

**❓ SOCIAL PROTECTION IN VIETNAM:
Successes and obstacles to
progressively**

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United Nations Expert Group Meeting on
Poverty Eradication, New York, 1- 3 June 2016

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Introduction

Social Protection (SP) is clearly considered as an engine of socio-economic growth and development

SP embraces not only social transfers but brings into a consistent and comprehensive framework labour market policies, social insurance policies, health-care policies, social welfare/assistance, poverty reduction programmes and access to public social services.

Introduction (cont.)

SP system comprises of 4 basic policy groups:

- (1) policy for ensuring minimum income and poverty reduction: participation in labour market;*
- (2) policy on social insurance;*
- (3) policy on social assistance;*
- (4) policy on basic social services,*

Introduction (cont.)

***programmes* targeted to specific vulnerable groups, areas and sectors:**

- (1) exemptions from the payment of health-care user fees;
- (2) preferential credit for development of production, creation of employment, improving living standards, improving education, etc.;
- (3) exemptions from education fees;
- (4) vocational training for vulnerable groups;
- (5) migration programmes to reallocate labour resources.

Some achievements

Poverty reduction:

- Expenditure-based poverty fell from 58.1% in 1993 to 19.5% in 2004, lifting 20 million people out of poverty.
- Using the new re-based poverty line for the period 2011-2015, the headcount rate decreased from 14.2% in 2010 to only 4.5% in 2015.
- In 2015, Government approved the poverty line for the period 2016-2020 by using multidimensional approach, consisting of income and the gaps of accessing basic social services like education, health care, accommodation, safe water and information.

SP Expenditure and programs

- In 2015, total expenditure on SP accounted for 6.61% of GDP (0.3% up compared to 2014).
- National targeted program on Employment and Vocational Training creates jobs for about 320,000 people,
- Vietnam Bank for social policy lent to more than 8.4 million customers, mainly poor and vulnerable people (micro credit),
- Other programmes for poor students, on water, sanitation, information, etc..

Social insurance

Coverage: 24.1% of the workforce (2015)

Mainly in compulsory scheme

Unemployment insurance

Coverage: 20.2% total workforce

Health insurance: 77% of the population

Social assistance

Social assistance expanding and covering targeted groups from infant to old people; supporting poor and other vulnerable groups, such as: elderly, disabled people, children

About 3% of population receives social assistance (regular benefits)

Emergency relief: in 2015, the Government supported 31 thousand tons of rice for hunger relief to nearly 2.1 million people in 21 provinces.

access to basic social services

- Education
- Health
- Housing for the poor and other disadvantaged groups
- Safe water
- information access
- infrastructure

Some challenges

- Social protection policy system is still cumbersome and overlapped. There are about 233 policy documents issued and implemented by different ministries and agencies;
- Some social protection programs are not effective. Vocational training program for rural labourer; social assistance programs beneficiaries, funding and implementation;
- Coverage of social protection policy is still narrow (SI, UI, Social Assistance, etc.)

Poverty reduction

- Poverty reduction result is still not sustainable, the rate of households falling back into poverty is high (accounted for 1/3 of households escape poverty). Poverty rate in some poorer districts, communes with special difficult circumstances, ethnic minorities more than 50%, particularly, in some areas above 60-70%.
- New types of poverty: urban, land lose, migrant

unemployment insurance

- The unemployment insurance scheme covers formal workers. However, informal workers have no systemic protection from unemployment or underemployment
- Around 30% of the eligible elderly are not covered by social pensions.
- The target of achieving universal health insurance coverage is still challenging, especially, the objective to extend the coverage to the informal sector still remains difficult
- Total public spending on SP is limited, still below the average of low-middle income countries.

The ways forward

- Strong economic performance is needed: 6.5% a year GDP growth
- Different types of policy interventions are needed for chronic and transitory poverty. Focusing resources on the most difficult and poorest areas for sustainable poverty reduction
- To develop a modern social insurance system, including the expansion of coverage of non-contributory pensions for the elderly, participation of workers in the informal sector

- Better access to health care services for the poor, ethnic minorities and those living in rural areas.
- increase the quality and availability of health-care services and the attractiveness of the health system as a whole
- Mandatory and voluntary social insurance should be expanded and developed to cover the middle class
- Pro-actively engage in the global agenda on climate change and seek to understand well the poverty and distributional impacts of climate change to be able to intervene appropriately and promptly.

Thank you for your attention!