

## Impacts of rural - urban migration on rural household living standards in Vietnam

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Although several studies on internal migration in Vietnam have been conducted, we still know little about how rural to urban migration impacts the living standards of rural households. This study uses data from the Vietnam Household Living Standards Survey 2006 and 2008 (VHLSS 2008) to examine the impact of rural-urban (RU) migration on household living standards in rural areas. The VHLSS provides good quality, nationally representative data and includes information on both internal migration and household living standards.

Three different statistical techniques are used to examine the impact of RU: descriptive statistics, t-tests, and OLS regression. The first technique helps to explore characteristics of households with RU migrants. The second is used to examine the changes in some indicators of household living standards that had no RU migrants in 2006 but had RU migrants in 2008 (Table 1). The last technique is to identify effect of migration and remittances on household income (Table 2).

*Table 1. Mean differences in household living standards between 2008 and 2006 (thousand VND)*

	Mean		Mean diff (2008-2006)	t-statistics
	2008	2006		
Total household income/year	39,218	30,084	9,134***	5.17
Per capital income/month	1,109	624	486***	11.20
Total household expenditure/year	26,906	20,268	6,637***	7.29
Per capital expenditure/month	745	417	327***	13.1
Average living expense/month	639	356	282***	17.5
Average health expense/month	22	11	10.6***	3.4
Education expense/year	1,629	1,079	550***	3.5
Observations	240 hộ			

*Note: \*Significant at 10%; \*\*Significant at 5%; \*\*\*Significant at 1%.*

Findings indicate that households that had RU migrants in 2008 were a little better off than those without a migrant. Second, households that decided to have someone migrate to urban areas had higher per capita income than what they had two years before in 2006. Third, urban-rural

remittances did impact the rural household's total income and per capita income positively in the place of origin. In other words, remittances contributed to the increase in total income of households with RU migrants.

*Table 2. Impacts of rural- urban migration on rural household expenditure*

	<b>Coefficients</b>	<b>t-statistics</b>
Logarith of remittances	0.97***	3.6
Household head age	0.037	1.4
Male household head ( <i>ref group: female</i> )	0.146	-1.56
Household head marital status ( <i>ref group: single</i> )		
Married	-0.34	-0.92
Widowed	-0.26	-0.72
Divorced	-0.60	-1.27
Separated	-1.48***	-3.18
Educational attainment of household head	0.64**	2,13
Household size	0.14***	10.73
Observation	242	
R-square	0.38	

*Note: \*Significant at 10%; \*\*Significant at 5%; \*\*\*Significant at 1%.*

The contribution of this study lies in the fact that using multiple regression, we controlled for other factors such as household and household heads' characteristics and were able to decompose the effect of migration and remittances on living standards that other studies in Vietnam either left open or could not control for at household level.

This study provides policy makers with more evidence on the positive impact of RU migration. Thus, it is recommended that current policies related to this issue in Vietnam should remove barriers that hinder RU migration. Rural people will continue to leave their home if there is still a gap in living standards between rural and urban areas. Instead, policies should focus on two things. The first is to ensure all migrants have information and rights in wherever they move to. The second is to reduce the gap in living standards between the two areas by boosting rural development.