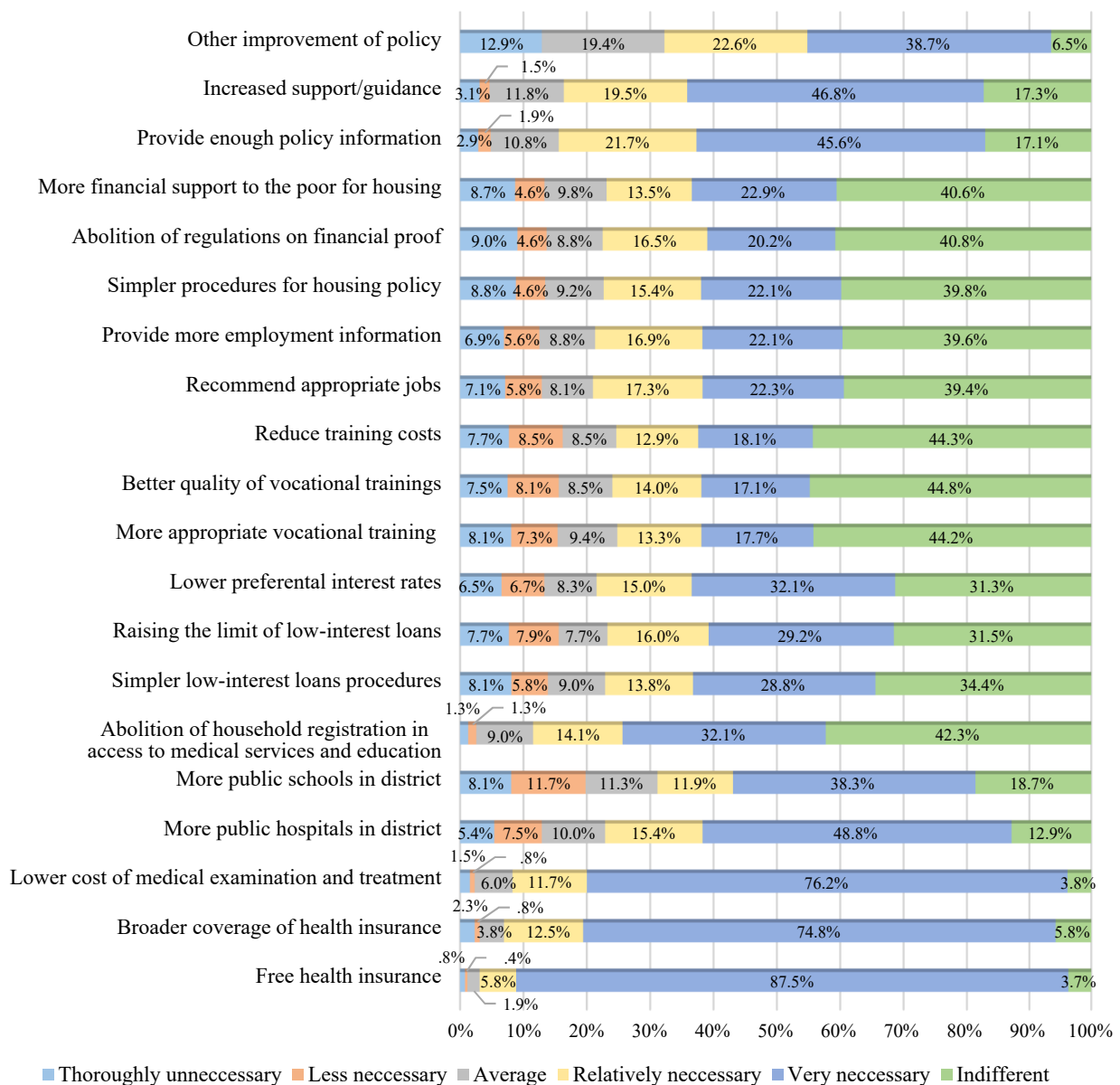
Policy expectation

Most of the poor households expect to acquire health insurance, with 87.5 per cent responding that they would prefer to have free health insurance; 74.8 per cent said they expect health insurance to cover a wide range of insured items; 76.2 per cent said they expect lower costs for health check-ups and treatment; and 48.8 per cent said they expect to have more quality public hospitals in their district. A relatively large number of participants said they would like to receive policy information (at 45.6 per cent) and guidance (at 46.8 per cent). The poor households are not informed of the poverty policies. There are no needs assessment for the vocational training programme and even worse, many poor people are not aware of the programme.

Around a third (32.1 per cent) of the survey households expressed preference for the abolition of the household residential registration in access to medical services and education and a lower interest rate credit programme. They also would like simpler procedures for applying for a loan (at 28.8 per cent) and a higher credit limit (at 29.2 per cent). And around a quarter of the households would like more appropriate jobs (at 22.3 per cent) and job information (at 22.1 per cent) to be made available through the employment policy. They also would like more financial support for repairing a house (at 22.9 per cent) as well as a simpler application procedure (22.1 per cent) and abolition of financial proof for the housing policy (at 20.2 per cent) (figure 14).

When interviewed, a few poverty officials remarked that the poverty policies should be reduced, while more support, such as monthly allowances, should be given to older and disadvantaged persons. Not many poor people, in income terms, remain in the city; most of the urban poor are disadvantaged people, including older persons. What is particularly needed, according to the poverty officials, are an employment policy and a housing policy for older persons.

Figure 14: Policy expectations



CONCLUSIONS AND SUGGESTIONS

The economic growth of Viet Nam has lifted millions of people out of poverty. In Ho Chi Minh City, most people, particularly in the central districts, now earn far above the national and even the city income poverty line. There are not many poor people living in the central districts. Households consider poor are mostly found in the rural and peri-urban districts, including migrant households. A major portion of the existing poor households are older people, people with chronic illness or living with disabilities, with children and need intensive support from the government and society. Typically, they reside in small-sized semi-permanent houses in narrow alleys that sometimes flood when heavy rains come with the high tide from the Sai Gon River.

Most of the poor households in this survey can access basic public services, such as electricity and a water supply, although some, particularly in the peri-urban districts, are not directly connected to the electricity network and access their water from wells or bought safe water. Garbage is well collected in

the central districts, but in the peri-urban districts, waste was reported as largely dumped in open spaces. Children in poor households are well supported in accessing the public education system, although the cost of schooling was considered quite expensive for their family. Medical treatment is a burden, although the health insurance is freely provided to the poor and near-poor households. Most of the surveyed households use a motorbike for travelling, although many rely on buses to commute to common places, such as markets, hospitals and the Ward and District People Committees.

Various poverty policies have been designed to provide support to households to move out of poverty. Several of these policies, however, are not effective because they provide too little support, do not meet the needs of the poor households or are not publicized sufficiently for the people who need them to hear about them. In general, poor households have benefitted from the country's rapid economic growth, particularly the dynamic market in Ho Chi Minh City, rather than the poverty policies. The poverty policies have also enabled poor households' dependent attitudes towards government support.

In the context of Ho Chi Minh City, most people, including the migrants, benefit from the economic development taking place. Thus, the poverty-reduction policies can be reduced. The local government budget for poverty reduction should target support for people who are disadvantaged due to age, disability or chronic illness. Migrants should be supported in accessing basic services equally with other citizens. In this sense, the Ho Khau, or permanent residence registration, should be reconsidered so that it does not deter anyone from accessing the city's public services. Although the adoption of the multidimensional poverty is a positive approach, its effective implementation requires a more sensible arrangement of personnel and tasks (structural organization) and a sufficient budget.

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