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for cities in Asia



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Poor consumers' access to supermarkets in Hanoi

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FOREWORD

This study has been conducted within the framework of the project "Making markets work better for the poor," (MMWB4P) funded by the Asian Bank of Development and as part of the study "The poor's participation in supermarkets" coordinated by CIRAD (Paule Moustier). According to the progress report (Moustier 2005), "the main objective of the study is to assess conditions for an increased involvement of the poor in the food value chains driven by supermarkets and other value-adding outlets, and more generally for increased benefits brought by food marketing activities to poor farmers in Vietnam. The study also investigates the comparative benefits of the different types of food distribution outlets for the poor as consumers". This last point is reported in the present document.

This work was carried out under the responsibility of Muriel Figuié (Cirad) and Nguyen Duc Truyen (IOS-VASS), by enumerators from the Institute of Sociology, and with the help of the local women's union.

Many studies have been conducted on the impact of supermarket development on the upstream component of the food chain but few have been conducted on the downstream component: the consumption. The first part of this report attempts to contribute to filling this deficiency, through a synthesis of very scattered sources from various disciplines on the possible impact of supermarkets' development on food consumption and poor households.

The second part presents the problem of food poverty in Vietnam, the specificity of food consumption in poor households, and the modernisation of food distribution in this context. This part II is based on secondary data (mainly from the Vietnamese General Statistical Office, GSO) and focus group discussions conducted with poor consumers with the collaboration of the Vietnam Consumers Association (VINASTAS) in 2003-2004.

Part III is dedicated to the practices of purchasing food in poor households. The objective is to respond the following question, "what can the modernisation of the food distribution sector bring to poor households in terms of new opportunities and constraints?" It is based on an original household survey on food purchasing practices: who buys, what, when, where, for how much, etc. It was conducted in Hanoi in 110 households, over the course of one week, and in Moc Chau, Son La Province, in 110 households (only one visit per household to record purchases made during the last 24h).

One similar study has been conducted in Ho Chi Minh City, by the Faculty of Economics of Nam Long University using the same questionnaire as in Hanoi.

Participants to the activities reported in this working paper

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Ngo Hong Nhung, Malica, interpreting, secretariat, documents research.

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MAIN FINDINGS

Supermarkets' development is supposed to benefit poor consumers in the second stage of their implementation, when they reach some economies of scale which allows them to lower their prices. They are also supposed to have a positive impact on the quality of the products sold. But many findings suggest that the supermarket development should be accompanied by policies which help reduce the possible long-term negative impacts on consumption, such as 1) increasing food prices as a consequence of market concentration (in a third stage of development), 2) food dependency and unbalanced trade (through possible increase of food importation), 3) decreasing number and diversity of food retailing outlets, 4) un-balanced diet, and 5) development of a culture of "retailtainment" to the detriment of practical knowledge about food purchasing and other cultural activities.

Social policies in Vietnam do not address the poor as consumers, but instead, mainly as producers or ethnic categories, through rural development support programs. This has proved to be efficient regarding the important decrease of financial and food poverty during these last years (25% of households were food poor in 1993, compared to 10% in 2002, according to GSO). But these policies could be partially unsuitable in the coming years, if we consider the social transformation occurring in urban areas (increasing percentage of urbanisation and problems of unemployment).

Considering data at the national level (GSO, 2004), food consumption in poor households is characterised as low, but the difference in the value of food consumption between the members of the richest 20% and the poorest 20 % of households is not so great (the richest 20% of households consume three times as much as the poorest 20%, in terms of value). Food consumption value represents a high share of the value of consumption in poor households (70%), but nearly half of the food consumed is home-produced. Nevertheless, the rapid decrease of the share of home production in these households (which characterizes their insertion into the market) is a factor of the domestic food market growth. Concerning the purchase of food, poor households not only have to deal with the problem of low purchasing power, but also face other constraints such as little mobility and little storage capacity, irregular income, and sometimes constraining working hours. They have to possess skills in composing nutritious, safe and tasty meals with little means.

So far, poor households are little affected by supermarkets' development. The development of supermarkets is still at its beginning (0.8 % of national food market in 2002) and supermarkets offer higher prices than open markets (especially for vegetables +40% to +160%, according to H.B. An, report C1). Previous studies show that in Hanoi, very few people shop in supermarkets (74% of the people never shop in supermarkets) but they are more numerous in Ho Chi Minh City (where 57% never shop in supermarkets according to the same survey). Supermarkets' customers are young (25-40) with high incomes. For the moment, most supermarkets aim at high or middle income consumers.

In the framework of this study an original survey was conducted: the purchases of 110 poor households in Quynh Mai area (Hanoi), have been monitored during one week (average income of these households: 350 000 VND/capita/month). In the other 110 households in Moc Chau City, Son La province (with average income of 210 000 VND/capita/month), information on the purchases made during the 24h prior to the survey

were collected. Data has been also collected on consumption outside the home, food vulnerability (auto-assessment), and opinions on the different retailing places.

Food insecurity is widespread in Moc Chau (where only 30% of the households declare that they never have suffered food shortage, and 30% claim to suffer food shortage regularly). In Quynh Mai, 37% of the households wish to have a more abundant food.

To face this problem, households can benefit from government or family financial support, (around 30% of Quynh Mai households, 20% in Moc Chau) but this support represents a very small amount (less than 10% of the households' income). Borrowing money is the major alternative.

Households received frequently food aid – in Hanoi, aid comes mainly from family, and in Moc Chau aid comes mainly from neighbors (sugar, fruits, milk), and generally in the case of someone in the family being ill.

Wild plants or animals are also a significant source of food for poor families in Moc Chau. These households regularly purchase food, mainly in open-air markets or street markets, and never in supermarkets. (In Moc Chau, there is no supermarket. In Quynh Mai there is one 2 km away). Poor people do not shop in the supermarket because of the higher prices, but also because of the distance. In this sense, poor households are shown to have a very reduced "purchasing field" (less than 2km radius). But in this small "purchasing field," consumers accessed a great diversity of purchasing places, mainly in informal markets that represent 82% of the expenditure in Hanoi (which is much more diversified between informal/formal/street vendors in Moc Chau). The households shop very often: each household makes approximately 13 purchases a week in Hanoi, but each time for a very small amount of money (around 17 000 VND).

Outside home consumption is important in food purchasing in Hanoi, where it represents 22% of food expenditure (on a total of 6 750 VND/day/capita for food expenditure).

Poor consumers generally have a good opinion of the places from which they mainly purchase (informal markets in Hanoi), except in regards to the diversity of goods (for which the formal market is recognized as the best place) and quality (told to be offered by supermarkets). Even if they do not shop in supermarkets, they nevertheless have a very good opinion of this retailing point, and do not express any frustration for being excluded of this distribution channel. Supermarkets contribute to a sort of "enchantment" characteristic of a developing society of consumption: they are not only a place to be assessed in terms of utility but they must also be viewed as places that offer pleasure and a certain dream. By contrast, street vendors are considered as offering low prices, but also low diversity and low quality.

For poor consumers, who cannot use price as an indicator for the quality of the products, buying live animals or buying directly from producers are some of the rare guarantees they can obtain on the quality of the products. They consider with worry the process of officializing open-air markets (which increases the prices due to the taxes that vendors have to pay, and excludes the category of occasional producer/vendors).

This study suggests the necessity to build policies to accompany supermarket development with the objective to avoid excessive concentration and keep a balance in the different forms of outlets, for consumers' interests. It also demonstrates the necessity of considering the impact of supermarket development within a more global problematic: the process of modernizing the distribution system, through the process of the "officialization" of food markets, in particular its impacts on the informal economy sector of food distribution.

KẾT LUẬN CHÍNH

Sự phát triển của siêu thị được cho là có lợi cho người tiêu dùng nghèo ở giai đoạn phát triển thứ 2 của nó, khi qui mô sản xuất được mở rộng cho phép giảm giá sản phẩm. Siêu thị cũng được cho là có ảnh hưởng tích cực đến chất lượng sản phẩm bán ra. Nhưng nhiều kết luận lại chỉ ra rằng phát triển siêu thị phải đi đôi với các chính sách dài hạn cho phép giảm các tác động tiêu cực có thể xảy ra với tiêu dùng, như 1) tăng giá lương thực thực phẩm như là hậu quả của sự tập trung các chợ (trong giai đoạn phát triển thứ 3), 2) phụ thuộc về lương thực thực phẩm và mất cân đối thương mại (thông qua sự gia tăng nhập khẩu lương thực), 3) giảm số lượng và sự đa dạng các đầu mối bán lẻ lương thực thực phẩm, 4) chế độ dinh dưỡng không cân đối và 5) phát triển một nền văn hoá "retailtainment" không cần đến những hiểu biết thực tế về việc mua lương thực và các hoạt động văn hoá khác.

Chính sách xã hội của Việt Nam không hướng đến người nghèo với tư cách là người tiêu dùng mà chủ yếu hướng đến người sản xuất nghèo, hoặc các dân tộc thiểu số, thông qua các chương trình hỗ trợ phát triển nông thôn. Các chính sách có vẻ đem lại hiệu quả lớn nếu chúng ta nhìn vào sự suy giảm đáng kể tỷ lệ nghèo và tỷ lệ nghèo về lương thực trong những năm qua (năm 1993, tỷ lệ nghèo lương thực là 25%, đến năm 2002 chỉ còn 10%, theo số liệu Tổng cục thống kê). Tuy nhiên, một phần các chính sách này có thể sẽ không còn phù hợp trong những năm sắp tới, nếu chúng ta xét đến chuyển biến xã hội ở khu vực nông thôn (tỷ lệ đô thị hoá gia tăng và vấn đề thất nghiệp).

Theo con số thống kê (nguồn : Tổng cục thống kê), trong các hộ gia đình nghèo, tiêu dùng lương thực thực phẩm đạt tỷ lệ rất thấp, nhưng giá trị tiêu dùng lương thực giữa 20% hộ giàu nhất và 20% hộ nghèo nhất có sự cách biệt không đáng kể (X3). Giá trị tiêu dùng lương thực chiếm tỷ lệ rất lớn trong giá trị tiêu dùng hộ gia đình (70%), nhưng gần một nửa là sản phẩm do hộ gia đình sản xuất. Tuy nhiên, hiện nay, sản xuất hộ gia đình đang suy giảm nhanh chóng (đặc trưng cho sự gia nhập của người nghèo vào thị trường) là một yếu tố quan trọng cho sự phát triển của thị trường nội địa.

Về vấn đề mua lương thực thực phẩm, các hộ gia đình nghèo đang phải đối mặt với sức mua thấp, ngoài ra họ còn phải đối mặt với các vấn đề khác liên quan đến phương tiện đi lại, khả năng tích trữ, thu nhập bất ổn định và đôi khi là giờ giấc làm việc. Họ cần phải chứng tỏ khả năng chuẩn bị một bữa ăn có đầy đủ dinh dưỡng, an toàn, vệ sinh và ngon miệng với một khoản tiền ít ỏi.

Và xa hơn, các hộ gia đình nghèo cũng ít được quan tâm khi siêu thị phát triển. Siêu thị cũng chỉ vừa mới bắt đầu quá trình phát triển của mình (chiếm 0,7% thị trường lương thực trong nước năm 2002) và giá trong siêu thị lại cao hơn giá bán bên ngoài (nhất là với mặt hàng rau cao hơn từ 40 đến 60%, theo An, Infra). Các nghiên cứu trước đây chỉ ra rằng, 74% dân Hà Nội không bao giờ đến siêu thị, (trong khi tỷ lệ này ở người dân thành phố Hồ Chí Minh là 57%). Khách hàng của siêu thị là những thanh niên (từ 25-40 tuổi) có thu nhập cao. Hiện nay, đa số các siêu thị hướng tới phục vụ đối tượng có thu nhập cao và trung bình.

Trong khuôn khổ của nghiên cứu này, chúng tôi đã tiến hành một cuộc điều tra độc đáo : tình hình mua lương thực của 110 hộ gia đình ở khu Quỳnh Mai (Hà Nội) trong vòng một tuần (thu nhập bình quân của các hộ gia đình này là 350 000 đồng/tháng/người). Ngoài ra, một cuộc điều tra khác tại 110 hộ gia đình ở thị trấn Mộc Châu, Sơn La cũng đã được

tiến hành, điều tra viên đã thu thập tình hình mua hàng trong vòng 24h của các hộ gia đình (thu nhập trung bình là 210 000 đồng/tháng/người). Tất cả các thông tin liên quan đến việc tiêu dùng lương thực bên ngoài, tình trạng thiếu lương thực (tự đánh giá) và các ý kiến liên quan đến các điểm bán lẻ cũng đã được thu thập.

Tình trạng mất an ninh lương thực hết sức phổ biến ở Mộc Châu (tại đây, chỉ có 30% hộ gia đình cho biết họ không bao giờ phải chịu cảnh thiếu lương thực, và 30% thường xuyên lâm vào tình trạng này). Tại Quỳnh Mai, 37% hộ gia đình mong muốn có nhiều lương thực hơn.

Trong hoàn cảnh đó, các hộ gia đình có thể nhận được nguồn hỗ trợ tài chính của chính phủ hoặc gia đình (khoảng 30% số hộ ở Quỳnh Mai và 20% ở Mộc Châu), nhưng sự hỗ trợ này chỉ chiếm một phần rất nhỏ (chiếm chưa đầy 10% tổng thu nhập hộ gia đình). Trong hoàn cảnh này, giải pháp thay thế thường là vay tiền.

Hộ gia đình thường xuyên nhận được hỗ trợ về lương thực, ở Hà Nội, thì chủ yếu là từ người thân trong gia đình và ở Mộc Châu, chủ yếu là từ hàng xóm (đường, sữa, trái cây) khi trong nhà có người ốm. Rau và động vật trong rừng là nguồn lương thực quan trọng với hộ gia đình ở Mộc Châu.

Các hộ gia đình này mua lương thực chủ yếu ở chợ ngoài trời hoặc hàng rong và không bao giờ mua hàng trong siêu thị. (Ở Mộc Châu, không có siêu thị, còn ở Quỳnh Mai có một siêu thị cách khu vực này 2km). Người nghèo không mua hàng trong siêu thị vì giá cả trong siêu thị cao hơn giá bên ngoài nhưng cũng do khoảng cách giữa nơi sinh sống và siêu thị. Nghĩa là theo như các hộ gia đình nghèo, họ muốn nơi mua sắm chỉ nằm trong bán kính nhỏ hơn 2km. Nhưng trong phạm vi mua sắm nhỏ như vậy, người tiêu dùng có thể mua tại rất nhiều điểm bán hàng khác nhau, chủ yếu là tại các chợ tạm, chiếm 82% khoản chi tại Hà Nội (lựa chọn điểm bán của người dân ở Mộc Châu giữa chợ chính thức/ chợ tạm/ hàng rong đa dạng hơn nhiều). Họ thường xuyên đi chợ (tại Hà Nội, trung bình mỗi ngày các hộ gia đình mua hàng của 4 người bán hàng khác nhau), nhưng mỗi lần họ chỉ mua bằng số tiền rất nhỏ (từ 4000 đồng đến 16000 đồng, tại Hà Nội).

Ăn uống bên ngoài cũng chiếm tỷ lệ lớn trong tiêu dùng gia đình tại Hà Nội, chiếm 22% tổng chi tiêu cho lương thực (tổng chi cho lương thực khoảng 6750 đồng/ người/ngày).

Người tiêu dùng nghèo nhận xét tích cực về những điểm bán mà họ thường xuyên lui tới (chợ tạm ở Hà Nội), chỉ trừ tính đa dạng của hàng hoá (về điểm này, chợ chính thức luôn là điểm mua hàng tốt nhất) và chất lượng hàng hoá (về chất lượng, siêu thị là nơi được coi là điểm mua lý tưởng).

Dù không mua hàng hoá trong siêu thị nhưng họ vẫn có đánh giá tích cực về điểm bán lẻ này và không phàn nàn khi bị loại khỏi kênh phân phối này. Siêu thị góp phần trở thành một loại 'thú vui', đặc trưng của một xã hội tiêu dùng đang phát triển.

Trái lại, hàng rong được coi là hình thức bán hàng với giá rẻ, nhưng hàng hoá không mấy đa dạng và chất lượng không cao.

Đối với người tiêu dùng nghèo, không thể coi giá cả là một chỉ số chất lượng cho sản phẩm, mua động vật sống hay mua của người sản xuất là một trong số những đảm bảo ít ỏi về chất lượng sản phẩm mà người tiêu dùng có thể nhận được. Họ hết sức lo lắng khi nghĩ đến quá trình chính thức hoá các chợ tạm (quá trình này cũng đồng nghĩa với việc giá cả sẽ giá cả sẽ tăng lên vì người buôn bán phải trả thuế và loại bỏ người sản xuất nghèo và người bán hàng rong).

Nghiên cứu này đặt ra giả thuyết là cần phải xây dựng các chính sách đi kèm với phát triển siêu thị nhằm tránh sự tập trung quá độ, giữ cân bằng cho nhiều loại hình đầu ra khác nhau vì lợi ích của người tiêu dùng. Nghiên cứu này cũng cho là cần phải xem xét tác động từ sự phát triển của siêu thị như một vấn đề rộng hơn của quá trình hiện đại hoá hệ thống phân phối, đặc biệt với những tác động đến khu vực kinh tế không chính thức phân phối lương thực qua quá trình "chính thức hoá" thị trường lương thực thực phẩm.

PART I. PROBLEMATIC: SUPERMARKET DEVELOPMENT AND POOR CONSUMERS

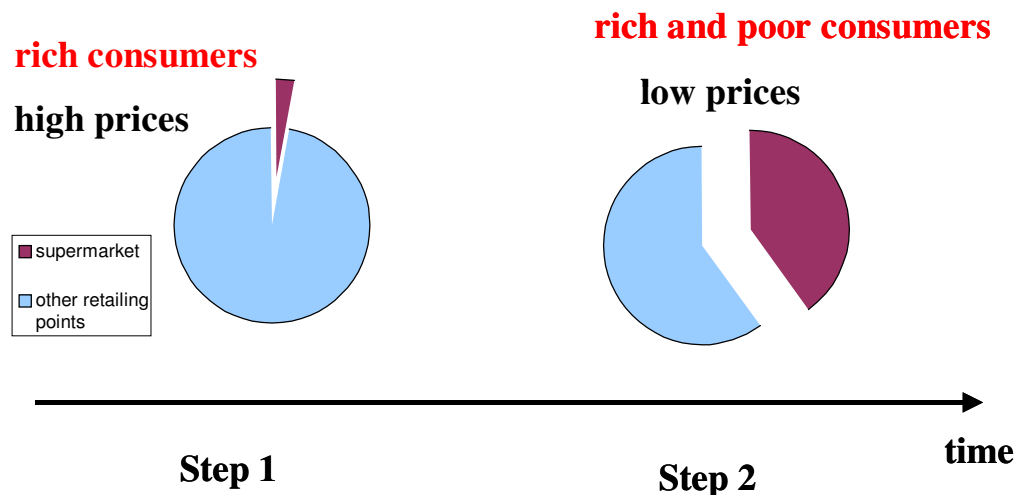
A - PATTERNS OF SUPERMARKETS' DEVELOPMENT: CONCERNS FOR POOR AND RICH CONSUMERS

Some economists have tried to formulate trajectories for supermarkets' development that would be valid throughout the world.

According to Hagen (Hagen 2002), supermarkets' development is supposed to follow two steps (see figure 1):

1. The first step is the implementation of supermarkets in a country. In this first step, supermarkets represent a small share of the market. The prices of the products are higher than in traditional markets. The modern retail sector begins to develop, by attracting rich consumers. These rich consumers are ready to pay higher prices for quality insurance, packaging, store ambiance, etc.
2. The second step is retail modernisation achievement: logistic and management improvement, and the development of economies of scale to allow for the reduction of prices. Offering lower prices than in traditional markets, supermarkets can now attract lower income consumers.

Figure 1. The two steps of supermarket development (according to Hagen, 2002)



Reardon and Berdegué (Reardon and Berdegué 2002) also observe the same pattern in the rise of supermarkets all over the world: supermarkets tend "to start in upper-income niches in large cities and they spread into middle-class and the poorer consumer markets, and from larger cities to secondary cities to towns, and from richer/more urbanised zones or countries to poorer and less urbanised areas".

In these two models, poor consumers are only affected by supermarket development in the stage of the consolidation of their implementation.

Nevertheless, supermarkets' development goes with a concentration of ownership in food retailing. Kinsey (Kinsey 1998), underlines that from a theoretical point of view if "most observers agree that concentration in food retailing and economies of scale go together implying that more concentrated industries should have lower cost and lower prices for consumers, this works as long as there is some mechanism to prevent monopolistic pricing". The question of the impact of retailing modernisation and concentration on prices is still open, due to mixed evidence in the research.

A third stage in supermarket development should be added in Hagen's model - the stage of the concentration, which still needs to be studied.

So, the impact of supermarkets' development on consumers (including poor consumers) must be studied through the complex consequences that it can have on food prices. But this study must also include other possible outcomes such as the effects on the diversity of the offerings (in terms of products and retailing places), the effect on the consumers diet, on the consumers' way of life, etc.

B - IMPACT OF RETAIL MODERNISATION ON CONSUMERS

1 - SUPERMARKET AND FOOD PRICES

According to Hagen (op. cit.), retail modernization, considered synonymous to the rise of supermarkets, is seen as a driver of economic development: it is supposed to allow the reduction of food prices and so to stimulate consumption and production. By reducing the price of food items, it is supposed to enable consumers to spend more on non-food items and so to stimulate industrialization. Poor consumers should benefit of retailing modernisation.

But Kinsey (1998) summarizes the results of many studies analysing the relationship between concentration of food retailing, food prices, and firm's profit. He shows that the results are mixed and difficult to conclude. Many studies show that retailing concentration increases prices (in 73% of the studies examined by Weiss 1989 quoted by Kinsey 1998). But some authors conclude the opposite, that there is a negative correlation between retail concentration and prices. Some others explain increased prices by adding value and services included in the product and for which consumers are willing to pay. For some others, market concentration could positively affect the price of dry groceries and health and beauty aids, but has no effect on the prices of fresh and chilled food.

Another characteristic of retailing modernisation is fixed prices. Even if prices may change many times during a day in supermarkets, especially for fresh products such as vegetables (which happens in European supermarkets), prices are nearly the same for all consumers (except for loyalty programmes offered by some supermarkets in USA). This is different than in "traditional" markets where bargained prices allow sellers to adapt their profits in relation with the income of the buyers. This mechanism contributes to some kind of social redistribution; the supermarkets with fixed prices do not allow such adjustments (Xuan Mai, oral communication).

2 - DIVERSITY OF PRODUCTS

Supermarkets can also contribute to raising food diversity (Reardon and Berdegué 2002) to the benefit of the consumers: the area of the sale and the ability to deal with long distance suppliers allow supermarkets to offer a wide diversity of products to their customers. But increasing diversity generally means more imported food and affects the balance of trade (see box 1 on Cochran Programme).

Box 1: The Cochran programme, funded by USDA and conducted by Cornell University is a training programme for retailers and food brokers in food safety merchandising, human resource management, promotion, procurement, and customer loyalty. According to one of its members, "the motivation of this USDA funded program was (and remains) primarily to enhance retail condition in middle income countries in order to increase the demand for, and sale of, US food products in those countries" (Hagen, 2002). Cochran programme includes Vietnam where it has trained Maximark, Saigon Co-op and other supermarket personnel.

Increasing imported food means also increasing "food miles": food miles measure in terms of energy consumption, the distance from plough to plate. In a more general way, supermarkets favour the consumption of food with more and more energy injected in the processing system, which means that food calories require the input of more and more energy along the chain in order to reach the consumers' plate (Raoult-Wack and Bricsa 2001). This is linked to the production (high-input agriculture model, counter season production), the storage (treatment like UHT, pre-cooked or frozen products), packaging (energy included in the packaging and in its eventual recycling), and also transport. In this way, supermarkets contribute to the development of un-sustainable consumption patterns.

Moreover, in a saturated market, supermarkets tend to increase the diversity more and more, offering "false diversity" whereby products differ only by small details, confusing consumers' ability to choose. In such a context, there is no evidence that all consumers are asking for more diversity: for example, a study conducted in 6 countries and on a large sample (6000 persons) shows that America is the only country in which the majority preferred to have the choice between 50 flavours of ice cream as opposed to 10 (Fischler 2004).

3 - CHOICE IN FOOD RETAILING OUTLETS

The concentration of distribution leads to a decreased number of retailing points, and a decreasing diversity of food retailing outlets (Reardon and Berdegué, op.cit). This kind of diversity might be as important for the consumer as the diversity of the products themselves. Some geographers have worked on the spatial concentration of distribution and the creation of so called "food-deserts": "the increasing tendency to out-of-town supermarkets has led to the creation of "food deserts" where cheap and varied food is only available to those who have private transport or are able to pay the cost of public transport if this is available (Acheson 1998 quoted by (Wrigley, Warm et al. 2002). Wrigley et al. (op.cit.) have shown how this situation may impact negatively the diet of poor households (less consumption of fruits and vegetables) in Great Britain.

4 - SUPERMARKET AND CONSUMERS' DIET

In face of deficiency in the public arena, supermarkets can raise food quality (Reardon and Berdegúé, op.cit) by imposing their own private standards on their suppliers. And so the supermarket can impact the sanitary quality of the product but also impact the nutritional status of the consumers. There is some evidence that supermarkets can impact food consumption. This may be in a positive way, in terms in nutrition: Based on previous works (Gutman, Farina, etc.), Reardon and Berdegúé (op.cit.), show how supermarkets, by making demand in product innovation and logistics, have impacted the dairy product supply chains in Latin America: this has increased the number of consumers of milk (but it has also reduced the number of suppliers able to meet this new requirement and led to a concentration of production). In France, supermarkets are the only place that can still afford to sell such perishable products as fresh milk (smaller retailers only sell long conservation milk). But as Wrigley et. al (2002) point out, in the situation of a concentrated retailing system and food desert, supermarkets become the only place where consumers who can afford the transport, can buy healthy food, such as vegetables and fruits, at affordable prices; it must also be remembered that supermarkets have contributed to the creation of this situation of scarcity in the first place.

But supermarkets can also impact negatively consumers' diet, favouring the consumption of industrial processed food, with high fat, sugar, or salt content ("junk food") responsible for the development of Nutrition Related Non Communicable Diseases NR-NCD such as obesity, acquired diabetes, cholesterol, and cardiovascular diseases. Physiologists have shown evidence of the impact of large food availability – the so-called "supermarket diet" - on the development of obesity, qualified as "obesity by choice," in rat populations (Tordoff 2002). Tordoff suggests that this model may point to a model for human obesity.

5 - ADAPTATION TO URBAN WAYS OF LIFE

Supermarkets may also be considered as a response to urban consumers' new demands. Reardon and Berdegúé (op.cit.) show that in Europe, as in Latin America, supermarket development is based on the same determinants: urbanisation, the entry of women into the work force outside the home, increased income per capita (greater demand for non-staple food), developing means of transport (car) and storage (refrigerator). Supermarkets, by allowing people to gain time in preparing and purchasing food (packaged food, long conservation food, etc.) respond to urban consumers' new demands.

6 - "DISTINCTION" AND "RETAILTAINMENT"

But besides these material determinants, socio-cultural determinants are also essential to explain the attraction that supermarkets might have on consumers. This refers to the concept of "consumer value" (from Filser 1996 quoted by Badot, 2003): the consumer does not only aim to maximize utility, but also looks for some experience: the consumer tries to obtain some pleasurable gratification in the purchasing act; the value of the product is not limited to its utility but results also from the interaction between the consumer, the products, the sellers, and the retailing point. All these dimensions are part of the "consumer value". Buying products in supermarket can refer to individual motivation such as search of distraction or pleasure, and so supermarkets seems to be a

retailing place able to offer high consumer-value while providing some kind of "retailtainment" (Badot and Dupuis 2002).

In some contexts - in particular, during the beginning of the implementation of supermarkets - buying products in some modern retailing outlets such as supermarkets can be a matter of "strategy of distinction" (Bourdieu 1979). This means that the choice of product or retail location may be the result of some social motivation, such as the honour acquired through the consumption of specific goods or the frequenting of certain purchasing places.

C - CONCLUSION PART I

Works modelling supermarket development lack long-term perspective and consumption concerns. In a context of retail modernisation, the rise of supermarkets, and retail concentration (which we consider to be synonymous), these models could potentially serve to design policies in favour of food consumption, and particularly food consumption in poor households. In order to do so, these policies should address the following issues:

- *Prices*: avoid excessive concentration in retailing sector and monopolistic situations that could contribute to rising food prices.
- *Food miles*: act in favour of national supermarket chains, selling national products, so as to reduce imported food and its effects on trade balance in order to reduce "food miles".
- *Food desert*: plan the spatial distribution of retailing points so as to avoid creating "food deserts," especially in poor areas.
- *Supermarket diet*: have education programmes in nutrition so as to support consumer decision-making in the face of the increasing diversity of food offered.
- *Quality*: accompany supermarket actions in favour of quality. States must also act to sustain the generic quality, making it accessible for everyone, considering health as a public good. There is a need to avoid a "poor consumers apartheid" whereby the poor consumer is trapped in a consumption world of bad quality products with little choice.
- *Retailtainment*: reinforce policies to support cultural activities in poor areas so that supermarkets and shopping malls do not become the only place of entertainment for poor households.
- *Consumers participation*: build policies of retail modernisation based on an analysis of consumer demands, including poor consumers, so that retail modernisation can actually meet these demands. Consumers associations can help to identify these demands and should contribute to equilibrate the social forces in a context of retail concentration.

PART II. SOCIAL POLICIES AND FOOD POVERTY IN VIETNAM

(contributors: M. Nguyen Duc Truyen, Nguyen Thanh Loan, Nguyen Duc Hoan, IOS-VASS)

A - GENERAL POVERTY AND FOOD POVERTY

Vietnam is a poor country. The purchase parity power is about 2300 US \$/year/capita (GDP is 482 US\$/cap). But poverty is rapidly declining: 66% in 1993, 63% in 1998 and 57% in 2001-2002. (Vietnam General Statistical Office).

Some works (Krowolski 1999) show that increasing income first benefits improvements in housing (construction, equipment) rather than food consumption. Children's education seems also to be a priority ("I know that my girls receive insufficient food but I prefer to put money on their education" testifies a mother in our study).

The food poverty line is defined as the minimum level of expenditure necessary to cover the purchase of food in order to satisfy minimum caloric needs (2100 calories per day). This food poverty line is estimated in 2002 at 146 000 VND per capita per month in urban areas and 112 000 VND in rural areas (GSO 2004) 0.31 \$/day and 0.24 \$/day). In 2002, 9.9% of the population supposedly lives under this food poverty line, with a maximum rate of 28.0% in the North West Mountain area and a minimum rate of 3.2% in the South-East Region. This food poverty is essentially rural: it reaches 11.9% of the households in rural areas and 3.9% in urban areas. The food poverty rate is continually decreasing: it was 15.0% in 1998 and 24.8% in 1993 (GSO 1994; GSO 2000).

No policy directly aims at supporting the poor as consumers. We have to survey in price policies, food security policies, poverty alleviation programmes, and consumers' protection what is in measure to support food consumption in poor households.

B - PRICE POLICIES

• Before 1986: Food Subsidies

During the period of food shortage, food subsidies were practiced in Vietnam through a food ticket system. These tickets allowed people to buy a fixed quantity of a product for a fixed price in state-owned shops. To have access to higher quantity, consumers had to purchase on free markets where prices were 2 or 3 times higher.

Fresh products such as vegetables and fruits were only available on the open market.

The distribution of these tickets was not a function of households' income but was related to the status of the head of the households. For example, civil servants could receive:

- 13 kg of rice/capita/month.
- 300 to 500 g of meat /capita/month

People who were not civil servants only received 100 gr. of meat/capita/month.

• Doi moi: price stabilization

With the adoption of the new Vietnam policy of market liberalization, Doi Moi, a single price system was introduced and all subsidies were discontinued (Quang 1999).

Nevertheless, the Government continues acting on prices. Its action on consumption prices is mainly indirect, through actions on the prices of agricultural inputs.

The Government decision n°137/HDBT in 1992, aims at fixing and stabilizing prices of some key assets. Regarding foodstuffs, the State fixes price or fixes limit prices for some agricultural inputs or production goods (such as land water for irrigation, petrol, urea, and price of food transportation). It fixes limit prices for rice. A system of information on prices is settled through the Committee on Prices. According to Quang (1999), "*Decision no.137/HDBT has produced a positive impact on the sale of food by retailers and the purchase of food by consumers. Notably, this decision has guaranteed the possibility to purchase food year round at stable prices*".

In 2002, an Ordinance on Prices (n°40-2002_PL-UBTVQH10) pursued by the Decree on Prices No. 170-2003-ND-CP modifies the 1992 Decision. It gives the responsibility of price control to the Ministry of Finance (MoF). Regarding foodstuffs, MoF is responsible for the stabilization of the price of rice (as well as for coffee and salt) in case of abnormal fluctuation in market prices. The State continues fixing or stabilizing prices of agricultural inputs such as petrol and fertilizer.

In fact, it is difficult to design a clear picture of public intervention on prices due to the different levels of intervention involved (state and provinces), and the context of reorganisation linked to the process of WTO membership.

Nevertheless in 2004, according to the Ministry of Finance, in charge of the "Consumer Price Index," consumer prices rose 9.5 %. This is a record compared to the past years: +4.5% in 1996, +3.6% in 1997, +9.2% in 1998, +0.1% in 1999, -0.6% in 2000, +0.8% in 2001 and +3% in 2003.

Food prices - (food forms half the basket of goods on which the Consumer Price Index is based), rose significantly: +17.7% for staple foods (mainly rice), + 15.6% for other foodstuffs. If we consider the importance of food expenditure in the total expenditure of the poor households (see below), poor households have been significantly affected by this increase.

This price increase is supposed to be linked to external factors such as the increase of oil and fertilizer prices on the world market, the increase of the euro and of the yen, but also to internal factors such as the avian flu.

C - FOOD SECURITY, POVERTY REDUCTION.

Because poor households live essentially in rural areas and depend on agricultural activities, Vietnam's policies of poverty alleviation address mainly the rural poor by sustaining their productive activities. Poverty reduction and growth strategy are thus linked in the Vietnamese programme: "comprehensive poverty reduction and growth strategy (pro-poor growth)" (CPRGS).

The program 135 of poverty alleviation intervenes at the regional scale, by providing infrastructure in poor rural areas (including rural markets to stimulate trade). At the household level, support can be provided by the Bank of Agriculture and Rural Development.

But for the non-agricultural poor, and particularly for urban poor, supports are few: the Fund for Reducing Poverty support activities of agriculture but also handicraft. The Women's Union also supports urban area households in some productive activities, including handicraft.

Tools to directly support their consumption are few:

- Poor households can appeal to the *Bank of Social Policies*, which can provide short-term credit for consumption.
- In case of natural disasters or during Têt, (Lunar New Year) the Government can also provide financial aid or aid in kind for poor households.

Food consumption is also addressed by a food security programme.

A Food Security Information Unit, in the Department of Planning of Ministry of Agriculture and Rural Development (MARD) has the responsibility to provide reliable information to support national food security and poverty eradication programs. Assistance is being provided by Italy/FAO Project "Strengthening National Food Security Information System". Its main activity is to produce production forecasts. But the attempt to approach food security at household level has failed: a National Committee for Household Food Security and a National Household Food Security Information System (NHFSIS) were set up by the MARD in 1998. But they have since closed due to lack of commitment by their participants.

D - CONSUMER MOVEMENT AND POOR CONSUMERS

A consumer movement in Vietnam is still in its nascent stages. A consumers' association was created in 1991. Also at this time, the Vietnam Science and Technology Association of Standardization, Metrology, Quality (created in 1988) decided to incorporate consumer protection into the association charter and to change the association name to Vietnam Standard and Consumers Association. This association, named VINASTAS for short, has contributed to the promulgation in 1999 of an ordinance on consumer protection. The Ministry of Trade is now assigned as the state body in charge of consumer affairs in Vietnam (Phan 2004). This association suffers weak financial means and representation. The number of members is difficult to assess. There are 50 active members in the entire country. The Women's Consumer Club, which is the more active part of the association, claims 800 participants in Hanoi (Phan, 2004). VINASTAS' main role is consumer education through its magazine: *Nguoi Tieu Dung* (The Consumer, 5000 copies published monthly).

E - CONCLUSION PART II

There is no policy that directly aims at supporting food consumption in poor households.

Public interventions of food assistance are limited and national food security programmes still need to be consolidated.

Food consumption in poor households is mainly supported through indirect interventions in rural development programmes. This choice has demonstrated effectiveness, considering the decrease of food poverty. But these policies could be partly unsuitable in the next years, if we consider the social transformation in urban areas (increasing percent of urbanisation and problems of un-employment).

Non governmental interventions are still to be assessed. The role of informal networks of solidarity (family, friends, etc.) will be considered in the last part of this report, based on household surveys.

PART III. POOR HOUSEHOLDS, FOOD MARKET AND SUPERMARKET DEVELOPMENT IN VIETNAM.

A - SPECIFICITY OF FOOD CONSUMPTION IN POOR HOUSEHOLDS

The main data available on household food consumption is provided by the General Statistic Office (GSO), which regularly conducts the Vietnam Household Living Standard Survey (VHLSS), and by the National Institute of Nutrition (NIN), which conducts national nutrition surveys.

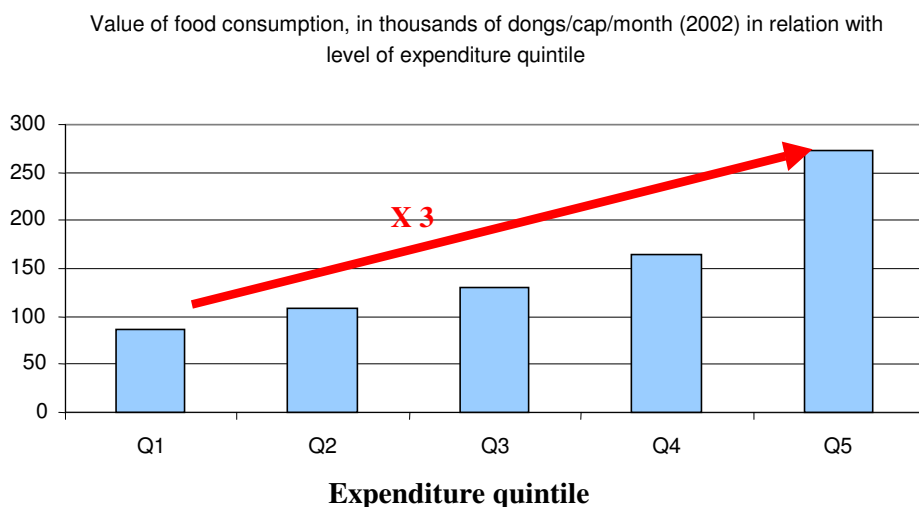
This data permits us to underline some characteristics of food consumption in poor Vietnamese households.

1 - LOW VALUE OF INDIVIDUAL FOOD CONSUMPTION

In 2002, in the poorest 20% of households, food consumption represents one third of the consumption in the richest 20% of households (respectively 86 000 and 272 000 VND/month/capita), figure 2).

Figure 2. Value of food consumption and classes of income (our calculation from GSO data)

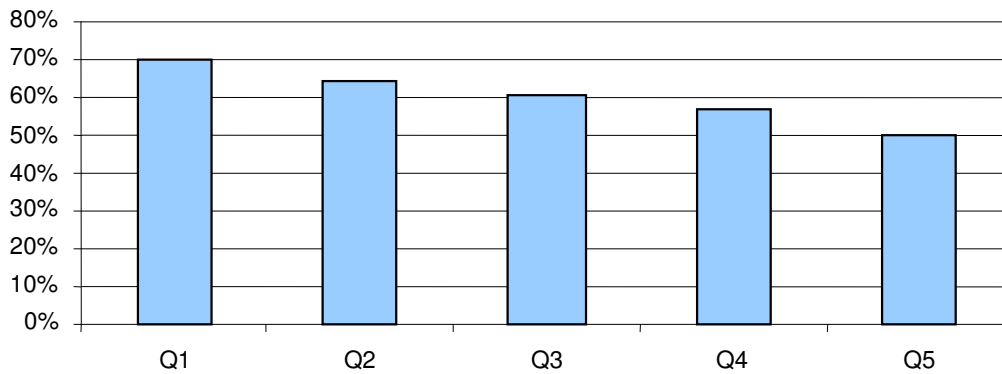
(classes of income are defined through quintiles of expenditure. Q1 represents the poorest 20% of the sample, Q5 the richest 20%)



2 - HIGH SHARE OF FOOD EXPENDITURE IN TOTAL EXPENDITURE

The value of food consumption represents a high share in the total consumption of the poorest households: this share is 70% in the poorest 20% of households, and 50% in the richest 20%(figure 3).

Figure 3. Share of food in the total household consumption (% of the value), from VHLSS 2002

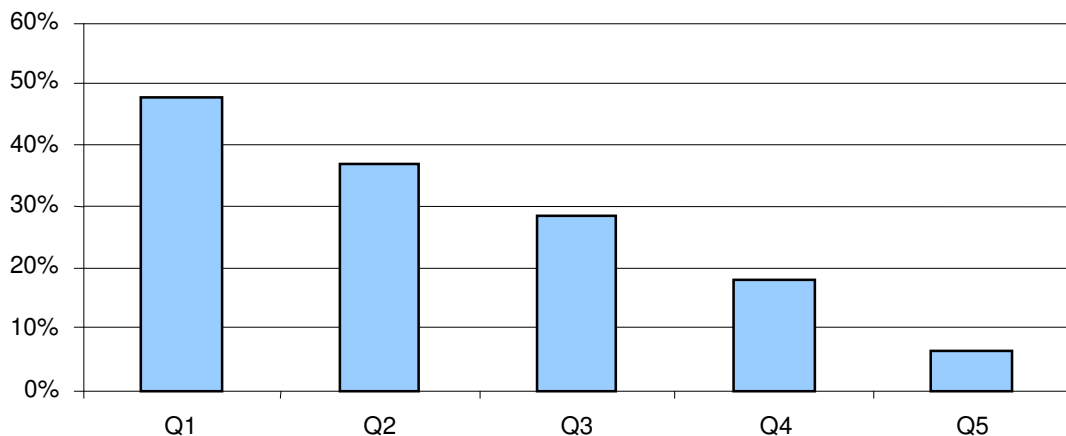


3 - HIGH BUT DECREASING SHARE OF HOME-PRODUCED FOOD

Another specificity of poor households consumption is the high share of home production: it represents 48% of the value of total household food consumption in the poorest 20% of households, but only 7% in the richest 20% (see figure 4). This reflects the fact that poor households are mainly in rural areas.

However, these poor households are becoming increasingly integrated into the market, since in 1993 the share of home production in the 20% poorest households was 54%.

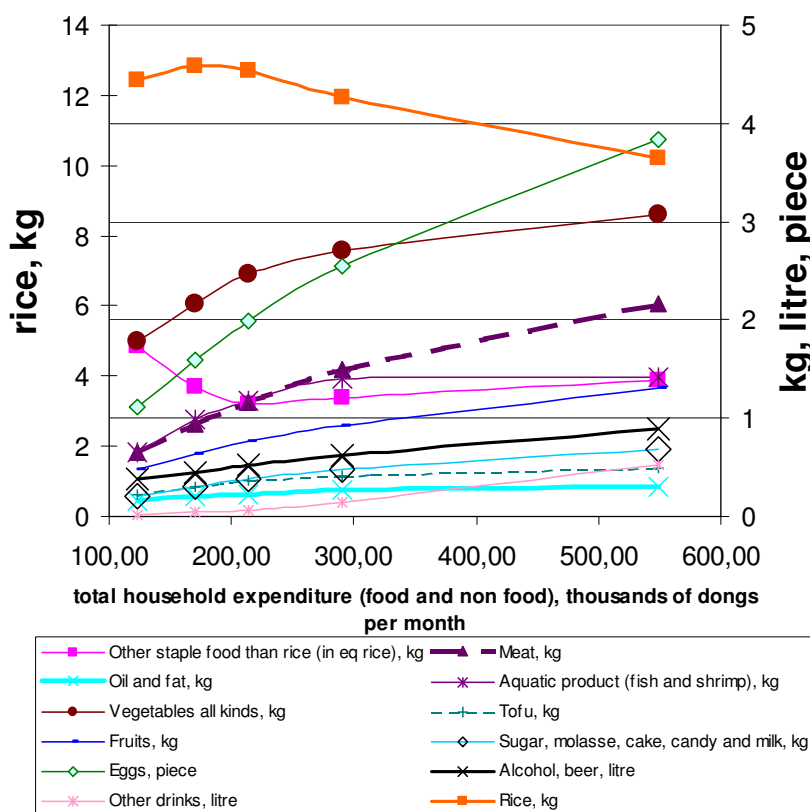
Figure 4. Share of home production in food consumption (% of the value), from VHLSS 2002



4 - A DIFFERENT DIET

Poor households not only consume less in term of monetary value, they also consume different products. The diet in poor households is less diversified: less meat and fruits, more roots and tubers (Figuíé and Anh 2004; Tuyen, Mai et al. 2004).

Figure 5. Income and food consumption in 2002 (Figuíé, Dao The Anh, 2004, based on GSO data)



B - POOR HOUSEHOLDS AND FOOD MARKETS

Poor consumers, because of their low purchasing power, receive little interest from market interventions. Nevertheless this part of the population does not simply consume less at the individual level, they consume also in a different way - which calls for special attention. Some evidence indicates that their demands differ in terms of products, retailing outlets, and quality signs.

1 - SMALL SHARE OF TOTAL FOOD MARKET

Comparing the contribution of the poorest 20% of households and the contribution of the richest 20% of households to the national food market is a way to measure inequalities: these shares are 7.8% and 44% respectively for a total food market of 7.2 billion dollars in 2002 (Figuíé and Dao The Anh 2004).

These figures are nearly the same for 1993 (we made the same assessment from GSO national survey of 1993, VLSS I). This stabilized share in the total food market results from two tendencies:

- a lower increase in the value of food consumption (value of bought, bartered, and home produced food) than in rich households,
- an increasing recourse to markets for food supplying (which testifies to the integration of poor rural households into the market).

2 - DEMAND FOR FOOD DISTRIBUTION BY POOR HOUSEHOLDS

The different outlets do not only differ according to the prices of their products, they have also different assets to respond to constraints other than purchasing power that affect poor households, such as:

- **Little mobility, little storage capacity**

The choice of a purchasing place is linked to the capacity of transport and storage of the household. This is particularly important when buying in supermarkets: they are often located in suburbs and in Hanoi, not in the poorest parts of the city (Cf H.B.An, *infra*). Shopping in supermarkets requires a means of transportation and, because people generally do not go daily to supermarkets, it also requires a capacity of storage, like a refrigerator or a freezer. These assets are missing in poor Vietnamese households (table 1).

Table 1. Share of households having different types of durable assets by expenditure quintile, GSO (VHLSS II, 1998)

% by quintile of expenditure	Total	Q1	Q2	Q3	Q4	Q5
refrigerator, freezer	10.95	0.11	0.10	0.6	3.72	37.48
gas stove	8.43	0.33	0.4	0.51	2.12	29.10
electric stove, rice cooker, pressure cooker	22.22	0.22	2.30	6.26	19.73	61.01
car	0.23	—	—	0.09	—	0.81
motorbike	23.82	1.41	4.71	9.86	24.66	58.14
bicycle	73.21	59.52	72.14	75.56	76.71	77.16

This data is not available by expenditure quintiles in VHLSS 2002. We can only mention that 38% of the households in urban areas have a refrigerator (51% in Hanoi, 52% in Ho Chi Minh city).

- **Irregular income, limited access to credit**

Because poor households often have irregular income, like day-to-day income (for example drivers of *xe om*, local moto-taxi- or day workers), households have to purchase small quantities of food day-to-day. Often, they have to ask for short-term credit, which they can only get from their usual retailer at informal markets.

- **Diversified working hours**

Availability to purchase food may be an important constraint in poor households. In this case, proximity and working hours of the outlets might also be determinants in the choice of outlet for poor consumers.

In this case, street vendors show a high adaptability. From very early in the morning to very late at night, street vendors are present in the street, moving to one place to the other in relation to the need of inhabitants, following the spatial fluctuation of the demand: for example, street vendors can wait for factory workers at their front door even late at the night (see box 2).

Box 2. Purchasing food with little time

"I am working in a footwear company. Our working time is very long, sometimes 14-15 hours per day. So I don't have lot of time. When I go home I buy vegetables from sellers in the street".

"I often come home late. I normally buy things outside, even from unknown sellers. If it is practical for me, I'll buy things from any seller".

"I rarely go to market. I also don't have a lot of time so I buy vegetables along the street on the way coming home from work. Furthermore, I don't have conditions to buy in the supermarket because my salary is not high."

"I have already been there (*in a supermarket*) to visit and improve my knowledge. I have bought things that seem affordable. But I normally buy vegetables on my way back home in the market next to the factory. Because I don't have time. I work from 7h30 am to 4h30 pm."

Focus group discussion with factory women workers, Malica (CIRAD-IOS)/Vinastas, 2004

- **Need for guaranty of quality other than prices**

In the search for quality product, price is often used as an indicator, assuming that higher quality means higher price, and vice versa. In the case of poor households, financial constraints impose to rely on guaranty of quality other than price. This guaranty might be the own assessment capacity of the buyer, or the trust in the vendor: this trust is found by buying directly from producers or from usual retailers. This means personal day-to-day relationships with the vendors or a short distribution chain, where the seller is the producer, which is often the case of morning street vendors (these vendors go back to their farms in the afternoon and so only sell in the street during the morning according to consumers).

Box 3. Purchasing quality food with little money

"Products in supermarkets are more expensive. That is why we are more confident. But the number of supermarkets isn't important enough today, their service is furthermore not very good. As there isn't supermarket in my area, I have to buy vegetables outside. I base choice of vegetables on my own impression, and with washing and soaking them at home, we are confident".

Focus group discussion with factory women workers, Malica (CIRAD-IOS)/Vinastas, 2004

C - SUPERMARKET/ FOOD RETAILING MODERNISATION IN VIETNAM

There are still few supermarkets in Vietnam, but their number is increasing quickly (160 supermarkets in 2004 (Moustier, C1).

According to the different steps of supermarket development, exposed before (see part I), supermarket development in Vietnam can be considered to be in its first stage:

- supermarkets still represent a small share of the domestic market,
- supermarket prices are higher than in other outlets and still attract only rich consumers,
- supermarkets are only present in the major cities of the country: Ho Chi Minh City, Hanoi, Can Tho, and Danang.

1 - SUPERMARKETS AND VIETNAMESE DOMESTIC FOOD MARKET

Even if the different estimations differ, they all show that supermarkets still represent a small share of the domestic market in Vietnam.

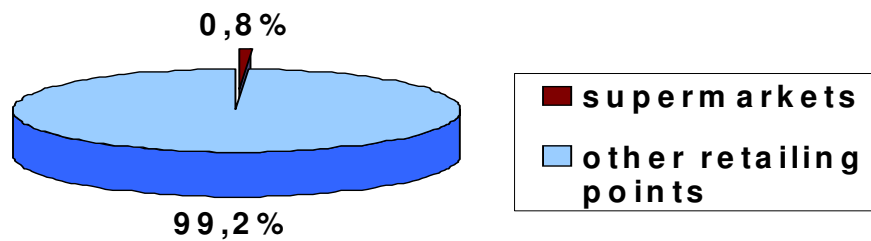
Hagen (2002) estimates the share of supermarket food sales out of total food sales at 0.5% (23 million out of 5 billion dollars) in 1999, 1% in 2002 (at 50 million dollars) and forecast 2% for 2004. This national average does not reflect the concentration of supermarkets in urban areas. The share of supermarkets in total retailing (not only food retailing) could be 5% in Ho Chi Minh City in 2001 (according to TDCtrade, 2001).

According to a market research agency (which has been running a consumer panel across Vietnam's in 1 600 urban households), in Hanoi, Ho Chi Minh City, Can Tho and Danang, modern trade outlets already comprised 10% of the total spent on food and non-food purchases of all outlet types, (15% for wet or fresh markets, and 60% in traditional street front stores). But these figures do not include fresh food.

From our own estimation of a food market of 6 billion dollars (Figuié and Dao The Anh, 2004) without considering the value of outside-home consumption and considering the 50 million dollar sales in supermarkets (Hagen 2002), in 2002, we estimate supermarkets to be 0.8% of the national food market in value (figure 6).

But due to the rapid increase in activities of supermarkets - an increase of 32% of total income for Intimex between 2003 and 2004 (Vietnam Investment review, 22/08/04) and an increase of 40% in turnover for Coop-mart between 2001 and 2002 (Mission Economique 2003) - this share may increase very quickly.

Figure 6. Share of supermarket in retailing food market in value, Vietnam, 2002



2 - PRICES IN VIETNAMESE SUPERMARKETS

Prices are still higher in supermarkets than in other retailing places:

- +10 % for foodstuffs (according to Hagen 2002)
- +25% to +250% for vegetables (Tan Loc, 2002)

The study conducted by H.B.AN (report C1) gives us more precise results: the prices in supermarkets in 2004 are higher by +5% for pork, +40 to 100% for vegetables, +40% for sugar, +18% for ordinary rice.

Further investigations would be interesting to understand what the level of inflation has been in the different food outlets in 2004 (see box 5).

Box 4. Inflation, retailing places and purchasing behaviour

In 2004, how have different retailing places passed inflation to consumers? How did consumer prices increase in the different retailing places- open markets, supermarkets, street vendors, etc.? How did this price rise impact poor consumers' purchasing behaviour? Unfortunately, the data is lacking to answer these questions. But some elements of answers can be found in interviews that we have conducted with rice sellers in Hanoi: one shop seller (who sells 190 kg of rice /day) and one street vendor (who sells around 50 kg/day).

These sellers offer a large diversity of rice to consumers (ordinary, glutinous, perfumed), of which prices increased during the year 2004. For the shop seller, the prices are the following:

<i>Types of rice</i>	<i>Price in January 2004 (VND/kg)</i>	<i>Price in December 2004 (VND/kg)</i>
<i>Khang Dan</i>	3500	4000
<i>Bac Huong</i>	4800	5800
<i>Tap Giao</i>	3500	4100
<i>Si</i>	3800	4500
<i>Nep</i>	5500	6000
<i>Du Thom</i>	4800	6000
<i>Tam Xoan</i>	6000	7500

Consumers usually mix different qualities of rice: popular restaurants buy the lowest quality -*Khang Dan*-, that they can improve by adding some *Bac Huong*. The poorest households buy only *Khang Dan* or *Tap Giao*. Wealthier households mix *Tap Giao* with *Bac Huong*, or mix *Si* with *Bac Huong*. According to the shop seller interviewed, the increasing price of rice has not only impacted the total quantity of rice she sold, but also the share of each variety: increasing demand for low quality and cheap varieties and decreasing demand for best quality varieties (*Bac Huong*). The poorest households, who already consume little perfumed rice, have had probably to reduce non-staple food consumption.

With inflation, the shop seller claims that in order to keep her customers, she had to reduce her profit, from 500 to 600 dong per kilo to 300 to 400 dong. The street vendor has to reduce her margin from 500 dong/kg to 300 dong/kg.

3 - SUPERMARKETS AND CONSUMERS IN HANOI

- **Poor consumers do not shop in supermarkets.**

Little data is available on supermarket customers. According to Le Thi Phuong study in Hanoi, (Le Thi Phuong 2004) "customers of supermarkets are young, between 25 to 40 years old, they have stable jobs with high income: civil servant, employed in private companies, tradesmen, etc. People go shopping in supermarkets in groups or with family, looking for distraction".

According to a survey conducted in the framework of the Prud project (see table 2):

- 74.4% of those interviewed in Hanoi never shop in supermarkets, 87% never or less than once a month. In HCM these figures are lower: respectively 57.4% and 76.2%.
- In the two cities, small markets are the most popular, frequented daily or many times a week.
- Street markets are more popular in Hanoi than in Ho Chi Minh city: in Hanoi 26.8% of women shop there every day or many times a week (70.6% never go). In Ho Chi Minh city, these figures are 7.4% and 81.8%.
- Old people nearly never visit supermarkets.

Table 2. Frequency of purchasing in supermarkets according to professional status (%)

Frequency	Workers	Unemployed	Pupils/ Students	House keepers	Elderly people	Persons who do not need to work	Persons who do not wish to work
Every day	0.1	0.3	0.0	0.1	0.1	0.0	0.0
Few times a week	1.4	1.9	1.3	1.5	0.4	0.5	7.3
Once a week	6.0	3.0	6.3	6.5	1.2	3.2	10.2
Once a month	14.5	10.1	12.9	16.4	4.9	11.0	14.6
Less than once a month	17.8	9.9	18.4	20.0	8.8	7.5	2.9
Never	60.2	74.7	61.1	55.5	84.6	77.9	65.0
<i>Sample size</i>	<i>6 364</i>	<i>402</i>	<i>1 521</i>	<i>1 126</i>	<i>1 681</i>	<i>114</i>	<i>18</i>

Source: Survey on intra-urban mobilities in Hô Chi Minh city (2000 households) and Hanoi (1500 households), conducted by the Project PRUD n°45, March-April 2003, IRD, Institut de Recherche Économique de HCMV, Centre de Population- Université Nationale D'économie Hanoi.

Box 5. Buying in supermarket for poor households

"Supermarket? No! We never go there. We are poor people, you know!"

"I have never been to the supermarket, but people told me how it is. I hope that one day, I will visit one".

"With my living standard and my salary, I face difficulties in buying products in supermarkets. I know that supermarkets' vegetables are clean and guaranteed but the price can be two times higher than for "outside" vegetables (*from open or street markets*). 'Even if I have never bought vegetables from there, up to now, I get informed thanks to my colleagues. If supermarket's products become cheaper, they will be accessible for all of us".

Focus group discussion with factory workers, Malica (CIRAD-IOS)/Vinastas, 2004

• **Type of customers targeted by supermarkets in Vietnam.**

For the present, supermarkets mainly aim at high or middle-income customers, but the objective in the future is to reach all social classes. For example, Co-op Mart (Saigon Coop), leader of big distribution in HCM, aims at middle income consumers but is thinking in the future to open a supermarket with high quality product for high income customers (according to Saigon Times, 06/03/2004, quoted by French Mission Economic Press Review). But in another vein, a program of cooperation has been built between Saigon Coop and the Swedish Union of Consumer Co-operatives. The objective of this program is "to contribute to the development of a democratic consumer cooperative movement in Vietnam which is able to supply members and customers goods with quality, reasonable prices, and good services in a rational environment...The project will serve low and medium income people and provide them with benefits such as education, bonus/dividends, convenience, lower consumer prices and improved food security and quality" (Swedish Embassy, mimeo, 2005).

Supermarkets also try to attract customers by increasing the services included in the products. Saigon Co-op Mart, in the most recent supermarket opened in Can Tho (Le Courier du Vietnam 24.08.2004) offers telephone orders, home delivery, child minding, etc.

Brasil provides an interesting example of supermarket deliberately targeting the poor (see Box 6).

Box 6. Yamada Supermarket and poor consumers in Brazil

Yamada Group is an unconventional department-store and supermarket chain founded by a Japanese immigrant. Yamada focuses on poor Brazilians working in informal sector of economy. This supermarket supports consumption of poor households by giving them credit facility (credit card). These families generally cannot access credit: they lack steady income and employment documents used for a traditional credit-worthiness check. In fact, most don't have a birth certificate or a bank account. In principle, Yamada is prepared to issue a card to every working person, as long as the person has no criminal record and has a mailing address. To evaluate an applicant and determine a credit limit, the chain employs agents who track down the home and workplace of most applicants... With the poor, self-employed worker in mind, Yamada recently introduced an insurance plan in the event of death, illness or loss of income. "If the police evicts a guy from a street corner where he has been selling chocolates for years, his income will be eroded until he finds a new spot," says Mr. Yamada." For \$3.80 a month, Yamada debts worth up to \$2,500 can be forgiven". Pharmacies, bookstores and camera shops in Belem now accept the Yamada card.

Source: <http://www.biz.uiowa.edu/class/6m147/eworkbooks/eworkbook2/article19.html>

D - CONCLUSION PART III

Supermarket development is just beginning in Vietnam, occupying only 0.8% of the food market.

Food consumption represents 70% of the value of poor households' consumption and poor households are more and more dependent on markets for food supply. This contributes to making these households more vulnerable to any transformation in the food distribution sector. At the present, these households are not directly affected by the development of supermarkets, where they never or rarely shop. But this will probably change very quickly. Assessing poor households' purchasing practices is necessary to assess how supermarkets' development can answer to their needs, constraints and demands (see following part).

PART IV. POOR HOUSEHOLDS, PURCHASING PRACTICES, AND ATTITUDES

A - THE METHOD

To assess poor consumers' access to distribution value chains, we choose to focus on the following questions: what are the purchasing practices of poor households, what are the constraints and values that orient them? Can food distribution modernisation, and supermarket development in particular, lighten these constraints?

Our study has been conducted in two areas -Hanoi, and Moc Chau in Son La Province.

1 - CHOICE OF THE AREA OF THE SURVEY

(figure 7)

In Hanoi, we chose to survey poor households in the Quynh Mai area, Hai Ba Trung District. The reasons for this choice are the following: 1) this place has already been studied in a previous research project on urban poverty by the Institute of Sociology (Parenteau 1997), 2) the Institute of Sociology has a good experience of collaboration with the local Women's Union. Even if in Hanoi, there is not very pronounced separation between poor and rich areas (no ghetto), Quynh Mai is an area with a high rate of manual unskilled workers, employed in the local factories. There are all sorts of outlets, and even a supermarket at less than 2 km.

Moc Chau has been chosen as an example of a "secondary city" for the Component 3, which looks at the insertion of poor producers of this region in Distribution Value Chains. That is the reason why we chose this area as an example of secondary city.

2 - PROTOCOL

In the two areas, officials from Women Union have been our key informants. They have furnished us with:

- socio-economic data of the area and in particular, descriptions of the poverty in the area.
- visits to the different kinds of retailing places.
- organization of the sample. In each area, we have asked to interview the poorest households. A member of the Women's Union has conducted us and introduced us in each household.

Six students from the Institute of Sociology have been trained as surveyors. 110 households have been surveyed in Hanoi, 110 in Moc Chau. The survey was conducted with the person in charge for purchasing food in the household, generally the women. Participants have received compensation.

3 - QUESTIONNAIRES

The questionnaire has been tested in 30 households in each place, and discussed with surveyors and the computer scientist in charge of processing the data. After this, the questionnaire was reshaped. Information collected from households is presented in Table 3 (see also the questionnaire in Annex 1).

Table 3. Information collected or recorded from surveyed households

1. Socio-economic data on household: members (sex, age, education, activity, income, working hours), financial aid, house (area, rent, assets: fridge, car, motor bike, bicycle, etc.)
2. Household food vulnerability: auto-assessment of household diet, food shortage, credit contracted for buying food
3. Places of purchasing: for each place: frequency, main product bought, opinion (advantage and disadvantages)
4. Daily purchasing practices: who buy, when, what, where, expenditure?
5. Outside consumption: who, when, where, what, expenditure?

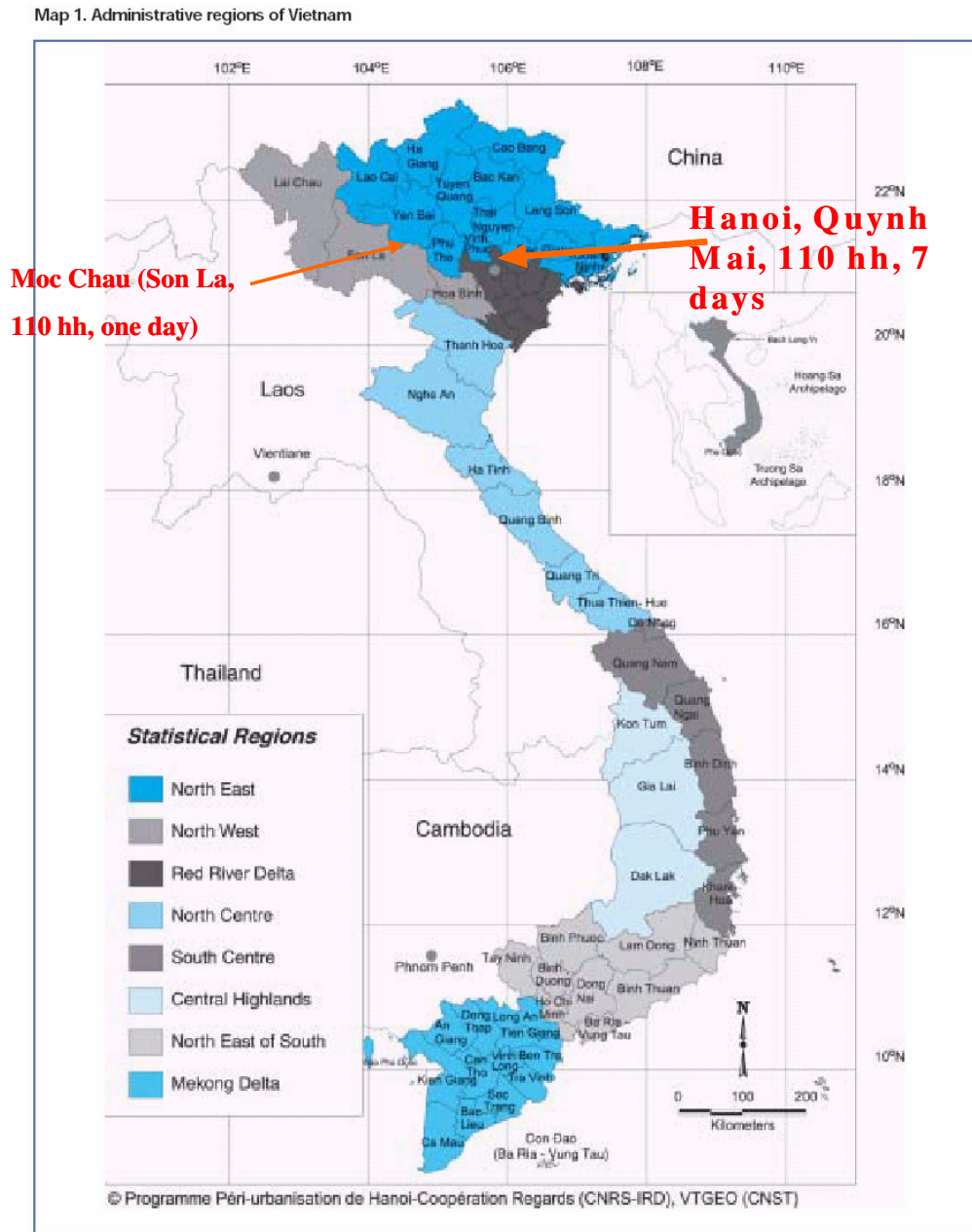
In Hanoi, parts 4 and 5 (daily purchasing practices and outside consumption) have been monitored during one week (from 27th of August 2004 to 3rd of September 2004). In Moc Chau households were only visited once (between the 22nd and the 25th of September 2004).

4 - DATA ANALYSIS

Data was collected with Access 1997 (see the description of the database in Annex 2) and analyses were carried out using Excel.

Tests were done in each sub-sample (Hanoi and Moc Chau) to reveal effects of the income on the households' purchasing practices inside each sub-sample. But due to the homogeneity (only poor households, with little differences of income), no differences appear. So we will present the average results for each sub-sample.

Figure 7. Map of the areas of the survey



B - DESCRIPTION OF THE AREA OF THE SURVEY

(Nguyen Duc Truyen, IOS)

1 - HANOI: QUYNH MAI

(Statistical data were provided by the People's Committee of Quynh Mai area). See Picture 1.

- **An industrial area, inhabited by manual workers**

Quynh Mai is a district located in the south east of the city, 3 km far from the centre (3 km from Hoan Kiem lake). 13 000 persons live there (3 156 households).

This area which was considered as outlying in the 60's, has been dedicated to industry: at this time, many state factories were implemented there: "Garment Factory 8 of March", "Garment Factory Minh Khai", "Sewing Thread Factory", "Knitting Factory", "Factory Mai Dong", "Factory of Vermicelli Hai Chau", "Factory of Sweet Hai Ha", Brick Factory Nam Thang", etc. So, manual workers represent the major part of the population of the area (65% in 1996, 40% in 2004).

The income of these workers is very low (400,000 to 500,000 dongs/month). Like many other factories, these factories developed in the 70's, exporting to USSR. The collapse of the socialist block has brought these factories near to bankruptcy and workers' wages had to be reduced. These factories often operate three eight-hour shifts.

Possibility of extra-work is limited (watch on motorbike park, repair bicycle and bike, home clothes business, home cleaning), and extra incomes are low (around 50 to 200,000 VND/month).

According to the state standards (income lower than 170,000 VND/capita/month) there are no poor households in Quynh Mai. But according to the Women's Union, 30% of the households live with less than 300.000 VND/capita/month and should be considered as poor (and 60% of the households have an income between 300 000 and 600 000 VND/capita/month).

- **Collective building**

On former fields and ponds, state companies have built collective buildings for the workers and employees of the factory, known as KTT (Khu Tập Thể). The flat are small, from 10 to 24 square meters. The collective dimension of these habitations is linked to the fact that households have to share a kitchen and bathroom (one for four flats). Since they have been built, the space has been greatly reorganized inside the building. Flats have been divided and families have installed private kitchens in the corridors or on the balconies. Nowadays kitchen areas are very reduced (from 1 to 2 m²), the assets are limited to one water tap, one small oven (electric, petrol or coal). The fridge, when there is one is kept inside the flat. These kitchens are in fact often reduced to a wood cupboard hooked to the balustrade of the corridor.

Pictures 1. Buildings, outlets, kitchens in Quynh Mai (M.Figué, 2004-2005)



- **An important diversity of food outlets in the area**

Before the 90's, food outlets were limited to state-owned shops, in the main street (Pho Kim Nguu). After the economic liberalisation, the private sector of distribution, through informal markets, has developed in the interstices still available between the collective buildings. Families who had ground floor flats, have benefit a lot from this liberalisation, opening shops which have considerably bettered their income level.

Today, 40% of the sellers implemented in the area are originally from Quynh Mai.

The outlets in the area are the following (see map picture 2):

- **Formal market:** During our survey, the two nearest formal markets were the Market Mo (Bach Mai area) at 2 km and the Market Hom (on Ngo Thi Nham street at 2.5 km). A market area has been built in Quynh Mai area; and has opened in December 2004, after our survey. It is a closed place, with places strictly allocated, and with a managing board. The prices to get a stand are high and out of reach for a large number of the street vendors who work in the area. Inhabitants in the area fear that when the formal market opens, the informal markets will be more strictly prohibited and prices will increase. This market is built on the area of a previous market but the new market is biggest (1 700 m²). To extend it, expropriations have been necessary. Because of the higher costs for expropriate owner of wealthy houses, and renouncing to the former project, the extension has been limited to the direction of the area of poor households. It creates employment for 265 households.
- **Informal Market "Market 8th of March" (street market).** This market results from a progressive gathering of mobile vendors. Because this market is not legal, there is no management board and the allocation of places is the product of informal rules, difficult to identify. This allocation is not fixed, can be always called into question. Vendors have to pay a tax of 1,000 to 2,000 dong per day as a garbage tax. In case of control by the police, vendors have to run away to avoid fines. The dwellers of the area call this market "the rural market" because there are a lot of producers vending here. These producers come from peri-urban areas (bank of the Red River) or from the nearby province of Hung Yen. Selling is for them an irregular and extra activity for which they cannot make investment, like buying a stall in a formal market. This informal market is tolerated by the authorities because the formal market is not finished to be built. It offers employment toe 300 to 400 households.
- **"Toad market".** There are 4 small informal markets between the collective buildings. They take their name from the number of the buildings which framed them. Each one is rather specialized: 1) market C9/D5 offers meat, fish, vegetables, and some special products like roasting meat, in particular, roasting dog meat. 2) market C8/D7 specializes in fresh meat and fish 3) market A5/A6 specializes in street restaurants, and dried food such as all kind of noodles and dried mushrooms.

Picture 2. Plan of Quynh Mai area



4) Market A4 specializes in clothes and household electrical supplies. Some of these markets are functioning from 5h00 to 11h00 (C8D7, A4) or from 15h30 to 19H00 (C9D5; A5A6).

- **Stalls.** These stalls are installed on the pavement of the street "8th of March" and in the nearby streets. They sell meat, fish, fruits, vegetable, ready-to-eat food, and rice. The foodstuffs lay on a table or in baskets on the floor. There is sometimes a cover to protect them from sun and rain. Stall vendors stay all day long and these stalls become a part of the 8th of March Market when it opens.
- **Shops.** There are small private shops, installed on the ground floor of the house, generally specialized (frozen aquatics products, fish sauce "nuoc mam", rice, quality vegetables ("rau sach")). Opened from 6h00 some shops only close at 22h00.
- **Street mobile vendors.** These vendors are mainly producers, they are present in the morning and go back to their home in the afternoon. They mainly sell fruits, flowers, or vegetables on their bicycle. During a part of the day, they can join a *toad market* or circulate in the street to meet potential buyers (see box 7).
- **Supermarkets.** They are located outside the area. The nearest ones are the Supermarket Van Ho at 2 km, and the Supermarket Tran Tien Plaza at 3 km.

Box 7. One example of a street vendor in Quynh Mai

Mrs X is an inhabitant of Quynh Mai area. She lives with her son, his wife, and children. After being employed at the canteen of the Polytechnic Institute, she retired five years ago. But her pension (510 000 VND/month) is very low, and because her grandchildren are big enough and do not need her any more at home, she decided to sell fruits in the street. Every day of the week, she goes to the wholesale market of Long Bien at 5 a.m to buy around 40 kg of fruits that she carries in her baskets. She first stays at the door of the hospital "8th of March" in Quynh Mai area during the visiting hours (from 7h00 to 12H00). Then she moves on small distances, always in the same area, till 6 p.m. Everyday, she earns around 20 000 VND (1 euro).

2 - A SECONDARY CITY: MOC CHAU IN SON LA PROVINCE

(From Nguyen Duc Truyen, IOS)

- **A rural area, farmers and day workers**

Moc Chau is a rural district, located in the province of Son La, at 220 km south west of Hanoi. It is a high (1050 m) but fairly flat region. The good conditions of topography and climate explain why this area was chosen during the period of planned economy for the installation of big State-owned farms, (tea, milk, silk worms, etc.). Nowadays, small independent producers are the main part of the population. The country town (31,000 inhabitants) of this district is called Moc Chau and is divided into two areas, 5 km apart: the area called "Moc Chau Town" (8,000 inhabitants) and the area "Moc Chau Farm" (23,000 inhabitants, area of the previous state owned farms).

Officially, 110 households have a poverty certificate (delivered by the district for households with less than 200,000 VND/cap/month and a "good morality") out of a total of 10,256 households. This means that around 1% of the households are considered poor (10% for the entire district). But according to the Women's Union, there are around 20% of households in Moc Chau (Town and Farm) living with less than 300.000 VND/cap/month, and who should be considered as poor. They are mainly daily workers, involved in agriculture, transport, or construction.

Families live in small houses with a garden. These gardens supply the family with chayote, and allow it to raise some pork and chicken. The sale of the pork, once a year, helps to provide the family with a rice stock.

- **Retailing outlets**

- **Markets**

In Moc Chau there are four markets

- two formal markets with a managing board. The price to get a stall in these markets is around 40 to 100 millions of dong for a 15 year lease.
- two informal markets: the market of the Museum and the market Ban Phu.

- **Shops**

There are officially 280 shops in the streets of Moc Chau Town, 500 to 600 in Moc Chau Farm. They work as retailers, collectors, and wholesalers: they sell products from other areas such as rice, meat, vegetables from Dien Bien Phu or the Red River Delta. They also collect products from Moc Chau District (chayote, cabbage, tomato, plum) to be sold in the delta.

- **Mobile vendors**

Mobile vendors are more numerous in Moc Chau Farm because this area is larger. They are local people, moving on bicycle; in the rural part of the district. One also encounters vendors in small buses, coming from the Red River Delta, and going from one village to another.

C - SOCIO-ECONOMIC PROFILE OF THE HOUSEHOLDS SURVEYED

1 - GENERAL FEATURES OF THE HOUSEHOLDS

In Hanoi, 110 households were surveyed in Quynh Mai area, consisting of 450 people, of which 109 are under 15 years old and 50 are up to 65 years old. Three of these households are with just one member, seven have two (mostly mother and child). Forty-two include three generations.

In Moc Chau, 110 households have been surveyed, consisting of 440 people, of which 114 are under 15 years old and 13 are up to 65 years old. Two of these households are with just one member, six with two. Eight households gather three generations. The level of education is lower in Moc Chau than in Hanoi (see table 4). In both situations, manual workers predominate, with a high share of workers in the primary sector in Moc Chau (table 5). The percentage of unemployed people poorly reflects the reality of part time workers or day workers. In Moc Chau, seasonal migrations are common (mainly men, working on building sites for several weeks, often in Hanoi. In this case, the limit of the household is not always easy to define).

Table 4. Instruction level of the head of the household in Quynh Mai and Moc Chau poor households

instruction level of the head of the household (%)	Quynh Mai- Hanoi	Moc Chau
no school	0.0	1.8
class 1 to 5	10.9	20.0
class 6 to 9	42.7	57.3
class 10 to 12	40.9	16.4
up to class 12	5.5	4.5

Sample size: 110 households in Quynh Mai-Hanoi, 110 in Moc Chau

Table 5. Main activity of the adults in Quynh Mai and Moc Chau poor households

occupation (% of people in age of working in the sample)	Quynh Mai-Hanoi	Moc Chau
number of people in age of working in the sample	n= 300	n= 259
Skilled manual worker	41.0%	20.1%
Unskilled worker	5.7%	6.2%
Staff in foreign organization or joint venture	1.0%	0.0%
Owner of retail business	1.7%	0.4%

Staff in State agency or ltd. Company	25.0%	14.7%
Personal services, security guard, seller	6.7%	0.8%
Vendor, retailer	2.0%	3.1%
Farmer, forester, fisherman	0.3%	32.8%
Unemployed	9.3%	6.9%
student (>18)	7.3%	15.1%
Total	100.0%	100.0%

The average income in the Quynh Mai sample is 348,000 VND/capita/month, and 208,000 for Moc Chau sample (table 6). This data has to be considered with care because it is difficult to assess households' income, in particular agricultural incomes, such as in Moc Chau.

Table 6. Household incomes

income VND/month/capita (including children)	Quynh Mai-Hanoi	Moc Chau
<i>average income</i>	348,000	208,000
<i>number of households with income:</i>		
under 200,000	14	52
from 201,000 to 400,000	63	37
from 401,000 to 600,000	32	10
up to 601,000	1	11

Sample size: 110 households in Quynh Mai-Hanoi, 110 in Moc Chau

2 - HOUSE AND EQUIPMENT

The area and the equipment of the household confirm the low standard of living of the families. In Quynh Mai-Hanoi, the houses have a reduced area with an average of 7.4 m² per person (this data is not available for Moc Chau). Refrigerators are still rare in the Moc Chau sample, compared with the relatively high proportion of refrigerators in the Quynh Mai sample (table 7) - 56.4% compared to the Hanoi average (51 % of the households in Hanoi have a fridge, GSO, VHLSS 2002). But we have to underline that in many cases these refrigerators are unplugged or are only plugged in during the hot season (see box 8).

Table 7. Household equipment

% of households with	Hanoi	Moc Chau
Refrigerator	56.4	7.3
Freezer	10.0	0.0
Bicycle	70.0	74.5
Motorbike	52.7	45.5
Car	0	0

Sample size: 110 households in Quynh Mai-Hanoi, 110 in Moc Chau

Box 8: Description of the use of the fridge

In Quynh Mai, many refrigerators in poor households are unplugged. Some are out of order and serve as a kind of cupboard, while some are only plugged in during the hot season (according to some interviewees the cost of electricity for a refrigerator is about 30-40.000 VND/month). Most of the housekeepers purchase food every day, early in the morning, before going to work. They cook the meat or the fish, if there is any, just after buying it and keep it in the fridge. But, vegetables and rice are cooked just before eating. So, most of the time, the fridge contains cooked fish and meat, uncooked vegetables and fruits. The rest of food does not last more than two days. The refrigerator also contains water to be refreshed. The freezer (on the top of the refrigerator) only serves to produce ice (sometimes sold to the neighbours), but never to keep food.

3 - FOOD INSECURITY

- **Suffering food shortage**

Food insecurity is widespread in the households surveyed. This is obvious in Moc Chau, where 29% of the households claim to face food shortage regularly and 41% occasionally (2% and 13% in Hanoi, table 8).

Table 8. % of households suffering food shortage in Quynh Mai (Hanoi) and Moc Chau

% of answers	Quynh Mai Hanoi	Moc Chau
never	85.0	30.0
occasionally	13.1	40.9
regularly	1.9	29.1

Sample size: 107 households in Quynh Mai- Hanoi, 110 in Moc Chau

But even in Hanoi, when we ask respondents to prioritize what they would like to improve in their diet, 37% wish to increase the quantity of what they consume, 20% wish to have a more regular diet (table 9). Having a more tasty diet is their first wish.

Table 9. What Hanoi and Moc Chau poor households wish to improve in their diet?

% of households who choose this answer	Quynh Mai- Hanoi	Moc Chau
More tasty	71.8	56.4
More abundant	37.3	56.4
More diversified	56.4	44.5
More balanced	42.7	35.5
More regular	20.0	34.5
better sanitary quality	37.3	29.1
Other	13.6 (9.1 "more fruits")	8.2

Q. If you had the opportunity, what will you improve in your diet, by order of priority? (three answers possible) Sample size: 110 households in Quynh Mai-Hanoi, 110 in Moc Chau

- **Facing food shortage**

To face this situation, around 1/5 of the households in the Moc Chau sample and 1/3 in the Hanoi sample, receive financial support from the government or from their family (table 10).

Table 10. % of poor households receiving financial support

% of households who receive	Quynh Mai- Hanoi	Moc Chau
government support	37.3	19.1
family support	30.0	19.1

Sample size: 110 households in Quynh Mai-Hanoi, 110 in Moc Chau

But this support is very low. For 95% of the sample, it represents less than 10% of the financial resources of the households in Quynh Mai-Hanoi and 5% in Moc Chau.

Borrowing money is another alternative. During the month before the survey, nearly 1/2 of the households in Moc Chau had borrowed money to buy food and 1/4 in Quynh Mai-Hanoi (table 11).

Table 11. % of poor households borrowing money to buy food

	Quynh Mai- Hanoi	Moc Chau
% of households who have borrowed money to buy food during the last month	25.5	47.3
amount borrowed to buy food during the last month	from 50,000 to 1 million VND	from 16,000 to 3 millions VND

Sample size: 110 households in Quynh Mai-Hanoi, 110 in Moc Chau

Households also receive food (more than half of the households of our sample) from family or neighbours, mainly sugar, milk or fruits, and especially in case of illness (table 12). But the value of the food received is very low: approximately 32,500 VND per month on average for households in Hanoi and 23 100 VND in Moc Chau.

Table 12. Food help in Hanoi and Moc Chau poor households

	Quynh Mai- Hanoi	Moc Chau
% of total households who receive food aid	50.0	61.8
average value (of the total of households who receive aid)	32,500 VND/month	23,100 VND/month
origin (% of total households who received food aid)		
from family	40.9	39.1
from neighbours	23.6	47.3
from friends	13.6	6.4
from government	5.5	8.2
from charity organisation	0.0	3.6
other	4.5	4.5
products received (% of total households who received food aid)		
sugar	27.3	50.0
milk	30.0	46.4
fruits	36.4	34.5
cake	10.0	12.7
vegetables	2.7	8.2
rice	4.5	3.6
fish	3.6	0.9
eggs	1.8	8.2
meat	5.5	5.5
other	4.5	5.5

Q. During the last year did your household receive food (food aid)? yes/no, from whom? which product? Sample size: 110 households in Quynh Mai-Hanoi, 110 in Moc Chau

This table shows the importance of informal networks of solidarity (family, friends, etc.) to support poor families, in comparison with government or non-governmental organizations. Another opportunity to face food shortage is to collect wild plants or animals: in Moc Chau 35 households state that they collect food in wild areas (wild vegetables, bamboo shoot, crab, fish, shrimp, bird).

In Quynh Mai, 10 years ago, people could fish in the river Kim Nguu, which marks the east limit of the area, but the pollution is now too high and there is no more fish.

D - PURCHASING FOOD PRACTICES

1 - SELF PRODUCTION

There is no self-production in our sample in Hanoi. Nevertheless it is not rare to find pigs, poultry (or even bears for bile) raised in Hanoi. But these activities are not possible in collective buildings like KTT.

In Moc Chau, self-production is important, nearly 90% of the households produce part of the food that they consume (table 13).

This is mainly home garden production: chayote (*Sechium edule*), which constitutes an essential component of the diet of the surveyed households (after rice), and fruits in much smaller volume.

Table 13. Self-production in Moc Chau

% of households producing part of what they consume	Moc Chau
total	89.1
vegetables	74.5
fruits	58.2
chicken	50.0
honey	50.0
eggs	30.0
pigs	23.6
maize	15.5
rice	12.7
manioc	5.5
fish	4.5
other	8.2

Sample size: 110 households in Moc Chau

2 - BUYING FOOD

Frequent retailing places

In Quynh Mai-Hanoi, households mainly purchase food in informal markets and street markets, where they go many times a week. Shopping in a supermarket is rare (see table 14). In Moc Chau, households do not shop so often and use a wider range of retailing points (table 15).

Table 14. Retailing places in Quynh Mai Hanoi

% of households in Quynh Mai- Hanoi who shop from...	never	few times a year	few times a month	few times a week	total
Street mobile vendors	14.5	9.1	44.5	31.8	100
Unformal markets or street markets	0.0	1.8	2.7	95.5	100
Formal market	22.7	60.0	15.5	1.8	100
Stall	10.0	27.3	60.9	1.8	100
Shop	15.5	20.0	56.4	8.2	100
Supermarket	60.9	36.4	2.7	0.0	100
Street mobile vendors	14.5	9.1	44.5	31.8	100

Q. Does your household buy food in the following places? Sample size: 110 households in Quynh Mai-Hanoi

Table 15. Retailing places in Moc Chau

% of households in Moc Chau who shop...	never	few times a year	few times a month	few times a week	total (n=110)
Street mobile vendors	20.9	11.8	49.1	18.2	100
Informal markets or street markets	16.4	19.1	28.2	35.5	100
Formal market	2.7	25.5	43.6	28.2	100
Stall	0.9	12.7	60.0	26.4	100
Shop	10.0	19.1	67.3	3.6	100
Supermarket	100.0	0.0	0.0	0.0	100

Sample size: 110 households in Moc Chau

Share of expenditure in the different retailing places

In Quynh Mai, the average food expenditure for inside home consumption is around 160,000 VND/week/household and 73,500 in Moc Chau. The importance of the different retailing places for these households can be assessed through the share of expenditure in each place. This confirms that in Moc Chau there is a large diversity of retailing points used (see figure 8 and 9). The share of expenditure in supermarket in total food expenditure is only 0.30% in Quynh Mai households (and 0% in Moc Chau, there is no supermarket in Moc Chau).

Figure 8. Share of food expenditure in the different retailing places in Quynh Mai (Hanoi) (monitoring expenditure during one week in 110 households)

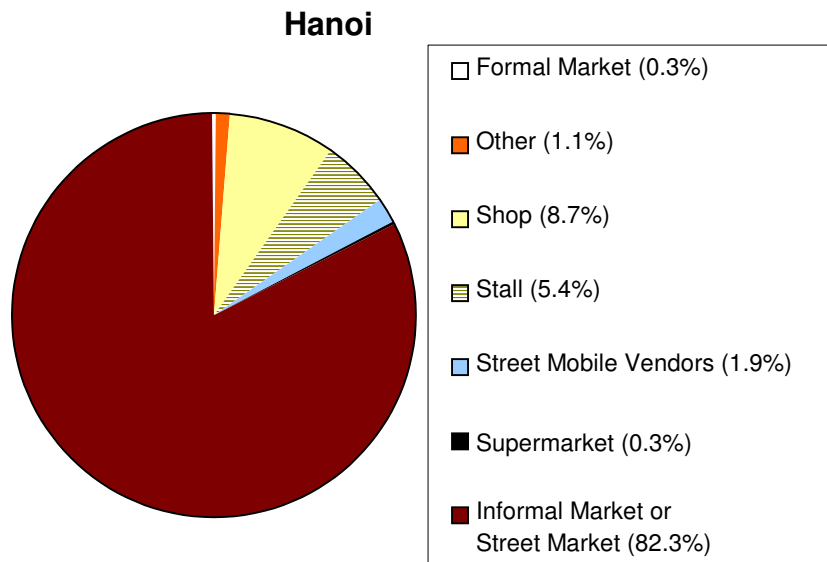
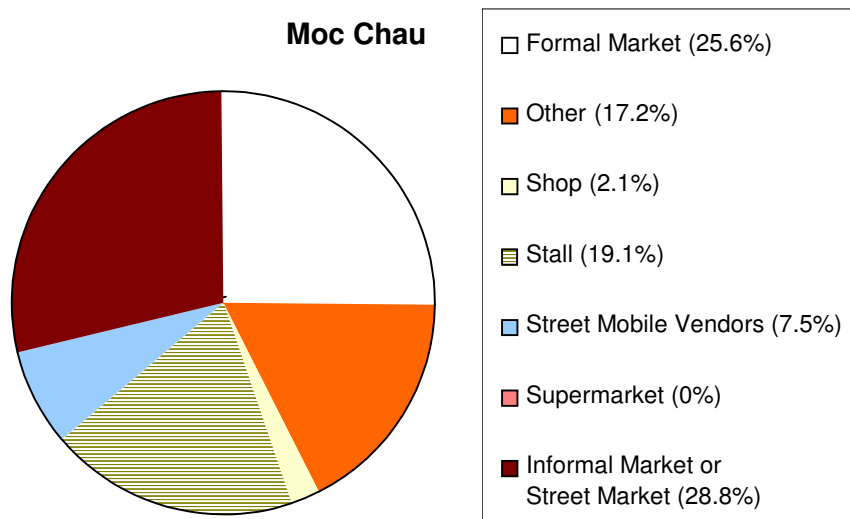


Figure 9. Share of food expenditure in different retailing places in Moc Chau (expenditure in 110 households, the day before the survey)



Expenditure by purchasing act

The record of all food purchases during the week of the survey in Hanoi testifies to a multitude of small purchases, involving at each time a very small amount of money. We call "purchase" the act for one household to buy in one defined place at one moment of the day (for example, if someone buy at one informal market, from 4 different sellers, it will be considered as one single purchase. But if he/she buys also from a shop seller, nearly after, then two purchasing acts will be considered).

On average, one household has 13 purchases by week, (and probably many times a week from the same vendor) spending each time around 17,000 VND. In Quynh Mai (table 16)., only two households have shopped in a supermarket during the week of the survey, one to buy instant noodles (spending 15,000 VND), the other to buy bread, milk, and processed meat (spending 38,000 VND).

Table 16. Expenditure and frequency of purchase in the different places

Purchasing Places in Quynh Mai	Nb of purchases in this place during the week,	Nb of households who have purchased at least once in this place during the week of the survey	Average expenditure by purchase (VND)	Standard deviation
Shop	140	65	11,035.71	14,987.12
Stall	125	49	7,539.20	17,773,.0
Formal Market	3	3	16,000.00	17,776.39
Street Mobile Vendors	77	38	4,874.03	7,656.20
Other	12	8	17,041.67	28,901.45
Informal Market or Street Market	1040	110	19,974.13	18,706.81
Supermarket	2	2	26,500.00	16,263.46

Sample size: 110 households in Quynh Mai-Hanoi

Products bought in the different retailing places

The complementarity between the different places seems mostly to rely on the kinds of the products bought (table 17): open air market (formal or informal) for fresh products, shop or stall for dry products, street vendors mainly for fresh products (mainly vegetables).

Table 17. Main products bought in the different retailing places

retailing places	Quynh Mai Hanoi	Moc Chau
formal market or informal market	vegetables, fresh animal products, tofu, fresh noodles, fat, roots and tubers...	vegetables, fresh animal products, roots and tubers, fruits...
shop or stall	rice, tea, coffee, soft drinks, canned milk, canned food, instant noodles, cake, alcohol, vegetable oil, bread, processed meat	rice, tea, coffee, dairy products, sugar, sauce, instant noodles, alcohol, cake sweet, vegetable oil...
supermarket	-	-
street mobile vendors	vegetable, fruits	vegetable, sea food , tofu

Q. Where does people of your household mainly buy the following products?

The previous table refers to reported practices (17. *Q. Where do people in your household mainly buy the following products?*). By monitoring purchasing practices during one week in 110 households in Hanoi, we have a more precise picture (table 18).

Table 18. Matrix product/retailing point

(Average on 110 households, monitored during one week)

VND/ household/ week	formal market	other	shop	stall	street mobile vendors	super- market	informal market, street market	total	% by product
rice	0	1 500	973	2 336	0	0	255	5 064	3.2%
roots and tubers	0	0	0	0	0	0	786	786	0.5%
vegetables	0	0	0	36	356	0	17 570	17 962	11.3%
fruits	0	0	73	964	986	0	11 612	13 635	8.6%
raw meat	91	0	145	364	573	0	50 761	51 934	32.8%
seafood	327	0	0	23	245	0	21 753	22 348	14.1%
egg	0	0	0	127	33	0	6 855	7 015	4.4%
tofu	0	9	27	0	45	0	5 851	5 932	3.7%
vegetable oil	0	0	1 982	0	0	0	1 264	3 246	2.1%
fat	0	0	0	0	0	0	800	800	0.5%
bread	0	36	250	805	332	64	1 341	2 828	1.8%
canned food	0	0	132	0	0	0	0	132	0.1%
processed meat	0	0	145	1 023	0	136	2 836	4 140	2.6%
sauce, seasoning	0	0	1 741	55	0	0	599	2 395	1.5%
sugar	0	0	186	0	0	0	150	336	0.2%

cake, sweets	0	0	1 127	0	14	0	209	1 350	0.9%
dairy product	0	0	3 955	68	0	145	2 114	6 282	4.0%
tea, coffee	0	0	9	0	0	0	14	23	0.0%
Soft drinks	0	0	127	0	0	0	73	200	0.1%
fresh noodles*	18	109	295	1 123	0	0	1 723	3 268	2.1%
instant noodles	0	0	1 374	0	0	136	473	1 983	1.3%
alcohol	0	68	609	18	0	0	0	695	0.4%
artisanal processed food	0	45	18	1 414	268	0	2 182	3 927	2.5%
other products	0	0	58	213	86	0	1 118	1 475	0.9%
total	436	1 768	13 773	8 567	2 939	482	130 337	158 302	
% by place	0.3	1.1	8.7	5.4	1.9	0.3	82.3		100.0%

* bun, mien, pho,...

Sample size: 110 households in Quynh Mai-Hanoi

Buying from mobile street vendors is surprisingly low. This could result from the difficulty in distinguishing street market from mobile vendors: mobile vendors often aggregate to constitute a "mobile" street market.

The small monetary share of some products has many explanations (table 20):

- low price of the product: that is the case of vegetables, which people buy very often. But vegetables represent in volume the second most consumed product (NIN, 2002).
- low share in the diet: which is the case of the soft drinks for example.
- but also low frequency of shopping: we monitored the purchase during one week. This is quite enough in the local context of the daily purchase of fresh foods. But for some product like rice it appears insufficient: households generally buy rice in quantities of 20kg (the average consumption is 12kg/cap/month, (NIN 2002), from once every two weeks to twice a year.

During the week of the survey, only 10 households in Quynh Mai bought rice. In Quynh Mai, rice is bought from very informal channels ("others"). Many people in the buildings sell rice in their flat. It is also common to order rice by telephone. In this case the customer benefits from home delivery and credit.

Time and place of purchase

All the purchasing places are more frequented in the morning (table 19). Informal markets are relatively well frequented in the afternoon (1/3 of the purchases in informal market are on the afternoon).

Table 19: Number of purchases by place during the week of the survey in the 110 households in Hanoi

Purchasing places	Moment of the day	
	morning	Afternoon
number of purchases / 110 households/ 7days		
Formal Market	2	1
Other	8	4
shop	111	29
Stall	112	13
Street Mobile Vendors	68	9
Supermarket	2	0
Informal Market or Street Market	705	335

Table 20. Frequency and expenditure by purchase for different foodstuffs

(110 households monitored during one week in Quynh Mai, Hanoi)

Product	Average expenditure by purchase (VND)	Standard deviance	No. of households who purchased this product during the week	Total number of purchases of this product during the week	% of households who purchased this product during the week	Number of purchases during the week/ number of households who purchased this product
Rice	55 700.00	51 888.88	10	10	9.1%	1.0
perfumed rice	60 000.00	0.00	1	1	0.9%	1.0
roots and tubers	2 544.12	1 082.70	26	34	23.6%	1.3
vegetables	2 569.44	1 924.30	109	769	99.1%	7.1
Fruits	6 786.43	4 418.74	77	221	70.0%	2.9
raw meat	11 402.59	7 761.52	109	501	99.1%	4.6
Seafood	9 347.15	6 797.56	97	263	88.2%	2.7
Egg	5 936.15	4 678.25	84	130	76.4%	1.5
Tofu	2 663.67	1 308.49	91	245	82.7%	2.7
Vegetable oil	51 000.00	34 461.33	7	7	6.4%	1.0

Fat	14 666.67	12 816.66	5	6	4.5%	1.2
Bread	3 079.21	3 452.55	43	101	39.1%	2.3
canned food	4 833.33	2 309.40	2	3	1.8%	1.5
Sugar	6 166.67	816.50	5	6	4.5%	1.2
processed meat	6 698.53	3 760.70	50	68	45.5%	1.4
Sauce	4 464.41	3 731.03	35	59	31.8%	1.7
Cake, sweets	5 940.00	7 749.57	18	25	16.4%	1.4
dairy product	10 630.77	22 979.51	36	65	32.7%	1.8
Tea, coffee	833.33	288.68	3	3	2.7%	1.0
soft drinks	11 000.00	8 485.28	2	2	1.8%	1.0
noodles*	4 668.83	5 811.53	41	77	37.3%	1.9
instant noodles	6 231.43	6 586.38	23	35	20.9%	1.5
Alcohol	9 562.50	8 649.68	4	8	3.6%	2.0
Other	2 705.00	1 827.14	38	60	34.5%	1.6
other artisanal processed foods	2 426.97	3 004.28	68	178	61.8%	2.6

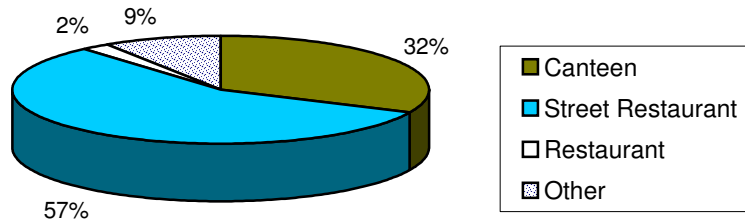
3 - OUTSIDE HOME CONSUMPTION

According to GSO data, outside home consumption is mainly urban: it represents in 2002, 22.2% of total food expenditure in urban areas and 8.6% in rural areas. Regarding poor and rich households, GSO data shows that it represents 3.0% of food expenditure in the poorest 20% of households, 21.9% in the richest 20% of households. But no data is available for poor urban households.

In fact, we can see from our Quynh Mai sample that outside home consumption is very important in poor urban households. It represents 18% of the food expenditure during the week of our survey (1 580 VND/capita/day). Rice and noodles are mainly consumed during these meals outside the home. In Quynh Mai, it is possible to get glutinous rice for 1000 dong, a noodle soup (*bun rieu*) for 2 000 VND. Workers can have lunch at the factory canteen for 2 000-3 000 VND.

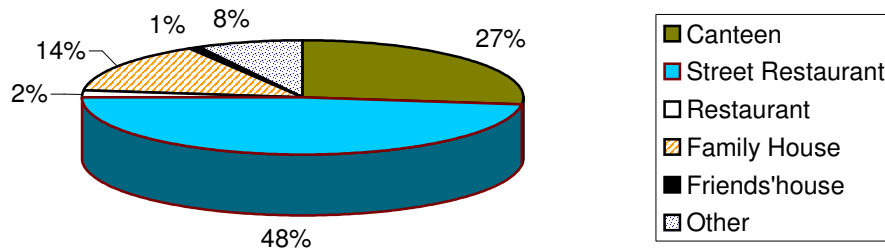
In Quynh Mai, more than half of outside home consumption (57%) is made in street restaurants (figure 10) and 32% in factory canteens.

Figure 10. Share of expenditure of the different places for outside home consumption (Hanoi, 110 households monitored during one week)



In Figure 11, we have represented all the places of outside home consumption, including, family (often for death anniversary) and friends' houses where there is no expenditure, but the value of the meal has even been assessed. It shows the importance of meals in the houses of other members of the family (14% of the value of outside home consumption).

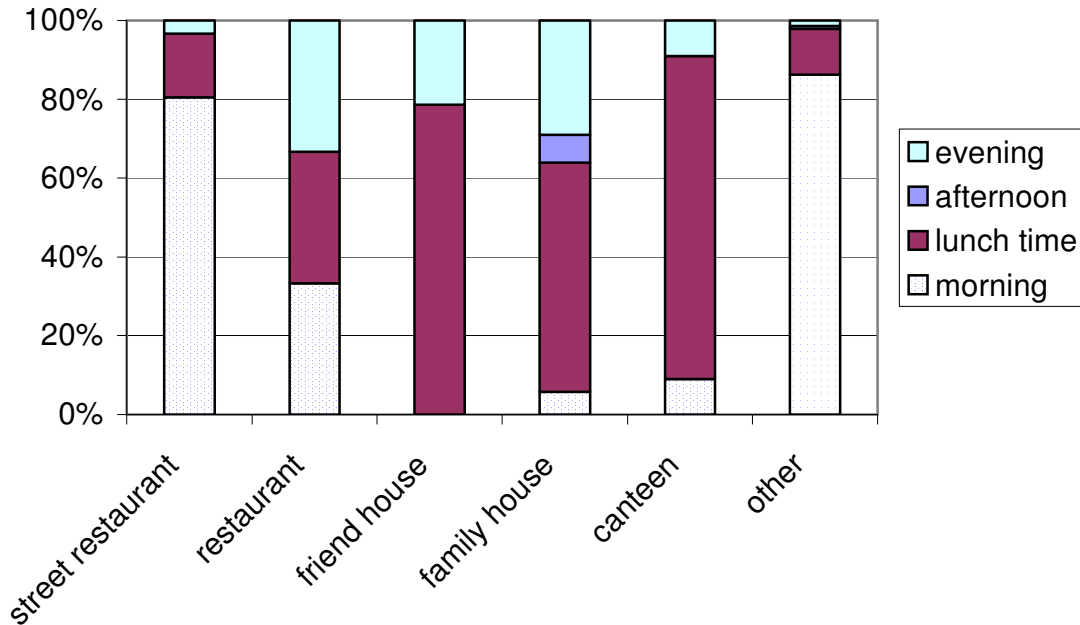
Figure 11. Share of different places in the value of outside home consumption (Hanoi, 110 households monitored during one week)



Times of outside home consumption

Different places are frequented at different moments of the day (figure 12): street restaurants are mainly frequented in the morning and canteens, friends', and families' houses at lunch time. It is rare to consume outside the home at night.

Figure 12. Outside home consumption: places and times



This data and the comments of our respondents allow us to underline some specificities of poor households regarding outside home consumption:

- poor households do not eat in restaurants
- they do not eat outside the home at night
- for breakfast they are numerous to consume rice (for manual workers), or glutinous rice (Xoi).

E - OPINION ON THE DIFFERENT RETAILING PLACES

Respondents show satisfaction regarding the places where they purchase. In Hanoi-Quynh Mai (figures 13), informal markets or street markets are mainly quoted for their proximity and the rapidity of buying there (no need to leave motorcycle or bicycle in a parking area). They are also the place the most quoted for being a "pleasant place", with "friendly sellers", offering "possibility of credit".

Supermarkets and shops are places recognized for the quality and the diversity of the products.

Surprisingly, supermarkets are not quoted for being pleasant places. This is surprising considering the fact that some people only go there for entertainment.

Formal markets are recognized as offering a diversity of products. The prices are high (second most-quoted place for high prices, tied with shops, but behind supermarkets) and, because the nearest formal market is 2 km away from the area surveyed, they are quoted as being far.

Street vendors are appreciated for low prices, rapidity, and proximity, but this is the first place quoted for the low quality and the low diversity of the products.

The convenience of "opening hours" does not differentiate the places.

In Moc Chau (figures 14), formal markets are quoted for the diversity and the quality of the products, (shops are ranked second) but they are far for many households, and do not offer possibility of credit.

Street vendors are quoted for proximity and rapidity but also for low diversity and low quality of their products.

High prices are associated firstly with stalls, then with formal markets and shops.

No opinion could be collected on supermarkets.

These results are backed by a previous survey (Cadilhon and Tam 2004), in Ho Chi Minh City on consumers' preferences of vegetable purchase outlets: this study shows that customers go to particular outlets because they are close to their homes; freshness of vegetables comes second, food safety comes third, and finally, cheap prices.

Figure 13a. Advantages of the different retailing places according to the Hanoian respondents

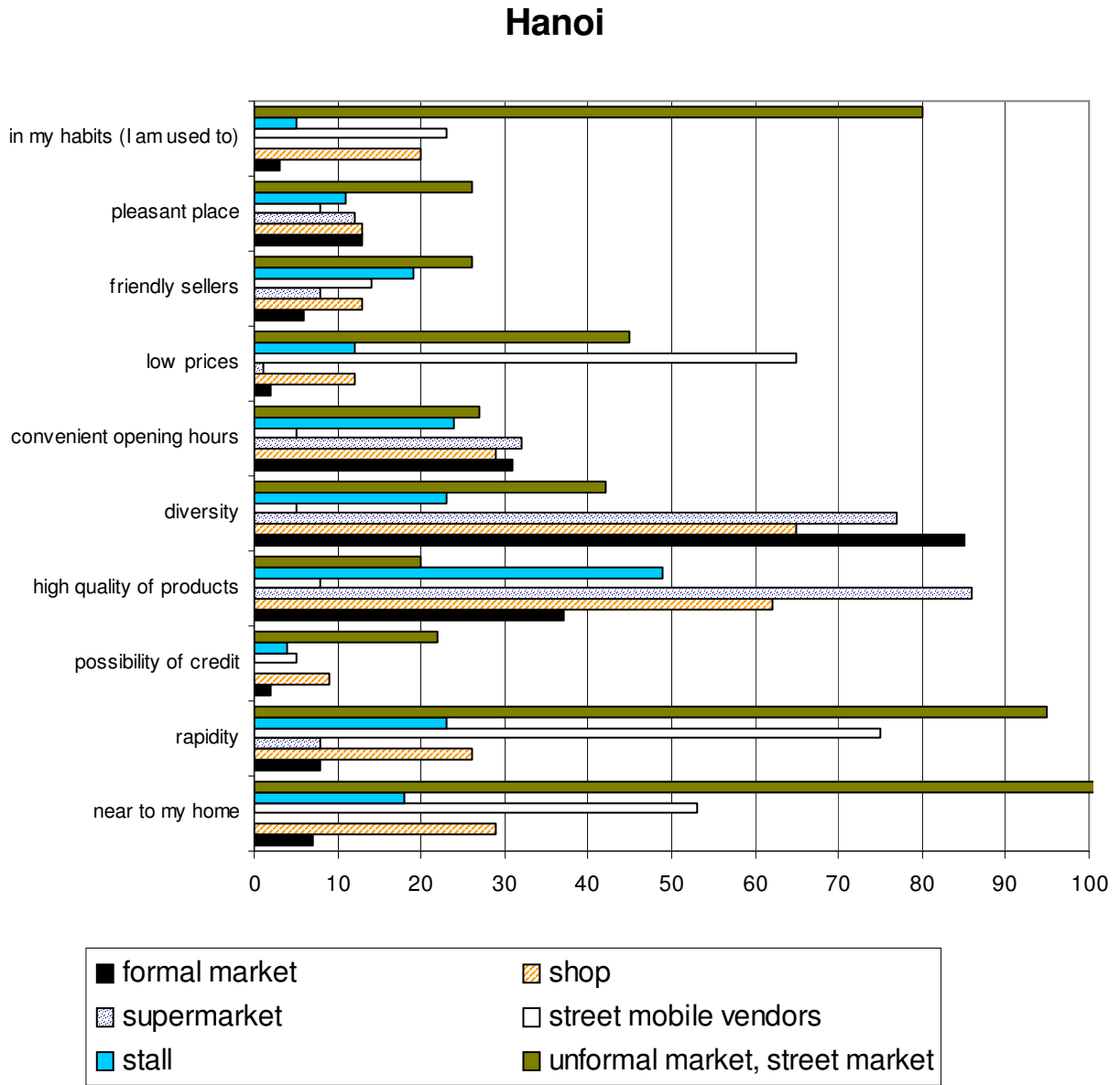


Figure 13b. Disadvantages of the different retailing places according to Hanoian respondents

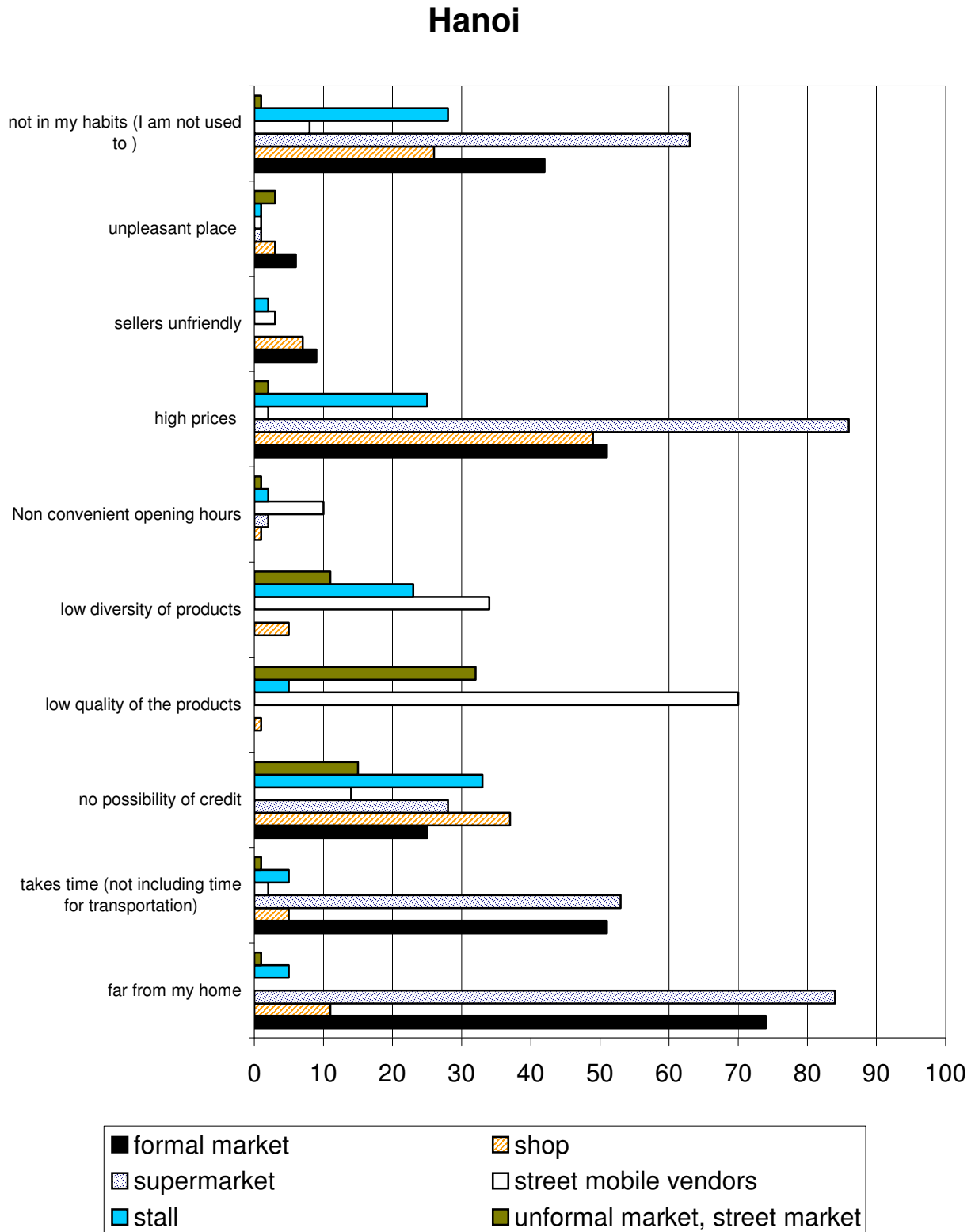


Figure 14a. Advantages of the different retailing places according to the respondents of Moc Chau

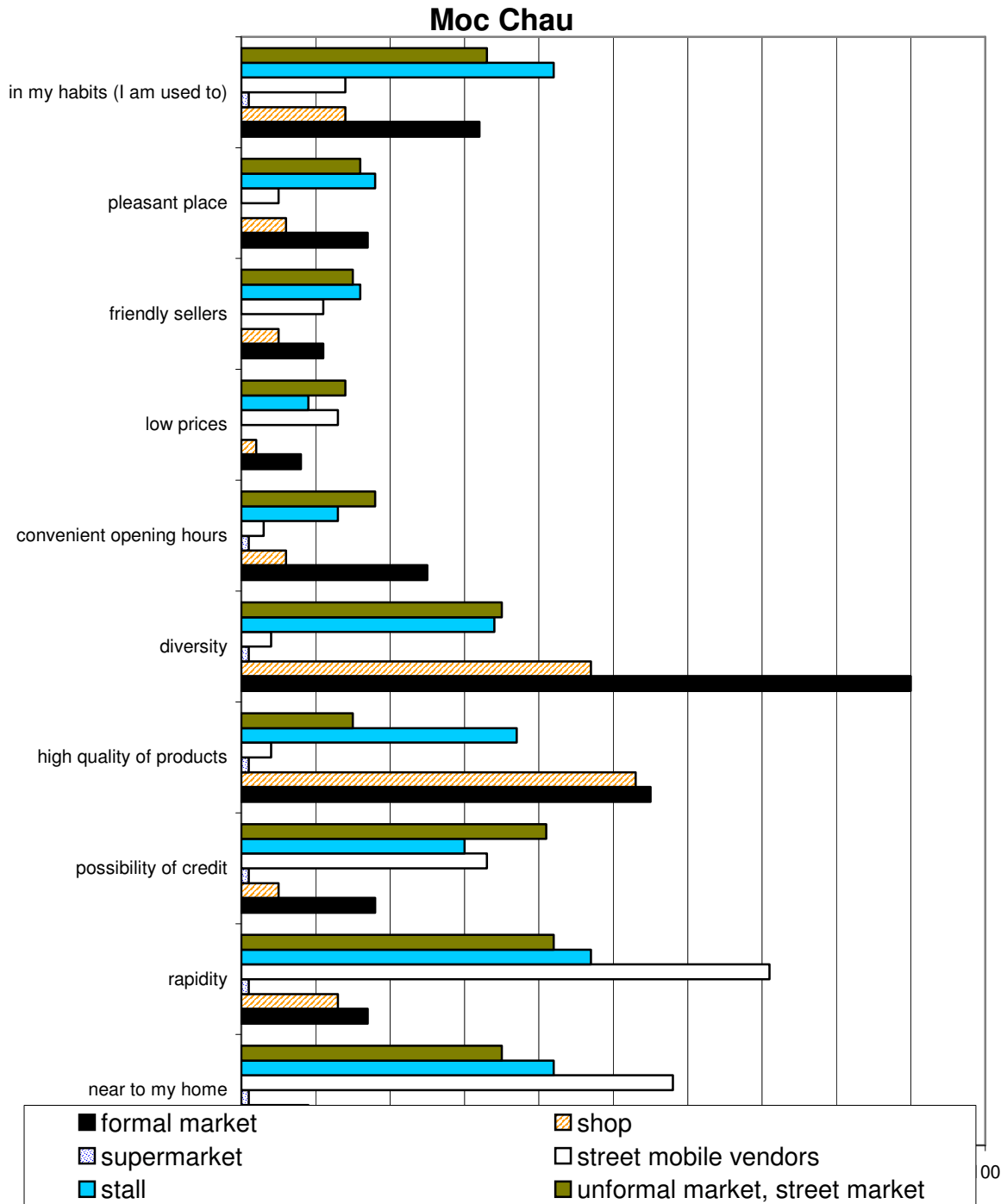
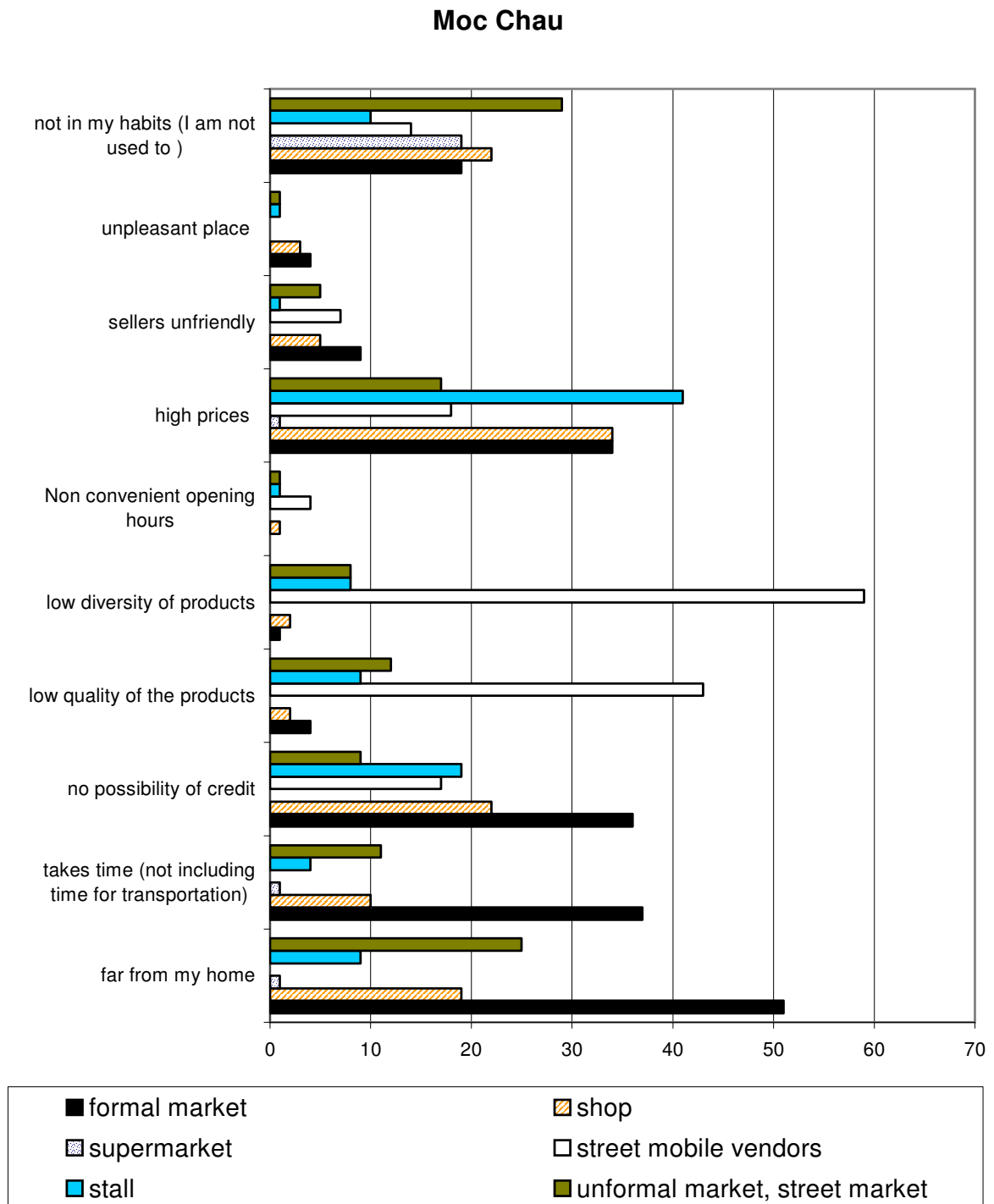


Figure 13b. Disadvantages of the different retailing places according to the respondents of Moc Chau



F - CONCLUSION PART IV

Our two samples give us an image of urban poverty in Hanoi, Vietnam's capital city, and in Moc Chau, a secondary town of a rural district. In the first case, we interviewed mainly factory workers. In the second case, in Moc Chau, our sample includes manual workers too, who are less educated with lower incomes.

In Quynh Mai (Hanoi), these families live in collective buildings, which are overcrowded, and have a current problem of water supply. In Moc Chau, small houses with gardens contribute to the food supply. But anyway, food insecurity is widespread in Moc Chau (where only 30% of the households declare that they never experience food shortage, and 30% declare that they regularly suffer food shortage). In Quynh Mai, 37% of the households wish to have more abundant food.

To deal with this, households can benefit from government or family financial support, (around 30% of Quynh Mai households, 20% in Moc Chau) but this still represents a very small amount. Borrowing money is a common alternative. Households frequently receive food aid - mainly from family in Hanoi, mainly from neighbours in Moc Chau (sugar, fruits, milk), and generally in the case of someone being ill in the family. Wild plants or animals seem also to be a significant source of food for poor families in Moc Chau.

Nevertheless, these households regularly purchase food in the market. Their purchasing practices are characterized by many purchasing acts of small value (around 17 000 VND/purchase). They purchase in a very reduced area (less than 2km of radius), mainly in open-air or street markets, and never in the supermarket. (In Moc Chau there is no supermarket, in Hanoi there is one at less than 2 km). The complementarities of the different retailing points can be analysed in terms of:

- products: open market (formal or informal) for all kind of fresh products, street vendors for fruits and vegetables, shops and stalls for dry products
- quality/price: formal markets and supermarkets offer diversity, quality, and high prices, while street vendors offer low quality and diversity but with low prices
- customers: the previous point suggests that the different retailing places could present complementarities in terms of the customers they serve: for example we could make the hypothesis that street vendors are more likely to be frequented by the poorest customers, and formal markets by the wealthiest. It was not possible to show from our sample whether or not households with lower incomes are more likely to purchase food from street vendors than people with higher incomes. What appears from the comments of the respondents is that they fear that when the formal markets increase, street vendors will be more strictly forbidden and customers will have no other choice besides buying in the formal market with higher prices. Moreover, some respondents underline that distinction must be made between morning street vendors, and full-time street vendors. The street vendors who only work in the morning are generally producers. In this particular case, it would be possible to access quality products with low prices, the vendor being able to guaranty the quality of the products

- working hours: complementarities in terms of hours of operation do not appear.

Another finding of this study is the importance of outside home consumption in poor urban households. It represents 22% of food expenditure in our Quynh Mai sample. We can no longer ignore its role in the food security of the households. This suggests that the Consumers price index (CPI) should include it in its "basket".

CONCLUSION

Our study conducted in Hanoi and Moc Chau (Son La) shows that poor households for the moment are not affected as consumers by supermarket development. At least not directly, because they do not purchase in supermarkets where prices are high. This does not exclude the possibility of indirect impacts (impact of supermarket development on other distribution channels) and impact in terms of the representation of consumption.

The analysis of the purchasing practices of these households shows that they exploit the resources and the complementarities of a very dense network of food outlets, mostly linked to informal economy. This network is dense but very small: the "purchasing field" is limited to the streets around the house. Home delivery is possible for rice.

The housekeepers are satisfied with the present system of purchase outlets available for them (proximity, diversity, even prices). For the present, supermarkets cannot find a place in this system due to a number of constraints such as:

- higher prices: food still represents 70% of the expenditure of poor households.
- distance: due to the limited size of the "purchasing field" that these households can explore.
- supermarkets are not adapted to the frequent purchases (13 times a week for each household), for small amounts (17 000 VND/purchase) common in poor households): because of the time it takes to go to the supermarket, to park the vehicle (and the price to pay for the parking: 1000 VND), and to wait at the cash register.

We can also add from our observations, that buying in a supermarket means radical changes in purchasing practices, but also in values. In particular, it means to redefine the way to build trust on the quality of the product. For example, in Asia, buying live animals (chicken, fish, etc.) from a usual seller is a better guaranty of freshness and safety for meat, even in urban areas. Shifting to buying dead, eventually packed (eliminating the possibility of seeing or touching the product), and frozen piece of meat supposes to construct completely new references for consumer quality assessment. A previous survey shows the importance of freshness in purchasing food (Figuié 2004) and the small trust placed in "refrigerated food".

Nevertheless, this study and others (Figuié 2004) show that high prices in the supermarket play a role of being a "quality sign": for the great majority of the respondents supermarkets offer high quality products, which are supposed to have been checked (no counterfeit "safe" vegetables) and the high price is the proof of this quality. Supermarkets appear to be attractive, but out of reach for many consumers.

The attraction to supermarkets is not only linked to the supposed quality of the product sold there but mainly to the "modernity" and the entertainment that supermarkets offer to customers (the perceived quality could just be one consequence of it). The supermarket is a place where the factory women workers whom we met dream that they might go one day, even just for visiting. Supermarkets contribute to a sort of "enchantment", characteristic of a developing society of consumption. Do these persons feel some frustration of being excluded from this modern outlet? No sign of this in the comments of our respondents, but this has to be checked in further discussions in focus group.

If supermarkets do not have a direct impact on poor households at the present, they can contribute to weakening the other distribution channels. It is clear from this study, that in the interest of poor households, supermarket implanting should not occur to the detriment of other purchasing outlets, and policies should seek a harmonious development.

This study also shows that the central question for poor households is not so much the question of supermarket development, as the one of the modernisation of the distribution system in general - characterized by the process of officialization of the distribution system and the tendency to eliminate the informal outlets system.

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MALICA (markets and agriculture linkages for cities in Asia)

Le consortium MALICA associe des instituts de recherche français et vietnamiens : le CIRAD (le centre de coopération internationale en recherche agronomique pour le développement), l'IOS (l'institut de sociologie de l'académie vietnamienne de sciences sociales), le RIFAV (l'institut de recherche sur les fruits et légumes), le VASI (l'institut des sciences agronomiques du Vietnam), l'université agricole de Hanoi, et l'université agricole et forestière de Ho Chi Minh Ville. L'objectif principal est de renforcer la capacité d'analyse des marchés alimentaires et des relations entre villes et campagnes des chercheurs, étudiants, cadres de l'administration, responsables de groupes privés. MALICA met au point des méthodes qui sont appliquées à des projets visant à adapter la production alimentaire locale et la demande du marché intérieur, en quantité et qualité (ex : projet régional sur l'agriculture périurbaine, SUSPER ; projet sur les comportements alimentaires et la perception des risques). Les mécanismes d'information et de concertation des acteurs de l'offre et de la demande sont considérés, en complément aux analyses classiques de l'efficacité technique et économique des filières à leurs différents stades.

Les méthodes d'analyse de la consommation et des filières sont appliquées à deux domaines de recherche prioritaires : l'élaboration de la qualité dans le secteur alimentaire ; la régulation des flux d'origine périurbaine, rurale et extérieure. Les principales activités réalisées concernent l'application de ces thématiques aux filières légumes, porc et maïs ainsi que l'analyse des marchés de gros.

The MALICA consortium brings French and Vietnamese research institutes together. These include the CIRAD – centre de coopération internationale en recherche agronomique pour le développement, the IOS – the Institute of Sociology of the Vietnamese Academy of Social Sciences, the RIFAV – the Research Institute on Fruits and Vegetables, the VASI – the Vietnam Agricultural Science Institute, as well as the Hanoi Agricultural and Forestry University of Ho Chi Minh City. Its main objective is to reinforce the capacity of researchers, students, administrations as well as private groups in analysing food markets and city/country relations. These methods are applied to projects which aim at a correlation between local production and local market demand, in terms of both quantity and quality, such as the regional periurban agricultural project, SUSPER, or the project about food behaviour and risk perception. Stakeholders' information and cooperation mechanisms are taken into consideration as a complement to classical technical and economic efficiency analysis for different stages in the commodity chains. Methods of consumption and commodity chain analysis are applied to two priority research fields: increasing quality in the food sector; and the comparative advantages of periurban and rural flows. The main activities over the past year have focused on the application of these methods to the vegetable, pork and maize commodity chains and the analysis of the wholesale markets.

Malica

Markets and agriculture linkages
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