



People's Livelihoods in the Suburbs - A Case Study at a Community of Ho Chi Minh City

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Abstract The study focuses on the analysis of the effects of urban growth and land tenure policies on access to the land and livelihoods of the people. In the process of urbanization, suburbanization, and changes in land tenure status, practical evidence shows that the households' situation has improved. The problem, however, is whether everybody is benefiting equally. In order to understand the problem, the following questions need to be answered: How do policies impact on the livelihoods of the households? How do people in the community have to change their livelihoods to adapt to the new circumstances. The study employed various participatory research methods, both quantitative and qualitative. Semi-structured interviews, In-depth interviews, Focus-group discussion, Participant observation, and Secondary data were used in the study. The results indicate that the most successful households are those that are characterized by multi-activity and risk-spreading. This is achieved by exploiting rural and urban opportunities simultaneously. The least successful and poorer households are generally those with non-diversified income-earning activities and/or which do not attempt to maximize the utilization of rural and urban resources. It seems that farmers are not well-prepared for the transition from rural to urban living. Lack of skills and formal training prevent them from exploiting opportunities to adjust to rapid changes. Thus, we can now observe a new group of people who have fallen into poverty. Tenure transformation in the suburban areas due to rapid urbanization has created more hardships, in social and economic terms, for the most vulnerable in society. Given the limited availability of land, farmers in the community generally have three means of maintaining and improving their livelihoods. First, they can increase the use of agricultural inputs. Second, they can migrate to areas where agricultural land is available or where non-farm employment offers higher wages. Third, they can establish themselves in a local off-farm occupation. Each of these strategies can be carried out alone or in combination.

Keywords urbanization, livelihood, suburbs, skills, Ho Chi Minh

INTRODUCTION

Ho Chi Minh City, considered as one of Vietnam's fastest growing cities, is the largest metropolitan area of the country, with 22 districts, 17 urban districts (quan), and 5 rural districts (huyen). It is the economic, industrial, financial, cultural, and tourist center of the country, which perhaps could explain partly the constant increase in population. In 1940, there were only 0.5 million people living in the city. This grew to 2.3 million some 20 years later, and then to 5 million by the year 2000, a tenfold increase within 60 years (Table 2). This growth of the population has resulted in dynamic suburban development and intense competition for sites of industry, housing, commerce, and public utilities. Rapid economic development in recent years has caused a shift in the spatial pattern of industry within the city. Factories have decentralized increasingly to peripheral industrial suburbs, industrial estates, and more extensive sites with lower land values.

This study focuses on the changing socioeconomic characteristics of households in the suburbs. The main question to be answered is "How do people in the community change their livelihoods to adapt to the new circumstances?" In the process of urbanization, suburbanization,

and changes in land tenure status, practical evidence shows that the households' situation has improved. The problem, however, is whether everybody is benefiting equally. Who are the "winners" and "losers" in this system? What groups of people tend to win more?

METHODOLOGY

This study is descriptive in nature. To draw a wide range of information, it employed various participatory research methods, both quantitative and qualitative (i.e., secondary data collection, interviews, household livelihood analysis). The following techniques were used for data collection: Semistructured interviews, In-depth interviews, Focus-group discussion, Participant observation, and Secondary data.

RESULTS AND DISCUSSION

This study looked more intensively into the livelihood strategies of three types of households classified according to access to land; households whose land was wholly expropriated; households whose land was wholly or partly sold; and households who still cultivate the lands (landed households), as well as those engaged in non-farm and off-farm livelihood activities.

Changes in livelihoods and livelihood strategies of households in Vinh Loc A

Because each person's most important productive asset is the land; there is an evident link between loss of land and livelihood. The impact on livelihoods is devastating especially for the asset-poor households. Before 1996, there were no landless farmers; even though some owned as little as 2,000 sq m of land. People mostly relied on agriculture for their livelihoods. The wealth and income gap between the rich and the poor was relatively small. Most owned about the same size of land and pursued similar economic activities. Most if not all farmers were owner-operators of small landholdings, possessing nearly the same basic productive skills and independently managing their own land and money.

By the year 2000, the land-use pattern had changed; farming had ceased to be the backbone of people's livelihoods. There was an increase in the number of landless farmers. The gap between the rich and the poor households also widened. Unemployment and underemployment has become a major problem and those who can find jobs in the city or industrial zones nearby have to support a much larger number of relatives than before.

The chief and elders (of the households?) estimate that only about one-third of the households are still earning part of their livelihoods from farming and those still farming are doing so on a much reduced scale. Moreover, income from the farm has become only a secondary source. Farmers have also become vulnerable to losing the land they still held. Interviews with farmers reveal that whether a farmer is eager or reluctant to sell land depends mainly on his/her ability to find other occupations and opportunities for investment for the household.

To obtain a secure livelihood, in the context of an urbanized commune like Vinh Loc A, people are forced to choose a livelihood strategy that combines agriculture, industry, and service sectors. Most if not all successful households or households with secure livelihood in this suburban area does not depend exclusively on agriculture for their livelihood. Services and trading provide additional sources of earnings for local residents. It should be noted that occupational diversification has a long history. The trend towards occupational diversification within lower-income households more recently is the result of an expansion of livelihood possibilities accompanying changes in the commune's economy. It is important to acknowledge that the process of occupational diversification is one in which households play an active part. Nonetheless, for those whose lands were expropriated by the State, some difficulties are found in the process of change in occupation. In this case, households play a passive part. Their social capital (e.g., membership in farmers' association) gained through the holding of land is suddenly became

disrupted when land was lost. These households can be portrayed as victims of lost land and of the encroachment of the city upon the suburbs.

Livelihood diversification

In relation to the livelihood strategies, people in the area follow a pattern of production dependent on income from both the land and urban development so that family incomes are likely to be the sum of several activities - agricultural and commercial activities and urban employment within the city. In other words, people depend on a combination of on-farm, off-farm, and non-farm income sources. Many households earn some income from the farms but also earn substantial income from other sources. Certain members of the households may have part-time or even full-time employment off the farm, or engage in cottage industries at home for part of the time. The principal activity is small-scale farming while livestock serve to reduce risks. For some households, livestock raising, particularly dairy cattle, has become a reliable income source.

The economy of households in the commune is tied to the economy of the metropolis, and their production strategies are developed in response to changing market conditions. Well after factories and industrial zones encroach into the formerly rural landscape of the commune, these households had become occupationally diversified. People who settle near main streets or the Vinh Loc industrial zones (commercial and industrial activities) have built their own small business such as retail business, coffee shops, and workshops in a portion of their dwelling space. Alternatively, they rent out space to others for those purposes or build houses for rent to workers.

The practice of diversifying the households' occupation into various nonagricultural sectors could be seen as a strategy of survival as much as status acquisition and maintenance. Nonetheless, the adaptation and the ability to diversify occupation and sources of livelihood of people in the commune vary significantly between groups. The analysis of the household's livelihood strategy in the previous section indicates that the households in Case 1, 4, and 5 have chosen different strategies depending on their asset statuses. Those who have more assets can diversify their source of livelihood from among the three economic sectors such as industry, services, agriculture, or a combination of these sectors. Thus, it can be stated that the better the ability to access capital, the better the adaptation.

Opportunities and challenges faced by different groups

Research in the commune has brought to light cases of both successes and failures. In terms of livelihood opportunities, landed households have a wide range of choices. They can either continue to engage in farming with additional income from small services, or they can decide to sell land and become totally nonagricultural households. Otherwise, they can sell part of the land and invest the money in animal husbandry and intensively cultivate the land with new varieties and techniques.

In contrast, land-lost households, in general, are not only unable to take advantage of this opportunity but in many cases lose a well-established job with the disappearance of agricultural land, which in the past had provided them with employment as agricultural workers or self-employment. Among the land-lost households, those whose lands are expropriated face more hardship than their counterparts primarily because they are not prepared for the transition. They are totally forced to seek other livelihood sources outside their traditional agricultural occupations that have long been established in history. Clearly, the gravity of the consequences of such a loss depends, for individual households, on the ability of its members to obtain other forms of livelihood.

However, the effects are not entirely negative for all land-lost households. As mentioned elsewhere in this study, a new environment also provides new opportunities for households to move up. More jobs are being created in and around the commune, especially in and around the Vinh Loc Industrial Zone, especially since the Zone has become fully operational. With the demand for more services, from a growing population of industrial workers, shops can be set up to meet the diverse needs of these workers in the area. Nevertheless, new job opportunities are not

being created at a sufficient rate to provide employment for the expanding labor force in the commune and the increasing income needed to support large households. And even if employment opportunities are available, indigenous workers cannot efficiently compete with migrant workers by reason of inadequate technical skills and lower education level. Thus, migration to other areas in search for work, especially manual work, becomes an option taken by a growing number of landless and near land-less households.

To obtain a secure livelihood, in the context of an urbanized commune like Vinh Loc A, people are forced to choose a livelihood strategy that combines agriculture, industry and service sectors. Most if not all successful households or households with secure livelihood in this suburban area does not depend exclusively on agriculture for their livelihood. Services and trading provide additional sources of earnings for local residents. It should be noted that occupational diversification has a long history. The trend towards occupational diversification within lower-income households in more recent times is the result of an expansion of livelihood possibilities accompanying changes in the commune's economy. It is important to acknowledge that the process of occupational diversification is one in which households play an active part. Nonetheless, for those whose lands were expropriated by the State, some difficulties are found in the process of change in occupation. In this case, households play a passive part. Their social capital (e.g., membership in farmers' association) gained through the holding of land is suddenly disrupted when land was lost. These households can be portrayed as victims of lost land and of the encroachment of the city upon the suburbs.

In many cases, like the ones cited above, the loss of agricultural land poses a threat to the livelihood of Vinh Loc A farmers, especially farmers with little or no assets. Earning a livelihood becomes an increasingly arduous task for farmers because of intense competition for employment and access to land. Farmers fear that this land is being lost to urbanization which, once lost, usually cannot be regained. Very few landless households can expect any access to additional land, either because all available land is now in use or highly priced. Not only do farmers depend on this land to produce their food, it is also a major economic sector in the commune. When farmers lose their lands, lack of access to credit is an inescapable consequence since land is the only meaningful collateral accepted by agricultural banks. Households that have not considered starting a non-farm business usually cite the lack of capital or financing as the chief reason why they have not done so. The other most common responses for not diversifying are age and ill health.

Roads to achieve secure livelihoods

When land, a natural capital, is lost, lack of human capital is one of the greatest difficulties that Vinh Loc A households have to face. The majority of the households have been engaged in agricultural work. Now that agricultural land is no longer available, they are forced to find other jobs to earn a living. However, the requirements to be employed in other sectors are not the same as in agriculture. Technical and scientific skills are needed if one wants to be employed in the industrial zones or in the industrial sectors. The loss of land for some households whose main source of income is based on the farm can be seen as an adverse shock.

In fact, households who have sold land are not necessarily poor. They may have spent substantially on building and repairing houses, purchasing consumer goods for their families, or depositing savings in bank accounts to draw interest for consumption. Investments in production, animal breeding, or professional training are still low. This constitutes another contradiction to be settled and to draw lessons from in order to shift actively the attitudes and behavior patterns of residents in these areas. Improving the people's technical skills and education levels would help solve the problem. With good human capital, people can easily capture opportunities when available to improve their status.

In the process of adaptation to the new environment, there is a general pattern easily observed in the commune; most farmers having low education are old age and have no technological skills and therefore they face more hardships. Occupational training for farmers in the process of transformation also has many difficulties. Old farmers face health and aging problems. For the younger generation, education is a major constraint. Interviews with the young people reveal that

they prefer short-term training of about 2-5 months to be employed at the Industrial Zones. Those whose parents have cash from selling land or whose land was expropriated often are not interested in job training when they consider the low salary that can be gained with the money they have.

Interviews have shown that many young people lack the education and skills needed to benefit from new economic opportunities. Farmers are particularly ill equipped for the urban transition. Several reports from the Districts admit that job training, vocational guidance and job creation for households whose lands were expropriated have not been effective. Almost all the adjustment strategies depend heavily on the households. In short, these households receive little help from the government.

The loss of land will likely create a sense of confusion among many farmers who presently make a living in agriculture. While agriculture certainly does not bring them much money, many farmers cannot instantly adjust to new circumstances. Most of them still rely on agriculture despite having smaller plots of land and other difficulties. As a result, the poor have become poorer, and there are many new poor households that have been pulled further below the poverty line.

In many cases, non-farm and off-farm activities were essential components in the household economies of the commune. Data collected for this study show that the most successful households are those that are characterized by multi-activity and risk-spreading. This is achieved by exploiting rural and urban opportunities simultaneously. The least successful and poorer households are generally those with nondiversified income-earning activities and/or which do not attempt to maximize the utilization of rural and urban resources. These households still do not have an opportunity to move away from rice farming.

Interviews with KIs and households have demonstrated that the biggest losers in the process of land use changes and loss of land are the farmers, who are dependent mainly on agricultural work for their livelihood and who have little formal education and experiences (human capital) that might offer opportunities in the urban economy. The most economically successful and secure group of households are those that, after the loss of land in the commune, used profit from the land (in terms of compensation and proceeds from land sale) to purchase land in other areas where agricultural land was cheap, or to invest in room-for-rent services or other nonagricultural productive activities. Their strategy is a combination of crop production and marketing, with a variety of non-farm and off-farm income-generating activities.

By analyzing the livelihood strategies of selected households, the study found that the success or failure of households in the commune depends on a composite of personal and nonpersonal or institutional situations. On the personal level, it means the ability of the individual or household to acquire the basic necessities of life such as food, shelter, and clothing. On the nonpersonal level, it means the ability of the State and other socioeconomic institutions to provide assistance to people in terms of access to education, vocational training, health, information (including labor market information and urban planning information), job attainment, and loans among others. Good personal ability combined with a favorable institutional situation would likely provide people with better and more secure livelihoods and vice versa. The absence of one of these two components would cause difficulties for households in obtaining a secure, sustainable livelihood.

CONCLUSION

It is obvious that suburbanization is not entirely beneficial to all suburban people. Many problems remain, some of which have been in existence for a long time, while others have recently emerged but for which no absolute solutions have yet been found. Based on the findings of the research, I provides some recommendations for improvement of people's livelihoods. The following recommendations are based mainly on the notion that the biggest problem for the people in the commune is the availability of assets, both tangible and intangible: 1. Providing nonagricultural income sources and assisting farmers in improving cultivate productivity efficiently; 2. Protecting agricultural land and livelihood; 3. Investing in human capital through education and vocational guidance; 4. Accessibility to information, especially planning information; 5. Participation of people in project planning that directly affects their lives; 6. Investment in infrastructure (physical

assets). For those whose lands were lost, their future lies increasingly in labor-force participation outside agriculture. How to move people from the agricultural sector to other sectors of the economy is the chief objective of State policy. To accomplish the objective of moving agricultural workers to other nonagricultural sectors, improving educational levels and occupational skills is vital in order to give people the means to obtain sufficient income for their households. Training in nonagricultural skills is a critical factor in increasing the ability of farmers to take on off-farm work. Those whose agricultural lands are to be affected by planned urban development should be given a higher priority in job training and vocational guidance, as well as in employment in the industrial zone built on their land. However, this would require more support from the government at all levels. Improving education would help people recognize the new challenges they are facing in the urban environment so that they would develop coping and adaptive mechanisms to ensure a stable livelihood.

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