



Research Achievement Report

*Research Title: Rural to Urban Movement:
Decision making of Street Vendors. Focus in Ho
Chi Minh City, Vietnam*

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I. Research Background

1. Street vending: a livelihood for urban poor but a forgotten part in urban development and planning

Street vending is not a new phenomenon. It has long been a part of urban economies around the world. As distributors of affordable goods and services, these vendors provide consumers with convenient and accessible retail options and form a vital part of the social and economic life of a city. In short, a street vendor is “a person who offers goods for sale to the public without having a permanent built-up structure from which to sell” (Bhowmik, 2005).

Street vending exists in almost all countries around the world, in both developed and developing countries. Street trade is one of the most important avenues for poor people to earn income in order to support themselves and their families. Even though street vending is seen as a source of livelihood for the poor, in most of the countries, street vending, which is frequently considered as a backward part of a society, is unaccounted and unrecognized in national economic statistics and viewed as an underground activity that undermines the healthy function of the formal economy.

In Vietnam, street vending is a long-established characteristic of urban areas. The population of street vendors has grown steadily and contributed to urban livelihoods. Street vending is a livelihood strategy for street vendors, not only for themselves, but also for the rest of their families. To survive in urban areas, those people have to put up their own business to earn their livelihoods. The income from street vending may help them to escape from poverty and improve their living conditions. However, despite providing livelihoods to many city residents, street vending is always the forgotten economy and receives inadequate attention from the government and authorities.

In Ho Chi Minh City, street vendors have become a familiar part of the city life, so much so that citizens naturally accept it as it is. They seldom wonder why street vendors are there and why they are doing their jobs. The contribution of street vending in particular and informal sector in general, to urban economies has long been underestimated. Hence, studies about street vendors are obviously scarce.

City officials and local authorities prefer to keep street vendors off the street to maintain a modern look for the cities. While urban authorities tend to view street vending as temporary and underground jobs, street vendors consider their jobs as permanent jobs to earn incomes for themselves and their families and they won't give up on their livelihoods. Because of lack of communication and understanding, the cat-and-mouse game between local authorities and street vendors seems far to have an end.

Street vending is a livelihood for the poor. It helps that vulnerable population sustain their lives. Then, why does the government not lend them a helping hand to make their lives better? Why do they not see street vending as a way to reduce unemployment and poverty in the city? Why do they consider street vending a threat of the city not a benefit?

To find a positive way to resolve the conflicts and create the mutual understanding between the local government and street vendors, first of all, we need to understand the cause of their migration. Therefore, this research aims to study the reason why and how street vendors make their life choices to migrate to urban areas as well as how they become street vendors. By gaining an insight of decision making process of street vendors, the researcher hopes to provide a better understanding of street vendor issues to help government officials and local authorities design significant urban policies which will contribute to "developing the capabilities of individuals and communities to make informed choices and to act on behalf of causes and interests in many spheres of life" (Commission on Human Security, 2003).

2. Street Vendors in Ho Chi Minh City

2.1. Vending structures

In Vietnam, street vendors trade in a number of commodities in different locations of cities and provide a variety of services. Most vendors locate themselves at public places with heavy human traffic, or some others walk from place to place. Even though they walk from place to place, some street vendors operate in some particular sites. They locate themselves along main roads and streets, near shopping centers or at corners where they can be seen easily by pedestrians and motorists. Some vendors negotiate with the owners of the neighboring yards and pay an amount of money to the owners so that they let them use those yards for their business. Most street vendors in Ho Chi Minh City have no authorized sites of operation, which results in incidences of confrontation and brutality between street vendors and urban authorities. In their efforts to manage street vendors, local authorities allocate vending sites for street vendors in local markets. However, after a short time, street vendors will reject to operate within their vending sites claiming that these locations are not accessible to consumers.

Vendors use different structures, including tables, racks, handcarts, and bicycle seats to display their goods. Some display their goods on the ground over a mat or a gunny bag, whereas others just carry their goods on their shoulders.

2.2. Market access

Street vendors sell in a variety of goods such as food stuff, flowers, clothes, household stuffs, newspapers, tobacco, lottery ticket, etc. They trade everything that they can carry around with them on the streets. The main

target for street vendors is the pedestrians and motorists who pass by their own business. In some cases, when street vendors have been doing business in some particular sites for a long time, they will have their regular customers and their business is likely to be expanded further. For example, a woman coming from a rural area operates a sweets shop on her bicycle seat, locating along a hectic street in Ho Chi Minh City. After 3 years of selling and attracting customers, she suggests to the owner of a nearby house that she will open her small shop in front of the house with a few tables. She will pay the owner monthly payments in return. That is a typical example of street vendors expanding their business in Ho Chi Minh City, Vietnam.

Some street vendors also have their target customers. Some look for customers in offices and houses near where they locate, whereas some look for students customers. Those street vendors are usually vendors who have lived and operated in the cities for years, so that they decided to invest in street trade. This kind of vendor usually uses pick-up trucks and bicycles to sell cooked food, fruit, vegetables and clothes.

II. Fieldwork

1. Fieldwork Background

1.1 Research Objectives

The research is expected to have a look into street vendors' migration decisions. First, this research aims to examine the reasons why street vendors decided to leave their hometowns, their families and their familiar environments to migrate to Ho Chi Minh City. Second, the research is also to comprehend street vendors' attitudes and behaviors in their decision making process to migrate and stay in the city. Finally, by understanding their decision

process, the research hopes to suggest some policy intervention to help the local government and authorities deal with street vendors more effectively.

1.2 Research Questions

- Why did street vendors decide to migrate to Ho Chi Minh City?
- What factors lead to their decisions?
- How do street vendors perceive and respond to opportunities and threats that they are facing in the city?
- How can the government manage street vendors effectively and be able to empower them to live their lives?

1.3 Research Methodology

- Questionnaires: A set of questionnaires was distributed to the respondents 3 days before the researcher went to pick them up. The researcher used questionnaires to collect basic data about respondents such as birthplace, size of household, occupation, source of income, etc. The information collected from questionnaires helped the researcher have a clearer view of the respondents' backgrounds.

- In-depth interview: The researcher conducted face-to-face interviews to obtain more in-depth information. Face-to-face interviews help the researcher have a better understanding of the feeling and attitude of personal contact, because face-to-face interviews allow the researcher to develop an interactive communication with the respondents. The researcher spent approximately 45 minutes for one respondent.

- Observation: The biggest advantage of the observational method of research is that researcher views respondents in their natural environments. Observation can yield thick and rich descriptions that achieve the depth that other methods may lack.

2. Research site

The research site was decided to be in Go Vap District, Ho Chi Minh City. Go Vap District is located around 40 minute north of the center of Ho Chi Minh City. In the past, the district was considerably larger, but several wards were broken off to both form new district (Binh Thanh District) and extend others (Hoc Mon District, Cu Chi District).

Ho Chi Minh City, also known as its old name Saigon, is located in the South East region close to Central Highlands, South Central Coast and Mekong River Delta. It borders Binh Duong Province to the north, Tay Ninh Province to the northwest, Dong Nai Province to the east and northeast, Ba Ria Vung Tau Province to the southeast and Long An and Tien Giang Province to the west and southwest. Ho Chi Minh City is around 1,730km from Ha Noi by land, and is at the crossroads of international maritime routes. It is also at the center of Southeast Asia.

With a total area of 2,095 km², the city is divided into 19 districts and 5 rural districts with 322 wards, communes and townships. Ho Chi Minh City has around 7,123,340 people (according to the census results in April 2009). In the process of development and integration, Ho Chi Minh City is always an economic, financial, trade and services center nationwide; is the nucleus of the Southern Focal Economic Zone and is one in the three largest Focal Economic Zones.

Due to the extreme favorable economic location for trade development, the urbanization process in Saigon happened rather early and fast. Ho Chi Minh City is the largest and a young city in Vietnam, yet today it has the most dynamic economy in the country. Ho Chi Minh City is both a major cultural and a leading economic center of Vietnam. According to Ho Chi Minh City People's Committee, Ho Chi Minh City accounts for 0.6% of Vietnam's total land area and 6.6% of the total population and is part of the Southern Focal Economic

Zone and the economic center of the country with high economic growth rate. Ho Chi Minh City has the most dynamic economic activities leading the country in economic growth. Whereas in 2001, GDP growth rate was of 7.4 %, it increased to 12.2 % in 2005. The economic development with high growth rate created a huge contribution to the national GDP. The proportion of the city's GDP accounted for one third of the country's GDP. Ho Chi Minh City can be considered the nucleus the Southern Focal Economic Zone and the center of the South contributing 66.1% of GDP in the region and 30% of the total GDP of the Southern region. The city experienced a strong economic restructure. In 2005, average labor productivity of the economy reached VND63.63 million/person/year, labor productivity of construction-industry reached VND67.05 million (105.4 % of the average labor productivity of the economy), labor productivity of services reached VND66.12 million (by 103.12 %) and labor productivity of agriculture reached VND13.66 million (by 21.5 %). The city has attracted more foreign investments than any other places in the country since the Investment Law was enacted. The number of investment projects in the city accounts for about 1/3 of the total number of foreign invested projects in the country. The city always has the highest proportion in the total revenues of the state budget and the city's revenues keep increasing despite many difficulties. In 2005, total revenue in the area was VND58,850.32 billion, which was 22.21 % higher than in 2004, reaching 108.27 % of year estimate.

From a historical and cultural perspective, the process of urbanization in Saigon - Ho Chi Minh City has unique features which include many complex economic, political, social and cultural factors. The urbanization in Saigon - Ho Chi Minh City shows that the urbanization is an inevitable process and will have a huge impact on the socio-economic development of the city. Urbanization is an inevitable process of all countries associated with the development of the industrial and commercial economy.

Due to the impact of American neocolonialism, the urbanization process in Saigon during the period of 1954 - 1975 was developed quickly, yet it also created confusion, upsetting the social structure and especially increasing the stream of immigrants. In the South, from 1955 until 1960, American and Saigon government tried to force Catholic immigrants to establish the residential perimeter security protection from distance for Saigon and military bases. The period from 1960 until early 1965, the Saigon government promoted forced urbanization, creating a surge of urban dwellers in the southern cities especially in Saigon – Cho Lon. The percentage of the southern urban population in 1960 from 10% of the total population increased to 30% in 1965. Due to American and Saigon government's persecution and oppression policy and the pacification campaign in the rural areas, millions of southern farmers were forced to leave their villages to come and live in the strategic hamlets or became refugees and pulled in the cities.

The process of forced urbanization was implemented in Saigon aggressively under the impact of war of invasion. All American defoliation campaigns from 1961 to 1972, especially programs using toxic chemicals containing dioxin in order to prevent provisions affected seriously the agricultural production and rural life in Southern Vietnam, where 80% of the population were farmers. It created the process of forced urbanization, causing disorder and comprehensive harm to the environment, society and economy in Southern Vietnam. According to the most conservative calculation, at least 3 million farmers in 1965 - 1968 were pushed out of their villages and forced to live in concentration camps, or they became refugees living in the streets in major cities, mostly in Saigon.

In 1960, there were 20% of people living in the southern metropolitan areas and the ratio increased to 26% in 1964, 36% in 1968, and even higher in 1971. As a result of the process of "forced urbanization", the urban population of Southern Vietnam rapidly increased. In the early 1970s, Saigon's population increased to 3,000,000 (10 times higher than before). By 1971, the population

in Saigon accounted for 43% of the urban population of the South, and the rate was 1/5 if the suburbs were excluded. Overall, the growth of Saigon's urban population was mainly because of war, whereas economic reasons were insignificant. In 1971, 3/4 of the urban population in Saigon was not born here.

III. Findings

1. Street vendors and their families

Almost all the street vendors interviewed have married and had children before they moved to the city. Only 8% of the interviewees are unmarried. This is telling a different story from the common one that young single adults are more likely to migrate to the city in search of job opportunities than married people. The decision making process is never easy and big decisions may cause high stress in our lives. As married people, interviewees' decision making process is even more complex. In Vietnam, rural communities can be quite close-knit. Families and social circles play an important role in rural people's lives. Therefore, when they decide to move to the city, they have to consider very carefully. It is not easy for anyone to pack up and leave everything that is familiar and try to fit into a new environment. It is especially more difficult when they are not sure about what is awaiting them in the new city. Moreover, when they are married, they will have more responsibilities with their families and leaving them behind to go to the city alone is not an easy decision.

2. Livelihood before migration

Before moving to Ho Chi Minh City, most of the interviewees were farmers. 64% of them worked on rice fields, 12% worked on fruit orchards and the remaining of them took various jobs such as housemaids or worked for

whoever that has demand (Figure 7). Although they were farmers, they were smallholders. Their land sizes vary from 900m² to approximately 3,000m². With small farming land, they could not earn enough income to support themselves and their families.

A report entitled “Who has benefited from high rice prices in Vietnam?”, jointly conducted by Oxfam and the Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD) (2013), showed that several problems remained at all phases of the rice supply chain in Vietnam. It is obvious that agriculture plays a vital role in Vietnam’s economy. Rice production is not only big contribution in economic terms, but also an important contribution to social stability of the country. Vietnam has proposed a series of policies to develop rice production such as land allocation to farmers, extension of agriculture, development of irrigation, science and technology and trade liberalization. Thus, Vietnam's rice industry has achieved results "miracle": switching from a food import country to the world's second largest food export one.

However, public concerns have been raised over that fact that, even though rice prices in the world market have increased considerably, no significant change in Vietnamese farmers’ incomes have been made. Worse still, their incomes are tending to decrease in recent years due to increased production costs and low export prices. For example, according to Oxfam’s report, in 2011, farmers earned margins of over 30 per cent during the Winter-Spring crop (the most profitable crop of the year) although the production costs in the calculation still do not include household labor costs. Therefore, with an average price planted area of 3.3 hectares/household, the annual income from rice production is VND27,000,000, equivalent to VND550,000/head/month (assuming an average household of four people), not much higher than the International poverty line.

Therefore, the small rice producers have to rely on other incomes. Due to low income, small scale rice producers (with less than 2 hectares) cannot rely on income from rice farming but have to count on other activities such as animal husbandry, fisheries, or other non-agricultural activities. Only those with more than 2 hectares of cultivated area could live on rice farming.

3. Source of information

Before street vendors decided to migrate to Ho Chi Minh City, they should have had a sort of information or knowledge about the city, from important matters such as where they will live, what kind of jobs they will be able to get, to basic things such as how much it costs to live in the city for a month, etc. They cannot decide to migrate if they do not have any information about the city. Then, where did they get all those information?

According to data from the interviews, street vendors gather all information from their social networks, in particular, from their immediate family members and friends who have lived in Ho Chi Minh City. Their close family members and friends invited or suggested them go to the city to look for a job. 78% of interviewees were suggested by close family members such as uncle, aunt and brothers while 22% of them were suggested by friends.

In rural areas, smallholder farmers cannot only depend on their farms for their livelihoods. Small land size, high production costs, low rice price and so on, make agricultural activities become an insecure source of income for smallholders. In smallholders' family, all adults have to combine all their work efforts to meet the household's financial needs. Besides, when working on the farms during planting seasons, almost all of them have to work different kinds of jobs in order to have enough income to support the rest of the family. Even though their income is insufficient, it is still "enough" for them to afford their lives.

Interviewees pointed out that although their lives in their hometown were tough and they had to work hard to earn their livelihoods, they hadn't thought about going to the city. Leaving home, family and the familiar environment behind to go to the new place is not an easy thing that all people dare to think about, especially farmers who have never been in urban areas before. They simply try their best to live their current lives. Until one day, someone in their social networks suggested them go to the city. For them, farmers, who lived their whole lives in rural areas, migration to a big city like Ho Chi Minh City is not a simple thing that they just say "OK. I will go to Ho Chi Minh City", then leave. It is something more serious than that, especially when they already got married and have a family to care about. Before they decided to migrate, they would discuss it with their families before making their final decisions. Moreover, they also have to discuss several things such as what job they will take, where they will live, who will migrate, who will stay at home and so on.

When farmers migrate as their close family member's suggestion, most of them will live with and work for that person. In some cases, the family member recommends them available jobs or gives them basic advices about how and where to search for a job in the city. For farmers migrating to the city as their friend's suggestion, the friend will usually help them to find a place to live, usually near where he is living. Furthermore, the friend also advises them on available jobs.

4. Job change

78% of interviewees said that street vending was not their first job in Ho Chi Minh City. Many of them worked for their close family members who suggested them migrate to the city. The others worked for other people who have demands. In a big city like Ho Chi Minh City, it is not difficult to find a job

in informal sector. Although they migrate to the city based on advices and information received from their social networks, when they first come to the city, with no specific experience of being a vendor, they would choose to work for other people. For instance, there are some typical jobs that migrants can easily find in Ho Chi Minh City such as working as servers in small restaurants, working in construction sites, working for family enterprises or self-employed people, or becoming motorbike taxi driver and housemaids.

After a period of time working for other people, migrants start getting used to the city life and have experience about how to do business in the city. "I worked for a fruits trader in a market for 3 years. After learning from my boss about how to buy and sell fruits plus how to manage the business, I started working on my own as a fruits vendors," said a 37-year-old fruits vendor. According the collected data, the researcher realized that being street vendors is actually a choice of migrants.

5. The reasons of becoming street vendors

As mentioned in the previous part, becoming street vendors is actually an intentional choice of migrants. There can be several reasons why migrants decide to become street vendors. The figure 3.1 shows 5 main reasons based on responses of interviewees. Many of migrants become street vendors because they want to be self-employed. It is easy to understand that because working on your own is always better than working for other people. If they worked for other people, their boss would be the one who decides how much they will get paid. Meanwhile, being street vendors can provide them freedom. If they worked hard, they would earn more money. It all depends on themselves.

The second reason is that it does not require a big amount of money to become street vendors. The majority of street vendors buy their goods in wholesale markets. In these markets, merchant wholesalers can give street

vendors goods in advance, and street vendors will pay for those goods next time they do a transaction. Moreover, street vendors can contact wholesalers in advance and tell them how much goods they want to buy next time and wholesalers will provide them that exact amount. Another reason to be street vendors is that it provides them a sufficient income to support themselves and the rest of family. All interviewees said that since they became street vendors, they have earned more money than when they did in their hometowns. "My life has got better since I became street vendor. I feel more secure than when I worked other jobs. Now, I am working on my own, I can take control and manage my income. I feel that I finally can settle down," said a 37-year-old street vendor.

Many people decide to become street vendors because they have selling experience in the past. Besides, health condition is also one of the reasons. When they were younger, they can do other jobs such as working in construction sites or being motorbike taxi drivers. However, when they are older, they are no longer able to work heavy jobs. Even though street vending is also tough, it is more flexible for older people.

6. Future plan

When being asked about future plan and if they have a plan to go back to their hometown or they want to stay in Ho Chi Minh City, there are 2 major responses from street vendors.

- Those who have plans to go back to their hometown; and
- Those who don't have plans to go back to their hometown.

For the first group, street vendors express their thought about returning to their place of origin someday in the future. However, when they are asked when they will return, they do not have specific answers. "My husband and I have discussed together that we will go back to our hometown in the future,

but not now. At the moment, we both still can work and we still want to earn money. Only when we are old and we cannot work here anymore, we will return to our hometown. We still have our house there,” said a 41-year-old street vendor. “We will return in the future. Our children are working here and we want to live near them. Besides, we still can earn money here. Hence, we do not want to leave. But, when we are old, it is better to go back because the relationship among neighbors in our hometown is better than that in the city and life in rural area is more relaxing,” said a 49 year old street vendor.

For the second group, street vendors want to permanently settle down in Ho Chi Minh City. These street vendors generally do not have a close-knit relationship with their immediate family members and neighbors in their hometowns or they do not have their own lands or houses there. “We do not have anything left in our hometown. We do not have a house, or land or anything. Back then, we lived in our parents’ house with all my siblings. But, it is our parents’ house and we cannot live there forever. When we decided to migrate to Ho Chi Minh City, we thought that we will start our life here. Now, we are used to the city life and my son is studying here. We are settling down,” said To Nhi Cao, 42 year old street vendor.

Many interviewees said that they know that their hometowns have recently developed. There are more jobs opportunities which help local young people be able to get better income jobs in their towns. However, when they are asked about the reasons why they had not returned, they said “I am used to the city life. My family has lived here for 12 years, meaning we have been far away from our hometown for 12 years. And, my street vending job gives us a sufficient income to support my family. Furthermore, living in Ho Chi Minh City is more convenient and my family also has new neighbors and friends here. If I returned to our hometown, I would have to start from the beginning again”.

IV. Conclusion

Regarding interviewees' basic personal characteristics, street vendors interviewed are low-educated and they first came to Ho Chi Minh City when they were in their labor age and the majority of them were married. They mostly came from large farmer families. Besides, they also have many siblings and small farming land or almost landless, which hence leads to a pressure on their livelihood resources as well as living spaces. Many of them mentioned in the interviews that they lived with many siblings in their parents' house which made them feel uncomfortable with their living conditions. Because 92% of street vendors interviewed are married and 82% of them have children before migrating to Ho Chi Minh City, the pressure on their shoulders may be heavier than that of single migrants. When they decide to migrate to the city, they have to discuss carefully with their family members. However, street vendors interviewed don't consider themselves the poorest and most disadvantaged families in their village back then.

On the other hand, there are few points here that are worth noting. Street vendors who do not have a strong connection and good relationship with their family members and neighbors in their hometown are likely to migrate in comparison to those with close-knit relationships with their families and neighbors. To some of them, migration is a way for them to stay away from their immediate family members.

It is obvious that family background plays one of the most important roles in migrants' decision making process of moving to the city. Street vendors mentioned that when they were in their hometowns, they were so busy to live their life. Therefore, they did not think about migrating to Ho Chi Minh City to start a new life until someone in their social network suggested them move to the city. However, it is also necessary to note that these personal characteristics of rural-to-urban migrants are based on a subset of

rural-to-urban migrants who are working as street vendors chosen by the researcher's decision to concentrate on the purpose of the research. It does not cover all types of migrants.

It clearly showed that these street vendors moved to the city mostly based on the suggestions of their social networks. All information about the city was gathered from their close family members or friends who have lived in Ho Chi Minh City. When they first migrate to a new city, they will need to rely on some persons who are experienced enough in living in the city so that they can help them adapt to the new life. Therefore, it would appear that the migration network plays an important role in promoting the rural-to-urban migration flows as well.

However, it cannot be denied that economical purpose is also one of their migration motives. Lives of smallholder farmers in rural areas are quite tough and they usually have to work hard to secure their livelihoods and support their families. Therefore, when they were offered opportunities for earning more money to support their family, they will surely consider and take them.

Last but not least, migrants in general and street vendors in particular, tend to maintain contacts with the people back in their villages. Most of them have returned to visit their families and neighbors several times. Migrants who have strong contacts with their close family members and neighbors in their villages tend to have a plan to return to their villages once they decide to retire from work. Meanwhile, migrants who have lost contact with their place of origin are likely to reside permanently in the city.

To sum up, there are many factors that influence the migration decision of street vendors in particular and rural-to-urban migrants in general. Economical purpose is always one of the most important reasons. Besides, the research found out that the reason rural people migrates to cities is sometimes not only because of economical factors, but also because of family issues. The relationship between migrants with their networks such as

immediate family members and neighbors at their villages also plays an important role in migration decision making.

Furthermore, the reasons for their migration decision at the beginning may be different from the reasons why they decided to stay at the city. As the research found out, after many years living in the city, migrants may get used to the city life and they eventually do not want to return to their hometowns. Or when their family (husband, wife, children) want to settle down in the city, they will also choose to stay in the city to live near their family members. Once again, the family factor has a big influence on the decision about staying in the city of migrants.