

Social Protection Floor in Viet Nam

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Viet Nam has been recognized by international observers as an example of success, both in re-orienting its development path towards a market-based growth and in reducing poverty at high pace (from 29 per cent in 2002 to 12.1 per cent in 2008). However, a more accurate analysis of employment and social indicators (informality of the labour market, low productivity and widening income gaps) suggests that benefits of the growth have been unevenly distributed and that the expansion of social protection constitutes a major challenge to unlock the countries' productive capacity and pave the way for a sustainable economic development pattern. Over the past ten years, Viet Nam has intensified efforts to extend the social security coverage.

A social insurance scheme compulsory for workers under the Social Insurance Law was introduced in 2008, covering now 18 per cent of the labour force. The extension of old-age pension insurance to employees of small enterprises and informal economy workers has been made through a voluntary scheme, although covering only about 65,000 workers after two years of implementation.

The promulgation of the Law on Health Insurance (1 July 2009) has shown the strong commitment of the Government to achieve universal health insurance coverage by 2014 through various strategies to include the poor and vulnerable (automatic affiliations and full subsidies of the premium for the poorest; voluntary affiliation and partial subsidies for others categories). The number of people covered by both compulsory and voluntary health insurance already increased sharply to 53.3 million people nationwide in 2009, accounting for more than 60 per cent of the total population.

The coverage of social assistance programmes and a large number of programmes targeted to specific poor and vulnerable groups, areas and sectors (National Targeted programmes, NTPs) has considerably increased over the past years with the widening of the eligibility criteria. The former schemes include, for example, a social pension for people over 80 years and single elderly people in poor households or income support for orphans, disabled or people living with HIV. The latter programs include payment of health care user fees; preferential credit policies; exemptions from education fees; vocational training; targeted measures at disadvantaged ethnic minorities. The social assistance programs cover a relatively small portion of the population, estimated at 1.23 per cent.

Unfortunately, this scattered set of measures has left unprotected a large share of the population, in particular the poor, near poor and the informal economy workers. In response, the Government has formulated a National Social Protection Strategy (NSPS) for the ten coming years (2011-2020), still to be passed, that places social protection clearly as an engine of socio-economic growth and development. The concept of social protection embraces not only social transfers but brings into a consistent and comprehensive framework labour market policies, social insurance policies, health care, social welfare/assistance, poverty reduction programmes and access to public social services. Through its NSPS (2011-2020), Viet Nam plans to achieve universal access to basic social services such as education, health care, housing, drinking water, electricity, information, sanitation and legal advice; and to provide a minimum income to those in need. The NSPS' principles of universality, solidarity, equitability, sustainability, the promotion of individual responsibility as well as prioritizing the poor are fully in line with those guiding the implementation of the social protection floor worldwide.

