

Social development is a priority

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In the last decade, Vietnam’s investment in human and social development has considerably improved the lives of its people. There have been significant advancements in the reduction of poverty and the delivery of social services. Major disparities continue to exist between different regions, genders and ethnic groups, however. The challenge for the next decade will be to eliminate disparities and ensure equal access to quality social services.

The government of the Socialist Republic of Vietnam, with support from the international community, is preparing a strategy for sustainable development and prosperity focused on the needs of people that include 10 goals and 23 targets. Poverty alleviation, hunger reduction, and human capital development are key among the goals set for the first decade of the new millennium.

TABLE 1

Some key proposed development targets 2000 - 2010
<p>Goal 1. Eradicate poverty and hunger</p> <ul style="list-style-type: none"> • From 2000 to 2010, reduce poverty levels by 2/5 as determined by International Standards and 3/4 as determined by National Standards. • From 2000 to 2010, reduce food poverty by 3/4 as determined by the International Food Poverty Line.
<p>Goal 2. Achieve better education for people</p> <ul style="list-style-type: none"> • Provide 100% enrolment in primary school (80% in junior secondary school) by 2005 and quality basic education for all by 2010, with an emphasis on full day primary education. • Eliminate gender disparities in primary and secondary education by 2005, and ethnic disparities in primary and secondary education by 2010.
<p>Goal 3. Reach gender equality and empower women</p> <ul style="list-style-type: none"> • Increase women’s participation in political and business life by increasing the number of women in elected bodies and the government machinery at all levels (national, provincial, district and communes). • Improve women’s access to assets by ensuring their names (as well as those of their husbands’) are on 100% of the land-titling books by 2005. • Reduce the vulnerability of women to domestic violence. • Target public investments into areas that reduce the burden on women’s time (such as drinking water and fuel, etc.).
<p>Goal 4. Eradicate poverty and preserve the culture and diversity of ethnic minorities</p>
<p>Goal 5. Reduce child mortality and morbidity rates</p> <ul style="list-style-type: none"> • Reduce the infant mortality rate to 30 per thousand by 2005 and 25 per thousand by 2010 and more rapidly in disadvantaged areas. • Reduce under 5 mortality rate to 39 per thousand in 2005 and 32 per thousand in 2010.
<p>Goal 6. Improve maternal health</p> <ul style="list-style-type: none"> • Reduce the national maternal mortality rate to 80/100,000 by 2005 and 70/100,000 by 2010 and set additional targets for disadvantaged areas. • Provide universal access to safe and reliable reproductive health care services by 2010.
<p>Goal 7. Combat HIV/AIDS</p>
<p>Goal 8. Ensure environmental sustainability</p>
<p>Goal 9. Provide essential infrastructure services to the specially disadvantaged poor</p>
<p>Goal 10. Ensure good governance for poverty reduction</p>
<p>Source: Vietnam Development Report, The World Bank in Vietnam, page iii-iv, 2002.</p>

Political will to advance social development

During the last decade, Vietnam progressed from what was judged a poor, backward, food-deficient country to one that has made significant socio-economic achievements: *per capita* GDP in 1999 was USD 300 and the average GDP annual growth rate from 1995 to 1999 was 8%. Surveys in 1999 indicated that the adult literacy rate was 90.3%, much higher than many of the countries in the region. The surveys conducted in 1999 also indicated that compared with other countries with similar GDP, Vietnam has achieved much more in the area of social development. Life expectancy was 68.3 years and the net primary school enrolment rate was 94.8%. The mortality rate of children under five was 30 per thousand. The percentage of population with access to sanitation was 83.6% and to safe drinking water was 77.1%.² Poverty rates were reduced significantly from 58% of population in 1992-93 to 37% in 1998 as determined by international standards.³

The achievements were not only the result of more than a decade of institutional reform and economic growth, but also of the sincere efforts and priority setting for social development by the government. In addition, the government encouraged “savings” to invest in basic social services and the equalising of society and gender.

Unfortunately, these achievements are uncertain. The government has made efforts to reduce poverty, but poverty levels increase substantially after each natural calamity. In 1998 two-thirds of households were classified “very poor”. The Vietnam Human Development Report points out that “poverty still remains the big challenge for development of the country in the next ten years”.

This same report concludes, “The period of easy eradication of poverty is probably over. The challenge is to achieve the targets for poverty eradication in the next decade, even if economic growth (at least 7%) is at a relatively high rate”.⁴ This is particularly true for poor regions and rural areas where the actual economic growth rate is unlikely to achieve the minimum. These areas will not be able to meet basic food requirements.

1 The authors are grateful to Oxfam GB in Vietnam for its financial support.
 2 *Vietnam Development Report 2002: Implementing Reforms for Faster Growth and Poverty Reduction*. The World Bank in Vietnam, 2001.
 3 *Implementation Progress of International Development Targets/Millennium Development Goals: Vietnam*. UNDP in Vietnam. Hanoi, 2001.
 4 *National Human Development Report 2001: Doi Moi and Human Development in Vietnam*. National Centre for Social Science and Humanities. The Political Publishing House. Hanoi, 2001, p. 7.

Furthermore, the gap between the rich and the poor is widening. The Gini Coefficient (which expresses perfect income equity as 1 and absolute inequity as 100) in 1995 and 1999 shows that the richer the region, the wider the gap over time. Table 2 shows the change in this coefficient over the five-year period. The Red River Delta and the Southeastern region are two of the richest regions.⁵

TABLE 2

Income Gini coefficient between regions in Vietnam		
REGIONS	1995	1999
Red River Delta	33.0	41.3
Northeast	32.5	38.0
Northwest	36.1	39.4
North Central Coast	34.4	37.8
South Central Coast	34.5	38.5
Central Highlands	45.6	43.4
Southeast	36.9	44.6
Mekong River Delta	38.3	42.0

Regional gaps

According to Vietnamese statistical data, living conditions in different regions vary greatly. *Per capita* GDP in the richest region (Southeast) is 4.5 times higher than that of the poorest (Northwest), where minorities are concentrated. Table 3 shows the percentage of poor people in the various regions of the country.

TABLE 3

Poverty levels: geographical and economic characteristics			
REGION	% TOTAL POPULATION	% TOTAL POPULATION UNDER POVERTY LEVEL	
		1998	2010
Northern mountainous ⁶	17.1	28.1	34.4
Red River Delta	19.4	15.0	3.8
North Central Coast	13.1	17.8	13.0
South Central Coast	8.5	10.1	11.7
Central Highlands	4.0	5.1	7.0
Southeast	16.7	2.6	0.2
Mekong River Delta	21.1	21.2	30.2

Source: Estimated data of the Central Institute of Economics based on data collected from Vietnam Living Standard Survey 1998.

State budget allocation

The state budget allocation for health care is based on a national standard. Funds are allocated according to the standard and based on the number of hospital beds.

Owing to low population density, poor provinces and regions have fewer beds than other regions. Therefore, although the allocation per/bed should be higher for the poor regions, they actually get less money for health care from the central government than the wealthier regions.

Survey data collected in 2001 indicates that the poor tend to use health care services at the village level, while those with resources tend to use specialised hospital services. Therefore, the rich have better access to government subsidy in health care service.

The poor in poor regions: double poverty

The government is implementing a programme that provides free health care insurance to the poorest 30% in Vietnam. By 2000, three quarters of the provinces in Vietnam were expected to have implemented this programme. In the northern mountainous region, however, 40% of the provinces have not yet implemented the programme. In some of the poorest provinces in the region

such as Ha Giang, only 2% of the poorest were provided with free insurance. In Lao Cai Province only 3% of the poorest have been able to obtain it. By region, 60% of provinces in the Mekong River Delta have not yet implemented the programme in contrast to 100% of provinces in rich regions (Red River Delta and the Southeast). The reason for the difference is that the budget for implementing the programme comes from the social security fund of the local administration. As might be expected, regions with a larger population of poor have fewer resources available for social security funds.

The gender gap continues despite improvements

Under continuous efforts made by both government and the people, the gender gap has gradually and positively been reduced. Women's income in 1993 was 71.2% that of men and by 1998 had risen to 82.6% of male income.⁷ Few countries can show similar gains.

TABLE 4

Gender Gap					
REGION	ENROLMENT RATE AT ALL EDUCATION LEVELS IN 1999 (%)		ADULT ILLITERACY RATE IN 1999 (%)		GDI
	MALE	FEMALE	MALE	FEMALE	
Red River Delta	85.1	91.6	2.1	8.6	0.726
Northeast	74.6	82.2	6.8	15.0	0.638
Northwest	60.4	72.6	18.5	36.6	0.559
North Central Coast	80.7	86.7	4.8	12.2	0.658
South Central Coast	78.0	83.7	5.1	13.4	0.669
Central Highlands	69.7	75.8	11.7	22.2	0.599
Southeast	77.7	78.4	5.5	10.5	0.752
Mekong River Delta	63.7	68.3	8.7	14.9	0.668

Source: Vietnam Human Development Report, 2001. GDI: Gender-related Development Index (1.0=equality).

The gap between girls and boys enrolled at all levels of education is smaller in the richer regions. In all regions, the adult illiteracy rate of women is twice that of the men.

In Vietnam, the cost of girls pursuing an education above the primary level is very high. Exemption from tuitions fee is often not possible. Poor households tend to give priority to boys in terms of education. The dropout rate for girls is higher than that of boys. As many as 70% of school dropouts are girls because they are more often involved in the production activities of their families. ■

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⁵ *Ibid.*, p. 59.

⁶ The northern mountainous area comprises the Northwest and Northeast regions.

⁷ Tran Thi Que *et al.* "Report on Women's Employment and Economic Status Research." National Committee for Advanced Women. Hanoi, 2000.