



Vietnam Social Security

ASSA 37

Ha Noi, December 9th 2020



EXPERIENCE SHARING

SECURING SOCIAL SECURITY FOR

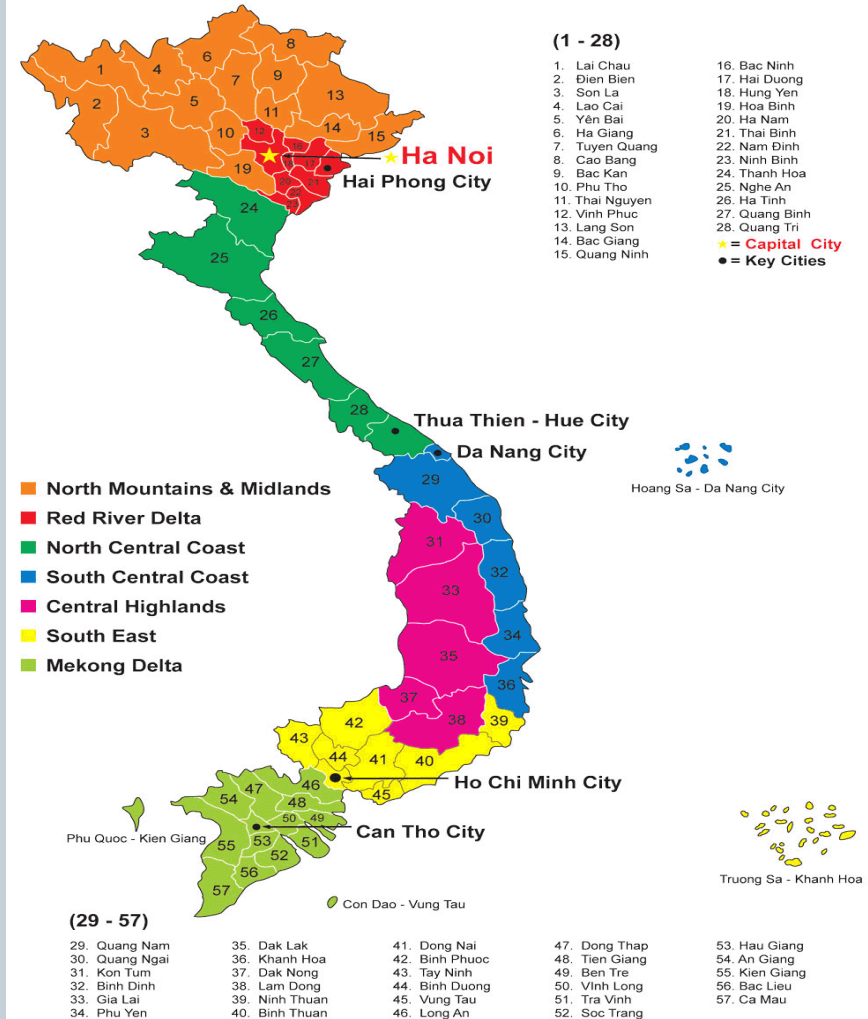
BUSINESSES AND PEOPLE

DURING COVID-19

Overview on Vietnam and its Social Security (1)

2

- Geo location: SEA
- Areas: 331,699 km²
- Population: >96 mils
- Labour force: 49,34 mils
- GDP/capita: >2,700\$
- SS coverage: 15,89mils, (32,2% of LF)
- HI coverage: 87,05mils, (90,1% population)



Overview on Vietnam and its Social Security (2)

3

- VSS is an governmental agency
- VSS is functioned to collect, manage SS fund and payment for SS, HI, unemployment insurance
- Executing 7/9 SS tasks, incl: 1) sickness; 2) maternity; 3) work injury occupational disease; 4) old-aged; 5) survivor's; 6) medical and 7) unemployment
- VSS at central and 63 provincial offices
- SS under Ministries of Defense and Public Security to implement SS and HI for armed forces.

Impacts by Covid-19 (1)

4

- *1. Social and economical impacts:*
- Severe impacts to all countries and is ongoing
- VN's economy, being widely opened and highly integrated, is suffering severe impacts both socially and economically.
- GDP Q1/2020 grew at 3.82%, lowest in 10 recent years.
- Business development severely impacted, most of enterprises are conservative in investment to scale up.
- Newly established enterprises stay flat during F4M/2020, those suspended in short-term surged y-o-y (up by 33.6%)

Impacts by Covid-19 (2)

5

Updates by Ministry of Planning and Investment in Sept'20

(1) GDP growth in F9M/2020: 2,12%; full-year growth is forecasted at 2%-3% vs planned 6,8% vs actual 7,02% in 2019. Amid global 2020 GDP growth is forecasted at -5%, VN's is encourageable.

(2) Import-export growth is estimated at 1% vs 2020 plan of 7%.

(3) Other 2 KPIs failed: urban unemployment in working age, and labour force being trained. Of which, the former KPI actual is 4.39% vs <4% as planned;

Impacts by Covid-19 (3)

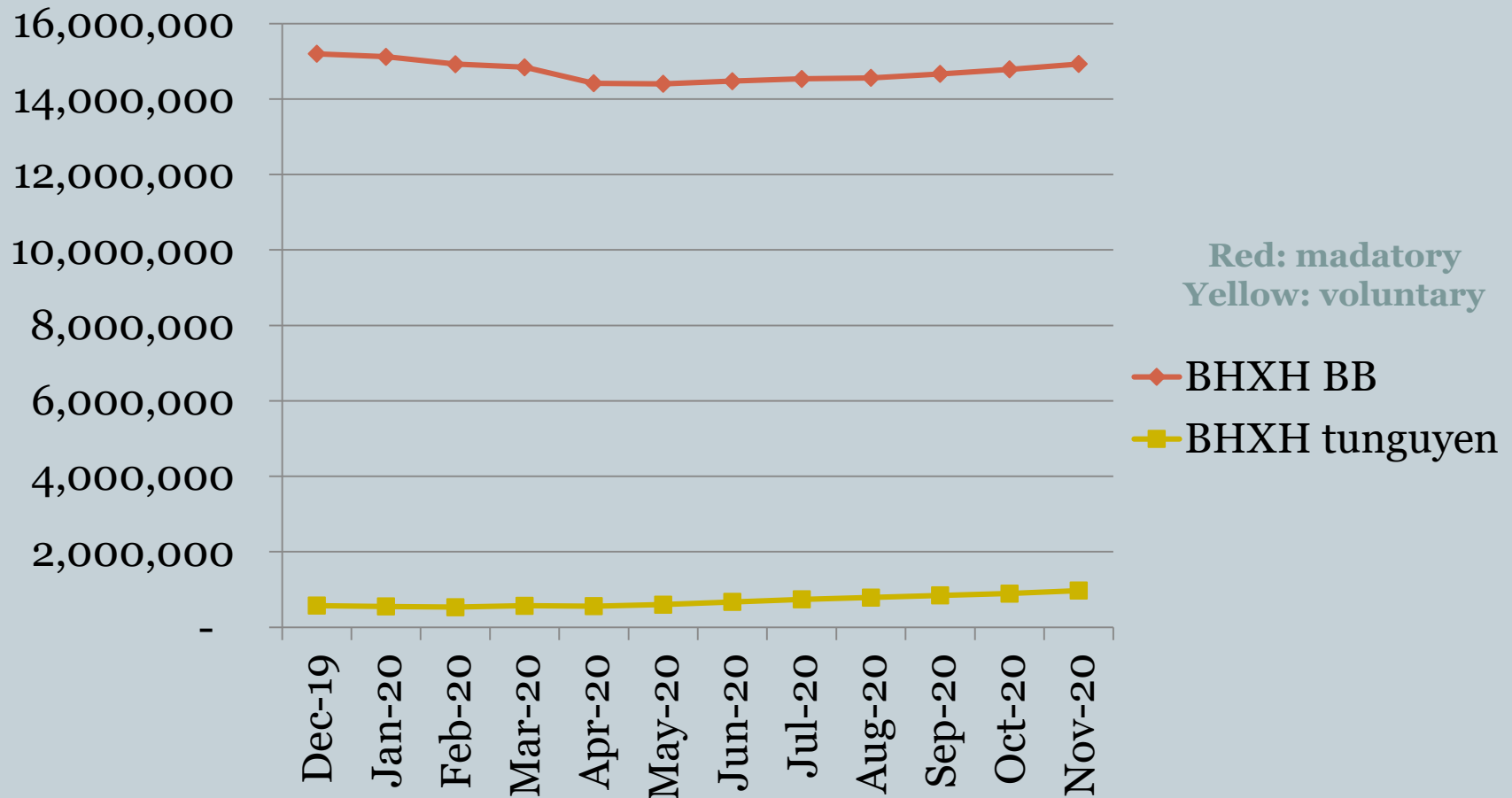
6

2. Impacts on SS

- Risk of increasing deferred SS payment as consequence of rocky business performance.
- Decreasing work force joining SS, HI from labourer losing jobs and flat new established enterprises.
- Causing tension on expanding voluntary SS coverage from social distancing, difficulties in propaganda added to people's income is reduced.
- Social distancing lead to to new ways of living and working.

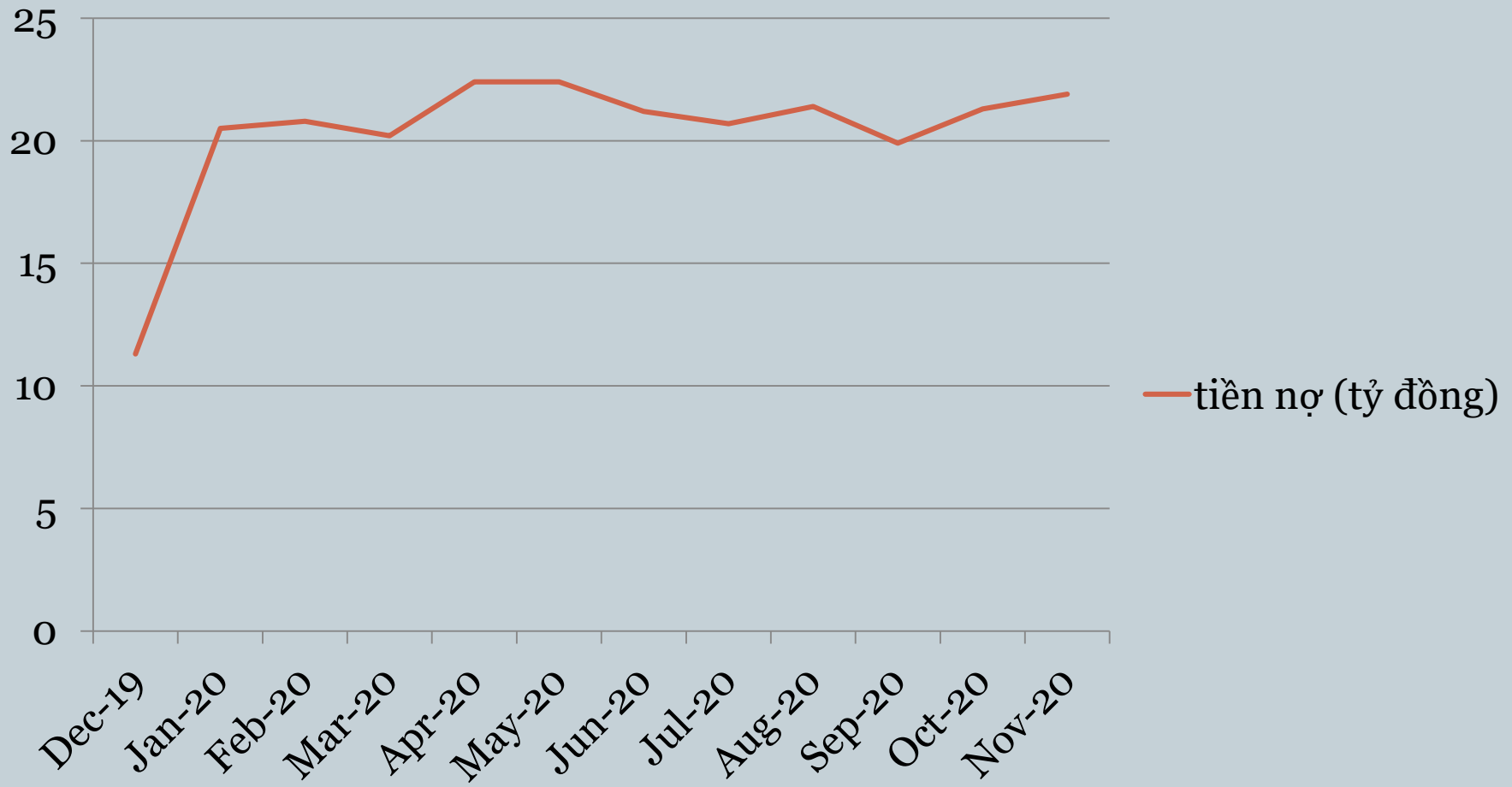
SS participants movement

7



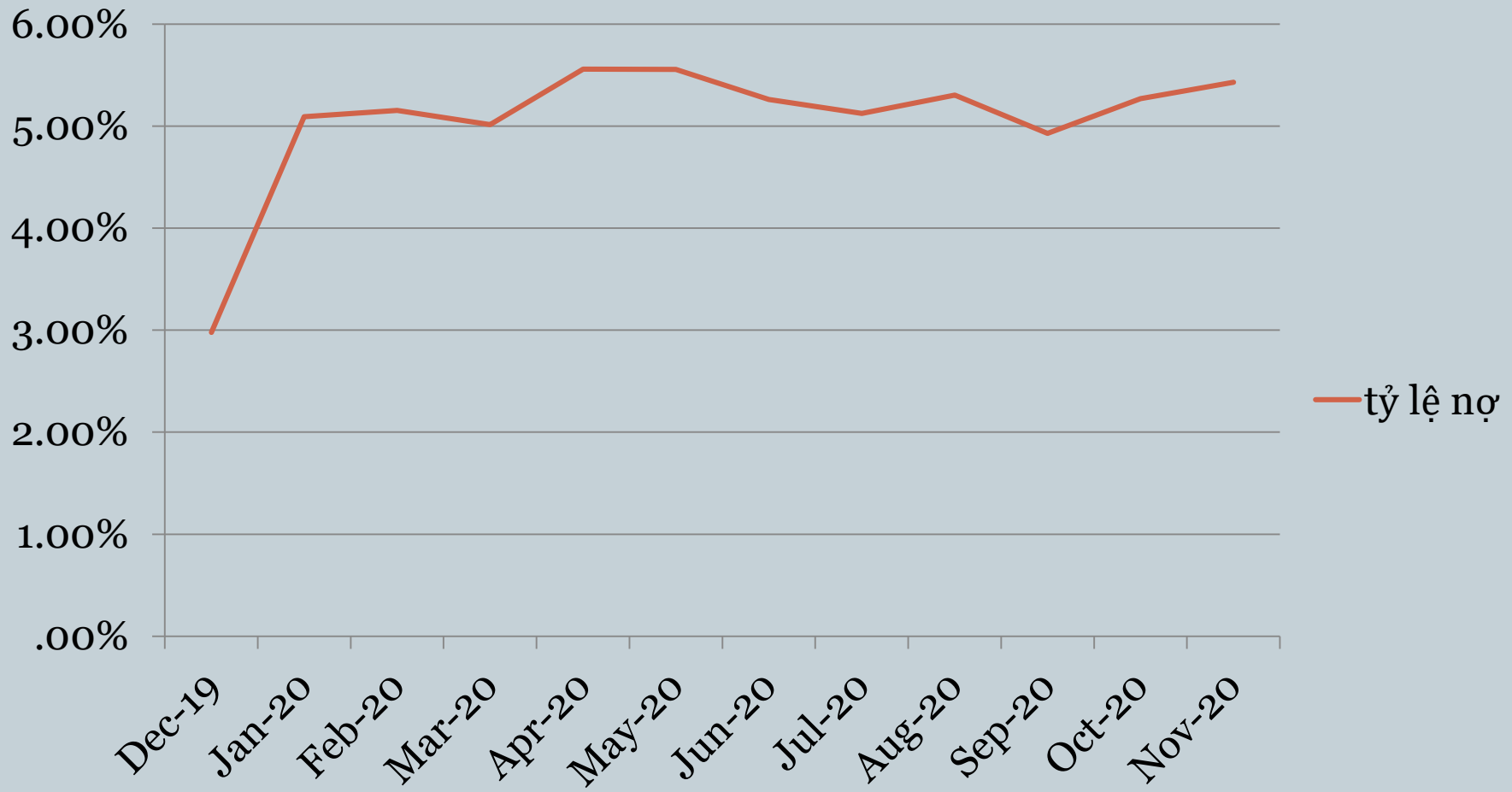
SS and HI debt volume

8



SS and HI debt volume vs plan

9



Government's actions (1)

10

- As soon as the pandemic broke out, entire political system triggered their actions, and greatly supported by all people
- Early declaration of the pandemic, allowing resources to be deployed
- P.M issued Directive No. 11 on urgent tasks and solutions to relax challenges to doing business and assuring SS during Covid-19 battle.
- Both Gov. and related agencies execute different supporting packages and practical solutions to increase business' resilience, gradually normalize or adapt their performance, enhancing digital transformation and trade promotion .etc.
- Gov. is determined in dual targets: fighting Covid-19, not allowing 3rd wave in parallel with highest possible social-economic growth target .etc.

Government's actions (2)

11

- Policies toward business and people:
(Resolution No. 42/NQ-CP dated 09/4/2020)
- 1. Supporting VND 800,000/person) for laboures having to suspend their jobs unpaid.
- 2. Employers are accessible to loans to partially pay workers' salary .
- 3. Supporting VND 1mil/month for household businesses having to suspend their operation.
- 4. Supporting workers VND 1mil/month to those loosing their jobs and not eligible for unemployment insurance.

Government's actions (3)

12

- 5. Supporting honorable people (those with recognizable contribution to the country) VND 500K/person/month).
- 6. Supporting people under social protection regime (VND 500K/person/month).
- 7. Poor, near-poor families (VND 250K/person/month).
- 8. Employers being affected can defer their payment, max 12M, to old-age and survivor's fund.

Total supporting vol. VND 62 trils (app. \$2.68 bil).

- These policies were continued by Gov.'s Decree No. 154/2020/NQ-CP dated 19/10/2020 with relaxed conditions.

IV. Results in SS and HI implementation

Developing participants to SS and HI

13

| Target | No. of participants | % vs plan |
|--------------|---------------------|-----------|
| Mandatory SS | 14.940 | 93,1% |
| Voluntary SS | 951,5 | 79% |
| HI | 87.050 | 89,9% |

IV. Results in SS and HI implementation

Delivery of SS and HI regimes

14

| Targets | F11M 2020 results | % vs 2019, same period |
|--------------------|-------------------|------------------------|
| One-off SS benefit | 716.365 people | +8% |
| Sickness benefit | 6.664.879 people | -14% |
| Maternity benefit | 1.662.319 people | -8 % |

IV. Results

15

- HI benefits implementation
- During F4M/2020 when VN declared country-wide pandemic with period of social distancing, HI fund covers 45 mil people with sickness benefit, (80% of 2019 same period).
- F11M/2020, HI fund covers 151 mil people with sickness benefit, (90% of 2019 same period).
- Thus despite severe Covid-19 impact, sickness benefit - a fundamental benefit of SS – of local people are assured fully and timely.

IV. Results

Suspending contribution, finalizing list of labourers eligible to benefits

16

| No | Description | Accumulative by Apr.'2020 | Accumulative by May'2020 | Accumulative by Nov.'2020 |
|-----|---|---------------------------|--------------------------|---------------------------|
| 1 | Suspending contribution to old-aged and survivor's | | | |
| 1.1 | No. of units | 538 | 1,158 | 634 |
| 1.2 | No. of labourers (person) | 54,873 | 105,929 | 74.339 |
| 1.3 | Suspended vol (VND bil) | 221 | 391 | 325 |
| 2 | Finalising list of labourers suspending their labour contract, taking unpaid leave (person) | | 79,936 | 168.163 |
| 3 | Finalising list of labourers terminating their employment (person) | | 111 | 585 |

V. Lessons learnt (1)

17

- From Gov. perspective
- Timely develop and issue policies and guidelines,
- Setting top priority to prevent and fight the pandemic; assure absolute safety to all people; social stabilization; minimizing economical impacts and creating favorable conditions to economic recovery and bounce back rapidly and sustainably.
- Taking multiple solutions to mitigate challenges, supporting people and enterprises being affected to maintain their operation, assuring social security.
- Making utmost efforts to achieve 2020 social-economic targets.

V. Lessons learnt (2)

18

- 2. VSS perspective
- 2.1. Closely follow Gov.'s policies and guidelines
- Strictly and timely execute Gov. and related agencies', National steering committee's policies and guidelines on pandemic prevention and control
- Timely and regularly report the status and working with Gov. and related agencies to implement or propose supporting policies toward enterprises and labourers, assuring social security.
- 2.2. Developing scenarios and strictly monitor the actual status to take proper solution.

V. Lessons learnt (3)

19

- Developing voluntary SS and HI family participants
- Frequently monitor status at VSS network and deliver necessary support, instructing enterprises to register SS contribution when labourers are back to work...
- Working and meeting online with local organizations

V. Lessons learnt (4)

20

- 2.3. Promoting the use of IT, public administration reform, electronic transaction.
- Guiding, urging, communicating to/with units/agencies/SS-HI participants via postal services, electronic channels, telephone, social network.
- Propaganding and mobilizing people to participate in voluntary SS/HI via electronic channels, television, radio, social networks (zalo, facebook ...).
- Public administration reform in collection and implementing SS/HI benefits, promoting payment via e-bank and other non-cash electronic channel...

THANK YOU