

## Promoting and building social protection in Asia (3rd phase) Extending social security coverage in ASEAN - ESSA (Viet Nam component)



### PROJECT AT A GLANCE

#### → Partners

Ministry of Labour, Invalids and Social Affairs (MOLISA) (in particular its Social Insurance Department); Viet Nam Social Security (VSS); Viet Nam General Confederation of Labour (VGCL); Viet Nam Chamber of Commerce and Industry (VCCI); and the National Assembly Commission on Social Affairs (NAC-SA)

#### → Beneficiaries

Policy makers, managers and technical staff of Ministries in charge of policy development and implementation of social protection, workers and employers' representatives, and civil society in Indonesia, Viet Nam and ASEAN Member States. Ultimately, women and men in the working age, with a special attention to workers in the informal economy; own-account workers and unpaid contributing family workers; workers in micro, small and medium enterprises; employees without contract; sub-contracted, casual, seasonal and short-term workers; and migrant workers

#### → Donors

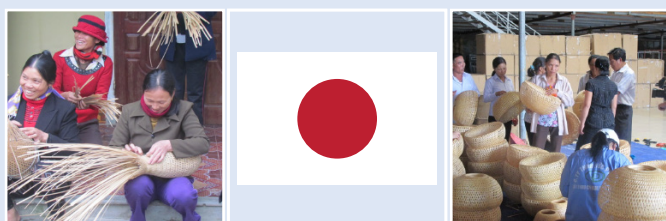
Ministry of Labour, Health and Welfare of Japan

#### → Duration

March 2016 – March 2019

#### → Geographical focus

ASEAN member States, with a focus on Viet Nam and Indonesia



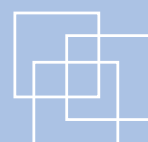
### PROJECT CONTEXT

In Viet Nam, despite a rapid expansion of the social insurance coverage in the last decade, as of November 2015, at most only 20 per cent of the total labour force contribute to the social insurance scheme. The coverage remains particularly low among small and medium enterprises and workers with short-term contracts. Informal economy workers, self-employed and rural workers, are still largely excluded from social insurance coverage, with only the voluntary retirement and survivor pension scheme and social health insurance being available to them.

The Government of Viet Nam set the target of covering 50 per cent of the workforce by 2020. To achieve the coverage target, improve adequacy and increase financial sustainability in light of an ageing population and economic slowdown, Viet Nam reformed its Social Insurance Law in November 2014. However, the first year of the reformed law's implementation shows that impediments to extending social security coverage are complex and inter-related, and require a comprehensive and long-term vision.

Reforms in policy and legal framework, institutional capacity and governance are needed to translate the recent law amendments to an effective increase in workers' coverage. A number of issues influencing the functioning of the social insurance law, including: legal obstacles and design gaps; low capacity in policy formulation and implementation; low capacity of social security inspection and weak coordination between social insurance and labour inspection; and low awareness and lack of incentive to contribute to the social insurance system among workers and employers.

The Government is now considering the preparation of a Master Plan for the Social Insurance Reform (MPSIR) that will guide future reforms of the policy and legal framework, and the improvement of the institutional capacity and governance of the social security system.



## Promoting and building social protection in Asia (3rd phase) Extending social security coverage in ASEAN - ESSA (Viet Nam component)



### PROJECT OBJECTIVE

The project main objectives is to stimulate innovative measures and strategies to extend social security coverage in ASEAN. To this end, the project generates better knowledge, understanding and expertise on extension of social security, and promote South-South cooperation across ASEAN Member States. The project provides direct support to Indonesia and Viet Nam, and lessons learnt, experiences and good practices from the two countries are disseminated across the ASEAN Member States and worldwide.

### PROJECT MAIN ACTIVITIES (VIET NAM COMPONENT)

- Build capacity and create knowledge to effectively and sustainably extend coverage of social security in Viet Nam;
- Conduct a legal and institutional assessment, analysis of social protection risks, needs and obstacles in particular among informal economy and micro-, small and medium enterprises workers, short-term contract workers, and self-employed through a value chain and sectoral analysis;
- To support the development of the MPSIR, conduct an assessment of the financial sustainability of the social security funds, including in view of extending social security coverage (population and benefits);
- Build capacity for MOLISA, VSS (including social security inspection), VGCL, VCCI, NAC-SA for the implementation of the reform of the Social Insurance Law, and other laws related to social security;
- Support the government to improve policy framework, draft amendments to legal texts, in particular design and legislation of the voluntary scheme, based on ILO social security standards and international experiences;
- Facilitate separate (for employers and workers' organizations) and tripartite workshops for endorsing the legal amendments for an improved enforcement of the Social Insurance Law and other social security laws;
- Identify strategies, measures and propose legal and institutional amendments for the reinforcement of the role of and linkages between social insurance, social assistance and labour inspection, if relevant in one proposed sector of the economy;
- Review processes and propose a list of legal, institutional and operational amendments for improving PSI services and procedures, as well for enhancing linkages with social health insurance, social assistance programmes and Public employment services; and
- Raise awareness among workers and employers' organizations on cost/benefits and return analysis of social protection to convince employers and workers, as well as local government agencies, and mass organizations on the benefits of contributing to social insurance.

#### Contact information:

Nguyen Hai Dat  
National Project Coordinator  
ILO Country Office for Viet Nam  
48-50 Nguyen Thai Hoc, Ba Dinh, Hanoi

Email: [dat@ilo.org](mailto:dat@ilo.org)  
Tel: +84 4 3734 0902 ext. 101 | Fax: +84 4 3734 0904  
Website: [www.ilo.org/hanoi](http://www.ilo.org/hanoi)  
Facebook: Vietnam.ILO

