



RESEARCH ARTICLE

THE IMPACT OF RURAL MIGRATION TO RURAL HOUSEHOLD'S INCOME THE STUDIES IN NORTH CENTRAL PROVINCE, VIETNAM

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ABSTRACT

This study used compared statistical methods for analyzing income and consumption status of 175 households with migrant workers in the total of 325 ones in Thanh Hoa, Nghe An, Ha Tinh province in the North Central region. The paper focuses to clarify the source of the households' income with migrant workers, analyze the contribution rate of exogenous sources, especially from the money that members of migrant workers sent which get how percentage of household income. From that, to make policy recommendations to contribute social and economic sustainable development in general and North Central rural areas in particular.

Key words:

Migration effects, Household income,
Migration labor, Exogenous sources.

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INTRODUCTION RESEARCH ISSUES

M.P. Todaro (1969) provide models for the different study of migration cause, this model was further developed by W. Corden, R. Findlay (1975), J.R. Harris, M.P. Todaro (1970), P. Zarembka (1972), and J. Stiglitz (1974). This model stems from the problem of income in rural areas which is lower than in the urban, (JR Harris and MP Todaro, 1970), workers compare income improvement opportunities between rural areas and urban areas, from that, to make the decision to migrate to find jobs (Kevin Honglin Zhang, et al., 2003). Knight and Song (1999), Rozelle, Guo, Shen, Hughart, and Giles (1999), Zhao (1999) asserted that migrants make major changes in rural areas. The non-agricultural activities of farmers in rural areas at free time will be reduced by the labor movement (De Brauw, Rozelle, Zhang, Huang, and Zhang, 2002). Migrants send the money which significantly contribute in improving the productivity of households with migrant workers (Alan de Brauw and Scott Rozelle, 2008), as well as improve the life of the farmers (Deininger, Jin, and Rozelle, 2003), etc. There are many studies on migration issues, these studies just stop at giving reasons for the rural migration status or migration of the rural areas will provide a better life for households with migrant workers by migrant workers often come from poor families, have difficulty in resources (Mariapia Mendola, 2008). However, when migration takes place, sustainable development of the local area migrant workers would look like? And the differet between life of households with migrant workers and households without migrant workers has not been noted by many scientists, especially in Vietnam in general and the North Central region in particular. Therefore, this article analyzed the income situation of the household with migrant workers. Compare the differences between households with migrant workers and households without migrant workers in poverty and property in North-Central provinces. The study also focuses on clarifying income from migrant relatives send how

percentage contributes in the total of household income, which proposed a number of recommendations to solve the migrant situation of rural and urban to find jobs in North central region in the coming time.

Theoretical Foundations

Concept of migration

Migration is a term that describes the process of people moving or the process people leaving or integration into an administrative unit - a certain geographical. In general, concept of migration often do not give the same definition by researchers. According to Lee (1966), the migration is "a permanent change of residence". According Mangalam and Morgan (1968) argues that migration is "a relatively permanent movement of migrants from living groups from other geographical unit." On the other hand, according to Paul Shaw, the "Migration is a phenomenon of migration out mass from one geographic location to another geographic location, on the basis of migrants' decisions, based on a series of value in the system of the relationship of migrants ". For Vietnam, "Migration is defined as the people movement from one place to another, it is the movement to another district, another city, another province or another country in a given period ".

The view of household income

Life of the majority of farmers, especially the agricultural household and production areas with difficulty, low income. The status of poverty, hunger, poor welfare facilities, cultural and spiritual life is shortage compared to urban areas. Agricultural production costs higher and much risk ... income gap and the standard of living has made major thrust leading the migrants into urban migrants. According to the Harris - Todaro the migration from rural to urban in the terms of intensity and scale, as a function of the migration degree (Mt).

$$M_t = F(W_u - W_r)$$

W_u : Salary expectations in urban
 W_r : rural income

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$W_u - W_r$: income gap between urban compared to rural

Through survey on income in our country shows the income and living in cities is much higher than in rural areas. Cities and industrial zones also bring more job opportunities and higher income levels, however, labor migration to the cities to get jobs and integrate into the urban economy is not entirely easy. But expectations will be looking for jobs and better income, so migrant workers from the countryside are still willing to take risks and challenge, because there is no other choice until the income gap between urban life and rural and longer distances.

The impact of migration

Increasingly, the population movement and adjustment of the workforce contributed significantly to the rapid economic growth of Vietnam. Migrants contribute to economic development through: *Firstly*, the migrant workers have added significant workforce in the field of economics in the urban, helping employers reach labor force effectively, but with the low price because of supplying workers needs to maintain competitive salary level for employers. *Second*, migration helps reduce poverty in the country, for example: to increase significant earning ability compared to income of non-migrants in rural areas which have a positive impact to the local economy at the destination because expenditures of immigrants, sending money to home to invest in income increase activities, business investment, debt, paying medical expenses, family consumption, approaching to work skills and understanding of market information, grasp technical skills which apply in their homeland when they comeback. *Third*, this migration also helps to reduce the burden for the state budget in the services where they left, while in the habitats they are less supported by government.

Research Framework

For worker households, before the pressure from social change, to survive, farmers not only perform agricultural activities but also to carry out the activities non-agricultural economy (Davis-Brown, K., and Salamon, S. 1987). The fact proves non-agricultural activities by farmers of the countries with transition economies contributed from 20-70% of household income (Adams, 2001; Benjamin, 1992; De Brauw *et al.*, 2002; de Brauw and Rozelle, 2008, Wang, Herzfeld, and Glauben, 2007, Yu and Zhao, 2009). In addition to the money from the worker participation in the labor market of people in general and farmers in particular, there are income from property leases, cash transfers (aid) of Government and support from family and relatives. Christina Pantazis (2006). From the point of above views, we believe that the income of farmers in general and farmers in particular, are formed on the two primary sources: (i) endogenous and (ii) exogenous. Household income is calculated based on the entire income that the family's members contribute. Endogenous source in income for the household is made up from family members participating in the labor market. For farmer households, the endogenous source is formed from grants (i) income from agricultural activities, (ii) the revenues from non-agricultural activities that family members perform in the area. Exogenous sources of income of farmers formed from external grants. For farmers, exogenous sources including (i) revenues from direct cash assistance from the Government and (ii) grants from the migrants send home. The proceeds from bank loans, friends or even from selling assets are not included in the income of farmers by the revenues are raised from borrowing and families will have accumulated to pay debt, or sell assets, which the family had accumulated. This study did not collect from that insurance is a form of the sources of household income by this amount to get the benefit to contribute to the social insurance fund at least 20-25 years. However, the contributions of farmers in Vietnam current insurance system is limited, the number of people able to receive income from insurance so no more. The income of farmers is therefore calculated in this study are as follows:

$$Y_{se} = f(I_{agr}, I_{p-agr}, I_{s-agr}, B_{gov}, S_f) \text{ in which:}$$

Y_{se} : real income of households.

I_{agr} : Income from agricultural activities (cultivation, animal husbandry and other agricultural activities) after deducting the

cost of agricultural production (crops, livestock and other agricultural costs).

I_{s-agr} : Income from service operations after deducting the non business production charge of farmers in non harvest time.

I_{p-agr} : Income from business activities after deducting the non-business producing charge of farmers harvest time.

B_{gov} : Direct support of the Government for farmer families which are poor and near-poor (monthly electric bill assistance, health insurance assistance, tuition assistance for poor children go to school, support rice)

S_f : The money that migrants send to support relatives at home

RESEARCH METHODOLOGY

Designing votes

For the income situation of farmers in general, households with migrant workers in particular, the questionnaire was built towards the surveyed farmers will fill the income of families with resources formed from agricultural activities, services, operations, revenue from state aid, assistance from relatives. To ensure accuracy for the investigation, studies using nominal scale (also called scale identification or classification scale) to perform cross-checks between the actual income of each household with the location of households in quintile 5: rich, good income, middle-income households, poor households and poor households. Questionnaires determine the demographics of individual households, because it not only helps researchers consider employment status of each household to determine the dependency ratio of households in different income groups. In addition, the determination of the number of persons per household is grounds for determining actual income of each member of the households surveyed.

Method of votes processing

The study used descriptive statistical methods to compare and analyze the situation of income, accumulation, consumption, property and their assessment of the implementation of the policy's impact on the farmer households' income in general, and the farmer households with economic migrant workers in particular. For farmers income, researchers analyzed to clarify the difference in the contribution from endogenous and exogenous sources of farmers income; clarify what the main source of income of rural households in general and households with migrant workers in the current period in the area under investigation.

Practical research results

The annual income of households by establishment sources

The annual income of households by establishment source in the North Central Province, the author use survey of 325 households divided by revenues from activities (agriculture, industry and services, production and business activities) results are presented in Table 1. By Table 1, we see that the highest exogenous sources have not accounted for the third of total family income (the highest level of exogenous sources is 46.6 million / household / year compared with total revenues is 141 million VND / household / year). In the exogenous source, State support for difficult families is only accounted for a small proportion of total revenue from external sources, a very small proportion of total household income. Revenues from endogenous sources remained steady guaranteed income for the family. In endogenous sources, although agriculture is the main activity for farmer household, but the total amount that farmers get from agricultural activities is lower than the total amount they earned from non-agricultural activities in the three provinces surveyed in the North Central area.

The difference in income between households with migrants and households without migrants (in sources of forming income)

To see the differences between the income sources of the households with migrants and households without migrant workers, the authors surveyed 325 households with 2 groups (households with migrants and households without migrants) with the results in Table 2.

Table 1. Annual income of households in establishment source in a number of North Central Province

STT	Revenue	Total of survey	Minimum (million vnd)	Maximum (million vnd)	Average (million vnd)
I	The total income of a farmer household	325	1,20	141,00	42,05
1	Income from agriculture of households	325	,00	70,00	11,54
1.1	In which-income from farming	325	,00	40,00	5,93
1.2	- Income from livestock	325	,00	30,00	5,60
2	Revenues from the operation of the service and industry of farmer households at harvest	325	,00	42,00	8,76
3	Income from defferent producing business activities of farmer household at harvest	325	,00	84,40	21,76
4	Money of family members sent of the farmer households	325	,00	25,00	1,97
5	Money from State subsidies of farmer households	325	,00	21,60	0,64

Source: Survey data in 2011

Table 2. The form of revenues of households' income

STT	Revenue	Unit: million vndong			
		Households with migrants		Households without migrants	
		Maximum	Average	Maximum	Average
	The total income of a household	141,00	51,70	126,70	39,67
1	Income from agriculture of households	70,00	12,65	35,60	10,36
1.1	In which – income from farming	40,00	6,46	19,90	5,50
1.2	- Income from livestock	30,00	6,20	17,00	4,86
2	Revenues from the operation of the service and industry of farmer households at harvest	25,70	9,97	42,00	7,93
3	Income from defferent producion business activities of farmer household at harvest	65,80	24,01	84,40	20,16
4	Money of family members sent of the farmer households	25,00	4,36	0,00	0,00
5	Money from State subsidies of farmer households	21,60	0,71	5,50	0,74

Source: Survey data in 2011

Table 3. Annual income of famer households with migrant workers

Number	Criteria	Unit: million vnd							
		Better off households		Average household		Near poor household		Poor household	
		Average	Maximum	Average	Maximum	Average	Maximum	Average	Maximum
	The total income of a household	72,1	141	50,6	100,0	44,6	77,3	26,1	48,1
1	Income from agriculture of households	14,0	70,0	13,1	50,0	11,3	15,5	10,4	17,0
1.1	In which: - Income from farming	7,6	40,0	6,3	28,0	6,5	10,7	5,1	8,7
1.2	- Income from livestock	6,4	30,0	6,7	22,0	4,9	9,8	5,3	10,5
2	Revenues from the operation of the service and industry of farmer households at harvest	15,4	25,7	10,2	21,7	8,7	17,8	2,4	6,6
3	Income from defferent producing business activities of farmer household at harvest	38,7	65,8	23,6	50,0	17,8	34,5	7,4	14,5
4	Money of family members sent of the farmer households	4,0	19,8	3,7	25,0	6,6	11,0	5,2	15,0
5	Money from State subsidies of farmer households	0,0	0,0	0,0	0,0	0,2	3,5	0,7	10,8

Source: Survey data in 2011

Through Table 2, we see that the form of income source of households with migrants and households without migrants in three studied provinces, the income in the household labor migrant is usually higher than the income in households without migrants (in households with migrants the highest level and average level income are respectively 141 million vnd / household / year and 51.7 million vnd / household / year respectively with households without migrants is 126.7 million vnd / household / year and 29.67 million vnd / household / year). In terms of the form of agricultural household income, the income from farming is higher than livestock, the form of off-farm income, production and business operations provides higher income than industry and services activities for farmer households. The revenue from other production and business activities of farmer households in harvest time (the earnings of the farmer households in the time do not participate in agricultural production and service activities, for example: in harvest time, rural workers can sell ice cream, scrap procurement, etc). These are the highest income (84.4 million vnd / household / year) of households without migrants but households with migrants these revenues is ranked behind the revenue from agricultural activities (65.80 million vnd / household / year).

The establishment sources of income of the household with migrant workers by income group

When considering the income source of households with migrant workers in four income groups (better-off households, average household, near poor households and poor households). The survey results show that the income gap between groups of these households is quite high (141 million VND / household / year, the highest level of farmer household groups rather than the minimum level of 26.1 million / household / year, the lowest level of poverty household group) as shown in Table 3. Through Table 3 shows that there are a household which become non-income from agricultural activities, the remaining households which get low level income compared average income level have a minimal revenues from agricultural activities in all year. With poor households with migrant workers, the ability to make money from agricultural activities is lowest, even only 50% compared with near poor households. According to the survey results, it is difficult to conclude that labor migration of families with better economic conditions would send more money back compared with family with worse economic conditions and vice versa. In other hand, with exogenous sources, the survey results show that the money from family members send high or low does not

depend on the current economic status of the household, but due to the labors' ability as the hoard of migrants sent. However, there is a common thing that migrants can not accumulate to send to their families in the surveyed households. In contrast, with the amount of money which farmer households receive from Government's aid, the poorer households are the more money they get from Government's aid.

Differences from income between households with migrants and households without migrants in some North Central Province (the establishment source of the income)

When considering the source of the income of households with migrants and households without migrants in Thanh Hoa, Nghe An and Ha Tinh province, survey results are shown in Table 4.

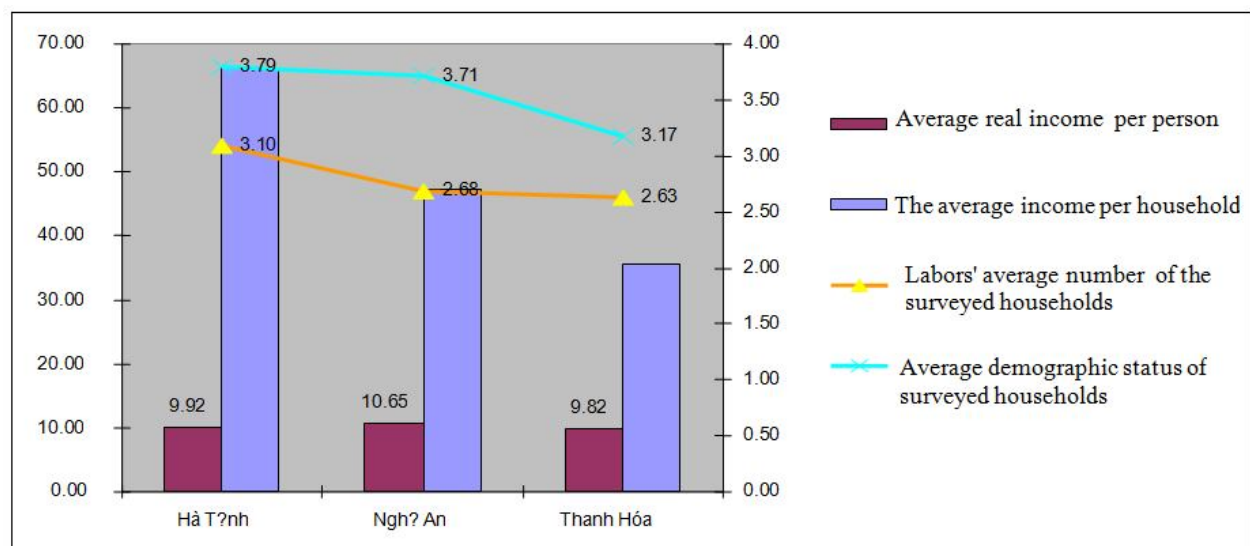
activities (55.2%). In general, with exogenous sources, households with migrants, exogenous sources often is higher than households without migrants and Ha Tinh provinces is the province that the contribution rate of the exogenous source into total households' income is the highest in the survey (10.6 million / household / year), while the figure in Nghe An and Thanh Hoa in turn is 4.2 million vnd / household / year and 9.6 million vnd / household / year. Households with migrant workers have higher income than households without migrant workers in the studied area. This is explained partly by the families with migrant workers, annually receives about the minimum of 5 million from relatives away sent home. This amount accounts for about 12% of the households annual average income. Meanwhile, with family without migrant workers, they only receive support from distant relatives who visit the country.

Table 4. The source of the households' income

Unit: million dong

		Households with migrants					
Criteria		Ha Tinh province		Thanh Hoa province		Nghe An province	
	The total income of a household	100%	76,8	100%	51,4	100%	45,3
1	Income from agriculture of households	15,4%	11,8	25,3%	13,0	23,2%	10,5
1.1	In which: - Income from farming	8,1%	6,2	12,6%	6,5	13,9%	6,3
1.2	- Income from livestock	7,3%	5,6	12,6%	6,5	9,3%	4,2
2	Revenues from the operation of the service and industry of farmer households at harvest	15,5%	11,9	20,2%	10,4	14,3%	6,5
3	Income from defferent producing business activities of farmer household at harvest	55,2%	42,4	46,5%	23,9	41,1%	18,6
4	Money of family members sent of the farmer households	13,8%	10,6	6,8%	3,5	19,0%	8,6
5	Money from State subsidies of farmer households	0,0%	0,0%	1,4%	0,7	2,2%	1,0
		Households without migrants					
Criteria		Ha Tinh province		Thanh Hoa province		Nghe An province	
	The total income of a household	100%	41,1	100%	42,2	100%	36,6
1	Income from agriculture of households	27,5%	11,3	29,6%	12,5	26,5%	9,7
1.1	In which: - Income from farming	14,6%	6,0	14,2%	6,0	14,2%	5,2
1.2	- Income from livestock	12,9%	5,3	15,4%	6,5	12,3%	4,5
2	Revenues from the operation of the service and industry of farmer households at harvest	20,4%	8,4	19,9%	8,4	20,8%	7,6
3	Income from defferent producing business activities of farmer household at harvest	52,1%	21,4	50,5%	21,3	52,7%	19,3
4	Money of family members sent of the farmer households	0,0%	0,0	0,0%	0,0	0,0%	0,0
5	Money from State subsidies of farmer households	2,7%	1,1	3,1%	1,3	3,8%	1,4

Source: Survey data in 2011



Source: Survey data 2011

Figure 1. Income and reality demographic of households with migrant workers in three surveyed province

Through Table 4 shows, Nghe An province is the highest average income of households with migrant workers depending on agriculture (25.3%), Ha Tinh province has the average income of the households with migrant workers depending entirely on business

The average real income per person in household with migrants

To accurately assess the living standards of households with migrants in three different provinces, we need to use a synthetic indicators (real income

per person, average income per household, the average number of employees a family, the average demographic situation). The surveyed results are shown in Figure 1. By Figure 1, we see that households in the different province have demographic and labor which are not homogeneous, therefore, when considering individual income of each household member in the provinces through investigation vote, it was found that although the Ha Tinh province had the highest average real income of households, but because of demographics of the surveyed households in Ha Tinh is relatively large, in the first ranking in 3 investigation provinces. Real average income per person of Ha Tinh, therefore, only ranks the second (9.92 million / inhabitant / year). Meanwhile in Nghe An, although real income of households behind Ha Tinh, however, demographic status of each Nghe An household is not high before Thanh Hoa. Nghe An real average income per person, therefore, stand in the top position (10.65 million / inhabitants / year). In Thanh Hoa, although the average demographic of a household is lower but an actual average income of household is low, so that real income per person is lowest in Thanh Hoa (9.82 million / inhabitant / year).

Conclusion

The research results show that, in general, households with migrant workers have higher incomes than households without migrants. Because the households with migrant workers have income from agricultural activities and external sources are higher than households without migrants. This makes the rate of farmer households fell into poor and near poor households of households with migrants is less than the households without migrant workers when considering the proportion of the investigation vote. However, the increasing migration of young workers, earning workers in the family are causing problems adversely affecting to sustainable development in rural areas. That is the situation the earning workers who stay at home are not only pressure by the management organization of family's economic activities but also to take for all responsibility as caring the children as well as old parents. Even when both parents transmigrate to find work, the responsibility of raising children to be transferred to their grandparents. This not only affects the children psychological development in families with migrant workers (living away from the parents or tr grandparent's easy to stick to children's evils society), but also affect the structure of the population structure, especially the sustainable development of the labor market in rural areas (the labor shortage will be a major hurdle for government local calling, offering businesses and investments). On this basis, the author gives some policy suggestions and solutions to contribute to local social and economic development as well as reducing the negative impact of migration in north-central area in the coming time.

Policy recommendations

In the current period, to minimize the negative impact of migration from rural urban, firstly, we believe that the Central government and local in North Central provinces to continue to develop the social infrastructure system such as improving childcare facilities' quality system in rural areas. The development of this system help to the families with migrants that still about the possibility of involvement in social vices of their children, but on the other hand it is also the basis of fostering high quality human resources in rural areas in the coming period. In addition, activities to enhance the cultural and morale life of people who stay home in rural areas should be more concerned. These activities should be implemented by civil society organizations such as the women, the elder assembly, etc.

Solution

- (1) To prioritize to invest in technology and society infrastructure in rural areas. The development of this infrastructure systems is a prior conditions in implementing the process of rural urbanization

rapidly. The conditions of transportation, electricity, water development helps the local to attract the attention of investors, and it is an opportunity for rural areas to promote the development of industrial parks and industrial clusters associated with the production and processing of agricultural and aquatic products with the ability to create jobs for many workers. As the industrial clusters and industrial parks in rural areas are established, the skill workers can be able to find a job in the business in this area instead of going to the urban. In other words, to investing in development of infrastructure in rural areas, migration between provinces will be reduced and replaced by migration status "at place", which does not adversely affect to change the population structure, family relationships as well as maintain the human resources for the sustainable local development in the long term.

- (2) To foster and enhance the capacity and skills of the management team working in rural areas. Adding, updating and improving knowledge and awareness of these groups not only help the rural to attract external resources to invest in the local, limiting the flow of "brain blood" in this region, which has been the opportunity to develop society and economy sustainably.
- (3) To solve the pressing problems, improving cultural and spiritual life in rural. In general, having difference between the assessment of the farmers and the managers, The managers often overestimated compared with farmers in all indicators, but the impact of migration from rural to urban areas to the socio-economic development in rural has not been powerful yet, by average level, in which the pressing social problems in rural as life ensuring for the elder, health care for people, material life and farmers' labor conditions are the most pressing issues of social policies for rural areas to be paid attention and solved.

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