

Income Distribution in Vietnam' Regions

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Abstract

Vietnam has seen rapid economic expansion in recent decades, yet income distribution remains uneven, with significant disparities among its populace. While some have experienced considerable income growth, others have not. The wealthiest 10% of earners account for nearly 40% of the nation's total income, while the bottom 40% earn just 15%. This inequality is especially pronounced in urban regions, where living costs are higher and job opportunities are scarcer for those with lower educational attainment. Although the Vietnamese government has implemented policies like increasing the minimum wage to address this issue, more action is necessary to ensure that all citizens benefit from economic progress. This study evaluates the influence of institutions on multidimensional poverty using household and provincial data from Vietnam. Employing the Multilevel Probit Model with data from the Vietnam Household Living Standard Survey (VHLSS) conducted in 2016, 2018, and 2020, the research indicates the following: (i) The impact of institutions on multidimensional poverty varies across localities; (ii) There is a negative correlation between institutions and multidimensional poverty reduction in urban areas and affluent provinces.

Keywords: *Income Distribution, Institutions, Multidimensional Poverty, Urban Areas, Rural Areas*

JEL Classification Code: D31, D33, D60

INTRODUCTION

The primary aim of nation-building is to achieve social advancement and create prosperous societies where poverty reduction and its eventual elimination are key objectives. However, the outcomes of reducing multidimensional poverty vary across different countries (World Bank, 2020). These discrepancies in multidimensional poverty reduction outcomes stem from various factors influencing both multidimensional poverty itself and the effectiveness of efforts to reduce it. These factors can be categorized as follows:

- (i) Factors within the realm of the impoverished themselves include instances where greater support in various dimensions of multidimensional poverty leads to its reduction. This group of factors notably encompasses: access to credit and insurance (Jalan & Ravallion, 1999); effectiveness of education (Dreze & Sen, 1995; Rachman & Hendrawan, 2021); and the healthcare system (Strauss & Thomas, 1998; Al Ferdous 2020).
- (ii) Factors stemming from economic growth (Dollar & Kraay, 2002; Rashid et al., 2023) emphasize that economic expansion generates resources aimed at reducing poverty.
- (iii) Another set of factors suggests that a nation's prosperity is determined more by its institutions than its rate of economic growth (Kaufmann et al., 2010; North, 1990). Research conducted by Acemoglu & Robinson (2013) has found that institutions play a pivotal role in driving the prosperity of certain countries, even those lacking in natural resources. Additionally, many nations, despite lacking in wealth, have failed to make strides in poverty alleviation. Specific aspects of institutions, encompassing both formal and informal structures, have been identified by studies as influencing poverty outcomes (North, 1990).

Vietnam's focus on both institutions and poverty is evident in its decision to assess poverty based on a multidimensional poverty line, while simultaneously recognizing that transformative development hinges on institutional reform. The country has underscored "institutional reform and renewal" as one of its three strategic breakthroughs aimed at eliminating poverty and fostering prosperity (Communist Party of Vietnam, 2010). While institutions are acknowledged as crucial for economic advancement and are regarded as the bedrock of sustainable development, including the reduction of multidimensional poverty, research on poverty

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in Vietnam predominantly emphasizes economic factors such as economic growth and income distribution, often overlooking the role and impact of institutions. When institutions are considered, it is usually from the perspective of government policies on poverty reduction.

LITERATURE REVIEW

Numerous studies have examined whether institutions have a direct or indirect impact on reducing poverty and, if so, whether these effects are good or negative in recent years. These studies, especially Sen (1999), who introduced governance into the development discourse, emphasize the critical role that institutions play in reducing poverty. Sen maintained that because of the public sector's impact, vulnerable people and well-functioning markets have more opportunity to achieve their basic requirements and take part in decision-making.

In a similar vein, Grindle (2004) emphasized that reducing poverty requires effective government. In developing nations beset by poor institutions and rampant corruption, the lack of engagement from civil society wastes growth-oriented resources and is ineffective in mitigating poverty. Research by Reham Rizk (2012), which supported this viewpoint, used panel data analysis to look at how institutions affect the alleviation of poverty in 71 developing nations. The author used six indexes as indicators of institutional assessment that were created by Kaufman et al. (2010). According to the results, there is a 1.75 percentage point drop in aggregate poverty levels for every one percentage point increase in the institutional index and a statistically significant coefficient of -1.75 for composite poverty (HPI). Similarly, Siddique et al. (2016) investigated the connection between institutions and poverty reduction in six Central Asian nations between 1996 and 2012 using the "least squares method" and the Arellano Bond model. Their research emphasizes the critical role that institutions play in reducing poverty, emphasizing in particular the function that the caliber of the administrative apparatus plays as the main driver of institutional improvement in general and subsequently the decrease of poverty.

Even if we are gaining more sophisticated insights, there are still disagreements when using particular metrics to assess institutions in assessing their influence on poverty. For example, Chong & Calderón (2000) used data from the International Country Risk Guide covering 45 developing countries between 1960 and 1990 to examine the impact of five institutional variables on poverty. Three of the five indicators—contract rejection, risk of expropriation, and quality of administrative apparatus—were found by the authors to have a significant and beneficial impact on poverty using the ordinary least squares (OLS) technique. Curiously, Cuestas & Intartaglia (2016) showed that institutional reforms had no immediate impact on reducing poverty in the short term. In the long run, nevertheless, they might or might not have an effect on reducing poverty.

Regression estimation via the Probit Model was used in more recent studies by Massimo Baldini et al. (2017) and Jindra & Vaz (2019) to evaluate the effect of institutions on poverty. Their research showed a beneficial relationship between institutions and the decrease of poverty. Furthermore, Jindra & Vaz (2019) used the multidimensional poverty index as a proxy for poverty in their research, showing that middle-income countries benefit more from effective institutions' stronger positive effects on multidimensional poverty reduction than do low-income nations

Because the multidimensional poverty measure was only adopted in Vietnam in 2016, there have been few studies to date looking at how institutions affect multidimensional poverty in that country. The UNDP & VASS (2016) assessment only pinpointed the causes of multidimensional poverty in Vietnam, attributing it to "clear differences in levels and regional multidimensional income and poverty rates" that go beyond factors related to income to encompass institutional barriers, geographic limitations, and supply-related constraints Jam et al., (2016). Nevertheless, the direct influence of institutions on multidimensional poverty was not measured in our research.

In the most recent study by Cuong et al. (2019), efforts were made to address this gap by investigating whether good quality public administration contributes to economic growth and poverty reduction in Vietnam. Using household-level data, the authors assessed the impact of public administration quality on poverty reduction. They utilized two main variables—public administration quality measured by PAPI and the percentage of poor households by income. Employing the fixed-effects percentile regression method, the research revealed a

positive association between the quality of public administration and poverty reduction. Additionally, the study indicated that better governance and public administration yield greater benefits for impoverished individuals.

Indeed, the literature review highlights several gaps in research on the impact of institutions on poverty, particularly in the context of Vietnam. Firstly, there is a scarcity of studies in Vietnam that assess poverty from a multidimensional perspective. Most existing studies predominantly focus on measuring the impact of institutions on poverty solely from the income standpoint, neglecting other dimensions of poverty such as education, health, and living standards Jam et al., (2019). This gap indicates the need for more comprehensive analyses that consider multiple dimensions of poverty to provide a holistic understanding of poverty dynamics in Vietnam. Secondly, existing models for estimating the impact of institutions on poverty tend to be studied at the national level, overlooking variations in institutional effectiveness and poverty dynamics at the local level within a country. Research primarily focuses on aggregate national-level data, which may mask disparities in institutional quality and poverty outcomes across different regions or communities within Vietnam. Therefore, there is a need for research that examines the impact of institutions on poverty at a more localized level to capture the nuances and variations in poverty alleviation efforts and outcomes across different regions or subpopulations within the country. Addressing these research gaps can contribute to a more nuanced understanding of the relationship between institutions and poverty and inform more targeted and effective poverty reduction strategies in Vietnam.

RESEARCH METHODS AND MATERIALS

Research Methods

Given the model inherited from the studies of Massimo Baldini et al. (2017) and Jindra & Vaz (2019), the framework for assessing the impact of institutions on multidimensional poverty is structured as follows:

$$mp_{ia} = P(\text{multidimensional poverty}) = \beta_0 + \beta_1 \text{LogLPAPI} + \beta_2 X_{ia} + \beta_3 Z_a + \text{year dummy} + \epsilon_{it} \quad (1)$$

In which:

According to studies by Massimo Baldini et al. (2017) and Jindra & Vaz (2019), the dependent variable (multidimensional poverty) takes value of 1 if household *i* living in location *a* is multidimensionally poor, and value of 0 if household is not multidimensionally poor. The Ministry of Labor, Invalids, and Social Affairs' 2015 report on household multidimensional poverty used as the study's dependent variable. Only since 2016 have the multidimensional poverty data from the General Statistics Office been accessible; they are published annually at the provincial level. The study uses the Vietnam Household Living Standard Survey (VHLSS) dataset from 2016, 2018, 2020, and 2022 to determine the multidimensional poverty index in Vietnam by leveraging the measurement components of the index.

Institutions (LogLPAPI): The paper employs the PAPI index as a metric for assessing institutional quality in Vietnam. Following the approach outlined by Cuong et al. (2019), the paper introduces a one-year lag in the PAPI data relative to the Vietnam Living Standard Survey (VHLSS) dataset, particularly when conducting the quantitative model. This lag is implemented to address potential issues of reverse causality and minimize endogenous effects, ensuring a more robust analysis of the relationship between institutional quality and multidimensional poverty. The PAPI data of the provinces will be collected for the years 2015, 2017, 2019 and 2021 because of:

1. Utilizing both independent and dependent variables in the same year can potentially introduce issues of reverse causality. Therefore, employing a lagged independent variable helps mitigate this problem and reduces the likelihood of endogenous phenomena affecting the analysis.
2. The PAPI index underwent adjustments, omissions, and additions of measurement indicators in certain areas since 2018. These changes may impact the consistency and comparability of the index over time, necessitating careful consideration when incorporating PAPI data into the analysis.

X_{ia} is a vector of explanatory variables for household characteristics.

Z_a is a vector of explanatory variables on the level of economic development.

The year is dummy variable in the model.

Model (1) is estimated through regression using the multi-stage binary Probit model, in line with the methodology employed in the research conducted by Massimo Baldini et al. (2017) and Jindra & Vaz (2019).

Data

The paper utilizes secondary data from various sources, including published data and raw survey results. The primary data source is the raw data from the Vietnam Household Living Standard Survey (VHLSS) conducted in 2016, 2018, and 2020. Additionally, the paper incorporates supplementary data from the governance efficiency survey, policy implementation assessments, and public service delivery evaluations, which are based on the perceptions and experiences of individuals in Vietnam, as captured by the Vietnam Provincial Governance and Public Administration Performance Index (PAPI). Furthermore, the paper draws upon a multitude of published data sources from the National Statistical Yearbook to enrich the analysis.

RESULTS AND DISCUSSION

The findings of the five models are shown in Table 1, which also includes the marginal effect and statistical significance levels of the coefficients for each variable influencing the probability of households experiencing multidimensional poverty as well as the correlation coefficient (β) of those variables. The following results were obtained using the conventional Probit model's testing:

- (i) The variance inflation factor (VIF) coefficients of the independent variables, which are all below 10, show that the model does not demonstrate multicollinearity.
- (ii) The predictive variables show statistical significance based on the linktest, and the independent variables are judged appropriate for the model. Table 1 summarizes the findings regarding the influence of local characteristics and institutions on the likelihood of multidimensional poverty among households.

Table 1: Regression results of models 1,2,3

Variables	Model 1		Model 2		Model 3	
	β coefficient	Marginal effect	β coefficient	Marginal effect	β coefficient	Marginal effect
Variables at household level						
Household size	0.0459***	0.0057***	0.0481***	0.0060***	-0.20***	0.0059***
Gender of household head	-0.2025***	-0.0254***	-0.2041***	-0.0255***	-0.51***	-0.0252***
Head of household aged from 30 to 59	-0.5257***	-0.0661***	-0.5204***	-0.0652***	-0.22**	-0.0639***
Head of household aged 60 and over	-0.2398**	-0.0301**	-0.2314**	-0.0290**	0.11***	-0.0276**
Number of children under 5 years old in household	0.1181***	0.0148***	0.1144***	0.0143***	-0.59***	0.0144***
Education level of household head	-0.6029***	-0.0758***	-0.6020***	-0.0755***	-0.38***	-0.0749***
Red River Delta Region	-0.5512***	-0.0693***	-0.4037***	-0.0506***	0.61***	-0.048**
Northern Midlands and Mountains region	0.8726***	0.1097***	0.6111***	0.0766***	0.25**	0.0771***
North Central Region and Central Coast	0.2922**	0.0367**	0.2520**	0.0316**	0.60***	0.0321**
Highland	0.6591***	0.0828***	0.5891***	0.0738***	-0.78***	0.0753***
Southeast region	-1.0983***	-0.1381***	-0.8128***	-0.1019***	-15.65***	-0.0981***
Rural town	-0.2943***	-0.037***	-0.2673***	-0.0335***	-0.20***	-0.0301***
Variables at provincial level						
Lag of institution variables	-0.9778**	-0.1229**	-1.0026**	-0.1257**	-1.73**	-0.1256**
Average income			-0.4895***	-0.0613***	-0.48***	-0.0609***
Percentage of households living in urban areas			-0.6678**	-0.0837**	-0.72**	-0.0904**
Interactive variables						
Rural x Institution					4.29***	
Intercept	2.39		6.52***		9.1***	
Year dummy	Yes		Yes		Yes	
ICC	0.32		0.28		0.28	
AIC	8,748.681		8,710.038		869	
Log likelihood	-4,358.3407		-4,337.019		0.736	
					-326.368	

Note: * p < 0.1, **p < 0.05, ***p < 0.01

Source: Calculating from Vietnam Household Living Standard Survey (VHLSS) 2016,2018,2020

Table 2: Regression results of models 4,5

Variables	Model 4		Model 5	
	β coefficient	Marginal effect	β coefficient	Marginal effect
Variables at household level				
Household size	0.04***	0.0057***	0.04***	0.0057***
Gender of household head	-0.20***	-0.0255***	-0.20***	-0.0256***
Head of household aged from 30 to 59	-0.51***	-0.0641***	-0.51***	-0.0639***
Head of household aged 60 and over	-0.23**	-0.0286**	-0.23**	-0.0285**
Number of children under 5 years old in household	0.11***	0.0146***	0.12***	0.0147***
Education level of household head	-0.61***	-0.0753***	-0.61***	-0.0752***
Red River Delta Region	-0.36**	-0.0447**	-0.37**	-0.0458**
Northern Midlands and Mountains region	0.08	0.0101	0.07	0.0091
North Central Region and Central Coast	0.10	0.013	0.12	0.0149
Highland	0.39**	0.0486**	0.38**	0.0472**
Southeast region	-0.75***	-0.0932***	-0.72***	-0.09***
Rural town	-0.27***	-0.0339***	-0.27***	-0.0341***
Variables at provincial level				
Lag of institution variables	-0.69**	-0.086**	-2.74**	-0.1095*
Average income	-0.14	-0.018	-0.14	-0.0177
Percentage of households living in urban areas	0.11	0.0147	0.009	0.0011
Province division by income				
<i>Low income</i>	-0.63***	-0.1133***	-6.01	-0.1064***
<i>Average income</i>	-0.83***	-0.1376***	-7.93	-0.1315***
<i>High income</i>	-0.88***	-0.1427***	-17.75**	-0.1345***
<i>Very high income</i>	-1.28***	-0.1762***	-18.79**	-0.1743***
Interactive variables				
Income x Institution				
<i>Low income x Institution</i>			1.5	
<i>Average income x Institution</i>			1.98	
<i>High income x Institution</i>			4.71**	
<i>Very high income x Institution</i>			4.86**	
Intercept				
Year dummy		3.45*	10.73**	
ICC		0,27	0,26	
AIC		8,656.189	8,651.146	
Log likelihood		-4,306.0946	-4,299.5729	

Note: * p < 0.1, **p < 0.05, ***p < 0.01

Source: Calculating from Vietnam Household Living Standard Survey (VHLSS) 2016, 2018,2020

Model 1's regression findings show that every variable has statistical significance. In particular, the number of children under the age of five and the size of the family show a positive relationship, suggesting that multidimensional poverty is more likely to occur in households with larger numbers of young children.

Conversely, variables related to gender, age of household head, and the educational level of the household head display negative signs. This suggests that male-headed households have a lower probability of falling into multidimensional poverty compared to female-headed households.

On the other hand, factors pertaining to the head of the household's gender, age, and educational attainment show negative trends. This implies that, in comparison to homes headed by women, households headed by men are less likely to experience multidimensional poverty. Moreover, households headed by individuals with higher levels of education are less likely to experience multidimensional poverty. When considering age groups, households headed by individuals aged 30 to 59 have a lower probability of multidimensional poverty compared to those headed by individuals aged 60 and above. The model also highlights regional disparities, indicating that households residing in different urban or rural areas and across various socio-economic regions in the country exhibit different probabilities of falling into multidimensional poverty. Overall, the model's predictions align with expectations regarding demographic characteristics across different regions, reinforcing the robustness of the research findings.

The analysis reveals that institutions exert a negative and statistically significant effect, indicating that higher

levels of institutions or better institutional quality are associated with lower levels of multidimensional poverty. In simpler terms, enhanced institutions correlate with a reduced likelihood of multidimensional poverty. The marginal effect of the institutional variable illustrates that a one-point increase in the institutional quality of the locality where the household resides leads to a 12.29% decrease in the probability of multidimensional poverty for that household. For instance, if we were to predict the probability of multidimensional poverty for an average household residing in a locality with an institutional level equivalent to the 10th percentile of localities in the sample, the estimated probability would be 11.07%. However, this probability decreases to 9.53% for an average household living in a locality with an institutional level equivalent to the 90th percentile. Therefore, the positive impact of institutions on multidimensional poverty reduction is evident.

In the second model, the “proportion of households living in urban areas” is incorporated into the estimated model, and the study adds the monthly income per capita logarithm model. The two newly introduced factors and the institutional variable both have statistically significant negative coefficients. This suggests that the probability of encountering multidimensional poverty declines with a rise in per capita income and institutions, underscoring the institutions' ongoing beneficial influence on multidimensional poverty. Additionally, the “proportion of households living in urban areas” variable shows a negative coefficient, indicating that areas with a higher concentration of rural households are more likely to experience multidimensional poverty than are localities with a higher percentage of urban households.

The interaction variable between living in an urban region and the influence of institutions on the probability of households experiencing multidimensional poverty is introduced in the third model by the paper. The positive and statistically significant coefficient suggests that the benefit of living in an urban area decreases as institutions get better. Stated differently, strengthening local institutions lessens the gap in the quality of life between urban and rural regions. In order to investigate this, the model predicts the probability of multidimensional poverty for both rural and urban households in highly institutionalized areas (located at the sample's 90th percentile) and contrasts this with the difference seen in areas with poor institutional quality (located at the 10th percentile). The results show that urban families had a 5.71 percentage point lower chance of multidimensional poverty (6.32% compared to 12.03% respectively) than rural households in areas with weak institutions (at the 10th percentile). As institutional quality increases, the difference narrows to -0.54 percentage points (9.74% for urban regions and 9.2% for rural areas) (in localities at the 90th percentile). Another interesting finding is that urban households are more likely to experience multidimensional poverty as institutions get better. Urban households have a 6.32% chance of experiencing multidimensional poverty in areas with poor institutional quality (at the 10th percentile); in areas with superior institutions (at the 90th percentile), this risk rises to 9.74%.

In model 4, the paper incorporates the income group variable of localities to delve deeper into whether the enhancement of income in localities contributes to the reduction of multidimensional poverty. Meanwhile, model 5 aims to elucidate how the interaction between residing in localities with varying income levels and institutions influences the probability of households experiencing poverty. This is achieved by introducing an interaction variable between income levels and the institutional variable. The empirical findings of these two models are detailed in Table 2.

Notable disparities arise when one considers the impact of income categories on the probability of households experiencing multidimensional poverty in different areas with different degrees of development. To be more precise, the likelihood that a household will experience multidimensional poverty declines by 17.62% in areas with extremely high income levels. This reduction is slightly less pronounced in areas with high-income levels, where the probability decreases by 14.27%. Similarly, in provinces with average income, the decrease amounts to 13.76%, while in low-income localities, the decrease is the least substantial at 11.33%.

The institutional variable maintains its statistical significance and continues to have a negative impact on the likelihood of multidimensional poverty when the interaction variable between income and institutions is included in the model. On the other hand, the interaction variable shows a positive coefficient, and the locality's income level enhances its magnitude. This suggests that the impact of institutions on reducing multidimensional poverty varies across localities at different stages of development. Furthermore, as institutional quality improves, the disparity in the probability of falling into multidimensional poverty between

high-income and low-income localities diminishes. In essence, enhancing institutions leads to a convergence in the likelihood of experiencing multidimensional poverty across localities with varying income levels. By comparing the interactive variables, several key points are as following:

First, in low-quality institutional locations, the likelihood of multidimensional poverty experienced by households varies significantly amongst localities with different levels of development. However, this disparity in the chance of multidimensional poverty between locations at various phases of development narrows considerably as institutions get better.

According to the aforementioned research, communities with very low and low income levels experience a greater reduction in multidimensional poverty than do higher income levels. This implies that in economically challenged areas as opposed to prosperous ones, institutions have a more significant role in reducing poverty. This conclusion is consistent with research by Dollar & Kraay (2002) and Li et al. (2000), which found that lower-income nations typically respond to institutional change more quickly.

In localities with high and very high-income levels, institutions demonstrate a negative impact on multidimensional poverty. Specifically, in areas with low institutional quality (at the 10th percentile of the provinces in the sample), the probability of households in high and very high-income localities falling into multidimensional poverty is observed at 6% and 2.55% respectively. However, as institutional quality improves (at the 90th percentile of the localities in the sample), the probability of households in these localities experiencing multidimensional poverty tends to increase, reaching 8.66% and 4.07% respectively. This phenomenon can be attributed to the heightened vulnerability of the urban poor to price-related social shocks and economic crises.

Institutions have an adverse effect on multidimensional poverty in areas with high and extremely high income levels. More specifically, the probability of households in high and very high-income locales falling into multidimensional poverty is reported at 6% and 2.55%, respectively, in places with low institutional quality (in the 10th percentile of the provinces in the sample). Nonetheless, the likelihood of multidimensional poverty among households in these places tends to rise as institutional quality rises (to the 90th percentile of the sample localities), reaching 8.66% and 4.07%, respectively. This phenomena can be explained by the urban poor's increased susceptibility to social shocks and economic crises related to price.

CONCLUSIONS

The evidence provided above allows the study to make a number of findings about how institutions affect multidimensional poverty in Vietnam: (i) When taken as a whole, institutions have a favorable effect on multidimensional poverty. This implies that decreases in multidimensional poverty are generally linked to enhancements in institutional quality. (ii) Rural areas and places with low to extremely low incomes are more affected by institutions when it comes to multidimensional poverty. This suggests that institutional improvements have a bigger impact on reducing poverty in economically challenged places, where the influence of institutions on poverty alleviation is stronger.

In essence, this suggests that economically disadvantaged regions, or “poor localities” are more likely to experience significant benefits from improvements in institutional quality compared to wealthier areas. Despite initial positive indicators regarding the impact of institutions on multidimensional poverty, two key issues remain unresolved. Firstly, current institutions exhibit an “opposite” effect on the reduction of multidimensional poverty among urban households. As institutions improve, urban households face an increasing likelihood of falling into multidimensional poverty. This phenomenon may arise from the distinct nature of urban poverty, characterized by heightened risks and the influence of the financial system. Alternatively, it could be attributed to the possibility that the criteria used to evaluate governance effectiveness, such as the PAPI index, fail to adequately capture the specific challenges faced by urban areas. Consequently, there is a pressing need for poverty reduction policies tailored specifically to urban contexts. However, in high- and very high-income areas, the institutions that are already in place have a detrimental effect on multidimensional poverty. Drawing from the findings of the empirical research, the report makes the following recommendations.

First, improving the assessment framework and factors influencing multidimensional poverty is imperative for accurate evaluation. The criteria for measuring multidimensional poverty should be refined based on outcome-oriented metrics. Additionally, research efforts should focus on expanding the assessment dimensions to provide a more precise determination of multidimensional poverty. This entails identifying additional indicators that capture the diverse aspects of poverty comprehensively.

Second, create a plan for finishing, modifying, and adding to the current framework of laws and procedures pertaining to multifaceted poverty alleviation; additionally, examine and modify existing policies to prevent duplication.

Third, it is crucial to implement region-specific poverty reduction policies, ensuring that no area, particularly urban regions without apparent difficulties, is neglected. Tailored criteria must be established to address the unique challenges of poverty in urban settings. Special emphasis should be placed on expanding the reach of social protection policies while combating discrimination against immigrants. Policies should be designed to assist all impoverished individuals in urban areas, irrespective of their status as migrant workers.

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