

BUILDING SOCIAL PROTECTION FLOORS WITH THE ILO TOGETHER, TO CHANGE MILLIONS OF LIVES IN VIET NAM



International
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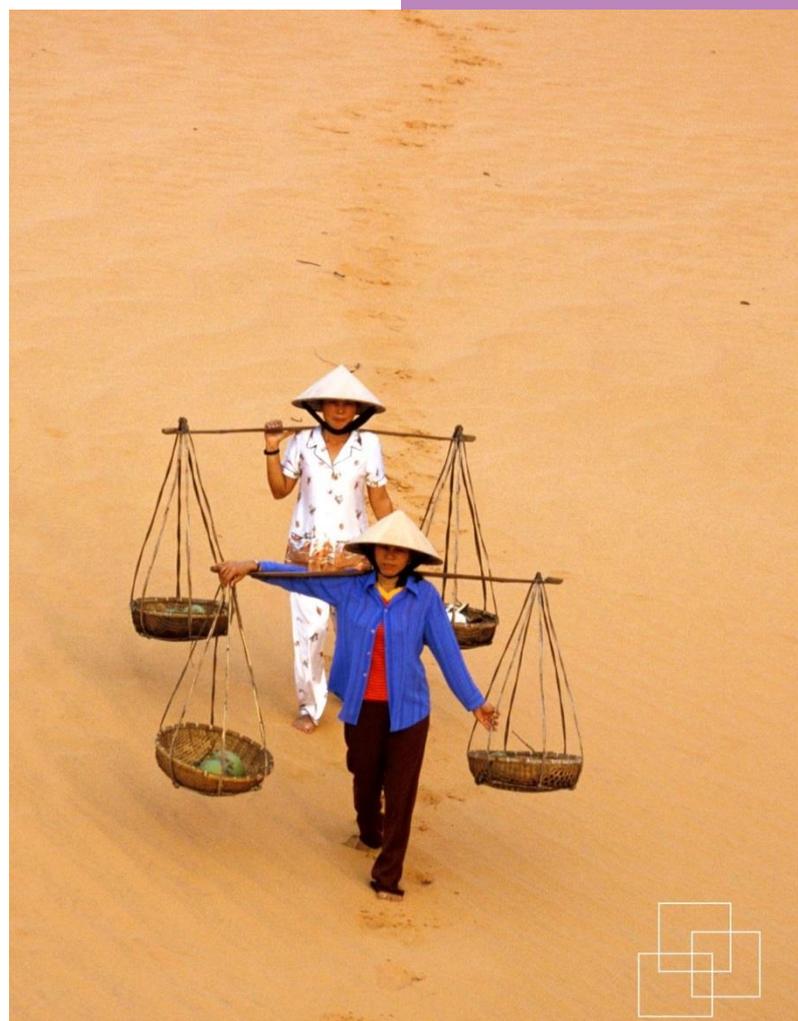
EXTENDING SOCIAL INSURANCE COVERAGE

In 2016, 74.1 per cent of the workers (including agriculture) in informal employment in Viet Nam. Therefore, ensuring that everyone in the country gets access to social protection remains a challenge. The Social Insurance Law passed in June 2006, and amended in 2014, covers public and private employees in the event of disability, sickness, maternity, work injury, unemployment insurance, and old-age on a compulsory basis. Since 2008, informal sector workers are eligible, on a voluntary basis, for the retirement and survivor pension scheme. As of December 2016, at most 12.9 million and 0.203 million workers are respectively covered by the compulsory and voluntary social insurance schemes, which accounts for a merely 24.0 per cent of the total labour force.¹ The coverage remains particularly low among small and medium enterprises and workers with short-term contracts, and workers eligible to the voluntary affiliation.

The Party Central Committee's Resolution No. 15-NQ/TW of 2012 set a target of 50 per cent of the workforce covered by social insurance by 2020. To achieve the target on coverage, including coverage of migrant workers, and increase financial sustainability in light of an ageing population and economic slowdown, Vietnam reformed its Social Insurance Law in November 2014 with the support of the ILO.

The Government is pushing further the reform with an intention to ensure the right to adequate social protection of all residents by 2030. In April 2017, the Government adopted a Master Plan for Social Assistance Reform to 2030 (MPSAR). The Government is now developing a Master Plan on Social Insurance (MPSIR), aiming at increasing coverage and the level of social protection, while ensuring sustainability of the system.

¹ VSS, 2015 and ILO calculations based on Viet Nam labour force survey 2015



STRENGTHENING OLD-AGE PENSIONS, MATERNITY PROTECTION, SOCIAL ASSISTANCE, AND ACCESS TO HEALTH CARE

Investment in social assistance remains modest (i.e. 0.37 per cent of GDP). As a result, the coverage, both in terms of beneficiaries (nearly 3 millions) and monthly cash benefit level (\$12 as an average) are not sufficient. Legislation is highly fragmented, eligibility criteria are not clearly defined, giving ways to loopholes; accessibility to information and benefits remain an issue in particular among ethnic groups. The newly adopted MPSAR aims at addressing these issues. The Government has called upon the UN Agencies to support its implementation.



At the High-Level Policy Dialogue on Extending Social Security, 29 March 2017,

Viet Nam needs to find solutions to increase the social insurance coverage, ensuring the right to social protection for all and sustainable development.

- H.E. Vu Duc Dam, Deputy Prime Minister of Viet Nam

Viet Nam has achieved significant progress in extending its social health insurance coverage, with to date, 82 per cent of the population being covered. The Government subsidises the contributions of children, elderly, poor and other vulnerable groups. However, concerns about accessibility, quality and affordability of certain services (high out-of-pocket payments) still remain.

Further, the population of Viet Nam is ageing rapidly. The social protection system provides old-age income support through social insurance and a tax-funded social pension for older people. Both types of schemes have revealed various weaknesses and still, too many elderly remain without any pension. A systemic approach to social protection, and in particular old-age pensions, should bring together the contributory and tax-funded schemes.

Only around one out five of working women can claim maternity leave under the social insurance system. The Government is exploring an extension of the scheme to all women in the formal and informal economy.

FROM RIGHT TO REALITY WITH YOUR SUPPORT

The ILO and UNDP are co-chairs of the UN Result Group on Inclusive Growth and Social Protection. The ILO's Japan-funded project in ASEAN (2016-19) supports the country's efforts in extending social security coverage, the Ireland-funded project will support the improvement of social assistance, and the Luxembourg-funded project will support the enhancement of the social health insurance scheme. With your help, we can move towards achieve significant coverage expansion for both older men and women.

You can support us to:

- Extend social insurance coverage, to reach 15 million more workers by 2020. US\$ 700,000
- Guarantee a pension to the 18 million older people by 2030. US\$ 800,000

- Ensure that all working women can get maternity leave. US\$ 500,000
- Extend and strengthen social assistance to reach all in need (11 million people) by 2030. US\$ 1,200,000
- Improve access to health care, through enhanced social health insurance coverage. US\$ 700,000
- Effectively extend social protection coverage to migrant workers in Viet Nam and Vietnamese overseas migrant workers and provide assistance for the signing of bilateral agreements. US\$ 500,000

LISTENING TO YOUR AMBITIONS

As a donor, you receive regular reports on the progress made and have access to ongoing project activities and performance indicators.

To further discuss your objectives and the ways in which you can support stakeholders in Viet Nam and improve millions of lives, you can contact:



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