

SEVERAL FACTORS AFFECT THE INCOME OF HOA RURAL HOUSEHOLDS IN LUC NGAN DISTRICT, BAC GIANG PROVINCE

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The Hoa people are often given more attention because of their success in the fields of commerce and services, especially in developed economies, which have gradually become solid financial solidarity. This paper aims to understand the factors affecting the income of Hoa rural households in Luc Ngan district, Bac Giang province - a locality with a total GDP of US \$1,540 in 2015. The analysis was collected in 2018 by the author through a questionnaire survey of 250 Hoa rural households in Luc Ngan district, Bac Giang province, Vietnam. The data after processing by linear regression model shows that the income of the Hoa people is affected by the area of perennial fruit land, income from part-time jobs and the influence of cross-border ethnic relations.

Keywords: Factors affecting income; Hoa rural households; Luc Ngan district; Bac Giang province.

1. Introduction

Hoa people is one of 54 Vietnamese ethnic groups. Over many different historical times, the Hoa people have had strong changes in name, residence area, living habits, livelihood characteristics. The Hoa people have a highly developed business operation, creating a business network not only within Vietnam but also outside the territory of Vietnam. They know how to organize wards, societies and unions in business since they first set foot in Vietnam.

Bac Giang is the province with the largest number of Hoa people living in Northern Vietnam (21,215 people). As of 2016, the population of Luc Ngan district is 14,271 people. Tan Lap and Dong Coc communes are two of the communes in Luc Ngan district with the number of Hoa people living at more than 1,000 people (Ethnic Committee of Bac Giang province, 2016). After the Vietnam - China border war event, the number of Hoa people living in Bac Giang in particular as well as in many other provinces in Vietnam decreased significantly. However, over the past 10 years, the Hoa population in Bac Giang has been constantly increasing.

Due to the dynamic nature of production and business, quick adaptation to the market mechanism, the economic business of Hoa people in Bac Giang province is quite good, the average income per capita is often 1.1 - 1.3 times higher than other ethnic minorities, the rate of poor Hoa households is lower than the average of other ethnic groups in the same area. In addition to the production of traditional local agricultural products such as

lychee, noodles, oranges, pineapples, apples, rice cakes... Hoa people in Luc Ngan district also tend to associate with Chinese traders who buy agricultural products in Chu town or purchased at the garden. In idle times, Hoa people in Luc Ngan district travel to the Chinese border area with Lang Son to work as hired labor to increase income. Therefore, research to assess the influence of various factors on the income of Hoa rural households in Luc Ngan district, Bac Giang province is essential in the current context.

2. Study overview

Up to now, there have been some typical researches on Hoa people such as: Pham Dang Hien (2000) with a brief scientific report Overview of Hoa people in Luc Ngan district, Bac Giang province; research project at grassroots level Family worship of Hoa people in Luc Ngan district (Hien, 2005); Hoa people's convergence history, cultural characteristics and change in Cau Vong village (Hôi, 2015), Cross-border migration working issues in Luc Ngan district, Bac Giang province (Trang, 2017).

The study of economic activity of Hoa people in Vietnam in general and Hoa people in Bac Giang province, including Luc Ngan district in particular, is currently very little interest. Previous studies of economic activity of the Hoa people were mainly in the southern region, where this group of residents resided in large numbers and concentrated in Ho Chi Minh City, Dong Nai, Soc Trang and Kien Giang provinces. However, the Hoa community in the North is not separate from the Hoa community

living in Vietnam. In the context of socio-economic development in the direction of strengthening the solidarity relationship between peoples, promoting the good cultural identities of each ethnic group, demanding consider Hoa people’s livelihood issues in the Northeast region, specifically Luc Ngan district, Bac Giang province should be researched like other ethnic groups in our country.

3. Research methods

This study uses a combination of qualitative and quantitative methods; methods of summarizing primary and secondary sources to ensure maximum collection of information on factors affecting income. Problematic case studies in the quantitative analysis process are compensated for the lack of necessary information by in-depth interviews.

Factors believed to have an impact on the income of Hoa rural households in Luc Ngan district, Bac Giang province are described through the following diagram 1

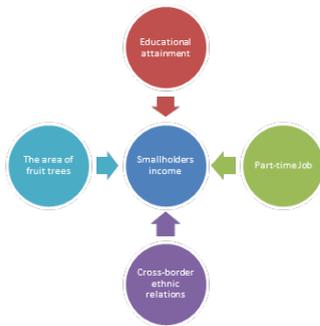


Diagram 1: Model of factors affecting income of Chinese rural households in Luc Ngan district, Bac Giang province

The assumptions are that factors such as: the area of fruit trees (AOFT), part-time job (PTJ), cross-border ethnic relations (CBER), educational attainment (EA) to varying degrees will all affect the income of representatives of 250 Hoa rural households in 2018 in Luc Ngan district, Bac Giang province.

For each dependent variable, this study has different ways of coding questions in order to diversify information and handle quite abstract variables such as “ethnic relations”.

The variable “cross-border ethnic relations” currently has observed variables including: same bloodline (SB), same family (SF), same hometown (SH), same language (SL), and same customs (SC). In order to verify the reliability of the scales, 30 test questionnaires were verified through a measurement formula using Cronbach’s Alpha coefficient ($\alpha = Np / [1 + \rho (N-1)]$). The obtained results show that there are no observed variables that need to be removed because the result is > 0.3 .

Table 1: Cronbach’s Alpha coefficient of the factor

in the Ethnic relations variable

Factor	Observed variables	Cronback’s Alpha if item Deleted
SB	Same bloodline	0,612
SF	Same family	0,639
SH	Same hometown	0,703
SL	Same language	0,931
SC	Same customs	0,505

To continue looking at the relationships between variables at all different factors in order to detect observed variables that upload multiple factors or observed variance variables from the outset, we continue to analyze EFA discovery factor. The results show that the KMO coefficient reaches a value of 0.832 satisfying the condition of $0.5 \leq KMO \leq 1$, showing that the factor analysis is accepted with the research data set. Sig Barlett’s Test = 0.000 < 0.05 also shows that factor analysis is appropriate. Newly emerging factors include X_1, X_2, D_5, D_6 .

The survey results are processed on SPSS 22.0 software. Linear regression model is used to calculate the impact level of factors:

The analytical model:

$$Y = B_1X_1 + B_2X_2 + B_3D_5 + B_4D_6$$

In which:

- The dependent variable Y is the choice of training type.

- B_1, B_2, B_3, B_4 are standard Beta coefficients in the multivariate regression equation.

- X_1, X_2, D_5, D_6 are new factors after the EFA discovery factor analysis.

The multivariate regression equation in this study did not use the standard regression equation because only one independent variable (“ethnic relations”) was changed, while the independent variables remained the same.

The qualitative research was conducted by in-depth interviews with heads of households with typical developed economies and heads of households with less developed economies. The questionnaire in qualitative research was designed 100% as an open question, the content was fully exploited information about the needs and types of training for Hoa people in the area. In-depth interviews take a minimum of 40 minutes. A total of 5 interviews were conducted, then manually removing the tape and recording the main contents for analysis.

In Luc Ngan district, there are 2 communes, Tan Lap and Dong Coc, with a population of over 3000 people. The total number of people answering the question was 250 people, representing 250 households. The number of individuals

participating in the content of the questionnaire in the questionnaire of 1000 - 1300 people is said to ensure the percentage of generalized research content. The sex ratio in the questionnaire generated by men / women reached: population / sample for men was 68.1% / 67.4% and for women was 31.9% / 32.6%. Therefore, the study concludes that the sample is representative. The results are statistically significant to infer that the relationships we discovered in this study are also included in the population the study refers to.

4. Research results

The paper uses the ordinary least square method (OLS) to estimate the linear regression model, in order to identify factors affecting the income of Hoa rural households in Luc Ngan district, Bac Giang province. Estimated results are presented in Table 2

Table 2: Estimated results

Variable	Coefficient β	Value P
Constant C	13,185***	0,000
AOFT	1,478***	0,000
PTJ	2,001***	0,000
CBER	1,840***	0,000
EA	0,075***	0,000
Number of observations (N)	250	
R2	0,4604	
Modified R2	0,4521	
Model verification value	0,0000	

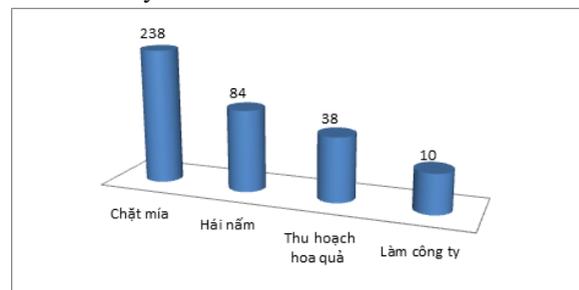
Note: (**): significant at 5%, (***): significant at 1%, (*): significant at 10%.

The estimation results show that the model is quite significant ($> 1\%$) and points out many factors that affect the income of Hoa rural households. Among 4 variables: *area of fruit trees, part-time job, ethnic relations and educational attainment*, there are 3 variables: *area of fruit trees, part-time job, ethnic relations* receive values of more than 1%, which have implications of a factor. The *educational attainment* variable alone has no value for Hoa people income here. This regression model also explained 45.21% of the significance of the variation of the independent variable to the dependent variable.

The variable “*area of fruit trees*” reaches a positive value of 1,478, which shows that the area of fruit tree plantation of the household head has a strong influence on the income of Chinese rural households in Luc Ngan district. This is entirely understandable when Luc Ngan district, from 1995 onwards, has always been the top country in lychee production. This is considered a key crop in the agricultural production of Northeast Vietnam. In addition, in recent years, Hoa people have started

breeding many citrus varieties in other localities to bring to Luc Ngan to grow such as grapefruit, Cao Phong orange, yellow orange, Vinh orange, tangerine and sapodilla... Hoa households in Luc Ngan have a bigger area of fruit trees, the higher their average annual income. “Fruit trees, for many years, have helped us Hoa people to get out of poverty” (IDI, male, 54 years old, 2018).

The “*part-time job*” variable, valued at 2,001***, is the highest among the variables that affect Hoa rural households income. The results of this study indicate that Hoa people in Luc Ngan district and many other ethnic groups living in the northern border provinces of Vietnam have a relatively high income compared to their income as hired laborers across borders in many different forms. Through brokers, relatives or people who have worked as hired labor, many cross-border hired labor groups have migrated to China. They work in many different ways:



Source: *Sociology survey of 250 Hoa households, May 2018*

Chart 1: Percentage of Hoa people participating in jobs in China

“Compared to domestic labor, the current income levels of cross-border migrant workers are very attractive numbers. After each such hire, they can earn 30 million to 40 million, enough to meet many family spending needs. Many couples go with their spouses. If they work hard, after a round of cross-border labor like that, they can at least get 50 million dong. Meanwhile, if they only work as local laborers or neighboring provinces in the country, at the same time, they will only earn 20 million dong at most.” (Results of IDI, Nguyen Thu Trang, 2019)

With such an attractive income, most Hoa people often work as hired laborers after they have finished harvesting the lychee, drying and selling or storing them enough. Starting from August and September until about the end of the Lunar New Year, most of them migrate to China to work as hired laborers at the end of the year. The income level of part-time jobs has attracted most workers here. However, it is worrying that these workers migrate across borders mainly in the form of illegal activities, posing a lot of risks.

The variable “*ethnic relations*” also has a β index of 1,840***, a positive and relatively high index

to confirm that people who have the same ethnic relations are more likely to migrate labor across borders easier, find more jobs in China faster and more safely during the labor process. According to a study by Nguyen Thu Trang (2019), groups of people working with cross-border ethnic relations will have better living conditions, fewer wage losses and less hard work, compared to unrelated, relative, hometown labor with Chinese living across the border. This is explained by the ethnic mentality of most ethnic groups in Vietnam making the same choices in similar circumstances. Stemming from the common characteristics of anthropology, linguistic group, and cultural practices lead to cultural “empathy” and the tendency to form similar “common sense” groups. In particular, for the Hoa ethnic group, having the same relationship, the same hometown or the same cultural practices will bring relationships to help each other in the business. Stemming from the spirit of high community cohesion, Hoa people will be able to find jobs or higher incomes than other ethnic groups working in China. This shows the great influence of cross-border ethnic relations on Hoa people income in Luc Ngan district, Bac Giang province.

The “educational attainment” variable in this study alone has no effect on Hoa household income. Most of the household heads have education levels below college and university training. There are many people who only finish primary school and they don’t really care about the need for further education. During the interview, they said, “*I want to let my children learn Chinese so later they could be interpreters for Chinese traders or go to China to work in companies*” (IDI, female, 41 years old, 2018). This confirms that the value of the “*educational attainment*” variable is only 0.075 ***.

Thus, the income of Hoa rural households in Bac Giang district, Luc Ngan province is influenced by many factors, including *area of fruit trees*, income from *part-time jobs* and benefits from *cross-border ethnic relations*. Unlike the results of many other studies, the *educational attainment* of the household head does not have a significant effect on Hoa people income.

Many previous studies (Abdulai & CroleRees, 2001; Demurger et al., 2010; Janvry & Sadoulet, 2001; Klasen et al., 2013; Marsh et al., 2007; Yang, 2004; Yu & Zhu, 2013; Manjunatha et al., 2013) all indicate that factors of area of fruit tree, income from part-time jobs and benefits from cross-border ethnic relations are factors that affect income of rural households. However, contrary to the research of Foster & Rosenzweig, (1996); Pitt & Sumodiningrat, (1991); Yang (2004), the educational attainment in this study had no effect on the income of Hoa rural households. This can be explained by the cultural characteristics and ethnic psychology of a relatively specific ethnic group in Vietnam.

After important historical developments in

Vietnam-China relations, especially the 1979 border war, the majority of Hoa people in Northern Vietnam, including Hoa people in Bac Giang, have migrated to many other places to make a living, forming immigrant waves of national scale. In order to continue living, the Hoa group who stayed in northern Vietnam was forced to change, a part of them changing their names, seeking livelihoods to adapt to the current situation. Up to now, Hoa people still focus on business instead of education. On the other hand, Hoa people have inherent know-how in business, the community always helps each other to develop the economy. With the psychology of being away from home, due to the historical background, the Hoa community, whether in the North or the South, have a stronger connection than other ethnic groups. This has created an effect in raising the income of Hoa rural households in Luc Ngan district, Bac Giang province in particular and Hoa people in northern Vietnam in general.

The results of the study show that the Hoa economy in Luc Ngan district, Bac Giang province, is more developing, the average household income is higher and more diverse than other ethnic minorities living in the same area. However, to further improve the economic life of the Hoa community in Luc Ngan district, we propose some solutions as follows:

Firstly, regarding the planning issue, it is necessary to focus on developing ecological farms combining tourism with agricultural development. Areas where Hoa households grow fruit trees, raise cattle and poultry should be invested in zoning and piloting to build eco-farms, in order to attract tourists.

Secondly, regarding the consumption of agricultural products, it is necessary to have practical plans and measures to help Hoa households and other ethnic groups to consume agricultural products after harvest, to avoid completely depend on the Chinese market and the vicious cycle of “bumper devaluation” as of today.

Thirdly, on the illegal migration activities of Hoa workers, there is a need for strict management to control the situation of migrant labor seeking jobs on the other side of the border. In addition to strictly controlling illegal border crossings, reducing risks and social impacts from illegal migration to the community. At the same time, increasing the career change for domestic workers from agriculture to non-agriculture. Encourage Hoa laborers to participate in domestic employment, avoiding wasting human resources.

5. Conclusion

The economic activity of Hoa people in Luc Ngan district is not separate from the economic development process of the whole Bac Giang province. The Hoa community is also located in

the center of the local fruit planning area, making a positive contribution to the region's agricultural and handicraft production. Facing the strong impact of science and technology and the increasing demands of the market, the economic activities of the Chinese community in particular and many other ethnic groups in Luc Ngan in general need to be adapted.

This study clarifies the different levels of influence on income of Hoa rural households in Northern Vietnam, namely in Luc Ngan district, Bac Giang province. This is also a new research direction, many perspectives have not been fully exploited, it is necessary to continue researching in the future.

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MỘT SỐ YẾU TỐ ẢNH HƯỞNG ĐẾN THU NHẬP CỦA NÔNG HỘ NGƯỜI HOA Ở HUYỆN LỤC NGẠN, TỈNH BẮC GIANG

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Abstract

Người Hoa thường được biết đến nhiều hơn bởi thành công trong các lĩnh vực thương mại và dịch vụ, đặc biệt là ở những nền kinh tế phát triển. Họ đã từng bước trở thành khối đoàn kết tài chính vững chắc. Bài viết này nhằm tìm hiểu những yếu tố ảnh hưởng đến thu nhập của nông hộ người Hoa sinh sống tại huyện Lục Ngạn, tỉnh Bắc Giang - Một địa phương có tổng số GDP/người năm 2015 đạt 1.540 USD. Số liệu dùng để phân tích được tác giả thu thập trong năm 2018 thông qua việc điều tra bằng bảng hỏi đối với 250 hộ gia đình người Hoa sinh sống tại huyện Lục Ngạn, tỉnh Bắc Giang, Việt Nam. Số liệu sau khi xử lý bằng mô hình hồi quy tuyến tính cho thấy thu nhập của người Hoa chịu tác động bởi diện tích đất trồng cây ăn quả lâu năm, thu nhập từ việc làm thêm và ảnh hưởng của quan hệ đồng tộc xuyên biên giới.

Keywords

Yếu tố ảnh hưởng đến thu nhập; Nông hộ người Hoa; Huyện Lục Ngạn, tỉnh Bắc Giang.