Changes in well-being level of households in Hanoi and Ho Chi Minh City: Trends and implications

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Structure

- Introduction
- Tabulating the well-being index
- Main findings
- Discussion
1. Introduction

- Practical conditions of the cities
- Over-evaluation about the role of economic well-being
- Principal aim of human
- Challenges for pro-poor policy

Practical need for aggregate indexes

Though not everything worth doing can be measured. What is not measured may not be done at all (Human Development Report Unit 2010).
1. Introduction (cont.)

- Aims:
  - Practical aggregate index of well-being
  - Observe
    - Changes in aspects of households’ life
    - Gaps between aspects of life of provinces
    - Gap between economic growth and well-being improvement
  - Policy implications
2. Method

2.1. Index construction process
2.2. Data
2.3. Theory
2.4. Technical issues
  - Indicators
  - Weight
  - Mean
  - Test
  - Index evaluation
2.1. The index construction process

- Practical purposes
- Available data
- Theoretical foundation: Theory, Concept, Empirical findings
- Domains, Indicators
- Summary well-being index
- Assessment, Modification
2.2. Data


<table>
<thead>
<tr>
<th>Year</th>
<th>Hanoi</th>
<th></th>
<th>Hanoi</th>
<th></th>
<th>HCMC</th>
<th></th>
<th>HCMC</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of survey households</td>
<td>240</td>
<td>240</td>
<td>240</td>
<td>740</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>775</td>
</tr>
<tr>
<td>Mean of p-weight</td>
<td>3575.9</td>
<td>3160.3</td>
<td>2763.8</td>
<td>884.1</td>
<td>5088.2</td>
<td>4380.3</td>
<td>3849.0</td>
<td>1345.9</td>
</tr>
</tbody>
</table>

*Sources: Author’s calculation from VHLSS 2002, 2004, 2006, and 2008*

- Small sample
- Cluster effect
- Sampling method & questionnaires
- Potential improvement
2.3. The Theory of Human Need

Source: Gough 2003
2.4. Technical issues of the well-being index
- Structure and weights

<table>
<thead>
<tr>
<th>Well-being Index</th>
<th>Description</th>
</tr>
</thead>
</table>
| **Demographic and social characteristics (1/7)** | non-single parent (1/35)  
non-single occupant (1/35)  
registration (1/35)  
non-poor (1/35)  
Life improvement (1/35)  |
| **Education (1/7)**           | schooling status (1/21)  
literate (1/21)  
bachelor or above (1/21) |
| **Health and entertainment (1/7)** | healthy (1/35)  
insurance (1/35)  
non-hospitalized (1/35)  
entertainment (1/35)  
non-smoking (1/35) |
| **Work and career (1/7)**     | working status (1/28)  
leader (1/28)  
professional (1/28)  
working time (1/28) |
| **Financial status (1/7)**    | excess income (1/21)  
health care coverage (1/21)  
Unindebtedness (1/21) |
| **Consumption and basic services (1/7)** | non-food expenses (1/21)  
tap water (1/21)  
non-rental payment (1/21) |
| **Ownership and living accommodation (1/7)** | assets and appliances (1/42)  
living space (1/42)  
housing (1/42)  
toilet (1/42)  
house ownership (1/42)  
Internet (1/42) |
2.4. Technical issues of the well-being index (tt)

- Mean
  Geometric mean:
  - Less sensitive
  - Self-consistency
- Index evaluation
  14 criteria to evaluate the index quality to public policy (Hagerty et al. 2004)
- Spearmen test
  Ho: mean of the indicators is unchanged by time
3. Main findings

- Individual indexes
- Aggregate indexes
- GDP and well-being indexes
3. 1. Individual indexes
Demographic and social characteristic domain

3. 1. Individual indexes (cont.)
Educational status domain

3. 1. Individual indexes (cont.)
Health and entertainment domain

3. 1. Individual indexes (cont.)
Work and career domain

3. 1. Individual indexes (cont.)

Work and career domain

3. 1. Individual indexes (cont.)
Consumption and basic services domain

3. 1. Individual indexes (cont.)
Consumption and basic services domain

- Assets and appliances index
- Safe toilet index
- Living space index
- Permanent house index
- House ownership index
- Internet connection index
3.1. Individual indexes (cont.)

- **Worsen:**
  - Single parent
  - Life-improvement
  - High working time
  - Food-expenses
  - Rental payment expenses

- **Improved slightly:**
  - Non-poor (<1%)
  - Schooling status (<4.7%)
  - Literate (<2%)
  - Working status (<1.2%)
Individual indexes (cont.)

- Improved much:
  - Internet connection
  - Permanent house
  - Entertainment
  - Health
3.2. Aggregate indexes
Changes in well-being level of households

Hanoi

HCMC

- summary index
- Demographic and social characteristics
- educational status
- health and entertainment
- work and career
- financial status
- consumption and basic services
- ownership and living accommodations
3.2. Aggregate indexes
Disparities in well-being level of households in Hanoi & HCMC

Aggregate indexes

- Similar trends
- Hanoi has higher level of well-being
  - Educational
  - Demographic & social
  - Work and career
  - Ownership and living accommodation
  - Consumption & basic services
- Level of change of HCMC is higher
- Divergent
3.3. GDP and well-being level

Average GDP growth rate of Hanoi & HCMC during the period is over 10%/year

And statistical year books (several years)
4. Discussion

- Gap between life improvement and economic growth is high
- Trend of indexes are diverse
- Several important aspects of households’ life have worsened
- Value of many indexes are low
- Life of households has not improved much during the periods
- Possible to measure well-being level of households
4. Discussion (cont.)

- Limitations
  - Basic needs only
  - Lack of subjective aspects
  - Several modifications
  - The precise of findings
  - Data:
    - Short time series
    - Small sample
    - Data mismatch
    - Inconsistency of questions
4. Discussion (cont.)

- Further studies
  - Improvement in data
  - List of determinants of well-being
  - Aggregate indexes
  - Possibility for improvement (index & data)
Thank you very much!