

HO CHI MINH NATIONAL ACADEMY OF POLITICS

TRAN MINH NGOC

**THE HOUSING MARKET FOR
WORKERS IN INDUSTRIAL ZONES
IN VINH PHUC PROVINCE**

**SUMMARY OF PHD THESIS
FIELD OF POLITICAL ECONOMY**

Code: 9310102

HA NOI - 2024

**This thesis was completed
at Ho Chi Minh National Academy of Politics**

Supervisors: 1. Assoc. Prof., Dr. Nguyễn Khắc Thanh
2. Dr. Nguyễn Thanh Sơn



Reviewer 1:

Reviewer 2:

Reviewer 3:

**The viva of the thesis will be at the Academic Council
of Ho Chi Minh National Academy of Politics**

At..... date.....month..... year 2024

**This thesis will be found at the National Library
and Library of Ho Chi Minh National Academy of Politics**

INTRODUCTION

1. Necessities for research

The 7th National Congress of the Communist Party (1991) initiated the pilot and implementation of building industrial zones and export processing zones with the establishment of the first industrial zone in Ho Chi Minh City (Tan Thuan Export Processing Zone). After more than 30 years of formation and development, the country currently has about 397 established industrial zones, of which 292 are in operation with an occupancy rate of approximately 70%. These industrial zones attract tens of thousands of local workers as well as migrant workers from various regions to work in the parks. The increase in the number of workers in these industrial zones, especially migrant workers, has led to a high demand for housing. This drives the emergence, existence, and development of the housing market for workers in industrial zones. The housing market for industrial zones workers is a part of the real estate market. The development of this market plays an important role in ensuring stable housing for a large number of workers, which is essential for the comprehensive development of individuals, enhancing the quality of the workforce, stabilizing labor supply for industrial zones, and ensuring social welfare, stability, and economic development.

Although in recent years the government has issued many mechanisms and policies to promote the development of this market to address housing issues for workers in industrial zones, the operation of this market still faces many shortcomings. The current housing supply does not meet the housing demand, with the majority of workers (over 60%) having to rent rooms in villages near industrial zones, where infrastructure, especially social infrastructure, is poor. Poor living conditions affect not only the physical health but also the mental well-being of workers. If housing issues are not addressed, they will become a barrier to attracting and retaining high-quality labor, which negatively impacts the development, operational efficiency of industrial zones, and socio-economic growth. Additionally, the spontaneous and fragmented nature of business activities, along with limitations in the state's management, inspection, and supervision of the housing market for workers in industrial zones, remain significant challenges. Market transactions and sales activities still face issues related to information, quality, and support services, leading to development being influenced by spontaneous, distorted, and flawed aspects of the market mechanism. Therefore, studying the housing market for workers in industrial zones

to propose solutions for market development and ensure workers' housing needs is extremely necessary.

As a province located in the key economic region of Northern Vietnam, Vinh Phuc has been becoming one of the important industrial centers of the country, with the presence of many large industrial zones. This not only promotes local economic growth but also creates thousands of job opportunities for workers. However, along with this development comes the challenging issue of meeting the housing demand for workers in industrial zones. The rapid development of industrial zones has attracted a large number of workers from other provinces to Vinh Phuc for work. This has created significant pressure on the social infrastructure system in general, and the housing market in particular. In the coming period, the number of workers in industrial zones will continue to increase. As per the target set by the Vinh Phuc Provincial Party Congress for the 2020 - 2025 term, which aims to attract 16,000 to 20,000 workers annually, with a projected total of approximately 450,000 workers by 2030. Therefore, taking care of both the material and spiritual well-being of workers, especially housing for workers to ensure their peace of mind while working, is an urgent issue. If this issue is not addressed properly, Vinh Phuc will lose its competitive advantage compared to other localities in attracting human resources, which could lead to labor shortages and directly impact the socio-economic growth and development of the province.

In addition, there are numerous in-depth scientific studies by authors both domestically and internationally on markets and various types of markets, including the housing market. However, there has not been any scientific research that systematically analyzes the theoretical and practical foundations of the housing market for industrial park workers at the local and national levels from the perspective of political economy.

Therefore, researching the housing market for workers in industrial zones is necessary and has profound theoretical and practical significance not only for Vinh Phuc but also for other localities. For this reason, the author has chosen the topic: “The Housing Market for Workers in Industrial Zones in Vinh Phuc Province” as the subject of the thesis in the field of Political Economy.

2. Researching aims and tasks

2.1. Studying aims

Based on an overview of the theoretical and practical issues related to the housing market for workers in industrial zones, the

dissertation analyzes and evaluates the current situation of the housing market for workers in industrial zones in Vinh Phuc Province from 2014 to 2023. On this basis, the dissertation presents perspectives and fundamental solutions for developing the housing market for workers in industrial zones in the province by 2030.

2.2. Researching tasks

Based on the research objectives, the research tasks of the thesis focus on addressing the following main issues:

Firstly, systematize and further clarify the theoretical issues regarding the housing market for workers in industrial zones, specifically clarifying the concept, building an analytical framework for the content, evaluation criteria, and factors affecting the housing market for workers in industrial zones; study the experiences of housing market development in some localities in the country, and draw lessons for Vinh Phuc regarding the development of the housing market for workers in industrial zones in the province.

Secondly, analyze the current situation of the housing market for workers in industrial zones in Vinh Phuc Province. From there, evaluate the achievements, limitations, and causes of these limitations, as well as identify the current issues in the housing market for workers in industrial zones in the province.

Thirdly, propose perspectives and fundamental solutions for developing the housing market for workers in industrial zones in Vinh Phuc Province to meet the legitimate housing needs of the workers.

3. Object and scopes of the research

3.1. Object of the research

The subject of the thesis is the housing market for workers in industrial zones at the provincial level.

3.2. Scopes of the research

- *Content scope*: The housing market for workers in industrial zones is composed of many factors, but from the perspective of political economy, the thesis focuses on studying housing supply, housing demand, housing prices, market participants, intermediary factors, and state management of the housing market for workers in industrial zones. These are the fundamental factors of the housing market for workers in industrial zones, and the movement of these factors determines the movement of the housing market for workers in industrial zones.

The thesis studies the housing market for workers in industrial zones, primarily focusing on rental boarding houses and social housing

for workers. These are the two main forms of housing in the housing market for workers in industrial zones in Vinh Phuc Province.

- *Spatial scope*: The thesis focuses on surveying and analyzing the housing market for workers in industrial zones in Vinh Phuc Province.

- *Time scope*: The thesis focuses on studying the housing market for workers in industrial zones. The evaluation of the current situation is limited to the period from 2014 to 2023, while the proposed solutions are studied up to the year 2030.

4. Theory, Practical, Research methodologies

4.1. Theory, Practical of the Thesis

- *Theory of the Thesis*: The thesis is based on the theoretical foundation of Marxist-Leninist political economy; the perspectives, policies, and guidelines on the housing market for workers in industrial zones by the Party and the State; and also builds upon some of the results from previously published research related to the dissertation topic.

- *Practical basis of the thesis*: The thesis relies on the experiences of several localities in developing the housing market for workers in industrial zones, as well as the current situation of the housing market for workers in industrial zones in Vinh Phuc Province from 2014 to 2023, as a foundation for proposing solutions to further develop the housing market for workers in Vinh Phuc industrial zones.

4.2. Research methodologies

The thesis uses the following methodologies: the dialectical materialist methodology, the scientific abstraction method, the logical-historical method, the analysis and synthesis method, and the sociological survey method.

5. Contributions of the thesis

- *About theory*: The thesis has established a theoretical framework for the housing market for workers in industrial zones. It has developed and clarified the concepts, characteristics, and roles of the housing market for workers. Additionally, the thesis identifies the components and evaluation criteria for the housing market for workers in industrial zones. This theoretical foundation is crucial in guiding research and policy development for worker housing as industrial zones continue to expand.

- *About practice*:

+ The thesis studies the experiences of some typical localities in the country in developing the housing market for workers in industrial zones, drawing valuable lessons for application in Vinh Phuc Province. This analysis helps shape an appropriate approach that aligns with the

local conditions and enhances the effectiveness of managing the housing market for workers.

+ The thesis analyzes and evaluates the current situation of the housing market for workers in industrial zones in Vinh Phuc, clarifying the achievements and identifying the existing limitations along with specific causes. This provides managers and policymakers with a clearer understanding of the actual situation, serving as a basis for proposing appropriate and effective solutions.

+ The thesis provides forecasts, perspectives, and proposes some fundamental solutions with the aim of developing the housing market for workers, improving their quality of life, and ensuring the efficient operation of industrial zones in Vinh Phuc.

+ The research results of the thesis serve as a reference for researchers, consultants, and managers in the field of the housing market and housing for workers in industrial zones.

6. Structure of the thesis

Together with an introduction, conclusion, list of the author's published papers, references and appendix, the thesis is structured with 4 chapters and 12 small sub-chapters

CHAPTER 1

LITERATURE REVIEW OF THE THESIS' TOPIC

1.1. RELATED RESEARCH WORKS ON THE HOUSING MARKET

1.1.1. Foreign research works

The study "*Price bubbles in housing markets: Concept, theory and indicators*" by Hans Lind (2009); the study by Sewoong Lee, Sanghyo Lee, and Ju Hyung Kim "*Relationship Between Demand - supply in the Housing Market and Unsold New Housing Stocks*" (2010); the World Bank study "*Urbanization assessment in Vietnam*" (2011); the study "*The Development of Affordable Housing - A Case Study in Guangzhou City, China*" by Jingchun Lin (2011); "*Housing Bubbles: A Survey, Annual Review of Economic*" by Mayer, Chris (2011); World Bank's study "*Vietnam Affordable Housing*" (2015); "*Policy Shift – How the U.S. Developed a Hybrid Model of Affordable Housing Provision*" by Christina Rosan (2015); the study "*Interactions between stock, bond, and housing markets*" by Roberto Dieci, Noemi Schmitt, Frank Westerhoff (2018); "*Cross-regional connectedness in the Korean housing market*" by Hahn Shik Lee, Woo Suk Lee (2019); "*The gradients of power: Evidence from*

the Chinese housing market” by Hanming Fang, Quanlin Gu, Li-An Zhou (2019); the study “*Can government stabilize the housing market? The evidence from South Korea*” by H. Jang, Y. Song, and K. Ahn (2020); Morris A. Davis, Stephen D. Oliner, Tobias J. Peter, Edward J. Pinto (2020) in the study “*The Impact of Federal Housing Policy on Housing Demand and Homeownership: Evidence from a Quasi-Experiment*”; Yaoyao Li, Daolin Zhu, Jiangmeng Zhao, Xiaodong Zheng, Lanyue Zhang (2020) “*Effect of the housing purchase restriction policy on the Real Estate Market: Evidence from a typical suburb of Beijing, China*”; “*Monetary policy and US housing expansions: The case of time-varying supply elasticities*” by Bruno Albuquerque, Martin Iseringhausen, Frederic Opitz (2020); “*A theory of housing demand shocks*” by Ding Dong, Zheng Liu, Pengfei Wang, and Tao Zha (2022); “*Six types of government policies and housing prices in China*” by Zhining Hu (2022); “*The uncoupling of house prices and mortgage debt: towards wealth-driven housing market dynamics*” by Cody Hochstenbach (2023); Kevin Corinth and Amelia Irvine (2023) “*The Effect of Relaxing Local Housing Market Regulations on Federal Rental Assistance Programs*”.

1.1.2. Domestic research works

The book “*Housing for Low-Income People in Major Urban Areas Today: Hanoi's Experience*” by Hoang Xuan Nghia and Nguyen Khac Thanh (2010); Do Thanh Tung’s “*Housing Financial Policy in the Hanoi Urban Area*” (2010); Pham Sy Liem (2012) in “*Understanding Housing Policies of Various Countries*”; Nguyen Thi Thu Nguyet’s “*Public-Private Cooperation in Developing the Housing Market for Low-Income People in Ho Chi Minh City*” (2011); the study “*Social Housing - Housing for Low-Income People*” by Nguyen Minh Hoa (2012); “*Housing Issues for Low-Income People in Vietnam*” by Nguyen Thi Hai Ly (2013); author Pham Van Binh’s “*Housing and Land Tax Policy in Vietnam*” (2013); the study “*Vietnam Real Estate Market: Reflecting on 10 Years to Orient the Future*” by Tran Kim Chung (2015); author Nguyen Hong Phu’s “*State Management of Investment in Urban Housing Development in Vietnam*” (2018); the study “*Developing the Housing Market in Hanoi City by 2030*” by Nguyen Ngoc Tiep (2020); “*Accessing Social Housing Credit Programs for Low-Income People: An Experimental Study in Hanoi City, Vietnam*” by Bui Thi Hoang Lan and Dinh Duc Truong (2023).

1.2. RELATED RESEARCH WORKS ON THE HOUSING MARKET FOR WORKERS

1.2.1. Foreign research works

Liliany S. Arifin (2004) in the study *“Housing provision for factory workers”*; *“The Role of State in Affordable Housing for Essential Workers: A Comparative Study of California and New South Wales”* by Anupama R. Sharma, Kenneth T. Rosen (2014); *“Work-life management patterns among public sector workers in Malaysia”* by Dzurizah Ibrahim (2014); *“Exploring the determinants of migrant worker’s housing tenure choice towards public rental housing: A case study in Chongqing, China”* by the group of authors Xiaolong Gan, Jian Zuo, Ruidong Chang, Dezhi Li, George Zillante (2016); the group of authors Steven Rowley, Amity James, and Peter Phibbs (2017) in the study *“Government led innovations in affordable housing delivery”*; the study *“Housing condition of Industrial zones workers: The case of Hawassa Industrial park”* by Selamawit Teku Jego (2019); *“Ethiopia - Options for Expanding Affordable Housing Supply for Industrial Park Workers”* by the World Bank (2020); *“Revitalising Key Worker Housing”* by Jack Airey and Sir Robin Wales (2019); *“Livable Rental Houses for Factory Workers in Industrial Area”* by Rahardiyani Ari Wicahyo, Dewi Septanti, and Rika Kisnarini (2020); *“The Preferences Of Single Factory Workers Toward Rental Housing In East Ungaran, Semarang”* by authors A. Hazimah Ramadhani, A. Manaf (2020); *“Housing allocation with Chinese characteristics: the case of talent workers in Shenzhen and Guangzhou”* by Yue Gong (2021); *“Government-led housing strategies for essential workers: A global review”* by F. Zhang, E. W. Yiu, B. L. S. Tang, D. Lu, M. Lu, S. Huang, L. Jia (2020); *“Housing key workers: scoping challenges, aspirations, and policy responses for Australian cities”* by Zahra Nasreen, Catherine Gilbert, Nicole Gurran (2021).

1.2.2. Domestic research works

Firstly, studies on the role and importance of developing the housing market for workers in industrial zones. *“Building Housing for Workers in Industrial Zones: Contributing to Ensuring Social Welfare”* by Khong Thanh Cong (2011); Le Quoc Hoi (2012), *“Employment and Living Conditions of Workers in Industrial Zones, Export Processing Zones, and Economic Zones in Vietnam”*; *“Housing for Workers in Industrial Zones”* by Vu Quoc Huy (2014); *“Addressing the Housing Issue for Workers in Industrial Zones in the North Central Provinces of Vietnam Today”* by Bui Van Dung (2015).

Secondly, studies that analyze the current situation and recommend solutions for developing the housing market for workers in industrial zones.

“Mechanisms and Policies to Attract Investment from Economic Sectors in the Construction of Housing for Workers in Industrial Zones and Export Processing Zones” by Le Xuan Ba (2007); Tran Viet Tien (2009) in the study *“Some Social Issues in Vietnam's Industrial Zones”*; Truong Thuy (2011), *“The Housing Issue for Workers in Industrial Zones, Export Processing Zones, and Economic Zones: Need for More Mechanisms and Policies”*; *“Social Policies for Rural-Urban Migrants in Vietnam Today”* by Mai Ngoc Cuong (2013); Nguyen Manh Thang (2016), *“Pressing and Urgent Issues for Workers in Industrial Zones and Export Processing Zones - Current Situation and Solutions”*; *“Study on Improving the Living Environment for Workers in Industrial Zones in the Socialist Republic of Vietnam”* by the Japan International Cooperation Agency (JICA) (2016); Nguyen Quang Tuan A, Nguyen Quang Tu (2016), *“System of Criteria for Evaluating the Sustainability of Housing for Workers in Industrial Zones in Vietnam Towards Industrialization”*; *“Social Housing for Workers in Industrial Zones in Vietnam - Concepts and Practical Solutions Towards Sustainable Development: A Case Study in Hanoi City”* by Ta Quynh Hoa and Pham Dinh Tuyen (2019); Ngo Le Minh (2021) in the study *“Social Housing - Experience in Developing Social Housing for Workers in Vietnam - A Model in Ho Chi Minh City”*; Ha Quang Hung (2021), *“Some Solutions for Developing Social Housing for Workers in Industrial Zones, Export Processing Zones, and Industrial Clusters”*; *“Managing Social Issues in Industrial Zones in Vietnam”* by Nguyen Trung Thanh (2021); *“Challenges in Housing for Workers in Industrial Zones: A Case Study in Dong Nai Province, Vietnam”* by Dang Ngoc Son and Bui Anh Tuan (2022).

1.3. RESULTS OF PREVIOUS STUDIES RELATING TO THE THESIS

1.3.1. General review

Firstly, studies have provided concepts, content, and factors affecting housing and the housing market.

Secondly, authors have evaluated and analyzed the current situation of housing development, the housing market, and the issue of providing housing for workers in industrial zones in various localities, regions, or countries.

Thirdly, research works have put forward various viewpoints and fundamental solutions, along with recommendations to develop the housing market in general and address issues related to providing housing for workers in particular.

1.3.2. Gaps that need further study

Through the review and synthesis of literature, including the research works of domestic and international scholars, it can be observed that studies on various types of markets in general, and the housing market in particular, are quite abundant and have been thoroughly conducted by many authors. However, no scientific research has systematically analyzed the theoretical and practical basis of the housing market for workers in industrial zones at the local and national levels from the perspective of political economy. Therefore, this research is necessary to address current practical issues and fill the “gaps” that previous studies have not explored, in order to find solutions to promote the development of the housing market and meet the legitimate needs of workers in industrial zones. Specifically, the research question of the dissertation is:

- ***The first question:*** What is the content of the housing market for workers in industrial zones? What factors affect the housing market for workers in industrial zones, and what criteria are used to evaluate the housing market for workers in these zones?

- ***The second question:*** Does the current housing market in Vinh Phuc province meet the needs of workers in industrial zones? What challenges is the housing market for workers in industrial zones facing? What are the issues arising in the development of the housing market for workers in industrial zones in Vinh Phuc province?

- ***The third question:*** What fundamental viewpoints and solutions are needed to develop the housing market for workers in industrial zones in Vinh Phuc to meet the legitimate housing needs of the workers?

CHƯƠNG 2

THEORETICAL BASIS AND PRACTICAL EXPERIENCE ON THE HOUSING MARKET FOR WORKERS IN INDUSTRIAL ZONES

2.1. GENERAL ISSUES ON THE HOUSING MARKET FOR WORKERS IN INDUSTRIAL ZONES

2.1.1. Basic concepts

* *Definition of Housing:* According to the Housing Law of 2023: “Housing is a construction intended for living and meeting the daily needs of households and individuals”

* *Definition of Housing Market:* The housing market is the totality of economic relationships and transactions concerning land use rights and

housing ownership rights among market participants, based on commodity and monetary relationships that occur within a certain space and time, governed by the principles of the market economy and legal regulations.

* *Definition of Housing Market for Workers in Industrial Zones:* The housing market for workers in industrial zones is the totality of relationships related to the buying, selling, transferring, and renting of housing commodities between workers and housing suppliers in the market, aimed at determining the price and quantity of housing goods and services, corresponding to a certain level of socio-economic development.

Thus, the housing market for workers in industrial zones can be identified at a specific level as a place where exchange and transaction relationships occur between workers in industrial zones and housing suppliers, based on pricing and influenced by the laws of supply and demand in the market as well as legal regulations. At a more abstract level, the housing market for workers in industrial zones can also be identified through relationships related to housing exchange and purchase, including supply and demand for housing, housing prices, commodity-money relations, and the value and utility value of housing commodities.

2.1.2. Characteristics and roles of the housing market for workers in industrial zones

2.1.2.1. Characteristics of the housing market for workers in industrial zones

Firstly, the goods in the housing market have very high value.

Secondly, housing goods and the housing market are region-specific.

Thirdly, buyers typically only have sufficient information about housing goods during their use.

Fourthly, housing supply changes very slowly compared to fluctuations in demand and prices.

Fifthly, the spillover effects of the housing market are very strong.

In addition, the housing market for workers in industrial zones has distinct characteristics, such as: (1) Housing for workers in industrial zones is often concentrated in areas adjacent to or within the same area as the industrial zones; (2) Housing for workers in industrial zones is typically designed to be affordable through support from the government and businesses in the industrial zones; (3) Housing products for workers in industrial zones are often shared rooms, rental housing, or rooms divided into individual units to be shared by multiple people. The design of these houses generally provides basic and essential amenities for the workers.

2.1.2.2. Roles of the housing market for workers in industrial zones

- The housing market plays a role in addressing housing issues – a condition for labor reproduction, providing housing opportunities for workers, especially migrant workers.

- The housing market creates stability and attracts labor.

- The housing market plays a role in promoting economic growth and urban development.

2.2. COMPONENTS, INFLUENCING FACTORS, AND EVALUATION CRITERIA OF THE HOUSING MARKET FOR WORKERS IN INDUSTRIAL ZONES

2.2.1. Components of the housing market for workers in industrial zones

2.2.1.1. Housing as a Commodity

In a market economy, housing is considered a commodity like any other good. Therefore, like other goods, housing as a commodity also has both utility value and value.

- *Utility Value of Housing as a Commodity*: The utility value of housing is the usefulness of housing to meet the needs of its users. Housing can be used for various purposes such as living, operating a store, serving as an office, or a production workshop. However, it differs from regular commodities in that housing as a commodity is composed of two elements: the building and the land, as well as external factors, particularly the location of the house.

- *Value of Housing as a Commodity*: The value of housing as a commodity is determined by the living labor and materialized labor embodied in the housing. Housing is a special type of commodity, so its value not only depends on the labor embodied in it and supply-demand relationships, but also on differential rent and the various components that make up the house.

2.2.1.2. Demand in the housing market for workers in industrial zones

Demand in the Housing Market is the total quantity of housing that buyers want and are willing to purchase, corresponding to their ability to pay at different price levels.

Demand in the Housing Market for Workers has the following characteristics: (1) Housing for workers in industrial zones is often rental housing built by private individuals and housing for low-income people; (2) Housing for workers in industrial zones is often collective housing or apartments; (3) Housing demand is concentrated in areas adjacent to or within the same area as the industrial zones.

2.2.1.3. Supply in the housing market for workers in industrial zones

Housing Supply in the Housing Market for Workers is the quantity of housing available for exchange in the market at a certain time and at a certain price that matches the affordability of workers. Housing supply reflects the ability of the economic system to meet workers' housing needs. The housing supply includes not only the number of newly constructed houses but also existing housing that is available for sale or rent. The supply in the market is determined by the quantity of housing that is ready and available for buying or renting transactions, excluding all existing houses and land.

2.2.1.4. Housing prices in the market

Housing Prices are the monetary expression of the value of housing as a commodity in the market at a certain point in time. In other words, housing prices are the amount of money that workers need to pay to rent or own a house. Prices in the housing market are a comprehensive economic measure reflecting the relationship between differential rent, land price formation, labor costs for land development, housing construction, labor force, and capital invested in housing projects.

2.2.1.5. Intermediaries in the housing market for horkers in industrial zones

The intermediary system plays an important role in the formation of the housing market. These organizations are crucial in establishing and maintaining the housing market, ensuring transparency, efficiency, and fairness in real estate transactions, and creating a favorable environment for both buyers and sellers. Intermediaries participating in the housing market for workers in industrial zones include valuation organizations, financial-credit institutions, information providers, and brokerage service providers.

2.2.1.6. Operational mechanism and state management of the housing market

The housing market is a part of the real estate market within the market economy, and therefore, it operates according to the general mechanism of the market economy, with its economic characteristics being regulated and directed by the state.

State management of the housing market plays an important role in ensuring the fairness, sustainability, and efficiency of this market. State management activities regarding the housing market include: (1) Setting development directions for the housing market; (2) Creating a

macroeconomic environment for housing market activities; (3) Regulating the housing market through policies; (4) Monitoring and supervising activities in the housing market.

2.2.2. Criteria for evaluating the housing market for workers in industrial zones

- Quantitative Criteria: Housing supply, housing demand, housing prices.

Qualitative Criteria: Evaluation of housing quality; coherence, rationality, feasibility, and effectiveness of housing policies.

2.2.3. Factors affecting the housing market for workers in industrial zones

2.2.3.1. Factors related to the macro environment

- *Party's Directions, Policies, and State Laws on Housing and the Housing Market.*

- *Economic growth, economic restructuring, and the formation and development of industrial zones.*

- *Level of development of science and technology and transportation infrastructure*

- *State capacity in administration, management, control, and supervision.*

2.2.3.2. Factors related to enterprises in industrial zones and housing suppliers

- *Number and capacity of entities in the housing market for workers in industrial zones.*

- *Awareness of enterprises in industrial zones and housing businesses towards the housing market for workers.*

2.2.3.3. Factors related to the affordability and preferences of workers

- *Income level and financial capability of workers.*

- *Preferences and habits of workers in industrial zones.*

2.3. PRACTICAL EXPERIENCE IN DEVELOPING THE HOUSING MARKET FOR WORKERS IN INDUSTRIAL ZONES

2.3.1. Experience in developing the housing market for workers in industrial zones in some localities in Viet Nam

2.3.1.1. Experience of Binh Duong province

2.3.1.2. Experience of Dong Nai province

2.3.1.3. Experience of Bac Ninh province

2.3.2. Lessons Learned for Vinh Phuc Province

2.3.2.1. Effectively carry out planning, arrangement, and adjustment of project locations to align with coordinated infrastructure

2.3.2.2. Select capable investors, diversify and socialize social resources and types of investmen

3.2.2.3. Establish reasonable and suitable policies to develop the housing market, facilitating social housing and rental housing projects

CHAPTER 3

THE CURRENT SITUATION OF THE HOUSING MARKET FOR WORKERS IN INDUSTRIAL ZONES IN VINH PHUC PROVINCE

3.1. OVERVIEW OF INDUSTRIAL ZONES IN VINH PHUC PROVINCE

3.1.1. Formation and development of industrial zones in vinh phuc province

Vinh Phuc province, located in the Red River Delta, is part of the key economic region in Northern Vietnam. Following the Party and State's policy of investing in the construction and development of centralized industrial zones to create a foundation for attracting both domestic and foreign investment in the 1990s, and leveraging the advantages and potential in terms of geography, land, and socio-economic conditions of the province, Vinh Phuc set a primary objective in its industrial development strategy to invest in and expand industrial zones, considering this the essential measure to promote local industrialization. Starting with only one industrial zone, Kim Hoa, covering 50 hectares, which was approved by the government in 1998, after more than 20 years, the province has significantly expanded its industrial zone scale to 19 zones approved by the Prime Minister, with a total area of 5,487.31 hectares. Among them, 16 industrial zones have received investment policy decisions and investment certificates, with a total registered investment capital of VND 15,548 billion and USD 212.53 million. The total planned land area for these zones is 3,093.85 hectares, of which 2,262.12 hectares are for industrial land. Of the 16 established industrial zones, 9 are currently operational, with a total planned land area of 2,485.8 hectares, including 1,827.15 hectares of industrial land. The infrastructure in these industrial zones is designed to be modern and integrated, effectively meeting the requirements of both foreign and domestic investors.

3.1.2. Size and structure of labor in industrial zones in vinh phuc province

3.1.2.1. Quantity and quality of workers in industrial zones

The formation, expansion, and attraction of investment in industrial zones have led to an increase in the size of the workforce in these zones, not

only in terms of quantity but also in quality. From 2014 to 2022, the number of workers in industrial zones in Vinh Phuc increased by 240%, with a total increase of 74,448 workers, with the period from 2016 to 2022 experiencing the fastest growth. The proportion of local workers in industrial zones has continuously increased, accounting for about 60% to 80% of the total workforce each year. Among the 9 operational industrial zones, Khai Quang Industrial Zone, Ba Thien I Industrial Zone, and Ba Thien II Industrial Zone have the highest concentration of workers.

Along with the increase in the number of workers, the quality of labor in the industrial zones of Vinh Phuc province has also been continuously improving. According to data from the Industrial Zone Management Board of Vinh Phuc province, the number of high-quality workers in the province's industrial zones increased by more than 6,000 people from 2017 to 2020, rising from 10,786 workers in 2017 to 17,243 in 2020.

It can be seen that as the production scale of the industrial zones in Vinh Phuc province continues to expand, the number of workers has inevitably increased, which puts pressure on social issues, particularly in meeting the housing needs of workers..

3.1.2.2. Age of workers in industrial zones

According to statistics from the labor union of the industrial zones in Vinh Phuc province, the workforce in these industrial zones is mostly young, with those aged 16 to 30 making up about 70%, those aged 30 to 35 making up 10%, and those over 35 accounting for about 20%. With a young workforce (70%) and most of them being in stable marriages (over 80%), there is a high demand for renting or purchasing affordable housing and small-sized apartments.

3.1.2.3. Average salary and income of workers in industrial zones

Survey results show that the current average income of workers in industrial zones in Vinh Phuc province ranges from 5 to 10 million VND per month. The average monthly salary from 5 million to under 7 million VND accounts for 44.74%, with a relatively high average salary; and from 7 to 10 million VND per month, accounting for 34.58%. However, the response rate regarding workers' intention to change jobs is quite high, with 22,832 out of 5,000 workers, representing 65.60%. One of the reasons for this situation is the inadequacy of worker housing.

3.2. THE HOUSING MARKET SITUATION FOR INDUSTRIAL ZONE WORKERS IN VINH PHUC PROVINCE

3.2.1. Housing demand of industrial zone workers in Vinh Phuc province

Regarding housing demand quantity: The strong development of industrial zones, along with the expansion of the number and scale of investment projects, has contributed to the increase in the number of workers employed in industrial zones in Vinh Phuc Province each year. In 2013, about 16.600 workers expressed their demand for housing, equivalent to 36% of the total workforce in the industrial zones. By 2014, this number had increased to nearly 18.000 workers in need of housing. As of 2022, the workforce in the industrial zones of the province had exceeded 132.000, of which over 66% lived with their families, and 33,14% rented accommodations, equivalent to around 43.744 people needing a place to stay. Compared to 2013, the demand for housing among workers has increased 2,6 times, adding 27.144 people, with an annual growth rate of approximately 3.000 workers needing housing. In addition, according to the statistics of the Provincial Labor Federation, there are currently 19.616 workers renting in over 2.074 rental houses in Vinh Yen city, Phuc Yen city, and Binh Xuyen district. Workers in industrial zones are mostly living in privately built, cramped rental rooms.

Regarding housing models: According to survey data of workers in 29 enterprises conducted by the Provincial Labor Federation, 2,730 out of 5,000 workers, equivalent to 54.60%, expressed a desire to buy social housing. Only 5.70% of workers preferred living in privately built rental accommodations, while 24.62% chose the rural-urban commuting model, traveling to work in the morning and returning home in the evening. Thus, the demand for social housing among workers is very high.

Regarding room size and amenities: Based on survey results from workers, renting rooms with an area of 10-15m² is primarily chosen by 45,4% of workers, followed by rooms with an area of 16-20m², with nearly 35% of workers opting for these. Rooms that are too large (over 20m²) or too small (under 10m²) have the lowest proportions, at just 13% and 6,8%, respectively. With a trend of 2-3 workers sharing a room (accounting for 85% of surveyed workers), the per capita living area for workers is only 4-5m² per person, which is more than 6,3 times lower than the provincial average in 2022 (31,05 m² per person).

Therefore, when asked about their desires for improving housing quality, most workers chose to upgrade the room size, followed by improving the kitchen area and the quality of the restroom/bathroom facilities.

3.2.2. Housing supply for industrial zone workers in Vinh Phuc province

According to a survey by the Provincial Labor Federation, most workers live in family homes or privately owned houses, accounting for 61,60%. Meanwhile, the rental rate is also quite high at 33,14%. In contrast, housing models built by enterprises for workers and those built by industrial zones for workers represent a very low proportion, at just 1,20% and 0,56%, respectively.

3.2.2.1. Housing supply for workers from enterprises

* *Số lượng cung nhà ở*: inh Phuc Province has implemented 26 social housing projects, including housing for workers and social housing portions within new urban areas and residential zones. These projects cover a total land area of approximately 116.920 hectares and provide 35,288 housing units with a total floor area of more than 2.778.596 square meters, including 2.342 low-rise houses and 25.145 apartment units. The projects are mainly distributed in localities with many industrial zones such as Vinh Yen, Binh Xuyen, and Phuc Yen, accounting for 88,5% of the total number of social housing projects in the province. However, the number of projects that have been put into operation remains modest. Table 3.8 shows that 8 projects have been completed and put into use, providing 2,082 social housing units. Among these, there are three housing projects specifically for workers in industrial zones, including: The Worker Housing Project of Honda Company within the Dong Son Urban Area Project, with 300 units. The Project by Bao Quan Investment and Construction Joint Stock Company, which has invested in two 6-story A4 and A5 buildings for workers, and a 15-story B1 low-income apartment building with a total of 421 units. The A2, B2 low-income and worker housing project (by Eurocharm Vietnam Company) with a total of 207 units.

In addition, there are currently 7 social housing projects under construction in the area, including 4 projects specifically for worker housing that are in the implementation phase. These projects will provide approximately 10.400 units, equivalent to 808.000 square meters of floor area once completed. Moreover, the province has 21 commercial housing projects that have allocated 20% of their land for social housing development, covering an area of 72,2 hectares, which is expected to provide about 14.300 units with a total floor area of approximately 1,76 million square meters.

* *Housing Quality*: Form: There is no significant difference in the average housing area per capita, which is about 9m² per person, between worker housing built by industrial zone enterprises,

housing enterprises, or other organizations. Infrastructure: These housing units are fully equipped with essential amenities, including a clean water supply system, electricity, as well as modern systems for waste collection and wastewater treatment.

3.2.2.2. Housing supply for industrial zone workers from households

Quantity of boarding housing supply: The main areas concentrating boarding houses for workers to rent include Khai Quang and Lien Bao Wards (Vinh Yen City); Huong Canh Town, Tam Hop Commune, Dao Duc Commune (Binh Xuyen); and Phuc Thang, Hung Vuong, and Trung Trac Wards (Phuc Yen). Across these three surveyed areas, there are 2,074 households offering boarding rooms for rent, with a total of 19,200 rooms, accommodating approximately 20,000 workers. The rental housing supply in the industrial zones of Vinh Phuc Province still has great potential, offering opportunities for households to increase their income by investing in rental housing, thereby improving the standard of living for local

Types of Boarding Houses: Based on a survey of boarding houses for workers around the industrial zones in Vinh Phuc Province, worker rental housing is interspersed with residential houses and shows a wide variety of types, including: i) Rows of boarding houses located on separate plots of land; ii) Boarding houses located on the same plot of land and sharing a gate with the owner; iii) Houses that are the owner's old family home.

Quality of Boarding Houses: Most rental houses are boarding houses built spontaneously by local residents around the industrial zones for workers, which leads to low quality. These houses are usually simple, small-level structures (known as Grade 4 houses), resulting in cramped living conditions. They are often damp, hot during summer, and cold during winter. The technical infrastructure in such housing is basic and weak.

3.2.3. Rental prices for housing for industrial zone workers in Vinh Phuc Province

For social housing designated for workers, the average price in Vinh Phuc Province currently ranges from 9 to 13.5 million VND per square meter, which is equivalent to approximately 600-800 million VND for an apartment of 50 square meters or more. According to the author's survey, when asked about affordable housing prices, over 70% of the workers indicated that an apartment priced between 300 million and 500 million VND would be within their financial capacity. The price range of 500 to 700 million VND per apartment was also chosen by 15% of the workers. Very few workers selected the price ranges of 700 to 900 million VND per

apartment or above 900 million VND. Therefore, the workers hope that the local authorities can create favorable conditions to help them own affordable housing suitable for their income.

For rental housing, the rent for worker accommodation has continuously increased. In 2018, the average rent was 600,000 VND per room per month, but by 2022, this had risen to 850,000 VND per room per month, an increase of 1.4 times. This rental cost typically accounts for around 12-15% of a worker's total monthly income.

3.2.4. The intermediaries

According to the Vinh Phuc Department of Construction, there are currently 12 registered real estate trading floors in the province. Among these, 8 trading floors are operating effectively. The trading floors in the province are established under two basic forms: (1) Trading floors established by real estate project developers or parent companies of real estate projects. (2) Trading floors set up by individuals or organizations, operating based on market demand..

3.2.5. Operation mechanism and state control, regulation

3.2.5.1. Central government policies

Recently, the Party and State have introduced many guidelines, policies, and legal documents to address challenges related to the supply and demand for worker housing in industrial zones. Specifically, Decree No. 31/2022/ND-CP was issued on May 20, 2022, providing interest rate support from the state budget for enterprises, cooperatives, and business households. This aims to support Resolution No. 43/2022/QH15 of the National Assembly, issued on January 11, 2022, regarding financial and monetary policies to support economic and social recovery and development.

3.2.5.2. Policies Issued by Vinh Phuc Province

Based on the Housing Law of 2014, Vinh Phuc Province has implemented several new policies and regulations regarding housing management and development, with an emphasis on providing housing for low-income groups and workers in industrial zones within the province.

3.3. GENERAL ASSESSMENT OF THE HOUSING MARKET FOR INDUSTRIAL ZONE WORKERS IN VINH PHUC PROVINCE

3.3.1. Results achieved

Firstly, the housing market for workers has gradually met their housing needs. Worker housing has steadily improved in both quantity and quality.

Secondly, Policies related to finance, planning, construction, and urban development, as well as initiatives on social housing—especially for

workers—are increasingly being implemented. Thanks to more flexible regulations on housing, workers can now access housing more easily.

Thirdly, in the province, many new worker housing areas have emerged, equipped with modern and integrated technical and social infrastructure. The presence of social housing projects in various locations across the province allows workers to choose suitable accommodations. It can be confirmed that construction by capable enterprises has brought, and will continue to bring, quality apartments that help improve the lives of workers in general and those in industrial zones in particular.

Fourthly, the market price of apartments for social housing projects ranges from 10 to 13 million VND per square meter, which is not yet affordable for most low-income workers. The price will be more reasonable if workers seeking housing can directly access projects, reducing intermediaries and brokerage.

Fifthly, information on ongoing social housing projects and announcements of application results for homebuyers are fully and publicly provided on the Department of Construction's website.

3.3.2. Restrictions in the Development of the Housing Market for Workers in Vinh Phuc Province

3.3.2.1. Restrictions

Firstly, the housing supply is restricted and does not meet the demand.

Secondly, incentive measures for investors in SH and worker housing projects have not generated significant attractiveness.

Third, poor housing quality has led to workers' rights not being ensured.

Fourth, rental housing for workers and social housing prices are trending upward. Housing costs remain a challenge, a constant concern, and a burden for industrial zone workers, especially in the face of their limited incomes.

3.2.2.2. Causes of the restrictions

** Objective Causes*

Firstly, the global and domestic economic situations have faced many challenges post-pandemic, which has significantly impacted the province's revenue and ability to attract investment, as well as hindered the progress of housing projects, including social housing for workers.

Secondly, inadequacies in the management, regulation, and direction by local authorities regarding the housing market.

** Subjective Causes*

Firstly, the capacity of some entities participating in the housing market in the province remains weak.

Secondly, the Party organization and social unions at all levels in Vinh Phuc have not paid sufficient attention to the development of the housing market for workers, and the awareness of enterprises about worker housing issues is still limited.

Thirdly, the spontaneous development of housing investment and rental prices.

3.3.3. Issues arising from the current housing market situation for industrial zone workers in Vinh Phuc province

From the limitations and shortcomings of the housing market for industrial zone workers in Vinh Phuc Province, several conflicts and issues need to be addressed in the coming time:

Firstly, the conflict between housing supply and demand. The imbalance between supply and demand in the housing market reflects a major challenge in urban management and development. The current state of the housing market for workers in industrial zones in Vinh Phuc shows that the demand for housing is always very high, which has motivated investors to develop housing projects in the area. However, from the outset, most investors and housing enterprises have only focused on mid- to high-end segments due to their higher profit margins, targeting high-income customers in society. The price of housing has thus far exceeded the financial capacity of workers in industrial zones.

Secondly, the conflict over economic benefits among participants in the housing market for industrial zone workers. The housing market reflects diverse relationships among various market participants, each with its own interests. The economic interests of the stakeholders are both aligned and in conflict. These conflicts are frequently present in the housing market but are not always resolved satisfactorily. Investors tend to prioritize their own benefits, often neglecting other socio-economic issues, which results in an imbalance between urban development and the development of culture and the environment.

Thirdly, the conflict between the demand for affordable housing for workers and limited investment resources. Workers in industrial zones often have low incomes and limited financial capacity, making access to affordable housing challenging. The demand for affordable housing not only concerns price but also factors like convenient locations that reduce commuting time and costs, as well as housing quality that ensures the health and welfare of workers. However, this demand often exceeds the

market supply, leading to a shortage and significant pressure on workers. Increasing the supply of affordable housing for industrial zone workers requires various resources, such as human resources, financial resources, land resources, and policy mechanisms. However, resources for affordable housing development, from land to finances, are always limited.

CHAPTER 4

OPINIONS AND BASIC SOLUTIONS FOR FURTHER DEVELOPING THE HOUSING MARKET FOR INDUSTRIAL ZONE WORKERS IN VINH PHUC PROVINCE BY 2030

4.1. FORECAST OF SUPPLY AND DEMAND FOR THE HOUSING MARKET FOR INDUSTRIAL ZONE WORKERS IN VINH PHUC PROVINCE

4.1.1. Forecast of housing demand for workers

4.1.2. Forecast of housing supply for workers

4.2. BASIC OPINIONS ON THE DEVELOPMENT OF THE HOUSING MARKET FOR INDUSTRIAL ZONE WORKERS IN VINH PHUC PROVINCE

*4.2.1. Considering housing development policy as a top priority
in Vinh Phuc Province's socio-economic development plan*

*4.2.2. Encouraging all economic sectors to participate in the
development of housing for industrial zone workers in the province*

*4.2.3. Developing the housing market for workers must ensure
a harmonious balance of benefits for all stakeholders*

*4.2.4. Worker housing development planning must be closely
linked with the planning of industrial zones, urban development, and
the real estate market*

*4.2.5. Strengthening the role of the State in addressing worker
housing issues to ensure workers' right to housing*

4.3. SOLUTIONS FOR DEVELOPING THE HOUSING MARKET FOR INDUSTRIAL ZONE WORKERS IN VINH PHUC PROVINCE

4.3.1. Group of solutions for improving housing development policies and supporting worker housing

Firstly, regarding land policies for housing construction.

Secondly, policies for selecting investors for worker housing projects

*Thirdly, improving incentive policies for investors in social
housing and worker housing*

Fourthly, creating specific policies for industrial zone worker housing

4.3.2. Group of solutions to increase housing supply for workers

4.3.2.1. Planning solutions

4.3.2.2. Socialization in investment for worker housing development in industrial zones

4.3.2.3. Establish a housing fund for industrial zone workers to rent or purchase

4.3.3. Group of solutions to influence housing demand for industrial zone workers in vinh phuc province

Firstly, accelerate the reform of the wage system to implement a consistent minimum wage policy for all enterprises.

Secondly, focus on attracting investment into projects that apply advanced technology and modern production processes.

Thirdly, reduce the financial burden on workers through effective measures such as controlling inflation, reducing tuition fees for workers' children, and lowering healthcare service costs.

Fourthly, improve financial support policies for workers to buy or rent housing.

Lastly, to protect and ensure the rights of workers in industrial zones, enhance the role and effectiveness of union activities.

4.3.4. Group of solutions to influence rental prices of housing in industrial zones

First, improve pricing policies.

Second, reduce the costs associated with worker housing construction.

Third, strengthen inspection, monitoring, and supervision.

4.3.5. Establish an intermediary system for the housing market

Firstly, train and develop a professional workforce.

Secondly, support and facilitate the appraisal process, ensuring objective and effective appraisal as a basis for market transparency, preventing price inflation.

Thirdly, improve the information system and database on housing and the housing market.

4.3.6. Enhancing the leadership role of party organizations at all levels, from provincial to grassroots, in developing and managing the housing market for workers

Firstly, increase awareness of the importance of developing the housing market for industrial zone workers.

Secondly, provide regular, timely, and direct leadership in the development of worker housing in industrial zones.

Thirdly, local management agencies, including party committees and authorities, need to enhance cooperation with other levels and sectors in

applying regulations on social housing and worker housing, and promptly address challenges encountered during project implementation.

Lastly, local management agencies, where industrial zones are in operation, including party committees and authorities, need to strengthen the management of private boarding houses.

CONCLUSION

As a province in the Northern Key Economic Region, the rapid development of industrial zones in Vinh Phuc Province is closely linked to the emergence of the housing market for industrial zone workers. The current state of the housing market for workers in industrial zones in Vinh Phuc Province has achieved some initial results, but there are still many limitations, shortcomings, and pressing issues that require appropriate solutions and policies to ensure the legitimate housing rights of workers. This contributes to social security and provides resources for the development of industrial zones, thereby promoting the socio-economic development of the province. The research on the topic “Housing Market for Workers in Industrial Zones in Vinh Phuc Province” has both theoretical and practical significance, and the author has initially focused on clarifying the following aspects:

Firstly, the dissertation has developed a theoretical framework for the housing market, clarifying the central concept of the housing market for industrial zone workers; its characteristics, role; constituent elements, influencing factors, and criteria for evaluating the housing market for workers in industrial zones in Vinh Phuc Province.

Secondly, based on the theoretical system and the established criteria, the dissertation focuses on analyzing and evaluating the current state of the housing market for workers in industrial zones in Vinh Phuc Province. From there, it identifies the limitations and shortcomings of this market, points out the causes of these issues, and highlights the problems that need to be addressed to develop an effective and sustainable housing market for workers in industrial zones in Vinh Phuc Province.

Thirdly, based on the limitations and their causes derived from the analysis of the current situation, this dissertation provides forecasts and viewpoints on the development of the housing market for workers in Vinh Phuc Province. At the same time, it also proposes several basic solutions to promote the housing market, with the aim of improving the accommodation available for industrial zone workers.

**LIST OF PUBLISHED WORKS OF THE AUTHOR
RELATED TO THE THESIS**

1. Tran Minh Ngoc (2023), “Financial Solutions for Developing the Housing Market for Industrial Zone Workers in Vinh Phuc Province”, *Journal of Finance*, (803).
2. Tran Minh Ngoc (2023), “Housing Market for Industrial Zone Workers in Vinh Phuc Province: Current Situation and Solutions”, *Journal of Finance & Accounting Research*, (241).
3. Tran Minh Ngoc (2023), “Worker Housing Development in Singapore and South Korea: Lessons for Vinh Phuc”, *Journal of Finance*, (805).
4. Tran Minh Ngoc (2023), “Improving the Effectiveness of State Management of the Housing Market for Industrial Zone Workers”, *Journal of State Management*, (331)