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### SOCIAL SECURITY IN VIETNAM: THEORY AND PRACTICE

**Abstract.** The Government of Vietnam is determined to develop a social security system that is appropriate for a middle-income country and with international standards, to better ensure basic human rights. To provide people with minimal access to basic social services (health, education, housing, clean water, information), step by step contribute to increase income, ensure a safe life, equality and happiness of the people. The paper aims to introduce general issues of social security, achievements, shortcomings of current social security policies and policy directions for the period from now to 2025.

**Keywords:** Social security; policy; Social security policy; Vietnam Social Security; policy enforcement.

#### 1. Place the problem

Vietnam has undergone nearly 34 years of renovation and international integration. This process has strongly promoted the functioning of the market economy mechanism in the economy. It can be said that the market economy mechanism as well as the process of international economic integration have brought many benefits to the economy such as promoting competition, expanding markets, developing science – technology ... However, competition also brings many equally negative effects such as bankruptcy, unemployment ... On the other hand,

problems of natural disasters, climate change, environmental incidents or problems. socio-political extremes have hurt many poor people and disadvantaged groups in society. Moreover, when Vietnam is moving to a socialist-oriented market economy, this issue is more important. In the context of the COVID-19 epidemic continuing to develop complicatedly in many countries, there is still a great potential for risk. Some countries face the risk of a second and third outbreak. Many countries have decided to delay the opening of the economy, and at the same time re-impose gap measures, a social security assessment

in Vietnam is necessary to be able to make decisions. The policy or program direction to create a social safety net to keep members of society safe is of particular concern. Therefore, the article is made to contribute to highlight the achievements as well as weaknesses to identify the current state of social security in Vietnam.

## **2. General theory of social security**

### **2.1 Concepts**

Social Security has broad and increasingly complete content about awareness and practice around the world. Social security, from the point of view of some international organizations, also has a wide, narrow range and different target groups.

According to the United Nations, social security has access to the rights of the people (Article 25, Charter of the United Nations 1948): "Every person and household has the right to a minimum of health and social benefits include dress, clothing, medical care (including maternity), essential social services and the right to welfare in the event of employment events, illness, disability, widows, old age or other force majeure cases".

According to the World Bank (WB), "Social security is the government's measures to help individuals, households and communities cope and curb the risk of impact on income to reduce ease hurt and income uncertainties".

International Labor Organization (ILO): "Social security is a protection that society provides to its members through a number of widely adopted measures to cope with difficulties, social and economic shocks that seriously result in loss or impairment of income due to illness, maternity, work injury, loss of work capacity or death. Providing medical care and benefits to victim families with children" [1].

Social security is a component of social policy. According to Simone Cecchini, social policy consists of three basic components: Social security, promoting social development and industry policies. Policies promoting social development and sectoral policies aim to improve human capacity (human capital) and the

human operating environment (labor, employment, health, education, and education policies). education, business development, infrastructure ... ) [2].

Social security has a broader scope than social assistance

According to Katja Bender et al., Social assistance is a fundamental component of social security (other components include social insurance, health insurance, labor market policy; muscle strengthening; access to jobs, vocational training ... ) [3].

Social security policy is one of the basic policies of each country to prevent, protect and ensure safety for members of society in case of risks. Building, completing and effectively operating the social security model based on the principles of shared responsibility and social justice, is one of the important indicators of a developing society in the economic conditions school and international integration. The more social development, the richer human life, the more diverse and increasing the need to ensure social security. Therefore, the Party and State of Vietnam have introduced important guidelines and policies aimed at promoting social security, caring for and developing human resources, for sustainable development.

### **2.2. Function**

Vietnam's social security system has 3 main functions:

Risk management:

The social security system aims to help people better manage risks through three basic groups of tools:

(i) Risk prevention: supporting people to proactively prevent risks in life, health, production and business and fluctuations of the natural environment;

(ii) Risk mitigation: helps people have sufficient resources to compensate for income gaps due to events in life, health, business and natural environment;

(iii) Overcoming risks: timely support for people to minimize unforeseen impacts or out of control due to events in life, health, business and production. natural school, ensuring minimum living conditions for people.

Income redistribution: Poverty reduction policies, regular and extraordinary social assistance

forms for disadvantaged and vulnerable groups and the motto "young people pay-for the elderly" social insurance, or "the healthy person pays – the sick person benefits" in health insurance to redistribute income of the population, create a sharing mechanism when facing health, business and environmental risks. nature.

**Social cohesion:** In market economic conditions, social stratification tends to increase, good jobs in risk management function, income redistribution will help strengthen social cohesion. ensuring sustainable development achievements and sharing among members of society.

### 2.3 The Components of Social Security

The social security system is a multilayer system, flexible and able to support each other, ensuring prevention, minimization and overcoming of social risks for everyone. Vietnam's social security system is built on the principles of risk management, and emphasizes the role of providing basic social services to the people, including the following four basic groups of policies:

- The group of employment policies to ensure minimum income and reduce poverty: to support people proactively prevent risks through participat-

ing in the labor market to get good jobs, minimum income and reduce poverty. lasting.

- Group of social insurance policies: to support people to reduce risks when getting sick, occupational accidents, old age ... through participating in the social insurance system to actively offset the reduced income. or lost due to the above risks.

- Group of social assistance policies: including regular and ad-hoc policies to assist people to overcome unforeseen risks or out of control (crop failure, hunger, chronic poverty).

- A group of basic social services policies aimed at improving people's access to the basic service system at a minimum, including minimum education, minimum health care, minimal housing, clean water and information. communication.

In essence, social security is to contribute to ensuring income and life for citizens in society when they unfortunately encounter "social risks" or "social events" leading to the suspension or reduction of income. import. The mode of operation is through public measures. The aim is to create a "well-being" for all members of society and therefore deeply social and humanistic, this is also an idea that aims to bring prosperity and happiness to everyone and to give society.

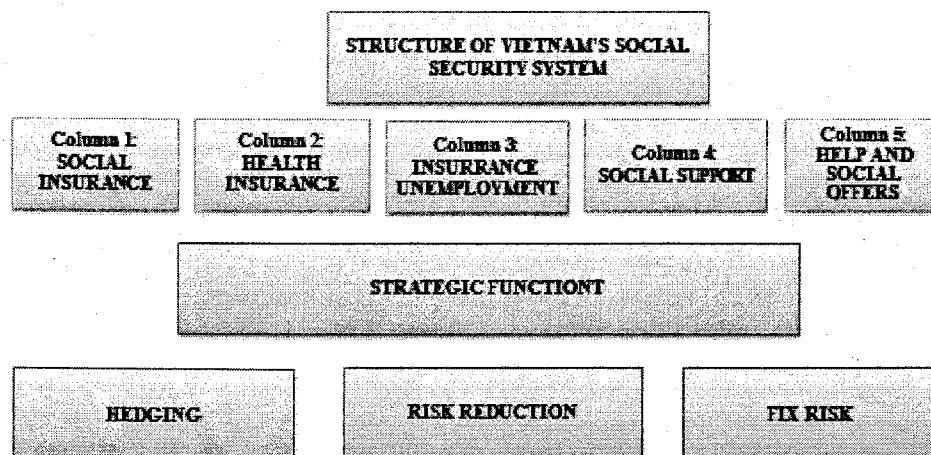


Figure 1.

In addition, the social security system, including social insurance, through its activities contributes to increasing the close relationship between the employee,

the employer and the State. Employees, employers and the State all contribute to the social insurance fund, which makes employees more responsible for their

work, in production, and attachment to their workplace. Employers contributing to the social insurance fund and other social funds also see clearly their responsibilities to the employees and society. The State both contributes and manages the activities of the social insurance fund and other social security funds, ensuring fairness and equality for all beneficiaries ... That increases the close relationship between the State – Employer – employee, contributing to stabilizing the economy – society. Social security, through its mechanisms, contributes to reducing the gap between the rich and the poor, contributing to social equity.

### 3. Achievements and limitations

During more than 34 years of implementing “Đổi Mới” for national development, social security work has always been paid attention by the Party and State to contribute to human development, promote social equity and progress, and improve High quality of life for all people. Vietnam has made many important achievements in social security, recognized by the United Nations as one of the leading countries in the implementation of the Millennium Development Goals, notably in poverty reduction, job creation, education-training, health care, assistance for disadvantaged people and gender equality. The proportion of investment from the state budget for social security reaches over 28%. The State prioritized investment in job creation, poverty reduction, preferential treatment for people with meritorious services to the revolution, assisting disadvantaged and vulnerable groups and providing basic social services such as education, education, health care, clean water, sanitation, housing for the people.

Up to now, Vietnam has built a relatively comprehensive and diverse social security system, which is increasingly expanding in terms of size and target, with enhanced effectiveness, with 4 pillars: (1) Policy group jobs to ensure minimum income and reduce poverty such as: supporting people to proactively prevent risks through participating in the labor market to get good jobs, minimum income and sustainable poverty reduction; (2) Social insurance

policy group: supporting people to reduce risks of illness, occupational accident, old age ... through participation in social insurance to actively compensate for the reduced income or lost due to the above risks; (3) Group of social assistance policies, including regular and irregular subsidy policies; (4) Basic social service policy group, helping people to access basic services in education, health, housing, clean water and information and communication. For our country, an important component in the social security policy is the group of policies for people with meritorious services to the revolution.

The national target program on sustainable poverty reduction for the 2011–2015 period is effectively implemented with resources up to VND47,339 billion; for the 2016–2020 period, VND41,449 billion was allocated from the central budget and VND4,712 billion from the local budget. The rate of poor households reduces on average about 2% / year in the period 2010–2015. According to the multidimensional poverty line, since 2016, the rate of poor households has decreased by an average of 1.3% / year. The National Fund for Job Creation is supplemented with the annual budget of about 50 billion VND and lends an average of 2,000–2,500 billion VND / year, the rate of capital usage reaches over 98%. In addition, 51 provinces and cities have set up a local employment fund. The Government has issued more than 20 preferential credit policies, using the credit loan mechanism through programs, organizations and unions to support the poor, ethnic minorities, students with refunds. Difficult situation ... In the period 2012–2018, over 14,934 thousand turns of poor households, near-poor households and other policy beneficiaries had access to credit.

On August 5, 2012, the Prime Minister approved the Project to assist people with disabilities for the period 2012–2020. In October 2015, the National Committee on People with Disabilities was established. The country has more than 7 million people with disabilities, with more than 1,130 vocational training institutions organized to provide vocational

training for people with disabilities, including 744 public establishments, 386 private establishments. In the period 2010–2018, about 180,000 people with disabilities were supported in vocational training and job creation through programs to support vocational training and loans.

However, in addition to the achieved results, the social security target of the entire population still faces many challenges, a number of long-lasting weaknesses that are slow to be overcome such as: Low unemployment rate but the rate of employed workers' unsustainable work is still high; rapid but unsustainable poverty reduction; the proportion of people participating in social insurance is low; the monthly cash subsidy level for people in extremely difficult circumstances remains modest; quality of some essential social services has not met development requirements. Not only that, the social security system and social security policies in Vietnam are facing great new challenges such as: Vietnam has entered a period of population aging, international integration, participation. The new generation of trade agreements have raised new issues of labor standards, professional standards, social security challenges in a digital age and integration.

Up to now, the country has confirmed 9.2 million people with meritorious services, of which over 1.3 million people are enjoying the monthly preferential treatment. 99.5% of families with meritorious services have a living standard equal to or higher than the average living standard of the local population. In terms of employment, income and poverty reduction policies, annually, on average, domestic jobs are created for 1.5–1.6 million people and sending more than 100 thousand workers to work abroad under contracts. The unemployment rate has always remained low, about 2–2.2%, the urban unemployment rate is below 3.5%.

Social insurance development has made a breakthrough, up to now, there are about 32% of the labor force participating, especially voluntary social insurance in 2019 has added nearly 300,000 participants,

bringing the total number of participants to about 574 thousand people, equal to 10 years of previous implementation. Coming to the crest.

#### **4. Solutions to strengthen implementation of social security policies in Vietnam in the current context**

The 2021–2030 period is a breakthrough period in the country's socio-economic development towards creative growth and social security. Therefore, a social security strategy needs to be formulated in a new approach.

Parallel and harmonious development between the economy and society is a requirement, it is necessary to continue to inherit the point of view of Central Resolution 5, emphasizing the view that human is the center of the development process, ensuring the main Social books must be built and implemented in harmony with economic development.

Investment in the implementation of social policies is investment for development. According to the Central Resolution 5, social policies must ensure inclusive and comprehensive development, especially improving the quality of human development, creating adequate jobs and good jobs for everyone; to better control the rich-poor differentiation, reduce social inequality, and achieve gender equality. In Vietnam, poverty must be completely eliminated for everyone, anywhere, anytime, to focus on solving the poorest group, the poorest region, and narrowing the rich-poor gap between regions, regions and people. clan. The social security policy must be developed comprehensively, eventually covering the entire population.

In the context of many difficulties, it is necessary to make every effort to implement a number of contents and research projects on social policy in the period of 2021–2030.

In the immediate future, to bring into play all effective resources against the Covid-19 epidemic; research on a national bailout package on social security and practicality for employees; continue to review and improve the legal system, evaluate policies in each area

to have a basis for proposing, supplementing, amending or replacing appropriate new policies; continue to upgrade, expand, fully implement the policy of people with meritorious services, well solve outstanding problems. Restructuring resources to ensure social security in the direction of: Increasing the State's investment in social security policies and programs with the view that investment in social security is investment in development and core role; to restructure the social insurance and unemployment insurance premium-entitlement parameters to ensure that the social insurance and unemployment insurance fund are firmly balanced in the long term (in terms of payment rate, benefit rate, payment period, formula for calculating pension, retirement age, management costs, fund development investment ...); develop and expand social security funds ("gratitude" fund, love fund, emergency fund ...) with the contributions of businesses, organizations, people, communities and international assistance in accordance with the law.

To develop and improve the quantity and quality of basic social services; flexible social assistance, meeting the needs of people and communities after natural disasters and disasters with the spirit of ensuring timely support for the vulnerable and disadvantaged people overcoming risks, preventing violence and abuse women and children. Along with that is to develop a flexible, diversified, multilayer, modern and international integration social insurance system, towards universal social insurance, especially voluntary social insurance in the field. agriculture, informal labor; Better state management of insurance companies.

Promote and improve the efficiency and quality of international integration and cooperation on so-

cial security; continue to participate in the development of international conventions and standards of the United Nations, International Labor Organization (ILO), United Nations Children's Fund (UNICEF), multilateral and bilateral cooperation agreements new relations related to social security...; proactively, actively and responsibly implement international commitments on social security; proactive policy responses to undesirable impacts in the process of international integration to limit risks for people; to take advantage of international technical support, staff training and finance, ... to increase resources together with the State to ensure social security for the people.

### 5. Conclusion

Entering a new strategic phase, Vietnam continues to consider ensuring social security and social welfare as a regular key task. Vietnam is determined to fulfill high socio-economic development targets because this is an important basis to better ensure social security. However, Vietnam also faces many difficulties and challenges because the hunger eradication and poverty reduction must focus on the regions and the most difficult subjects; A not small part of the labor force has no job or lack of labor skills, is doing unstable jobs with low wages, salaries and social protection. Besides, the socio-economic situation still faces many difficulties; climate change, natural disasters, epidemics tend to increase ... With a clear determination of the above difficulties, Vietnam has been promoting its achievements and good experiences, overcoming shortcomings, concentrating all resources to develop a system of policies to ensure synchronous and effective social security.

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