



**TOWARDS URBAN AND MIGRATION  
POLICIES FOR POVERTY REDUCTION  
IN VIETNAM**

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# *Understanding urban and migration policies in Vietnam*

## *Profile*

- Vietnam's last 50 years: colony to independence, wars to national consolidation, and from socialism to state-led market reforms
- Three global powers - French, American, and Russians - came, left imprints, and have gone
- Current situation: low level of urbanization, poverty and rural stagnation; overly controlled markets; dominant party state led the economy and society

## *Crucial dimension*

- **Nation's tendency and capacity to control the geographical mobility of its people**
- **Colonialism, capitalism, socialism - organized investments and commercial exchanges in distinctive ways to shape national opportunities, incentives, and possibilities for people to move**

## ***Socialist mechanism***

- **Job allocation in the state and collective sectors**
- **Household registration**
- **Subsistence income, social services, and rights**
- **Migration took place almost inclusive through: (i) job placement; (ii) family reunion; (iii) rural resettlement programs**

## *Urban and migration policies*

- **Discourage rural-to-urban migration**
- **Rural resettlement (urban-to-rural & rural-to-rural)**
- **Even hierarchical urban system rather than large concentration**

## ***Economic premises***

- **Model of national development of large scale industrialization and rural collectivization**
- **Mutual supportive roles of industries (urban) and agriculture (rural)**
- **Avoid high concentration of economic power at few centers; rapid urban growth is detrimental to planning and orderly development**
- **Encourage the growth of medium/small cities; their reciprocal relationship with rural hinterlands => dynamism of local economies according to national development plan**

## *Political premises*

- **Large urban centers (heterogeneous occupational and social structures) - potential material and ideological conditions for class formation**
- **Urban-based opposition / disorder**
- **The necessity to construct homogenous, uni-dimensional society**
- **National security and defense needs**

## *The contest*

- **Conflict between state and societal interests**
- **In the countryside: the application on the national scale of values and characteristics of a closed peasant economy (community land ownership, surplus redistribution, shared poverty, no exchange with the larger society)**
- **In the cities: relatively homogenous urban social class of state employees; marginalization of private sector and household economies**

- **Migration took place through state established channels**
- **Failure of rural resettlement programs (lack of resource, unrealistic policy, weak institutional capacity, poor management of flows)**
- **Refugee exodus**
- **Pervasive informal activities, including the movement of people (between villages, countryside to cities), particularly with the market reforms since the mid-80s**

## *Market reforms and new dimensions of geographical mobility*

- **The sanction of the private sectors has created new areas of capital concentration and production, intensifying regional differentials in economic growth and labor demand**
- **The declining of state sector as the only employer and land decollectivisation freed people to seek jobs elsewhere while at the same time make the issue of rural labor surplus more serious**

- **The abolition of state subsidy greatly reduced the function of the household registration system as the major means of population movement control**
- **The dispersal of market forces incorporated all areas of the country into a larger opening economic system that is regionally, nationally, and internationally interlinked**

*all resulted in .....*

- **Large flows of migrants from rural to urban centers**
- **Rapid urbanization with high concentration in the two major centers of Hanoi and Ho Chi Minh City**
- **Emergence of a new urban labor market - national and regional centers**
- **Reshuffle of the urban space (physically and socially) with high residential mobility**
- **Outmigration to the world**

## *Some figures....*

### **Between 1994-99**

- **17 out of 61 provinces experienced net gains in population through migration**
- **Estimated 4.35 million people moved (6 percent of the 1999 population) - only a portion of the total volume of population mobility**
- **Floating population was 1.2 million (in addition)**

## *A better policy is needed*

- **Limited resources, regional disparities, rural poverty, expanding migrant network ... mean more migration**
- **The rural poor's three strategies: (i) agricultural intensification; (ii) local non-farm income; (iii) outmigration to places where their labor has higher value**
- **Migration is increasingly adopted as the most realistic way to escape poverty or even for social upward mobility**

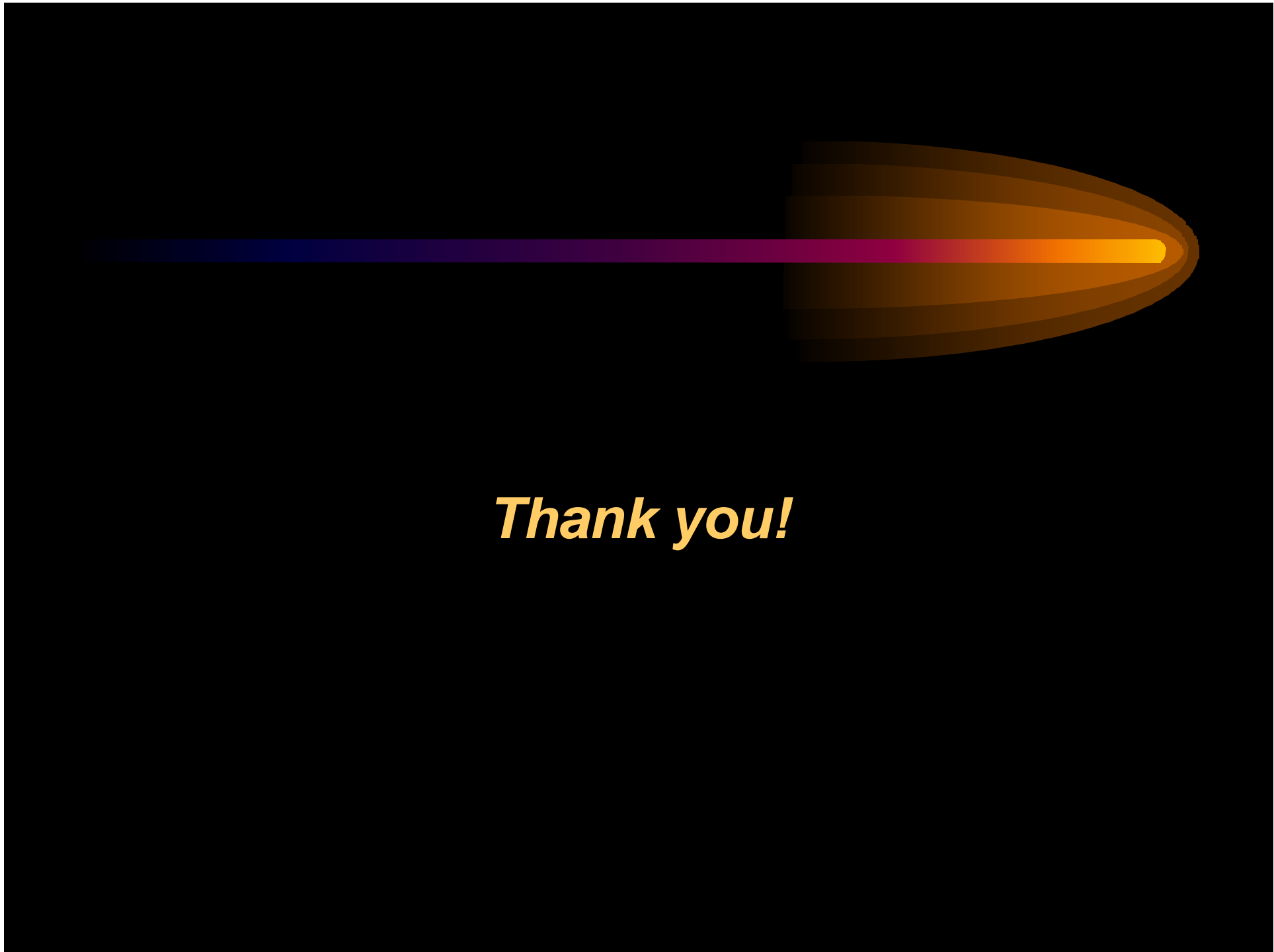
- **Impact also on relieving employment pressure on sending areas**
- **Role of remittances - mixing of incomes within household over distances**
- **Cash income for family to pay for education and services which are no longer provided free by the government**
- **Skills and capital needed for setting up business back home**
- **Also positive impact on urban economy (goods, services, and wage labor etc.)**

***However.....***

- The search for a “*rational distribution of the productive force*” remains the key in the migration policy today
- Policy debates emphasize the negative impacts of migration on urban places (deterioration of social order, administration difficulties, etc.)
- Continuation of efforts to control internal and external migration

*and challenges for national development...*

- **The ongoing contest between open market, freedom of movement that readily follows, and a national consolidated state organized around socialist principles**
- **Potential social conflicts as activities flourish that are outside of state control or remain inside but are trying to break out**
- **Pace and character of change in Vietnam will be revealed in its urban core, despite the fact 70% of population reside in the countryside**



***Thank you!***