

SOLUTION TO PROMOTE THE IMPLEMENTATION OF SOCIAL SECURITY POLICY IN VIETNAM

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During more than 30 years of renovation, Vietnam has realized the policy of socialist-oriented market economy development. Economic achievements have been made, such as rapid economic growth, rational economic structure transition, increasing per capita income, thus improving people's life. Besides, the Party and State have also promulgated social security policies for the benefit of the people. In all Congresses, the Communist Party of Vietnam has regularly emphasized the role of social security policy and the Party's determination to implement the policy.

Social security is one of the basic criteria for assessing progress of a society, a community, and a country. Social security is one of people's legitimate rights and demands. The International Labor Organization (ILO) emphasizes: "Social security is a set of public measures that a society provides for its members to protect them against economic and social distress that would be caused by the absence or substantial reduction of income from work as a result of various contingencies like sickness, maternity, employment injury, unemployment, invalidity, old age, death; at the same time, ensure health care and assistance to large families." (1) Documents of the 12th Party Congress reaffirm: "Continue to perfect social security policy in line with the socio-economic development process, expand coverage and improve the effectiveness of the social security system, facilitate effective support for the marginalized, vulnerable people or people at risk, develop and implement social, unemployment, labor accident insurance policies, and move from humanitarian assistance to ensuring social security of citizens." (2) The Party's viewpoints and lines have been implemented by the State and social forces through policies and programs to ensure that all people have at least minimum income, access to basic social services, such as education, healthcare, housing, clean water, information, among others and through the improvement of people's self-security and support of the Government. Accordingly, the social

security system in our country has focused on four main contents and achieved certain results, making positive contribution to "the realization of social progress and equity in each step, and each development policy." (3)

First, Vietnam has increased employment opportunities, ensured minimum incomes and sustainable poverty reduction for vulnerable laborers through support to individuals and families in their production, providing them credit, employment and information on labor market.

The National Employment Program, the National Fund for Employment, credit incentives in combination with training and job seeking and introduction to laborers have contributed to social security, progress and equity. By the end of March 2016, the total capital for the employment program was VND6,858 billion (of which VND4,261 billion was from the State budget, and VND2,597 billion from local Employment Fund), generating jobs for more than 3 million laborers. Implementing the Government's Decree No. 61/2015/ND-CP on 9 July 2015 on "*Regulations on policies to support job creation and the National Employment Fund*," by 30 April 2016, through the Vietnam Bank for Social Policies, the State subsidized interests on preferential credit loans worth VND1,925 billion to 76,801 borrowers for production and business, job creation, livelihoods improvement, poverty reduction and professional enhancement. (4)

The Government has issued more than 20 preferential credit policies; applied loan mechanism through programs, organizations and mass organizations to support the poor, ethnic minority people, and laborers who lost their jobs, whose lands were acquired, and low income people to develop production, and provide credit for students in difficulties. In particular, the Project "Assistance to People with Disabilities" in the period of 2012-2020 was approved by the Prime Minister and have been rolled out. In October 2015, the National Committee for People with Disabilities was established and considered as a powerful "drive" to attract attention and implement more effectively the work for people with disabilities. Vietnam now has more than 6 million people with disabilities, and more than 1,130 vocational training institutions, including 744 public and 386 private institutions which have organized training to people with disabilities. (5)

Over the past five years, 7.8 million people found jobs, of which 469,000 have worked abroad. The unemployment rate of working-age people in 2016 was 2.3%, of which 3.18% were in urban areas; and 1.86% in rural areas. The underemployment rate among working-age people in 2016 was 1.64%, lower than 1.89% of 2015 and 2.4% of 2014. (6) As of 1 April 2017, the underemployment rate among working-age labors in the first quarter of 2017 was estimated at 1.74%, of which 0.8% were in urban areas and 2.25% in rural areas (1.76%, 0.7% and 2.29% respectively lower than the same period of 2016). (7)

Second, we have expanded coverage of social and unemployment insurance to assist people proactively respond to income decrease or contingencies like risks, sickness, labor accidents, and old age.

The social security system has made a positive impact, contributing to minimize risks to people which they themselves cannot overcome, such as unemployment, underemployment, low income, old age, invalidity, orphanage, and poverty to boost social progress. Social issues have been resolved through social, health, and unemployment insurance, social relief and assistance, social incentives, among others.

Social insurance coverage has broadened and increased. In the past, social insurance beneficiaries included only workers, public servants and armed forces. Now social insurance has been extended to all people in society. By the end of 2016, 81.7% of the population, equivalent to 76.1 million people bought health insurance, 5.6 million people more than 2015.

Unemployment insurance has combined temporary allowances with job creation for the unemployed. This has a profound social implication in conformity with the line of harmoniously developing economy with job creation. In addition, unemployment insurance has made up for income, while creating positive motivation for unemployed people to find job opportunities. In Vietnam, unemployment insurance started to be implemented in accordance with the Law on Social Insurance from 1 January 2009 with 5,993,000 insurance buyers. By 2014, the number was 9,213,302. By the end of September 2016, the number rose up to 10.64 million, 6.7% higher than over the same period of 2015.

Third, regular support has been given to people in special circumstances and irregular assistance to people when they face unforeseen or uncontrollable risks (crop loss, natural disasters, poverty) in cash or in kind from the state budget.

If in 2012, the total expenditure on social security accounted for 5.88% of GDP, in 2015, it was 6.6%. The total expenditure for social protection and poverty reduction in 2016 was reportedly VND7,303 billion, including VND 3,786 billion as gifts and support to entitled beneficiaries; VND2,470 billion to support poor households and VND 1,047 billion for food supply and other relief aid. In addition, 18.3 million health insurance cards for free medical examination and treatment were granted to entitled beneficiaries nationwide. (9) Attention was given to social security by administrations at all levels. The total mobilized funds from the central budget, provinces, cities, organizations and individuals for social security and poverty reduction in the first 3 months of 2017 was VND3.775 billion.

Fourth, people's access to basic social services of education, health, housing, clean water and environmental sanitation, information has been increased.

Most laborers have had access to grassroots health services; health insurance coverage rose up rapidly over the years, reaching 81.7% of the population in 2016. Meanwhile, 62 out of 63 provinces and cities achieved universalization of pre-school education for children under five years old, and all 63 provinces and cities completed universalization of primary education. Housing, clean water and information services have improved remarkably, per capita housing space increased from 17.5 square meters in 2010 to 22 square meters in 2015.

In spite of the economic fluctuation and limited resources, the Party and State have set great store by investing in mountainous and ethnic minority areas, poor districts, communes, and villages. Accordingly, many social security policies have been issued; hunger eradication and poverty alleviation programs for mountainous and ethnic minority people in Vietnam have obtained notable results which are highly appreciated by international public opinion. Viet Nam achieved and completed ahead of time the United Nations Millennium Development Goal (MDG) on poverty reduction. The rate of poor households dropped by an average of 2% annually from 14.2% at the end of 2010 to 4.5% in 2015. In poor districts, it decreased by 6% annually from 58.3% to 28%.

However, there remain prolonged constraints and weaknesses in social sector: "The coverage and quality of social and unemployment insurance are still low. The Social Insurance Fund is not sustainable. There are limitations in people's healthcare and protection."⁽¹⁰⁾ There is a large gap between indicators and the average. Policies on social security and poverty reduction are overlapping, not synchronous, ineffective thus have not yet encouraged the poor to strive hard to get out of poverty.

The causes of these limitations stem *primarily* from low awareness on the role of social security. Opinions are divided on social security, some consider it simply relief, support, assistance and preferential treatment, hence lack of resource mobilization and inadequate and ineffective development and operation of the social security system. With limited coverage and number of beneficiaries, the social security system is unequal. The State's investment, management and supervision of the social security system have not met requirements and been ineffective. *Besides*, ineffective implementation of policies and social insurance schemes have hindered social progress and equity. Hunger eradication and poverty reduction are not sustainable with high risk of relapse; there are limitations in policy on social assistance and incentives. There are large gaps in income and living standards between regions and people's strata. This tendency is increasing.

In order to overcome these shortcomings and weaknesses, in addition to raising the productivity and efficiency of labor for economic growth, creating resources for the State to materialize well social security policies, it is necessary to simultaneously implement the following groups of measures:

First, renew awareness on social security policy.

The 12th National Party Congress affirmed to shift from humanitarian assistance to ensuring social security of citizens. Poverty reduction policy should be more focused and effective, using multi-dimensional poverty approach to ensure basic social security and access to essential social services. Renewal of awareness on social security should focus on:

First, consider "the Social Security Strategy for Vietnam 2011-2020" as part of "the Socio-Economic Development Strategy 2011-2020." Accordingly, efforts must be made in education and communication with diversified contents and forms to raise awareness of cadres, organizations and individuals within the Party and among the people, from leaders to each person about their rights and obligations in developing and implementing social security in the political system from the central to grassroots level. These efforts will help raise individual awareness and responsibility, creating a movement to implement social security.

Second, renovate the way of thinking and enhance the Party's leadership capacity towards social security to achieve social equity. Accordingly, the Party lines should fully imbued with Marxism-Leninism, and Ho Chi Minh Thought on social security in association with social progress to achieve the goal of people liberation and national independence. People are entitled to plentifulness and happiness. Everyone has food and clothes and access to education. The poor, and the vulnerable have enough food to eat. Those who have enough food must be better off. Those who are well-off must become richer. Therefore, the Party needs to build a democratic social security system, discover and harness potential of organizations, businesses, individuals and people of all strata to develop the social security system. It is necessary to ensure equity and equality in contribution to and getting benefit from the social security, from developing mechanisms, policies and laws in administration and management of cadres and civil servants. At the same time, listen to opinions and come under the supervision and criticism of service establishments and beneficiaries on Party policies in social security.

Third, perfect the State's social function in order to bring into play the leading role of the State in the development of social security, management, supply and mobilization of resources for social security. The primary solution is to build and realize the social security system to continue institutionalizing the Party viewpoints and lines on social security into mechanisms, policies, laws, balance and allocation of the state budget to develop a multi-layered and flexible social security system to help people benefit from the superiority of social security and contribute to the promotion of social equity.

Fourth, promote social inclusion for the implementation of social security. Through their activities, social organizations contribute to promoting the development of the social security system in particular and the country in general. Therefore, it is necessary to promote the role of these organizations in supervising and contributing critical opinions towards the Party policies and lines and State laws and policies on social security. Social organizations' supervision will present truthfully and fully social security needs of people of all strata, helping management

agencies to completely and objectively understand social needs to adjust lines, policies and laws on social security in time.

Secondly, renovate the implementation of social security policy.

First, economic development is linked to social security objectives. The Resolution of the 12th Party Congress stated: "The state uses institutions, resources, regulation tools, distribution and redistribution policies to develop culture, exercise democracy, social progress and equity, ensure social security, step by step improve social welfare and people's living conditions in all aspects, and narrow the gap between the rich and the poor." (11) Economic development must take social and personal welfare as a goal, harmonizing economic, cultural and social development so that all members of society can benefit from minimum essential conditions.

Second, implement universal and comprehensive social security policy. In order to create a basis for Vietnam to push forward the implementation and improvement of healthy and sustainable social security, and promote social progress and equity, in the coming years, we need to pay attention to its pillars, first of all, social insurance. Building and development on a secure, and sustainable social insurance system are a basis for social progress. It is necessary to:

Develop a multi-layered, flexible and mutually supportive social security system (including insurance system: social, health, unemployment, and pension insurance); social assistance, social benefits and poverty alleviation program. Though the social security system is multi-layered, it must have focus and its key pillars are social and health insurance, social assistance and incentives to ensure its sustainability. It is necessary to build a complete social insurance system based on the principle of contribution-benefit (compulsory and voluntary insurance, health insurance, unemployment insurance). Separate social insurance from non-productive administrative sector and corporate sector, pay attention to vulnerable groups, such as ethnic minorities, people who lost their jobs, social assistance and relief beneficiaries. Diversify social relief forms, shift to non-profit provision of social protection services, create opportunities and give priority to beneficiaries to access economic resources, essential public services, equality in education and training, job training, job creation, healthcare, housing, culture and information.

Third, create a proactive labor market in order to ensure the implementation of social relations between job-seeking laborers and employers through agreement on wages and other working conditions in the form of written contracts or any other forms of agreement. In fact, in transaction relations or labor market negotiations, the balance is often tilted towards employers as the number of job seekers is still higher than the number of jobs and job seekers have often limited resources. Therefore, it is necessary to develop proactive labor market policy, a measure to prevent unemployment and underemployment to create jobs and increase income, meet labor demands and promote social equity (assistance to vulnerable laborers). On the other hand, it is necessary to promote international cooperation, and make use of resources and experiences of other countries in building and implementing social security policy.

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- (1) *Beyond HEPR: A framework for integrated national security, UNDP-DFID 2005*
 - (2) *Document of the 12th National Party Congress, Central Party Office, Hanoi, 2016, p.137*
 - (3) *Ibid., p.26*
 - (4) *The National Employment Fund created jobs for more than 3 million laborers. Baodansinh.vn, 17 May 2016.*
 - (5) *Ministry of Labor, Invalids and Social Affairs: Employment for People with Disabilities, www.molisa.gov.vn, 29 December 2015*
 - (6) *General Statistics Office (2016), Press Release on the socio-economic situation in 2016, www.gso.gov.vn*
 - (7) *General Statistics Office (2017): The socio-economic situation in the first quarter of 2017, www.gso.gov.vn*
 - (8) *Viet Nam Social Insurance (2015): Results of work in 2014 and directions and tasks for 2015, Report No. 389 / BC-BHXH, 4 February 2015, Hanoi, p. 1*
 - (9) *General Statistics Office (2016): Op.Cit., www.gso.gov.vn*
 - (10) *Document of the 12th National Party Congress, Op.Cit., p. 256*
 - (11) *Ibid., p.269*