

# Rural to Urban Migration and the Extended Working Lives of the Rural Elderly

Evidence from Vietnam

John Giles (DECHD) and Yang Huang (HEASP)

June 12, 2024




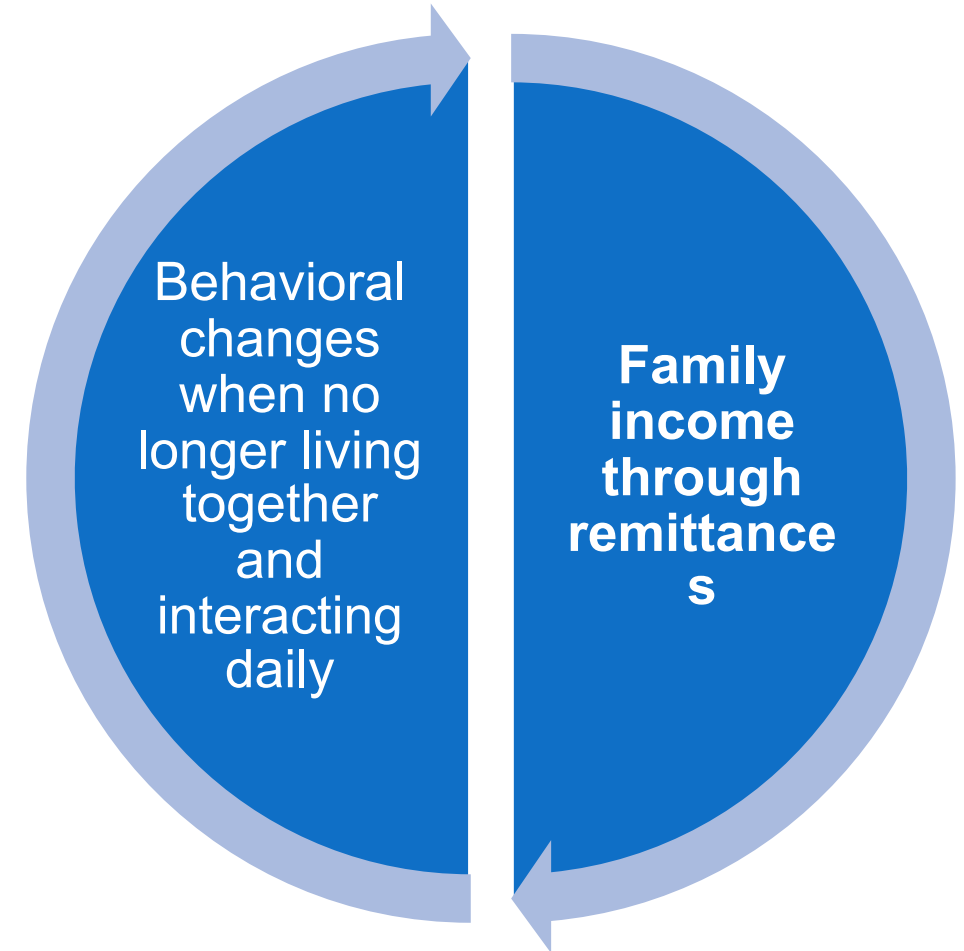
# Contents

---

1. Background
2. Descriptive evidence
3. Empirical results
4. Policy implications

# Background – the left-behinds

- Family splitting is affected by the costs of migration/living in destinations and the opportunity cost for the family to leave rural areas.
- Left-behind parents are mainly influenced through two channels 
- Children's emigration affects their parents' physical, mental, and socioeconomic well-being (esp. the poor).



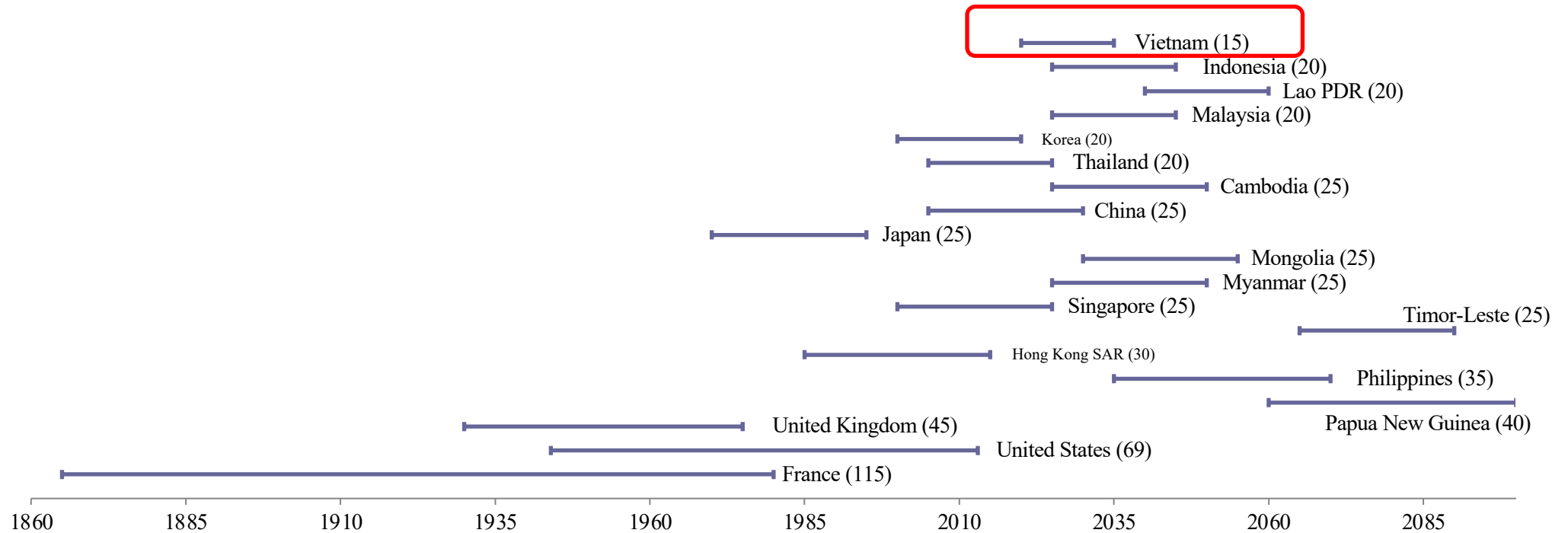
# Background – country context

---

- Vietnam achieved lower middle-income status in 2011 (VHLSS 2012).
- Over 25 years after the Economic Reform (Doi Moi, 1986), a four-fold increase in Vietnam's GDP
  - a structural change– agriculture 16.3% of GDP in 2011 (38.1% in 1986); industry + services, 83.7% of GDP in 2011 (61.9% in 1986).
  - Young adults began to migrate after the de-collectivization of agriculture in the early 1990s.
- By 2009, internal migrants in cities amounted to 8.6 percent of the population (or 6.9 million migrants). -> 13.6% (12.5 million) by 2015.
- International migration is still important, most migrants still move within the country (91% of the sample). Internal (work) migration is the focus of the paper.

# Background – aging

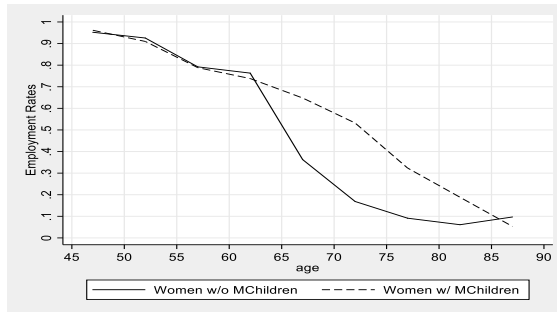
Vietnam is one of the fastest aging country (15 year from aging to aged society)



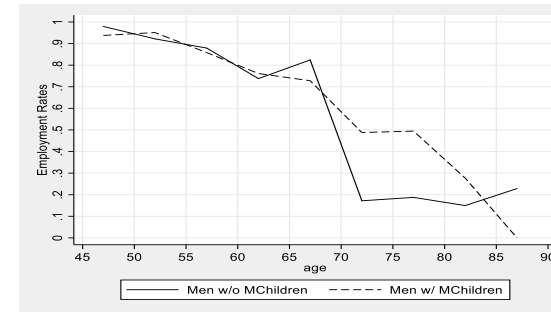
Stress on the traditional family-based elderly support system will only increase.

# Parental employment rates in Vietnam

## Women's Employment Rates by Child Migration Status



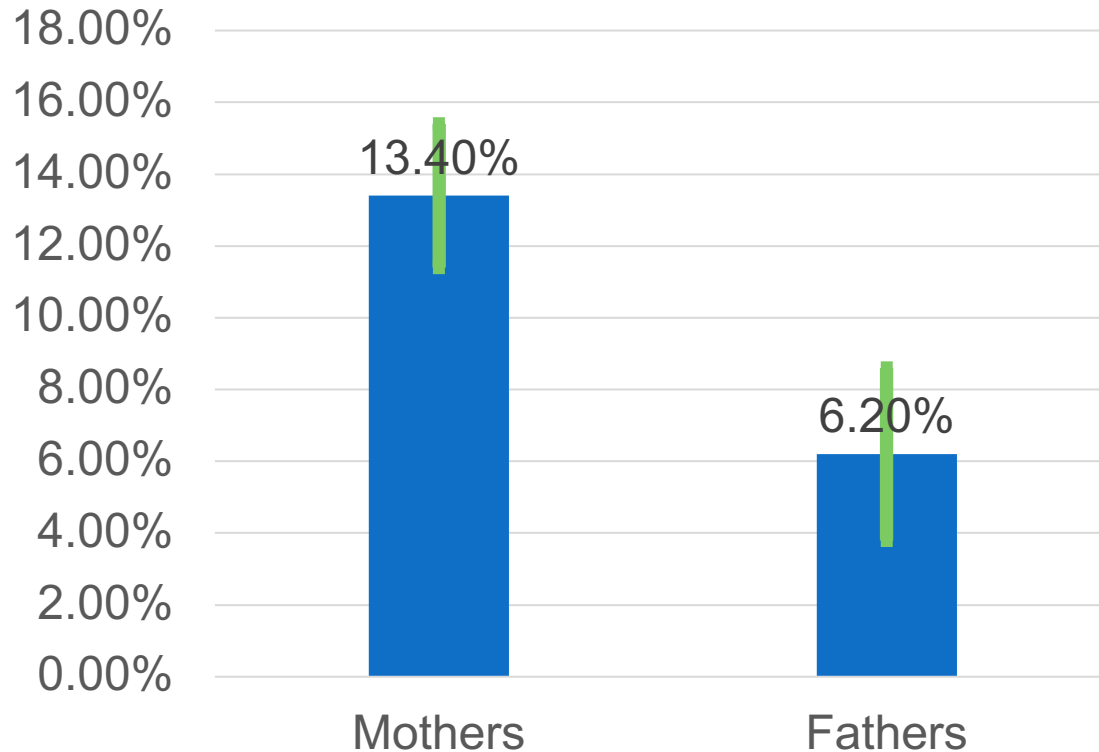
## Men's Employment Rates by Child Migration Status



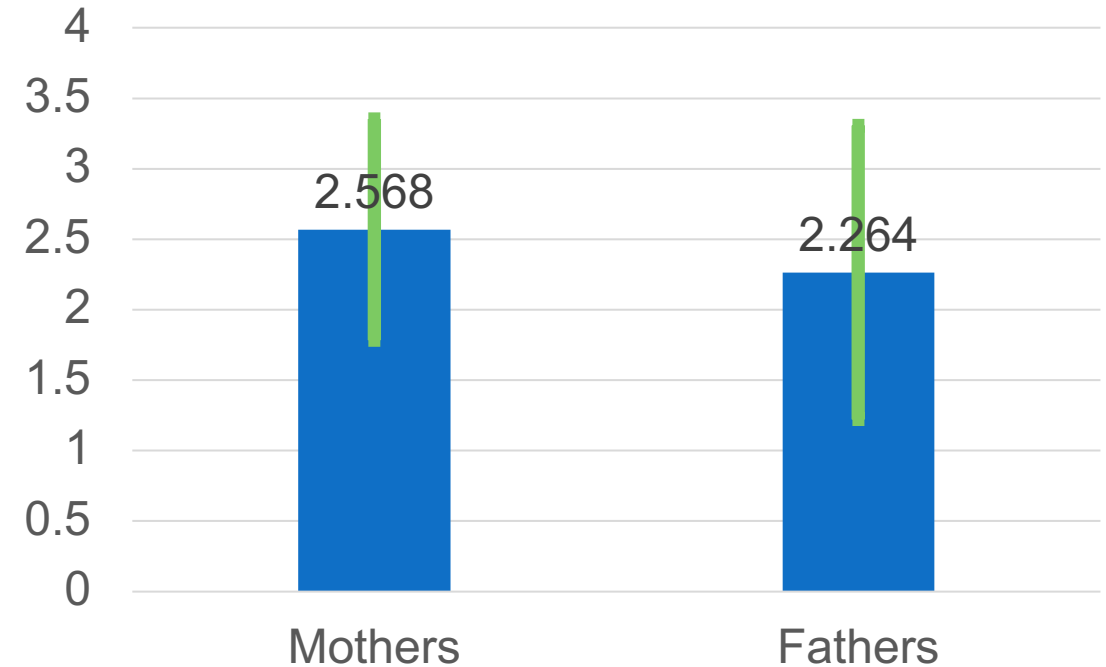
Source: VHLSS 2012

# Results: OLS

### Child migration on parents' working status

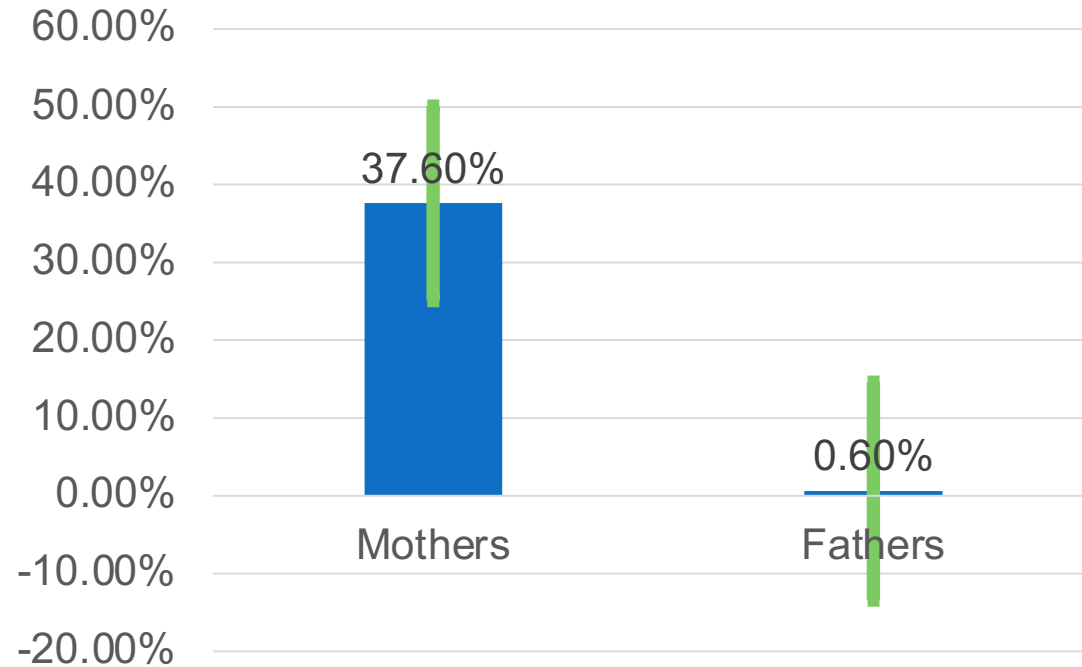


### Child migration on parents' working hours (weekly)

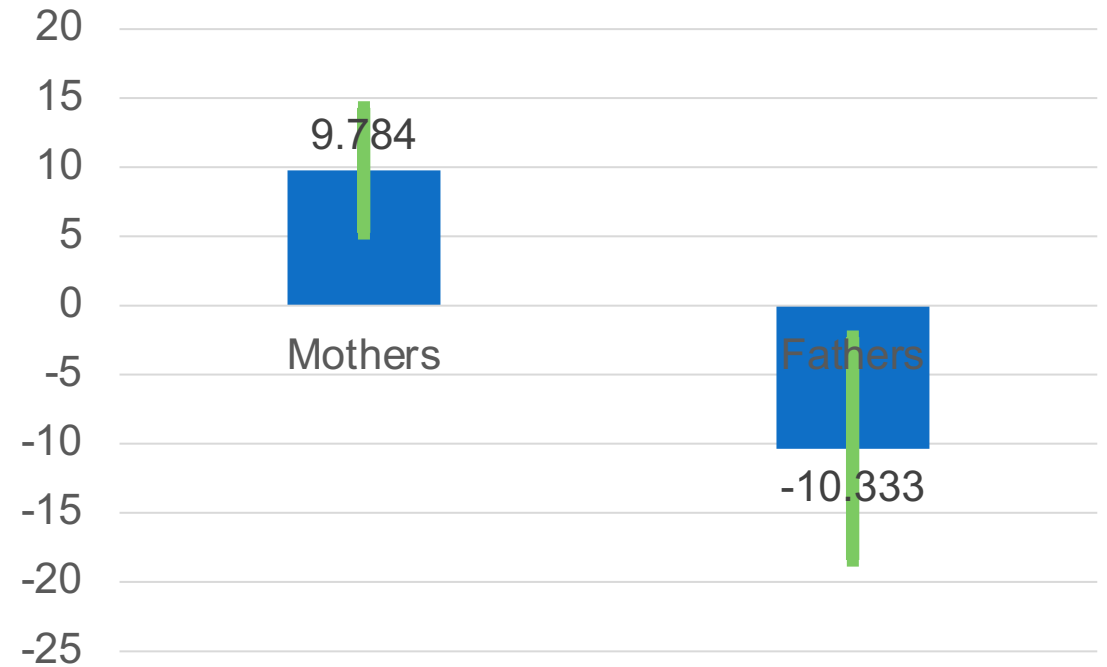


# Results: Second Stage

### Child migration on parents' working status



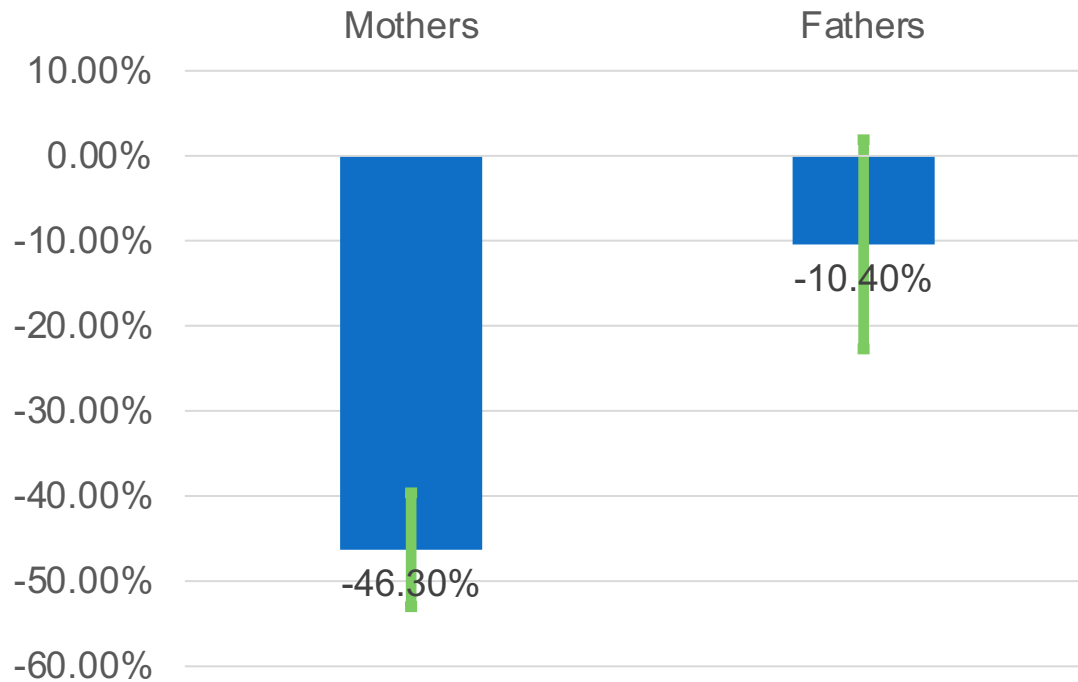
### Child migration on parents' working hours



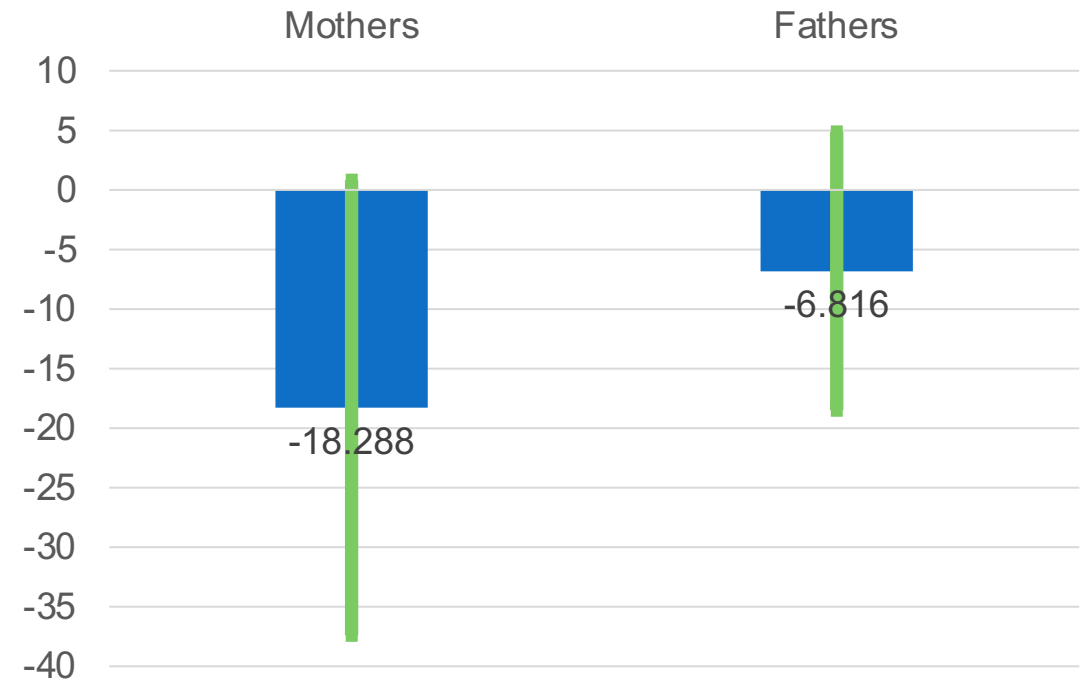


# Results: transfers dummy (MLE)

### Transfer (dummy) on parents' working status

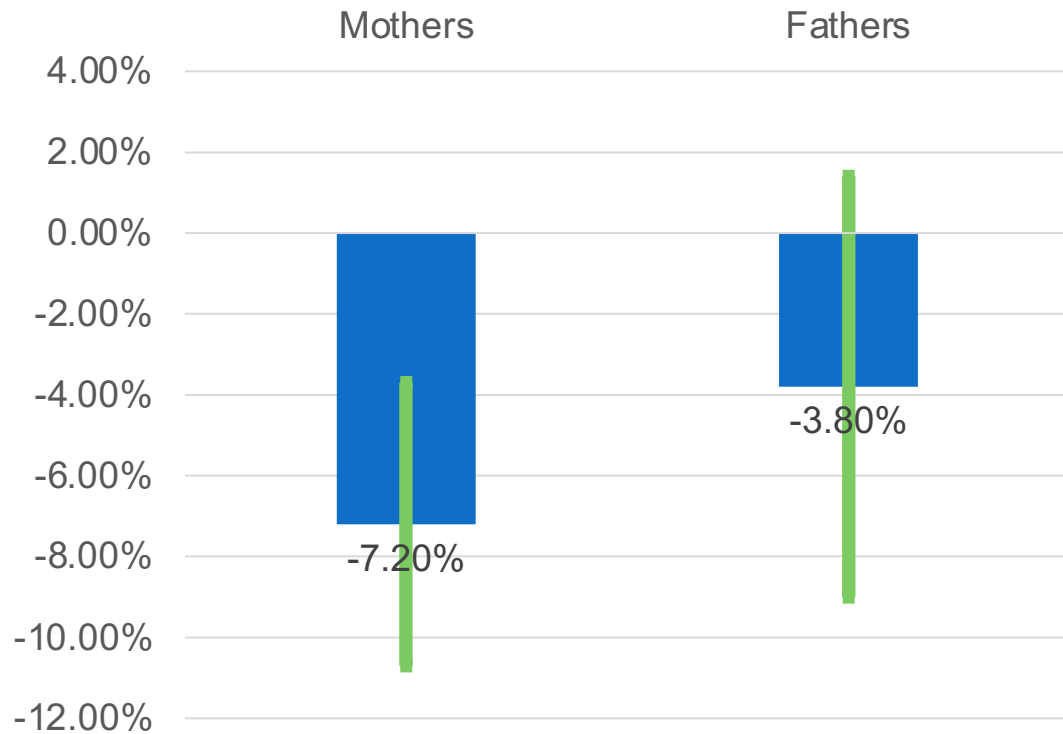


### Transfers (dummy) on parents' working hours

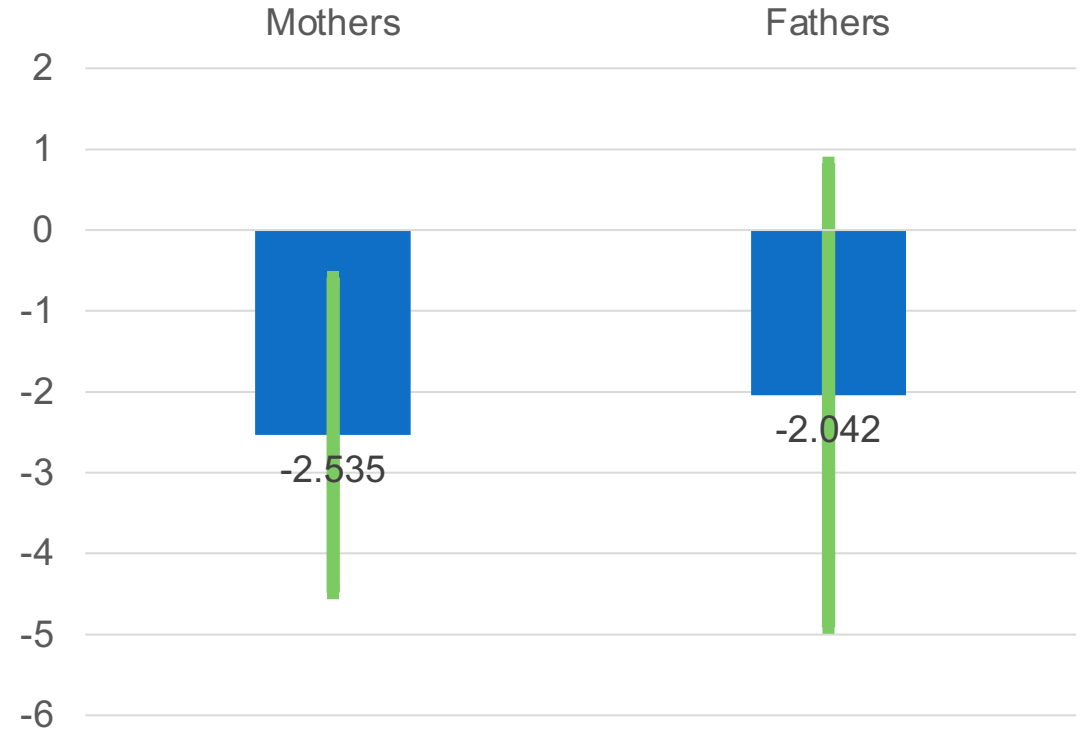


# Results: transfers (MLE)

### Transfer on parents' working status



### Transfers on parents' working hours



## Key Results

- Older **women** in rural Vietnam tend to work more if they have migrant children, and work is reduced when they receive remittances from these children
  - The back-of-the-envelope calculation shows that the remittances received only compensate **16.4%** of the impact of not living with adult children.
- Fewer labor supply responses to either child migration or remittances among older rural **men**.
- At the individual level, this may be undesirable, particularly when thinking about labor effort in agriculture among elderly over age 70.

## Policy implications

---

- In the context of international or internal migration, **countries' social security systems** should consider the well-being of the elderly, especially women, who are left behind.
- In the context of internal migration, cities expecting to host large numbers of migrants will require spending more on **public service provision to encourage family migration**.
- Countries also need to carry out reforms in tax and **intergovernmental transfer policies** to ensure that rural areas can have the resources needed to provide services.



**EAST ASIA AND PACIFIC  
MIGRATION  
CORE COURSE AND CONFERENCE**

Thank you!

