

SOME POSITIVE EFFECTS OF IMMIGRATION ON HCMC SOCIO ECONOMIC DEVELOPMENT

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No one can deny that urbanization is one of economic processes that concentrates and boosts non-farm activities, expansion of urban living style, civilized residence and cultural evolution. This is indicated by population growth, especially in big cities. As a result, urbanization is an inevitable process of any nation in its growth.

The immigration to HCMC has made certain contributions to the city development over the past years.

1. Contributions to

HCMC economic growth

The city robust growth has created a strong attraction to immigrants from all areas across the country. They rush to the city to seek opportunities of job and study. Their contributions to the city GDP growth are unquestionable. These two factors are interactive and proved in the following table:

Table 1: RELATIONS BETWEEN IMMIGRATION AND HCMC GDP GROWTH

Period	Change in net immigration rate (%)	GDP growth (%)
1976 – 1980	-2.59	0.91
1981 – 1985	-0.32	4.58
1986 – 1990	0.70	7.82
1991 – 1995	1.36	12.62
1996 – 2000	1.18	10.44
2001 – 2005	1.67	10.5

Source: HCMC census on April 1, 1999.

It goes without saying that the HCMC net immigration rate reached the peak of 1.36% in the 1991-1995 period. This is the



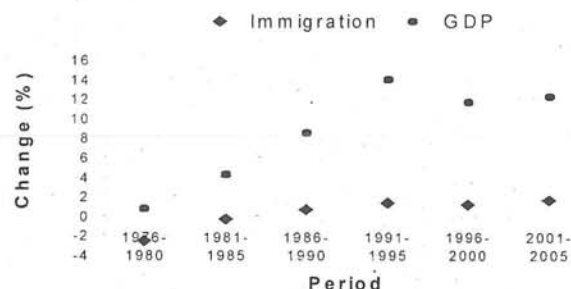
time HCMC achieved its highest GDP growth, 12.62%. The next five years from 1996 to 2000 saw a slower growth and the immigration rate also went down to 10.14%. Therefore, this is a rela-

gration rate is rather high because the city labor-intensive sectors of manufacturing, service and trade experienced a boom. The immigration rate, increasing 1% in this period, may boost the HCMC

2. Labor supply for the city

The city's process of development depends on labor-intensive sectors including services, manufacturing, and construction. The non-state sectors of

Figure 1: Changes in the city GDP and immigration



growth rate to 6.6%. In contrast, the city GDP growth rate of 1% is likely to raise the immigration up 0.16%.

trading, restaurants, hotels account for 39.2% of the non-state sector's total GDP (20.1% of the country's total GDP). These fig-

ures are 31.5% and 43.1% respectively for the non-state processing industry.

As a result, the city's annual labor demand is very high. It is estimated that the city needs 190,000 to 200,000 workers per year from now to 2005.

In the meantime, the city local labor cannot meet this demand. This is indicated in Table 2. Therefore, in the next five years at least, the number of the city labor market entrants reached some 86,000, much lower than the demand. To our mind, the immigration into HCMC plays a significant role in labor supply to its socio-economic development.

3. Promoting non-farm production and municipal culture

Along with its growing economy, the city's non-farm workers and production value also tend upward. This achievement is partly attributed to immigration into HCMC.

HCMC economy has recorded a rather high growth over the past years with an annual average of 8% or VND3,653 billion per year (based on 1994 price). At the same time, the non-farm production value in the city GDP rose steadily, from 97.29% in 1997 to 97.59% in 1998, 97.68% in 1998, 97.80% in 2000 and estimated 98.8%

TABLE 2: HCMC POPULATION AGED FROM 10 TO 15

Age	Total (person)	Gender		Female ratio (%)	% of total population
		Male	Female		
10	86,362	44,288	42,074	48.72	1.71
11	82,602	42,582	40,020	48.45	1.64
12	74,507	38,197	36,310	48.73	1.48
13	83,895	42,907	40,988	48.86	1.67
14	93,511	47,410	46,101	49.30	1.86
15	96,683	48,812	47,871	49.51	1.92



Ninh Binh natives in District 1; Mối Residence of natives of the southern plain; Nhà Đèn residence of Thuận Bái, Quảng Bình in Tân Định; Dệt residence of Quảng Nam-Đà Nẵng natives in Tân Bình District; Lò Đức residence of Bình Định natives in District 8; Chợ Cũ residence in District and Hàng Phán, Kho Muối residence of immigrants from Gò Công (Tiền Giang), Cần Đức, Cần Giuộc (Long An), Ba Tri, Thạnh Phú (Bến Tre)...HCMC also has a chinatown in District 5, District 11 and District 6. Champ people gather in District 8, Cambodian expatriates in Tân Bình, Bình Chánh, District 5, and District 3. These immigrants coming to HCMC have brought their native culture, custom, living style and thus diversify the HCMC culture. ■

in 2003. The non-farm workers also increased fast from 90.27% in 1997 to 90.97% in 1998, 91.41% in 1999, 91.69% in 2000 and 98.8% in 2005.

In addition to expansion of non-farm production, the immigration into HCMC also helps develop and diversify cultural ac-

tivities in HCMC. In our opinion, HCMC is really the good earth for the evolution of various cultures of regions and peoples across the country.

In HCMC, immigrants usually cluster in specific wards including Bui Chu Phat Diem residence of

Table 3: HCMC'S FARM AND NON-FARM LABOR AND GDP OVER YEARS

	1997	1998	1999	2000	2005
I. Population	4,852,590	4,957,856	5,063,871	5,169,449	5,796,681
- Farm population	472,090	447,901	434,972	429,743	456,199
- Ratio (%)	9.73	9.03	8.59	8.31	7.87
- Non-farm population	4,380,500	4,509,955	4,628,899	4,739,706	5,340,482
- Ratio (%)	90.27	90.97	91.41	91.69	92.13
GDP (1994 price - VND bil.)	41,900	45,683	48,499	52,860	76,000
- Farm production (VND bil.)	1,136	1,100	1,125	1,165	1,462
- Ratio (%)	2.71	2.41	2.32	2.20	1.92
- Non farm production	40,764	44,583	47,374	51,695	74,538
- Ratio (%)	97.29	97.59	97.68	97.80	98.08

Source: HCMC Statistics Bureau