UNITED NATIONS COMMON COUNTRY ASSESSMENT FOR VIET NAM

UNITED NATIONS COUNTRY TEAM
2004
FOREWORD

Viet Nam’s development achievements since the start of the doi moi reforms are well known and widely documented. The incidence of recorded poverty has fallen sharply and average living standards are now more than three times higher than they were 20 years ago. Building on sustained efforts to improve access to healthcare and education, the country continues to make significant progress towards achieving the Millennium Development Goals. Moreover, Viet Nam is increasingly integrated into the global economy and playing a more active role in international affairs within the region and globally.

The economic, social and political changes of the past two decades have opened up new opportunities for Vietnamese people to realize their human potential. Surveys show that the generation that has come to maturity during the doi moi era is optimistic about the future and confident that their children and grandchildren will enjoy the peace, security and prosperity that have for too long eluded the people of Viet Nam.

The United Nations agencies share the optimism of the Government and people of Viet Nam. But both the Government and the United Nations recognise that some of the hardest work is yet to be done. Viet Nam is pressing ahead with further and deeper reforms to meet the challenges of the 21st century as expressed in the Millennium Declaration and the Millennium Development Goals.

It is against this background that the United Nations in Viet Nam presents this Common Country Assessment. The document contains the shared analytical perspective of the United Nations system on the development challenges of Viet Nam. At the centre of the analysis is the view that Viet Nam can best build on its considerable successes by ensuring that future development is increasingly equitable, inclusive and sustainable.

We are grateful to the Government agencies and other development partners and stakeholders for their support of and engagement with the United Nations in the development of the Common Country Assessment. We hope that all development partners will find this document, and the United Nations Development Framework based on the analysis contained within it, a useful contribution to the deliberations leading up the formulation of the next Socio-Economic Development Plan for the period 2006-2010. We reaffirm our joint commitment to enhance the effectiveness of the United Nations as a key partner in Viet Nam’s quest to become an even more prosperous, democratic and just society.

Vo Hong Phuc
Minister of Planning and Investment

Jordan Ryan
United Nations Resident Coordinator
United Nations Country Team

MESSAGE

The United Nations Secretary-General, Mr. Kofi Annan, has called for a “greater unity of purpose” in the operational activities of the United Nations system. Responding to this call, we, the members of the United Nations Country Team, are pleased to present the United Nations Common Country Assessment for Viet Nam. The document is the product of an extended process of consultation and debate within our agencies and among our partners in Government and in the broader development community in Viet Nam.

Together, as the United Nations, we offer this analysis of the development challenges and opportunities confronting Viet Nam. We have undertaken this exercise in order to identify priority areas of mutual concern where the joint and several response of the United Nations can make a difference to the people of Viet Nam, especially the poor and most vulnerable.

We are most grateful for the continuous support of the Government of Viet Nam in the development of this assessment and for their active participation in the formulation of the United Nations Development Assistance Framework (2006-2010).

This assessment marks an important step in the process of promoting a rights-based approach to development. In partnership with the Government and people of Viet Nam, we are committed to strengthen our programmatic and advocacy efforts to advance the principles of equality and social justice in accord with the United Nations Charter and the Millennium Declaration. We also look forward to continue to provide impartial advice, technical expertise, access to global knowledge and local experience to meet Viet Nam’s development challenges.

Signed by the UN Heads of Agency…
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<td>United Nations Development Assistance Framework</td>
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<td>United Nations Development Programme</td>
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<td>United Nations Educational, Scientific and Cultural Organisation</td>
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EXECUTIVE SUMMARY

This Common Country Assessment (CCA) presents the United Nations agencies’ shared analysis of Viet Nam’s recent development achievements and remaining challenges over the medium-term. The document is the product of an extensive consultation process within the United Nations system and with the Government and other development partners. It builds on recent country analysis and planning efforts including those contributing to the Ten-Year Strategy for Socio-Economic Development 2001-2010 (SEDS), sectoral plans and strategies and the Comprehensive Poverty Reduction and Growth Strategy (CPRGS). The analysis also draws heavily on the information presented in recent Millennium Development Goals Reports produced by the United Nations Country Team.

The unique contribution of the CCA is to analyse the current development situation in Viet Nam from the perspective of the rights-based approach of the United Nations. Rights-based approaches view development as part of a larger process of promoting and protecting human rights, and therefore focus attention on inclusiveness, equity and the situation of the most vulnerable members of society. Rights-based approaches therefore attempt to look beyond national averages to consider the specific situation of women and children, ethnic minorities, people with disabilities and other weak or marginalized groups.

The Vietnamese economy has grown rapidly during the doi moi reform period. Economic growth has provided the foundations for improved living standards including a dramatic reduction in recorded poverty. The challenge for the future is to ensure that the benefits of growth are shared widely in society and that growth in the present does not impose undue costs on future generations. The sustainability of poverty reduction also depends on the country’s preparedness to cope with natural disasters, which have the potential to quickly reverse development gains. The CCA chapter on the quality of growth concentrates on job creation, the efficiency of public investment and environmental sustainability. Improving the quality of growth will require greater public accountability and transparency and free and fair market competition, including a level playing field for the public and private sectors. Viet Nam will prosper as it continues to release the creativity and drive of its people, including its entrepreneurs.

Despite Viet Nam’s commitment to universal access to basic services and impressive progress in service delivery, sizeable gaps still remain in the provision of health and nutrition, education and water and sanitation. The CCA chapter on the access to quality social services argues that disparities are growing between rich and poor. Moreover, ethnic minorities and migrants now make up a disproportionate share of the poor. The emphasis on user fees in health and education financing could penalize the poor. More effective social security and insurance schemes are needed to address problems of equity of access and quality, including the rights of people with disabilities. Further progress is needed on issues including neonatal and maternal mortality, child malnutrition and access to clean water and sanitation. Fostering a culture of participation in planning, implementing and monitoring services is an important precondition for improved access to quality social services.
Youth comprise a large and growing share of Viet Nam’s population and are therefore central to the development agenda. Recent years have seen an increasing appreciation of the importance of programmes for and opportunities to work with youth, and the gradual development of youth policy. However, this chapter argues that the quality and coverage of existing programmes for young people are still limited. Demand for access to secondary education, higher education and relevant vocational training is set to increase sharply. More investment in youth-oriented programmes is needed now to prepare young people for the economic and social demands of the coming decades, and to tackle problems such as the rising incidence of accidents and injuries, drug abuse and trafficking of girls and young women.

Although HIV prevalence is increasing in Viet Nam, there is still a chance to prevent a much wider epidemic. The recently approved National Strategy represents a sound basis for further action, and external donors are providing or pledging considerable funds for the expansion of the response to HIV/AIDS in Viet Nam. This chapter concludes that the fight against HIV/AIDS will require more than policy statements and donor support. All sections of Vietnamese society must be mobilized, especially the local authorities who plan, deliver and monitor social services. An effective strategy must also fight discrimination against and protect the rights of people living with HIV/AIDS. The momentum of the epidemic is accelerated by stigma and prejudice and therefore can only be slowed on the basis of acceptance and the free flow of information.

Awareness is growing among Vietnamese policy makers of the relationship between good governance and economic growth. Of equal importance is the negative impact of poor governance on inclusiveness and equality. The poor and other disadvantaged groups suffer most from corruption and undemocratic practices since they rely more on the state for services. This CCA chapter focuses on the Government’s far-reaching programme of administrative decentralisation. Making decentralisation work for the people will require capacity building at the local level, the empowerment of citizens and more appropriate incentive structures for local officials. Effective implementation of the Grassroots Democracy Decree, a clear legal basis for local non-governmental organisations and easier access to justice are essential components of the decentralisation drive.

Viet Nam has emerged as one of the most striking development success stories of recent years. Rapid economic growth combined with direct government action to protect the poorest households and communities have dramatically reduced the incidence of recorded poverty and improved the living standards of most Vietnamese people. But there is much work still to be done. Although the incidence of poverty has fallen, extreme poverty still exists and is increasingly concentrated in the resource-poor regions in which ethnic minority populations predominate. Accountability and transparency in public remain important issues, and avenues of public participation at the local and higher levels are still limited.

The United Nations agencies are committed to assisting the Government and people of Viet Nam to embrace the values of the Millennium Declaration, to achieve the Millennium Development Goals and to promote and protect the rights of every member of society. Based on the analysis contained within this CCA, the United Nations agencies propose to concentrate their common efforts on issues relating to the
inclusiveness of development, the economic, environmental and social aspects of sustainability, improved access to quality social services and improved governance and access to justice. The concrete forms of this assistance will emerge from further consultations with the Government of Viet Nam and donor partners during the process of UNDAF formulation and in the development of the country programmes of individual agencies. It is hoped that the CCA has helped to identify themes that will increase the consistency, coherence and effectiveness of United Nations assistance in Viet Nam.
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SECTION I

BACKGROUND AND CONTEXT

[PHOTO]
Chapter 1: Introduction

What is a Common Country Assessment?

The United Nations Country Team, in close collaboration with the Government of Viet Nam and other partners, has prepared this Viet Nam CCA.¹ The CCA presents a shared analysis of the country’s recent development achievements and remaining challenges over the medium-term.

The CCA allows resident and non-resident United Nations agencies to identify strategic priorities and provides the analysis and information required for the preparation of the UNDAF that will guide the activities of these agencies in Viet Nam during the period 2006-2010. The ultimate goal of this CCA and the UNDAF is to support Viet Nam’s efforts to realize the values of the Millennium Declaration and to reach the MDGs by 2015.

The CCA Approach

United Nations agencies in Viet Nam embrace a people-centred, rights-based approach to development in accordance with the aims and principles of the Millennium Declaration. As a member of the UN, and a signatory to the Millennium Declaration, Viet Nam shares these aims and commitments. This Declaration, and the MDGs contained within it, sets out a vision of inclusive development in which economic growth is founded on human rights and benefits all segments of society, and which prioritises the elimination of structural, institutional and cultural obstacles to participation in national development and the realisation of each individual’s human potential.

An inclusive approach to development pays particular attention to the most disadvantaged and vulnerable members of society and emphasizes human dignity, equity and equality among geographic regions, among ethnic groups, social strata, between men and women, between adults and children, and is measured in terms of the progress of all members of society towards realizing the aims and principles of the Millennium Declaration and the MDGs. This implies moving beyond indicators expressed as national averages towards a focus on economic and social variation and disparities. Accurate measurement of variation in addition to general trends requires access to data that are of high quality in terms of reliability and coverage. Although considerable progress has been made over the past ten years, the need to broaden the evidential basis of existing analyses and to improve the standard of data collection and reporting remains as pressing as ever. The importance of data reliability, transparency and ease of access was recognized in the revision to the national statistics law approved by the National Assembly in May 2003. A recurring theme of this CCA is the vital importance of building domestic capacity in data collection,

¹ There are eleven United Nations agencies represented in Viet Nam namely UNDP, UNICEF, UNFPA, FAO, UNODC, UNIDO, UNV, UNESCO, WHO, ILO, UNHCR and one joint programme UNAIDS. In addition other organizations of the United Nations system, including the International Monetary Fund and the World Bank, as well as non-resident United Nations agencies were invited to participate in the process leading to the formulation of the CCA. Inputs included participation in workshops and comments on draft versions of the CCA.
processing and analysis in support of policy formation, monitoring, evaluation and public discourse relating to the shared goal of inclusive development.

The CCA Process

The formal CCA process in Viet Nam began with a retreat in February 2004, at which the heads of United Nations agencies in Viet Nam agreed on a basic analytical framework, an outline for the document and a timetable for its preparation. Substantive work began in early March at a workshop involving heads of agencies and CCA/UNDAF focal points. The workshop identified five priority areas for in-depth causal analysis: the quality of growth; social disparities; HIV/AIDS; youth; and, governance. Five working groups were established to coordinate analytical work in these areas.

The groups employed causal tree analysis and other techniques to identify issues and development challenges, and conducted working sessions with separate gender and human rights working groups set up to mainstream rights and gender perspectives into the CCA. In addition, the Office of the High Commissioner on Human Rights (OHCHR) and the United Nations Staff College in Turin, Italy, organized a workshop in early April on the human rights approach to CCA preparation.

Prior to the launching of the formal CCA process, the United Nations Country Team (UNCT) had, over the last three years, undertaken a series of reviews, including SWOT analyses and prioritisation exercises, in a continuing effort to sharpen the focus of the work of the United Nations in Viet Nam. This prior analytical work played a valuable role in shaping the perspective of this CCA. In addition, the UNCT has been centrally involved in bringing the principles, values and goals of the Millennium Declaration into the poverty reduction strategy paper (PRSP) initiated by the World Bank. The resulting Comprehensive Poverty Reduction and Growth Strategy (CPRGS), approved by the Prime Minister, provides a firm foundation for achieving the Millennium Development Goals and Viet Nam’s own development targets. The Government of Viet Nam, coordinated by the Ministry of Planning and Investment (MPI) as the lead agency of the Government Aid Coordinating Agencies, engaged in a consultative process with the UNCT, and offered comments on initial drafts. A consultant assisted co-ordination among the working groups and produced a first draft based on the analytical work of the working groups.

The first full draft of the CCA was presented to the Government and a regional readers group in early July. Comments were received from the Government and the readers group in August, and the draft was subsequently revised in light of these comments by a small inter-agency team.

The Scope of the Viet Nam CCA

Viet Nam has recently completed several rounds of analysis and development planning leading up to and building on the Ten-Year Strategy for Socio-Economic Development 2001-2010 (SEDS). That document, which is intended to guide the Government’s development strategy, was passed by the Ninth Congress of the Communist Party of Viet Nam in April 2001. The Government’s five-year plan 2001-2005 and Public Investment Programme were produced on the basis of the SEDS. In
addition, the Government produced its Comprehensive Poverty Reduction and Growth Strategy (CPRGS), a document that was subsequently submitted to the World Bank and International Monetary Fund boards as Vietnam’s Poverty Reduction Strategy Paper (PRSP). Approved in May 2002, the CPRGS was the product of extensive consultations involving Government agencies at all levels, bilateral and multilateral donors, United Nations agencies and non-governmental organisations.

Aside from these detailed planning exercises, recent years have also seen the publication of a number of important analytical documents produced on the basis of collaboration among United Nations agencies, donors, Government agencies and NGOs. The United Nations Country Team has produced three MDGs Reports since 2001. Donors, United Nations agencies and Government have also worked in partnership to produce annual Viet Nam Development Reports for the Consultative Group meetings usually held at the end of the year.

The intention of this CCA is not to reproduce these considerable analytical and programmatic exercises, but rather to build on them in setting out the shared perspective of the United Nations in Viet Nam. Underpinning this approach is a consensus on the need to look beyond national averages and to assess development outcomes, including the MDGs, at a disaggregated level while paying particular attention to the most vulnerable.

The CCA links inclusive development to the United Nations rights-based approach. Guiding all United Nations work is the principle set forth in the Universal Declaration of Human Rights that ‘all human beings are born free and equal in dignity and rights’. The rights-based approach seeks progress through the empowerment and participation of claim-holders and strengthening the capacity of duty-bearers to meet their obligations. The CCA views the fulfilment of development obligations in this context.

Finally, the CCA recognizes the multi-sectoral and multi-dimensional nature of development challenges. These challenges cross boundaries of responsibility and the mandates of the individual United Nations agencies that make up the United Nations Country Team. The analysis therefore underscores the interlinkages between and commonalities among the development issues discussed.

The Structure of the CCA

The Viet Nam CCA consists of eight chapters organized into three sections. The first section provides background information on the CCA and Viet Nam, and consists of this introduction and a brief description of the country context in Chapter 2. The second section consists of five chapters of assessment and analysis of the key development issues identified by the United Nations Country Team. The final section consists of a brief summary and identifies possible future directions and cooperation issues that will be central to the considerations and collaborative processes leading to the finalisation of the UNDAF.

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Chapter 2: Country Context

Overview

Many of Viet Nam’s development opportunities and challenges are apparent in the country’s geography, topography and demography. Viet Nam occupies a central position in Southeast Asia, bordering China to the north and, across the seas, Indonesia, Malaysia and Singapore to the south. Running along the east of the Indochina peninsula, the country possesses 3,400 kilometres of coastline and a long internal border, but is only 600 kilometres across at its widest point. The long coastline provides direct access to marine fishing, offshore oil and gas reserves and the region’s busy trade routes.

Three-quarters of Viet Nam’s territory consists of mountains and hills, much of which is forested. Arable land accounts for only 17 percent of land area, and approximately half of the cultivable area is irrigated. The bulk of the well-irrigated lowlands, and hence the majority of the population, can be found in the Red River Delta in the north and the Mekong River Delta in the south. Viet Nam is thus often likened to a peasant carrying rice in the traditional manner on a long bamboo pole with a rice basket fastened to each end.

Viet Nam has ample supplies of water from the network of rivers that interlace through the deltas and other lowland areas. However, deforestation and soil erosion are a constant threat to watersheds and hence the sustainability of mid-slope and lowland agriculture. The conservation of the Mekong River, which will require cooperation among all of the Mekong countries, is vital to Viet Nam’s agro-ecology. Water pollution from both domestic and industrial sources represents an increasing risk to the natural environment.

Viet Nam’s population is currently 82 million and growing at a rate of about 1.3 percent per annum. With approximately 230 people per square kilometre, Viet Nam’s population density is similar to the Philippines and greater than Southeast Asian neighbours such as Indonesia, Thailand and Malaysia. Seventy-four percent of the population lives in rural areas and two-thirds of the labour force is in the agricultural sector. About one-fourth of the population is in the 10-20 year age group and more than half is under 25 years of age. Creating productive employment for this young, predominantly rural labour force is the major economic challenge facing the country over the medium-term.

Viet Nam is home to 54 ethnic groups. The majority Kinh account for 87 percent of the population and reside in the lowlands and cities, while the highest concentrations of ethnic minorities are in the mountainous regions.

Gender equality has progressed further in Viet Nam than in other countries at a similar level of per capita income. The crucial role of women in the country’s long struggle for independence and self-determination and the emphasis on equality in Viet Nam’s political culture have consolidated the principle of equality between men and women in Vietnamese society. However, important gaps remain. Women are still paid less for equal work, and are often denied equal rights to household property despite
improvements in the relevant legislation. Women also face barriers to participation in public life particularly at the local level.

Viet Nam has made remarkable economic progress since the doi moi reform process was launched at the Sixth Congress of the Communist Party in 1986. With the advent of doi moi, which translates literally as ‘renovation’, Viet Nam began the transition from central planning to a market-oriented economy. Economic growth has averaged seven percent per annum over the entire period despite the interruption of the East Asian Financial Crisis from 1997 to 1998 and the region’s slow recovery. Growth was driven in the initial period by agricultural sector reforms relating to land and prices that generated a massive supply response, first in food crops and later in export commodities such as coffee, cashew, rubber, tea and pepper. Increased food production helped to stabilize the macro economy and provided valuable foreign exchange, primarily through rice exports.

Economic growth has been export-led for much of the doi moi period. Export values quadrupled over the eight-year period after 1994, with marine products, textiles, garments and footwear, as well as oil and gas, posting particularly rapid rates of growth. The industrial sector has grown at annual rates exceeding ten percent for more than a decade. Private manufacturing accounts for only one-quarter of sectoral output but employs four times as many workers as state-owned firms.

Largely as a result of growth, recorded poverty has declined sharply over the past eighteen years. Applying an internationally defined poverty line, the poverty headcount in Viet Nam has fallen from well over 70 percent in the mid-1980s to around 29 percent in 2002.³ Poverty in Viet Nam is overwhelmingly rural, and within the rural sector itself poverty is geographically concentrated. Regions with the highest relative poverty rates include the northwest, north central coast, central highlands, central coast and northeast. However, the north central, northeast, Mekong Delta and central coast regions record the highest absolute number of poor households.

Viet Nam has made significant progress towards the MDGs as shown in Table 1. In addition to a dramatic decline in recorded poverty, Viet Nam has also made significant advances in education as well as child and maternal health. In each of these basic service sectors, Viet Nam ranks well above countries with similar levels of per capita income. The country’s superior performance in this regard reflects a long tradition of government action to improve access to education and health among the poor.

Table 1: MDG progress from 1990-2002

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<th>1990</th>
<th>2002</th>
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<tr>
<td>Poverty rate</td>
<td>&gt;60%</td>
<td>29%</td>
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<tr>
<td>Food poverty rate</td>
<td>&gt;25%</td>
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<td>Net enrolment rate, primary school</td>
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<td>Net enrolment rate, lower secondary</td>
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<td>67%</td>
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<tr>
<td>Under five mortality rate</td>
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<td>40 per 1000</td>
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³ These figures are reported by the General Statistics Office (GSO) in various publications. According to preliminary estimates, the poverty incidence in 2004 is slightly above 26 percent of the population.
Maternal mortality rate 200 per 100,000 165 per 100,000
HIV/AIDS prevalence among adults NA 0.29%
Source: MDG Report 2004

As detailed in successive MDGs Reports (UNCT 2002a, 2003a), doi moi has expanded the array of choices open to millions of Vietnamese people, and in doing so has unleashed their initiative and creativity. The passage of the Enterprise Law, which has led to the creation of an estimated 60,000 new business and 1.5 million jobs, is symbolic of these changes. The powerful response to the Enterprise Law is evidence of the entrepreneurial spirit of the Vietnamese people. Improvements to laws and regulations are needed to strengthen fair competition to support the development of the private sector.

Another milestone in the reform era was the US-Viet Nam Bilateral Trade Agreement, which came into force at the end of 2001. The agreement contributed to Viet Nam’s export success and has helped pave the way towards Viet Nam’s expected accession to the World Trade Organisation in 2005.

International Human Rights Standards

Viet Nam’s commitment to the principles of inclusive development and human rights is encoded in the Constitution, which in Article 3 states that:

The State guarantees and unceasingly promotes the people's mastery in all fields...it strives to build a rich and strong country in which social justice prevails, all men have enough to eat and to wear, enjoy freedom, happiness, and all necessary conditions for complete development.

Viet Nam has reiterated these commitments in signing the Millennium Declaration, which highlights the rights of all people to development, and the following five major human rights treaties:

- International Covenant on Civil and Political Rights (ICCPR) [24/12/82]
- International Covenant on Economic, Social and Cultural Rights (ICESCR) [24/12/82]
- International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) [9/7/82]
- Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) [19/3/82]
- Convention on the Rights of the Child (CRC) [2/9/90]
  - Optional Protocol 1: Child Soldiers [12/02/02]
  - Optional Protocol 2: Sale of Children [18/1/02]

Viet Nam has not ratified the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (CAT) and the International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families (MWC). Nor has it signed the Rome Statute of the International Criminal Court. The Government has not yet submitted the ‘core document’ containing basic information about the country required by all of the treaty bodies. Initial reports have been submitted under all ratified
treaties, and in most cases the Government is now engaged in the second to third reporting round. The main exception is the ICERD, for which Viet Nam has completed nine reporting rounds.

Several human rights bodies have recommended the establishment of independent monitoring mechanisms and strengthening of the judiciary.

**Issues**

The United Nations agencies and other development partners acknowledge Viet Nam’s tremendous progress since the beginning of the doi moi era and share the Government’s optimism with regards to the medium and long-term economic outlook. Nevertheless, two observations introduce a note of caution into the generally positive assessment presented in this CCA. First, progress remains precarious in view of the large number of people subsisting on incomes only marginally above the poverty line. Economic shocks related to external factors (for example, a slowing international economy or a protracted trade dispute) natural disasters or domestic political and economic dynamics could force millions of households and individuals below the official poverty line. The rapid spread of Severe Acute Respiratory Syndrome (SARS) throughout the region in 2003 and the outbreak of avian flu in 2004 serve as examples of the uncertainties inherent in the economic growth process and the economic interdependence that comes with integration and globalisation.

Second, the benefits of the reform process have not been distributed evenly across all strata and segments of society. Indeed, evidence has begun to emerge of widening economic and social disparities in recent years. Measuring inequality on the basis of expenditure by income quintile over time shows a gradual rise in inequality: those in the richest quintile increased their share of expenditure by 4 percent between 1993 and 2002, while expenditures by households in the poorest quintile decreased by 0.5 percent (Weeks et al. 2004, 17). Although it is to be expected that some groups and individuals are better placed to take advantage of the new opportunities afforded by the doi moi process, evidence of emerging systematic disparities in living standards suggests that more needs to be done to ensure that human development for the majority does not result in deprivation for the few.

Viet Nam’s emerging disparities have an important geographic dimension. As shown in Table 2, differences between the top and bottom twelve provinces are relatively narrow for some indicators (for example, primary enrolments rates) but large and growing for others (for example, the infant mortality rate and access to clean water). According to the Ministry of Labour, Invalids and Social Affairs, mountainous provinces account for nearly 70 percent of poor households, and this figure is expected to increase to more than 80 percent by 2010 (MOLISA 2004).

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4 As an indication of the level of vulnerability, the incidence of recorded poverty would increase 35.6 percent if the poverty line were to be increased by only ten percent (UNCT 2004a, p. 4).
5 Data from the 2002 round of VHLSS indicate that measured inequality increased after 1998 (UNCT 2004a, p. 5).
Table 2: Provincial disparities in achieving MDGs

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Top 12 provinces</th>
<th>Bottom 12 provinces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty rate</td>
<td>9%</td>
<td>61%</td>
</tr>
<tr>
<td>Skilled attendant at birth</td>
<td>74%</td>
<td>43%</td>
</tr>
<tr>
<td>Infant mortality rate</td>
<td>10</td>
<td>60</td>
</tr>
<tr>
<td>Immunisation (DPT3)</td>
<td>94%</td>
<td>57%</td>
</tr>
<tr>
<td>Access to clean water</td>
<td>97%</td>
<td>32%</td>
</tr>
<tr>
<td>Access to sanitation facilities</td>
<td>75%</td>
<td>12%</td>
</tr>
<tr>
<td>Net primary enrolment rate</td>
<td>98%</td>
<td>83%</td>
</tr>
<tr>
<td>Female literacy rate</td>
<td>98%</td>
<td>82%</td>
</tr>
</tbody>
</table>

Source: UNCT 2004a

Mountainous provinces are characterised by difficult natural conditions, geographic isolation, limited access to productive resources and services, poorly developed infrastructure, and a high frequency of natural disasters. Poverty is particularly high among the ethnic minority groups concentrated in these regions. Although ethnic minorities make up only 14 percent of the total population, they account for 29 percent of the poor (see Figure 1). Moreover, the rate of poverty reduction among ethnic minority groups is slower, which suggests that in the absence of concerted action to reverse these trends ethnic minorities will account for most of the country’s poor by the year 2015.

Figure 1: Poverty levels by ethnicity

Poverty in Viet Nam is largely a rural phenomenon. This is not to say that poverty in urban centres is unimportant. Indeed, poverty in urban areas is higher among migrants than non-migrants. Since rural-urban migration is likely to accelerate, there are clear links between rural poverty and urban poverty. The geographical concentration of poverty brings the relationship between poverty and migration into sharper focus. More information is needed on both the extent of internal migration and the obstacles that migrants face in gaining access to employment and social services. The choice of sampling frames for VHLSS has probably resulted in an under-representation of migrants since recent movers are automatically excluded from the sample. The surveys also exclude the growing number of migrants residing temporarily in hostels and boarding houses, and those living in substandard housing.

\(^{6}\)
of rural to rural migration is also under-researched. This information would help the Government and development partners to devise policies and programmes to protect this important, and perhaps growing, group of vulnerable people.

The Government is well aware of these issues and trends. Even in the mid-1990s, long before donor organisations began to emphasize chronic poverty in their development assistance strategies, Viet Nam had put a series of programmes in place to address the specific problems of the mountainous regions and ethnic minorities. These programmes, grouped under the general heading of Hunger Eradication and Poverty Alleviation (HEPR), have proven an effective means of transferring resources to poor communities and households (UNDP and MOLISA, 2004). Yet the Government, donors and other development partners recognize that the current set of programmes is not sufficient to eliminate extreme poverty in Viet Nam.

Another potentially destabilizing factor is the spread of HIV/AIDS. The number of people living with HIV in Viet Nam increased during the four-year period between 1999 and 2003 from approximately 96,000 to 245,000. Although the prevalence rate is below that reported in many neighbouring countries, experience elsewhere indicates that it is difficult to predict the future path of this disease given its explosive nature. Concerted action is required to prevent this personal and social tragedy from emerging as a major threat to human development in Viet Nam.

Reducing the incidence of poverty, while also expanding the protection of society’s most vulnerable people, will place heavy demands on Viet Nam’s public institutions, mass organisations and civil society. Accountability and government capacity at the local level are two bottlenecks in the present system. Corruption is a growing concern in both the public and private sectors. The responsiveness and accountability of government are closely tied to the depth and breadth of public participation, and the defence of the basic principle that all citizens, however rich or poor, are equal before the law.

Viet Nam must confront these challenges while pursuing an intensive and rapid process of international integration. Increasing links with the world community can help make growth more sustainable by providing access to markets, capital, technology and new ideas. But integration is not a substitute for well-functioning domestic markets and institutions that respect principles of equity and benefit the least well-off. The long-term sustainability of doi moi reforms will largely hinge on the country’s ability to meet the challenge of international competition while at the same time developing markets and institutions at home that can contribute to the achievement of the human rights of all Viet Nam’s people.
SECTION II

ASSESSMENT AND ANALYSIS

[PHOTO]
Chapter 3: The Quality of Growth

Assessment

Development Achievements
- Seven percent real economic growth per annum since the beginning of the doi moi period.
- Dramatic reductions in recorded poverty
- Rapid improvements in welfare indicators
- On track to achieve most of the MDGs

The doi moi process launched in 1986 ushered in an unprecedented period of sustained economic growth in Viet Nam. Early policy changes, most notably agrarian reform, the relaxation of central controls on the production and distribution of basic necessities, and fiscal and monetary stabilisation had an immediate and positive impact on production and living standards. The rate of economic growth accelerated as reforms deepened in the 1990s. Government figures indicate that national output has expanded at an average annual rate of seven percent over the reform period, an impressive achievement in light of the negative impact of the East Asian financial crisis from 1997 to 1999. Sustained high rates of economic growth have brought about huge improvements in the quality of life for millions of Vietnamese people. Recorded poverty fell from an estimated 70 percent in the mid-1980s to 29 percent in 2002. Growth has made possible rapid improvements in access to education, clean water and sanitation, nutrition and child and maternal health.

The 2004 Millennium Development Goals Report describes Viet Nam’s tremendous progress towards the achievement of not only the MDGs but also the interim targets set for 2005 and 2010 (UNCT 2004a). While this could not have been achieved without rapid economic growth, the report also identifies a number of emerging challenges. Poverty remains heavily concentrated geographically and among ethnic minorities. Some indicators suggest that inequality across income groups and between urban and rural areas is on the rise. Access to basic services like education and healthcare, and the quality of these services, has improved slowly in isolated regions of the country. While data on the intra-household distribution of income are not available, women lag behind men in many indicators (for example, access to education, healthcare and productive resources). Rapid economic growth and urbanisation have increased pressure on the environment.

According to census data, the overall level of urbanisation for Viet Nam is still relatively low at 24.5 percent. However, as a result of rapid economic growth it is expected that 45 percent of the population of Viet Nam will be living in urban areas by the year 2020 (Dang Nguyen Anh et al. 2003).7 As rural to urban migration increasingly fuels the pace of urbanisation (Dang, 2001; UNDP, 1998), the fear that the rural population will flood the major cities of Viet Nam has resulted in a number of policies to restrict, both directly and indirectly, migration into the major cities.

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7 It should be noted, however, that the government’s definition of urban and rural areas has not been consistent over time, with the result that such estimates and predictions are not strictly comparable.
These measures are grounded in the system of household registration, and have a major impact on migrants’ status and access to basic services including health care and education.

The shared view of the United Nations in Viet Nam is that economic growth should be a means towards the realisation of human rights and achievement of human development. From this perspective, all economic growth is not the same: growth that increases incomes only for a small minority of the population, that marginalizes vulnerable groups or that leads to the rapid depletion of the country’s natural resource base is undesirable.

The Government has stated its commitment to achieve quality growth on numerous occasions. The SEDS 2001-2010, the five-year plan 2001-2005 and the CPRGS list a wide range of specific policies to make growth more pro-poor, socially inclusive and environmentally sustainable. These documents and plans spell out the economic, legal and institutional prerequisites to quality growth and the achievement of the MDGs.

However, significant obstacles still remain along the path to quality growth. The rest of this chapter focuses on four important issues relating to the characteristics of economic growth in Viet Nam, namely: public investment, employment generation, gender equity and environmental sustainability.

**Public investment**: Public investment plays a crucial role in the process of economic growth, providing physical infrastructure, promoting the accumulation of skills and human capabilities and supporting technological change. Efficient public investment promotes efficient non-state investment. Well-planned and executed public investment projects that consider social and environmental factors can promote realisation of human rights, equity and sustainability.

Public investment in Viet Nam represents almost one-fifth of GDP, and its share is rising. However, the economic rationale behind a portion of public investment is not always clear. Wasted savings, whether domestically generated or acquired from abroad, represent a missed opportunity for growth, employment generation and human capital formation. Inefficient public investment also threatens financial stability in view of the role of the banking sector in supplying credit to public sector projects and firms.

**Employment generation**: Despite seven percent average annual growth over the period since 1986, employment growth has rarely exceeded two percent per annum. Although faster than population growth (1.5 percent), job creation in Viet Nam is sluggish relative to rate of economic growth. The slow pace of employment growth weakens the links between economic growth, equity and inclusiveness. Jobs provide access to incomes, and therefore command over goods and services that people need to meet their basic needs and to achieve their human potential. As the 12 to 25 year age group now constitutes 30 percent of the population, youth employment has emerged as an issue of immense national significance.

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8 State investment increased from 41 percent of total investment in 1993-1996 to 56 percent in 2001-2002 according to the General Statistics Office.
The enactment of the Enterprise Law in January 2000 simplified the business registration process, which facilitated the creation and registration of thousands of new businesses every month. The proliferation of household and small-scale enterprises has stimulated employment creation, mostly in urban and more accessible rural areas. However, some impediments still exist to the registration and start-up of new businesses. Stimulating private enterprise in rural areas, including agricultural services, is key to employment generation and poverty reduction in the countryside (IFAD 2004).

**Gender equity**: Globally, gender equality is closely associated with rapid economic growth. In his highly regarded history of development entitled *The Wealth and Poverty of Nations*, David Landes concludes that ‘in general, the best clue to a nation’s growth and development potential is the status and role of women’ (1998, p. 413). Societies that do not invest in and ensure equal access to social and productive resources for both women and men such as land, formal bank credit, education and training and employment opportunities, fail to capitalize fully on the productive and creative potential of the population.

In some circumstances, Vietnamese women continue to face discrimination in the workplace, in the community and within the household. The gender division of labour based on traditional roles and beliefs effectively relegates women to a subordinate status in the labour market and therefore contributes to the ‘feminisation’ of poverty. A gender division of labour also exists in some professions, in which men dominate the technical and scientific disciplines while women are concentrated in social service provision. In the home, women bear the double burden of domestic work and income-generating employment, and therefore work substantially longer hours than men (World Bank 2000). Men still lead economically and in terms of access to resources. The gender wage gap is sizable, estimated in 2002 at 28 percent (FAO and UNDP 2002). Unequal legal protection, for example of household assets such as land, forces women into a position of dependence within the household and limits access to the formal credit market. These factors and others represent real obstacles to the human development of Vietnamese women, and thus to economic and social development of the country as a whole.

Women are under-represented in the political system at both the national and local levels. Although six provinces have achieved gender equality in terms of their National Assembly delegations, the ratio of female to male deputies is only one to four in the other provincial delegation. A striking indicator of gender disparities in the political system is that women chair the People’s Committees in only three of the 64 provinces.

**Environmental sustainability**: The SEDS 2001-2010 and other core planning and policy documents emphasize the importance of environmental sustainability in Viet Nam’s development. However, some gaps still exists between policy statements and sustainable development practice. Some large-scale infrastructure projects are still approved and implemented in the absence of rigorous environmental assessment. Some agricultural policies still prioritise productivity over sustainability. Some urban development projects do not take adequate account of their environmental impact on the poor.
Environmental degradation undermines the quality of life of many poor people due to their direct reliance on access to natural resources for their livelihoods. The poor are often less able to protect themselves from deteriorating water and air quality associated with urbanisation and industrialisation, and cannot afford to treat pollution-related health problems. Poor people suffer more from natural disasters because they have access to fewer resources to help rebuild their lives. Between 1997 and 2004 typhoons, floods and storms caused over $1.3 billion in damage.\textsuperscript{9} Over one million Vietnamese people require emergency relief every year as a result of natural and man-made disasters. Many of these people subsist on incomes that are just above the poverty line, with the result that floods or typhoons are now a major cause of households falling back into recorded poverty.

Analysis

\begin{table}[h]
\centering
\begin{tabular}{|l|}
\hline
\textbf{Development Challenges} \\
\hline
- Benefits of growth not equally distributed \textit{in some circumstances} and some groups \textbf{disadvantaged} \\
- Job growth must accelerate to absorb new entrants into the labour market \\
- Safeguards are required to ensure that rapid economic growth does not lead to environmental degradation and rapid depletion of the natural resource base \\
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\end{tabular}
\end{table}

\textbf{The quality of public investment:} High quality public investment generates the largest possible social returns per unit of investment. Social returns are equal to financial returns adjusted for equity and environmental considerations.

The key to achieving social efficiency in public investment is accountability. Public investment decisions driven by political agendas and power relationships serve the interests of the few as opposed to the many. Accountability requires transparency and empowerment of beneficiaries. Transparency in public investment appraisals is needed to clarify the criteria for project selection and to add rigour to the processes of selection, design, implementation and evaluation. Empowerment of beneficiaries strengthens accountability by giving power to those who have the most to gain from successful public investment projects. Public officials and contractors do not always have strong incentives to reduce waste and maximize benefits. By way of contrast, project beneficiaries (for example, farmers using irrigation systems and local residents using roads and bridges) want public investments that deliver a consistent stream of benefits.

The legal framework for transparency and local empowerment already exists in the form of the Grassroots Democracy Decree and related initiatives. Lessons learnt from the Government's targeted programs such as Program 135 also demonstrate that the empowerment and direct involvement of beneficiaries in planning, monitoring and evaluation improves project performance and impact.

\textbf{Obstacles to more rapid employment generation:} The domestic private sector, although still small in terms of output and employment, has proven to be highly

\textsuperscript{9} Estimate produced by the Ministry of Agriculture and Rural Development, Department of Dike Management and Flood and Storm Control.
efficient in terms of employment generation.\textsuperscript{10} Per unit of investment, domestic entrepreneurs create more jobs than either the public sector or foreign investors.\textsuperscript{11} Private firms appear to be well placed to take advantage of Viet Nam’s abundant supply of labour and to redirect workers into higher productivity occupations. This suggests that the rate of job creation is closely associated with the amount and quality of private domestic investment.

Despite considerable legal and administrative improvements, in particular the enactment of the Enterprise Law, some constraints still exist to private sector growth. Local government often lacks the institutional and professional capacity to encourage private domestic investment.\textsuperscript{12} In some locations, officials discriminate against private domestic activity. In some locations the authorities are unable to provide an appropriate enabling environment for private sector activity. In addition, business development services and business associations are still in their infancy and require strengthening if they are to contribute to the growth of the private sector.

If not properly implemented, the Government’s internal migration policy could have a negative impact on employment generation. The four-tier population registration system increases the costs of migration, which has a dampening effect on employment generation and adds an unnecessary burden on the job-seeking poor (Dang Nguyen Anh 2003).\textsuperscript{13} Given the temporary nature of work and lack of permanent registration status, migrant workers are unable to protect themselves against risks to health and safety. In many cases, migrants work on probation or on short-term, informal contracts that do not provide adequate compensation or protection.

The Government has begun to put the legal and institutional apparatus in place to create a level playing field among private, government and foreign firms. But much still needs to be done. In particular, legal protection for private firms and recourse to a fair and impartial legal system would reassure entrepreneurs and therefore stimulate domestic private investment. In addition, a clear separation between the regulatory functions of the state and the state’s direct involvement in productive activities would clarify incentives and increase transparency. Domestic private businesses, particularly small and medium-sized firms, need a predictable regulatory and legal environment that aims to promote rather than stifle entrepreneurial activity.

**Promoting gender equity:** Viet Nam’s success during the reform period is in no small part due to the relatively high participation rate of women in education and the labour force, female entrepreneurship and women’s contributions in the public sector. Yet more still needs to be done to ensure that women participate fully in the growth

\textsuperscript{10} The private sector accounts for less than four percent of GDP, six percent of output in manufacturing, and three percent of total employment in 2002 (UNDP and PMRG 2003).

\textsuperscript{11} See Dapice (2003) and UNCT (2003a). Since the Enterprise Law became effective in 2000, 54,000 private firms with a capital of $4.7 billion were registered and 1.75 million jobs were created (about US$2,700 per job).

\textsuperscript{12} See Nguyen Dinh Cung, Pham Anh Tuan, Bui Van and David Dapice (2004).

\textsuperscript{13} The four registration tiers consist of: KT1 (permanent registration, non-migrant with household registration), KT2 (permanent registration, intra-district mover with household registration), KT3 (temporary registration, migrant, residing independently or with relative, without household registration book, 6-12 month registration with renewal) and KT4 (floating non-registered migrant, residing in guest house or temporary dwelling, without household registration book, 1-3 months or no registration).
process. This will mean addressing ingrained social and cultural attitudes as well as eliminating *de jure* and *de facto* discrimination in the legal system. More also needs to be done to ensure that women have access to quality services, particularly reproductive health care and sex education.

An important obstacle to achieving gender equity in Viet Nam is the lack of relevant information. Existing household, enterprise and labour market surveys do not yet provide specific information on conditions faced by women and girls. Accurate information pertaining to gender balance in upper secondary and tertiary education are also difficult to obtain. There is a need for information relating to domestic violence, safe sex, sexual harassment in the workplace, trafficking in women and children, patterns of female domestic and international migration, and conditions of work for female migrants. More information is also needed on the extent of female participation in representative institutions, particularly at the local level, and obstacles that prevent more women from taking part in the political process.

**Ensuring environmental sustainability:** Environmental protection requires high levels of accountability. Transparency and local empowerment are central to ensuring that economic growth is environmentally sustainable.

There is little information in the public domain relating to resource depletion and environmental degradation. The collection and dissemination of information relating to sustainability issues is urgently needed to reduce the costs to society of misuse of resources and avoidable pollution. For example, more comprehensive and accessible information is needed on air and water quality. Although the Ministry of Natural Resources and Environment (MONRE) estimates that 50 percent of total land area is affected by soil erosion and degradation, specific information classified by land type and locality is not readily available. The Government should monitor pesticide residue levels in food and make this information available to the public to encourage farmers and pesticide companies to use these substances in a responsible manner.

In addition to making more information available to the public, decision-making processes among government agencies and the private sector need to be more transparent to ensure that environmental risks associated with investment, production and consumption are assessed in an objective and rigorous manner. A number of public investment projects are still approved prior to rigorous environmental assessment, and when assessments are carried out they are not always freely available. At times, plans to manage solid waste are implemented without adequate public consultation and frequently do not attract public support.

The Government has taken important steps to involve local people in decisions relating to resource use. In the context of forest management, for example, state policy now recognizes the importance of households’ long-term use rights to forested land. Successful implementation of the policy will require protection and security of small-holders use rights, particularly in remote regions and areas in which ethnic minority populations predominate. The support and participation of local people is essential if the Government is to achieve its ambition of reforesting five million hectares as expressed in the SEDS 2001-2010.
The empowerment of local people in the selection, implementation and evaluation of investments is needed to ensure that people are aware of and accept the balance between economic and environmental costs and benefits associated with specific projects. Although the ‘polluter pays’ principle is enshrined in Vietnamese environmental law, these provisions are not always enforced because of an absence of a clear public role in enforcement and supervision of the pollution laws.

Economic development presents opportunities for, as well as threats to, more efficient use of natural resources. Prominent among these are new technologies, many of which have been developed under the more rigorous environmental standards of industrial countries. Viet Nam could benefit from access to these technologies made available immediately through foreign direct investment and to domestic investors.

Conclusion

Rapid economic growth provides the foundations for improved living standards in Viet Nam as elsewhere. The challenge for the future is to improve the quality of growth, to ensure that the benefits of growth are shared widely in society and that growth in the present does not impose undue costs on future generations of Vietnamese people.

Improving the quality of growth requires accountability, transparency and wider public participation in decision-making processes. The collection and dissemination of information relating to economic conditions and policies, gender equity and environmental protection and resource use remains a high priority. Greater public participation in investment decisions and decisions relating to natural resource use and environmental protection would increase social efficiency, promote sustainability and reduce waste. Policies should actively seek to promote entrepreneurship and remove obstacles to productive private sector activity.
Chapter 4: Access to Quality Social Services

Assessment

<table>
<thead>
<tr>
<th>Development Achievements</th>
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<tbody>
<tr>
<td>- Near universal literacy and primary enrolment rates</td>
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<tr>
<td>- Infant and under-five mortality rates low for a low-income country</td>
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<tr>
<td>- Impressive increase in immunisation rates</td>
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Access to social services in Viet Nam is superior to that of most countries at similar levels of per capita income. The national adult literacy rate of over 90 percent and similar net primary enrolment rates are the product of a sustained commitment to universal access to basic education. Viet Nam’s infant and under-five mortality rates of 25 and 32 per 1000 live births compare favourably with many middle-income countries. Vaccination rates for tuberculosis, polio, diphtheria, pertussis (whooping cough), tetanus and measles have all risen to around 90 percent (GSO 2003b). Vitamin A coverage of children between 6 and 36 months of age has reached 80 percent (National Institute of Nutrition 2002).

However, challenges remain. The maternal mortality rate was measured in 2002 at around 165 deaths per 100,000 live births. There is a crisis of neonatal mortality, with around 55 per cent of all under-five mortality in Viet Nam occurring during the first month of life.\footnote{UNICEF estimate based on GSO 2003b.} The United Nations Food and Agriculture Organisation estimates that 23 percent of the population are food insecure or potentially insecure, and more than a third of Vietnamese children under the age of five are underweight and stunted: the average height of Vietnamese adults is over five centimetres below the global average, and more than twelve centimetres below the average height in many developed nations. Although primary school enrolment rates are high, quality remains an issue, with one study estimating that Vietnamese children receive only 40 percent of the school time afforded to children in Thailand (Department of International Development and Poverty Task Force 2002). Only a small minority of children from poor families are exempted from official school fees.\footnote{The World Bank estimates that only 13.2 percent of households with incomes below the poverty line had access to the education fee exemption in 2002 (World Bank 2003a).}

Wide regional and ethnic variations exist and are in some cases growing. Examples include: the north-west province of Cao Bang with an MMR of 411 per 100,000 live births, compared with a corresponding figure of 45 in more affluent Binh Duong province; the infant mortality rate for the Gia-rai in the Central Highlands is over three times higher than the rate for the majority Kinh (WHO 2004, 98); and while the clean-water access gap between urban and rural households is slowly shrinking, the gap between Kinh and ethnic minority households doubled between 1993 and 2002 (World Bank 2003a, 68). While the primary enrolment rate for ethnic minority children rose dramatically during the early 1990s to around 80 percent, there are stark disparities among ethnic groups: for example, 90 percent of primary-age Muong, Tay, and Nung children are enrolled in primary school, compared with only 40 percent of primary-age H’mong children (Baulch et al. 2002).
While the knowledge of at least one modern contraceptive method is high, the use of modern contraception is still low. Seventy-seven percent of married women are currently using contraception, yet only 56 percent are using modern methods. By far the most popular contraceptive method in Viet Nam is the IUD (38 percent) but the next most common methods are traditional (22 percent) followed by withdrawal (14 percent). Condom and pills use are much lower with only six percent among married women. There is also a clear relationship between the use of traditional methods and the rate of pregnancy termination. Forty-nine percent of abortion occurs among women using traditional methods (GSO 2003a).

Families in Viet Nam are increasingly nuclear where they were once extended and multi-generational. Children and young families receive less support from relatives than in the past. Family breakdowns are on the rise. The number of women-headed households is increasing and these households are more vulnerable and poorer. Children of single-parent families are more likely than others not to receive proper health care, education and protection, and also lack role models of both genders. The economic forces driving these changes to the Vietnamese family also increase the risk of exploitation and abuse both within and outside the family for all family members and in particular children. The process of modernisation and social change in Viet Nam thus generates a need for improved national systems and capacities for the protection of children from problems such as violence, abuse, trafficking, homelessness or discrimination, including against children infected and affected by HIV/AIDS.

Internal migrants in some cases cannot access social services because of registration requirements (Dang Nguyen Anh 2003). They are often reluctant to use services for fear of violating migration and registration rules, and can come into conflict with the law if they are found to have breached such rules. Temporary migrants are disadvantaged in terms of access to targeted anti-poverty programmes even though on any criteria many would qualify as poor. Much more information is needed on the incidence and nature of internal migration, and the needs of migrants.

Alongside progress in addressing communicable diseases, there is an increasing awareness of the importance of injuries, which according to some estimates account for as much as 75 percent of child deaths. Drowning is the leading cause of death in children under five, taking more young lives than pneumonia, tuberculosis, malaria, diarrhoea and all other chronic and communicable diseases combined. Accidents and injuries have a significant socio-economic impact: injuries reduce productivity among the workforce; generate health costs for emergency care as well as for long-term rehabilitation and care for disabled people; and threaten school achievements of pupils due to injury related absence from class (Ha Noi School of Public Health 2003).

The principle of universal access to basic education and health care is codified in the constitution, as well as in the SEDS, five-year plan and CPRGS, which also identify access to clean water and sanitation as crucial to improving the lives of the poor. Government plans that address issues of social service provision include: the National Framework for Education for All 2003-2015 (EFA); the Health Care Fund for the Poor (HCFP); the National Nutrition Strategy, 2001-2010; the National Strategy on
Rural Water Supply and Sanitation 2001-2010; the National Plan of Action for Children 2001-2010 and newly revised Law on Child Care, Protection and Education; the National Policy on Injury Prevention; the Viet Nam Population Strategy; the National Strategy on Reproductive Health Care; the National Safe Motherhood Master Plan; the Behaviour Change Communication Strategy; and the National Strategy for HIV/AIDS Control. Targeted anti-poverty programs grouped under the Hunger Eradication and Poverty Reduction (HEPR) strategy also provide resources for the poor to pay for basic services.

Analysis

<table>
<thead>
<tr>
<th>Development Challenges</th>
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<tbody>
<tr>
<td>• Large variation in access to and quality of health and education services</td>
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<tr>
<td>• Ethnic minorities and isolated areas do not <strong>enjoy fully</strong> equal access to quality services</td>
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<tr>
<td>• Public expenditure on social services is low compared to neighbouring countries</td>
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<tr>
<td>• Reliance on user fees risks excluding the poor from services</td>
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**Policies and governmental capacity**: Despite the impressive range of Government plans and policies in the social services, the level of public expenditure in the social sector is still comparatively low. For example, in 2001 Viet Nam spent less than one percent of GDP on public health provision, the lowest in the region. National standard setting and monitoring of performance are inadequate, with structures such as the Provincial People's Councils and National Assembly lacking the capacity to encourage greater compliance with standards. Public sector salaries remain exceedingly low, creating incentives for teachers and health workers to generate additional income through informal charges. The lack of a fully merit-based system for promotion and higher salaries also reduces incentives to provide quality services.

Programmes and solutions for hard to reach groups of the population are not fully developed. Few innovative and cross-sectoral models for service delivery exist. Techniques for programme communication and public information are inadequate. Significant problems of coordination exist among line agencies and mass organisations in all fields of social policy. Capacity is still limited among civil servants, members of the people's councils and mass organisations at sub-national level, where knowledge and skills in planning, project management and monitoring in all areas related to the rights and needs of the population, including women and children, are rarely adequate.

**Decentralisation**: There is general consensus among Government and other development actors in Viet Nam that successful delivery of quality social services to all will require greater decentralisation and devolution of authority. In a country as diverse as Viet Nam, local problems arise that demand local solutions. As ethnic minorities make up an increasing proportion of the poor, it is important that service delivery systems are sufficiently flexible and adapted to local conditions to meet the
needs of a varied population.\textsuperscript{16} Public administration reform and the decentralisation process have shifted greater responsibility to local government to provide social services and to monitor quality and coverage. A concurrent process of fiscal decentralisation is now underway that is likely to have a major impact on the distribution of resources for basic services. Decentralisation requires increased coordination, capacity and oversight at the local level.

**Participation and empowerment:** The poor often lack information on the social services they are entitled to under the state system, and the appropriate fees for these services. Entitlements to benefits under targeted programs can be vague or unpredictable, and eligibility can change with funding levels from year to year and from location to location. A lack of participation of beneficiaries in the planning, delivery and monitoring of service delivery reduces inclusiveness and makes knowledge of and information about government programs less accessible. It also reduces ownership of programmes and their appropriateness to local contexts and the lives of those they are intended to assist. In primary education, for example, participation could increase the relevance of school curricula, thereby encouraging ethnic minority children to attend school.

**User fees and equity:** The Government’s Decree 10 of 2002 gives public service delivery agencies such as schools and hospitals greater financial autonomy including the right to levy fees. User fees have come to be used as a means of meeting funding shortfalls from state sources. Although this directs additional resources into the system, the equity implications of user fees are not well understood. Reliance on user fees places an obligation on Government to protect the rights of those who cannot afford up front costs. Poor households pay a larger share of total expenditures on basic services than rich households. Education expenditures by income quintile show Viet Nam’s richest parents spend over thirty times more than the country’s poorest on extra classes for their children. This is reflected in attainment, with children from rich families having a far better chance of getting into university than children from poor families.

The resulting pressure on family budgets is likely to have the greatest impact on the most vulnerable household members, often women and children, in particular girls. A lack of regulatory oversight in the context of the rapid shift towards user fees has created incentives for personal financial gain at the expense of equity and inclusiveness. Safeguards and appropriate penalties are required to reduce demands for informal payments.

As mentioned already in Chapter 3, migrants have some difficulty accessing services. Previous studies have documented the lack of appropriate and timely access to health services for migrants. Some migrants have no health insurance, and fear of high medical costs often results in delays in seeking treatment (Dang Nguyen Anh et al. 2003). Not having health insurance also places a visit to public health services beyond their means. Official health care programs, including reproductive health services, rarely reach temporary migrants for whom health services are much harder to find. Indeed, health care services and health financing are rarely defined according to the

\textsuperscript{16}The share of ethnic minorities among the poor has increased from 20 percent in 1993 to 30 percent by 2003 (based on the food poverty line the rate has increased from 30 percent to 53 percent). See World Bank 2003a.
needs of migrants. The current system of health care have received little, if any, additional budget to cover an ever-increasing migrant population.

**Education:** Some 70 percent of teachers have at least twelve years education (nine years of primary school and three years of teacher training). Almost all of those with less than eight years of total education work in remote and ethnic minority areas. Availability of teachers is adequate on average, but there are serious shortages in ethnic minority areas. However, teaching styles tend to be at odds with accepted international best practice, with an emphasis on passive learning. Dictation, repetition, copying and testing do not encourage analytical, interpersonal and problem solving skills. Combined with a heavily theoretical curriculum, current methods emphasize memorisation and repetition over communication and creativity.

In 2002, MOET began to phase in a new National Unified Standard Primary Curriculum. The new curriculum is a major step forward, particularly in terms of addressing inequalities in education between different groups. However, increasing mandatory learning time in ethnic minority areas with high dropout rates may increase these rates if families are not compensated for the loss of labour time when children stay at school longer.

Most schools in towns and cites are multi-storey cement buildings, while many in ethnic minority areas school are constructed from wood and bamboo. Close to 70 percent of primary schools in all areas have no water and sanitation facilities, including almost all branch schools in remote areas. Where schools lack adequate sanitation facilities children pass diseases on to their classmates, resulting in higher rates of absenteeism throughout the year in some remote areas (UNICEF and CEM 2003).

For ethnic minority children the problem of access to quality education is not restricted to enrolment. Some schools servicing these groups are poorly equipped and teachers are often poorly trained. Drop out rates are higher and many children start school late and repeat grades. Although ethnic minority children make up around 16 percent of primary-age children, ethnic minority teachers make up only 9 percent of primary teachers.

**Health:** The main issues in the health sector are similar to those in the other social services: access and user fees; quality of services; capacity for local delivery; and funding. Lack of sufficient resources has had a negative impact on health facilities and staffing. Hospitals, policlincs and commune health stations attend to more patients but receive less money per patient. Although more doctors are graduating, the hospitals they are working in have fewer beds, assistant doctors and nurses per person than in the mid 1980s.

At the end of the 1990s, hospitals generated over 50 percent of revenues through user fees, compared with 10 percent in 1993 (Ministry of Health 2002d). Inspection and regulation systems for the large numbers of private clinics and pharmacies established

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17 A ‘branch school’, also referred to as a ‘satellite school’, is a classroom or group of classrooms in a separate location from the main school of which it is a part.
over the last ten years is inadequate, with the result that it is not possible to assess the quality of services provided.

Added to these structural problems are emerging health needs such as HIV/AIDS, low use of modern contraceptive methods, high rates of abortion, tobacco-related health problems and injuries. Again, many of these appear worse in poorer and disadvantaged areas. Among those most affected are the most vulnerable, including children.

**Malnutrition**: Despite improvements, many people live in disadvantaged areas with poor hygiene and sanitation, limited access to safe drinking water, and insufficient care practices for young children, adolescents and women. Even regions with the highest living standards (the southeast region and the Red River Delta) have unusually high incidences of underweight children and stunting, which suggests that cultural and social factors have an important role to play in child malnutrition in Viet Nam. Malnutrition is worse in ethnic minority areas and among the rural poor, and is inversely proportional to mothers’ education levels (GSO 2003a).

Reduced food poverty and Viet Nam’s rapid agricultural growth, as evidenced by the millions of tons of rice, fruits, vegetables, meat and fish exported every year, suggest that under-nutrition is not solely a problem of shortage of food, although there are many food-poor families in Viet Nam. Rates of stunting are a consequence of poor nutrition before and during pregnancy, during the first six months, and during the early years of children’s lives. Micronutrient deficiencies (of vitamin A, iron and iodine, for example) also affect a large part of the population. The National Institute of Nutrition estimates that 27 percent of pregnant mothers suffer from chronic energy deficiency, and that over 30 percent are anaemic. According to the VNDHS, less than 10 percent of mothers feed their children only breast milk for the first six months of life. Moreover among those who do, over half suffer from sub-clinical vitamin A deficiency and do not have enough vitamin A in their breast milk (National Institute of Nutrition 2003). Mothers typically introduce rice water, as well as other foods and drinks, from around two months of age.

Another major cause of under-nutrition in young children is disease. Around 60 percent of two to five year old children are thought to be suffering from parasitic worm infestations. Additionally, an estimated 20 percent of six to eleven month old children have had diarrhoea in two weeks prior to the survey (GSO 2003b).

**Water and sanitation**: Around 35 percent of the rural population gets water from untreated surface sources. Domestic and industrial pollutants often contaminate these rivers and lakes. The Ministry of Natural Resources and Environment is tasked with regulating environmental pollution but is a relatively new agency with a limited budget. At present, monitoring and enforcement of existing water regulations such as Article 18 of the Water Resources Law is insufficient. Inadequate access to clean water and sanitation is a major cause of worm infestations that affect nutritional status.

**Conclusion**
Despite Viet Nam’s commitment to universal access to basic services and impressive progress in service delivery, sizeable gaps still remain in the provision of health and nutrition, education and water and sanitation, and disparities are growing between rich and poor. Ethnic minorities, and possibly migrants, generally fall into the latter category. Non-state finance, particularly user fees, and fiscal and administrative decentralisation will provide the backdrop for future developments in the social sector. There is a need for reforms to the social welfare system and development of more effective social security and insurance schemes that address problems of equity as Viet Nam continues to develop.

The increasing role of non-public social service providers requires development of national standards and state oversight to ensure that the rights of all to health, education, protection and other basic services are met. At the same time, specific programmes and solutions have to be developed for hard to reach groups of the population. Better models for service delivery and communication of information to the population, as well as improved coordination and capacity, planning and monitoring at local levels will be required to meet the challenges of delivering quality social services, including to hard-to-reach groups such as ethnic minorities and migrants.

Finally, fostering a culture of participation among users of services, and in particular women, children and adolescents and the implementation of the Grassroots Democracy Decree in local planning and monitoring will be important drivers of progress in the fulfilment of social rights of Vietnamese citizens in the short, medium and long term.
Chapter 5: Vietnamese Youth in Transition

Assessment

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<th>Development Achievements</th>
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<tr>
<td>• Growth in number of secondary school places has improved access to education</td>
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<td>• Improved information on youth, including the Survey Assessment of Vietnamese Youth</td>
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<td>• Vietnamese youth are optimistic about the future and feel valued by their families</td>
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The recent drop in fertility, combined with the preceding rapid population growth, has created a disproportionately large number of adolescents and young people in Viet Nam’s population. Almost 30 percent of the population is between 12 and 25 years of age, and this figure is expected to continue to increase until at least 2010.

The first comprehensive national youth survey, the Survey Assessment of Vietnamese Youth (SAVY), was conducted in 2003/4, and demonstrated, along with other recent surveys, the extent of social disparities among Vietnamese youth (GSO and MOH 2004). Aggregated national data mask important age, geographical, social, ethnic and gender variations. Data gaps exist on non-registered young people living away from home, migrant workers, young people in rehabilitation centres or other forms of institution, street children, sex-workers and more generally on issues relating to exploitation and abuse.

Youth education: While primary net enrolment has levelled out in the past ten years, lower and upper secondary enrolment has increased rapidly. In 1993 there were around two million adolescents enrolled in lower secondary school; in 2002, there were five million. The increase in upper secondary enrolment was steeper, from around 300,000 in 1993 to two million in 2002. Investment in young girls’ education is considered by some to be less important than that of boys. Young girls are still expected to take on more domestic responsibilities than their brothers. These values affect the level of schooling and job market opportunities available to young women. SAVY shows that 19 percent of young women from ethnic minorities have never attended school, and two thirds of all school dropouts are girls. Also, young rural women in the 22 to 25 age group receive almost no job training compared to their male and urban counterparts.

While the number of grade 12 graduates has significantly increased in recent years, the number of available places at Viet Nam’s universities has grown at a slower rate. This has led to fierce competition for places: of the tens of thousands of young people who sit university entrance exams every year, only 14 percent are accepted. Many

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18 The Survey Assessment of Vietnamese Youth (SAVY) is the first national youth survey undertaken by the Ministry of Health. The survey was conducted by GSO in partnership with various government agencies including the Youth Union, Ministry of Education and Training and the Women’s Union. SAVY has had significant support from the United Nations.

19 Lower secondary school is generally attended by children from 12 to 15 years of age, and upper secondary school from 16 to 19 years of age.
Vietnamese youth see university as the only worthwhile form of post-secondary education, causing great strain for those whose applications are rejected. The limited number of university places also represents a waste of national talent and therefore a drag on economic growth.

Lower secondary enrolment rates for all ethnic minority groups are noticeably below those of the majority Kinh. Ethnic differences also involve gender disparities in lower secondary education. According to SAVY, 19 percent of ethnic minority girls have not attended school compared to two percent of Kinh girls. There are also differences between ethnic groups; for example, there appear to be more Nung, Chinese, Muong and Tay girls enrolled in lower secondary school than boys, while the opposite is true for Khmer, Xo-dang and H’mong. This leads to stark disparities: over 55 percent of the relevant Tay female age cohort were enrolled in lower secondary school in 1998 compared to less than two percent of H’mong girls.

**Youth employment:** Youth now account for 22 percent of the labour force, and over 1.4 million young people enter the job market every year.

Youth unemployment is most acute in cities, where the youth unemployment rate of 16 percent is eight times higher than in rural areas, although population distribution means the absolute number of unemployed youth in rural areas is still higher. Current estimates put the nationwide youth unemployment rate anywhere from four to eight percent. Young women are also more likely to be unemployed than young men. The unemployment rate for women aged 15 to 24 is 7.1 percent and in urban areas as high as 18.5 percent (UNCT 2004a).

These numbers do not reflect underemployment. According to MOLISA, there are close to 4.7 million youth working less than 300 days a year and willing to take on more work (MOLISA 2002). Underemployment in the agricultural sector induces a growing number of young people migrate to cities to seek employment. Many work in the fast-growing informal sector, which is characterised by small, urban firms but also encompasses illegal activities such as smuggling and sex work. This has increased social pressures on cities and has contributed to the problem of urban street youth in large cities such as Ha Noi and Ho Chi Minh City.

Nineteen percent of young people have had some form of vocational training (GSO and MOH, 2004). However, vocational training is generally considered by young people and others to have a much lower status than university education, and therefore most young people to prefer a university place.

**Accidents and injuries:** Accidents and injuries, led by road traffic accidents and drowning, account for most deaths. Traffic accidents in particular are a growing problem in all parts of the country, and are now the second leading cause of death among children of all ages. Traffic accidents are more frequent in cities but more severe in rural areas, and affect males more than females. Most road and traffic accidents involve motorbikes. Most youth regularly ride a motorbike, including over 90 percent of urban males between 18 and 25 years of age. Of these, only one-quarter wear a helmet. Although it is illegal to ride a motorbike without a helmet, helmet laws, especially in cities, are rarely enforced. Stricter enforcement of helmet laws on rural highways is reflected in higher helmet-use rates for rural youth.
**Disability:** Accidents and injuries are one contributory factor to the numbers of disabled young people in Viet Nam. Viet Nam has begun to move towards inclusive education for disabled children and youth and the results are promising. It is important that disabled young people participate in regular school activities to the extent possible, and receive education on important issues such as HIV/AIDS, reproductive health and abuse and exploitation issues. Viet Nam’s efforts do not yet fully include young people with intellectual and psychiatric disabilities. There is potential for more community-based responses and support as well as initiatives to promote greater participation and self-representation of young people with disabilities.

**Self-harm:** According to the recent multiple indicator survey (GSO and UNICEF 2002), over 30 percent of injuries to youth are self-inflicted. There is still relatively little attention given to suicide as a cause of mortality in Viet Nam, but it was the sixth leading cause of death in Vietnamese hospitals in 2002, where it took more lives than tuberculosis, heart failure, diarrhoea and malaria, and nearly as many as HIV/AIDS. Given that most suicides take place outside of the hospital this estimate is probably low. Moreover, hospital figures include people of all ages. It is probable that hospital deaths among only youth aged 12 to 25 include a higher proportion of suicides.

Twice as many females as males responding to SAVY said they had thought of committing suicide, including close to seven percent of females in urban areas where the problem is most severe. A separate survey of 250 people recovering from suicide attempts in hospitals found that two-thirds were female, and of those 80 percent had tried to end their lives because of a conflict with a spouse, boyfriend or family member (Ministry of Health 2002a).

**Smoking:** Smoking is a significant health issue for Viet Nam, especially for males. Vietnamese smokers start on average at 17 years of age. It is considered unbecoming for a woman to smoke, and very few do. Over half of young men between 18 and 24 years of age smoke more than once per week, and the number is growing. According to the National Cancer Institute, lung cancer is already the most common form of cancer among males.

**Alcohol:** SAVY data indicates that drinking is common among young men (69 percent) but less common for young women (28 percent). Drinking is more common among urban than rural young people, at 57 percent and 46 percent, respectively. While long-term abuse of alcohol is a health risk in itself, excessive alcohol consumption among youth increases the chance of high risk behaviour such as drunk driving, motorbike races, violence and unprotected sex.

**Illegal drug use:** Government estimates show 52 percent of drug users are under 25 years of age and 82 percent are under 36 years. According to SAVY, young people in urban areas are twice as likely to know a drug user (42 percent) compared to rural groups (21 percent). Heroin is the most commonly used drug after alcohol. Drug addiction imposes high social and economic costs on the country through crime, health problems and premature loss of life.
**Reproductive health:** While it is traditional for girls experiencing puberty to discuss reproductive health and related issues with their mothers, it is much less common for boys to do so with any family member (GSO and MOH 2004). There are numerous gaps in knowledge. Only 30 percent of girls responding to SAVY were aware of peak fertility periods in the reproductive cycle. Low levels of awareness among the ten to 24 age group are reflected in high abortion rates among single women and a dramatic increase of sexually transmitted infections and HIV/AIDS prevalence (EC and UNFPA 2003). While the majority of young people continue to disapprove of premarital sex, around 30 percent of respondents to SAVY believe that it is acceptable when both sexual partners consent, when they are about to get married or are able to prevent pregnancy.

**Youth in conflict with the law:** During the 1990s, the Ministry of Public Security recorded between 11,000-14,000 juvenile offenders per year. The majority of offences were petty crimes such as theft. Legislation for juvenile justice has improved but still relies too heavily on detention, does not adequately use diversion or other approaches such as restorative justice and allows for inappropriate sentences. For example, it is possible for a 16 year old to be imprisoned for up to 18 years. More generally, there is scope for making the justice system more youth friendly through specific procedures such as provision of social workers or court procedures that are clearer and less intimidating for young people. There are very few effective rehabilitation and reintegration programmes and services for children in conflict with the law. No data collection or monitoring systems exist for these children.

**Exploitation:** It is estimated that thousands of Vietnamese young women are trafficked outside the country’s borders every year. The main recipient countries are China, Cambodia, Taiwan, Thailand, Singapore and South Korea. Trafficked women and girls are sold into prostitution, forced marriage and unfree labour. Forced labour includes begging, sweatshops, domestic work and other illegal employment. Recent studies also indicate that sexual exploitation is increasing as a result of poverty, family difficulties, lack of education and employment opportunities. Most sex workers come from rural areas with low levels of education. Given the recent focus on cross-border trafficking it is alarming that at present there is little information on and corresponding attention to potential problems of internal trafficking.

**Government response:** Governmental recognition of the importance of youth is reflected in the Youth Development Strategy to 2010, which states that the country’s future success ‘mainly depends on youth, their education and care’. The strategy acknowledges the challenges faced, stating that ‘an overall policy for youth is still missing’, and ‘the making and implementation of social policy and socio-economic development programmes do not pay attention to the characteristics of youth’. The strategy also notes that ‘no coordination mechanism is in place’ and that ‘problems faced by youth and burning issues among young people are slow to be addressed’. Key national planning documents such as the SEDS, the five-year plan or the CPRGS make little reference to adolescents and youth.

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20 Communist Party of Viet Nam, Party Central Committee Seventh Congress (Fourth Plenum), 1993, as quoted in Vietnam's Youth Development Strategy to 2010 (Government of Viet Nam 2003f).
21 Government of Viet Nam 2003d. Attachment to the Decision 70/2003/QD-TTg of the Prime Minister, 3f.
The Government has taken action on the issue of exploitation. In 1997, the Government issued a directive calling for multi-sectoral action and cooperation among concerned agencies on trafficking, and subsequently approved the National Plan of Action on Trafficking 2004-2010. The plan establishes the Ministry of Public Security as the focal point for action against trafficking of women and children. The Government also supports efforts of national and international organisations working to prevent trafficking and sexual exploitation and to care for victims. Prevention of commercial sexual exploitation is part of the National Programme Against Prostitution. Systems for recovery and reintegration for child victims of abuse and violence are limited in coverage and lack capacity. This includes provision of services for social work, counselling and informal education, for which there is a lack of appropriately trained professional staff. There is too great an emphasis on addressing the material needs of victims of abuse without adequate attention to emotional needs.

The main channels through which youth can become involved in society are Viet Nam’s mass organisations, in particular the Youth Union, which represents youth between the ages of 14 to 28 and has a national membership of 4.5 million people. The Youth Union is a primarily political organisation, which describes itself as a ‘reserve force of the Communist Party’. The majority of the current Party leadership were at one time members of the Youth Union. The Youth Union undertakes activities such as youth events, implementing Government programmes, publishing monthly newspapers, directing traffic, providing accommodation for students and assembling youth to pass on information. Most active members are youth who do well in school and are from relatively well-off backgrounds.

Analysis

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<th>Development Challenges</th>
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<tr>
<td>disparities in access to education disadvantage ethnic minorities and girls</td>
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<tr>
<td>insufficient opportunities for vocational and tertiary education</td>
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<tr>
<td>accidents and injuries have emerged as a major threat to the health of young people</td>
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<tr>
<td>trafficking is a real threat to youth, especially girls from rural areas</td>
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Educating, employing and supporting young people and their families are key challenges facing Viet Nam. Meeting these challenges will require a continuation of rapid economic growth, improvements in service provision and strengthened policies and planning.

Economic growth is the basis of job creation for young people as for adults. But economic growth is not sufficient. Youth unemployment is both a missed opportunity for growth and a root cause of social problems such as depression, crime, and alcohol and drug abuse. At present, comprehensive plans and systems to promote vocational training and youth employment are not in place. Such plans and systems will also need to ensure minimum conditions of social protection and fulfil national and international labour standards. Growth in the informal sector is outpacing the creation of laws to govern it, and many young people working temporary or underground jobs,

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22 Text from the English languages pages of the Youth Union website (www.vyic.org.vn).
especially young women, have little choice but to put up with discrimination and harassment on a daily basis.

Viet Nam’s youth are positive about their educational system and optimistic about their future. SAVY responses indicate that most young people enjoy school, are valued by their families and believe they will have a better life than their parents. Access to education generates the skills that the economy needs and reduces the number of young people on the streets or working in undesirable jobs. The National Youth Development Strategy to 2010 recognizes that despite the high literacy rate of Vietnamese youth compared to other developing countries, the qualifications of youth fall short of meeting the requirements of industrialisation and modernisation. Future challenges for youth education will therefore relate as much to quality as to access.

Services for youth, particularly those from poor or ethnic minority backgrounds, are not always available (see Chapter 3). In some cases services may not be appropriate to youth, and this may discourage their use, for example in the case of health facilities. Some necessary services, for example, those relating to counselling, treatment of STIs or provision of condoms or contraceptives, are not always in place.

Youth have the potential to make a major contribution to Viet Nam’s development. Closing widening disparities, minimising new lifestyle health risks and building the capacity of young people to meet the challenges of a more globalised economy will require a strengthened dialogue with, and engagement of young people within the family, at school, in the local community as well as at the level of national policymaking. Some programmes for youth are planned and developed in a top-down way, and are imbued with a bias toward regulation and compulsion over participation and dialogue. Too much emphasis is given to keeping young people away from problems and ‘social evils’ as opposed to promoting the potential of youth while creating a protective environment. More attention needs to given to young people’s right to information.

**Conclusion**

Youth comprise a growing share of Viet Nam’s population and should therefore figure prominently in the country’s overall development agenda. Recent years have seen an increasing appreciation of the importance of programmes for and opportunities to work with youth, and the gradual development of policy and approaches to achieve these.

The quality and coverage of existing programmes for young people are limited. At the same time, demand for access to secondary education, higher education, and relevant vocational training is increasing as well as demand for jobs. Programmes for information, prevention and treatment of reproductive health, sexually transmitted diseases, drug abuse, HIV/AIDS, prevention of accidents and injuries, protection from exploitation and abuse as well as those addressing mental health issues such as suicide are urgently needed. Laws, detailed instructions on the implementation of laws and a youth-friendly approach to issues such as violence, exploitation, abuse and juvenile justice need to be improved.
Realising the potential of Viet Nam’s youth will require the direct involvement of young people and a stronger focus on the realisation of their rights both to build a more just society and to develop the awareness of rights among tomorrow’s national, regional and local leaders.
Chapter 6: The Challenge of HIV/AIDS

Assessment

Development Achievements:
- National Strategy on HIV/AIDS Prevention and Control approved in March 2004
- ‘Harm reduction’ approach, including provision of clean needles, syringes and condoms
- Donor community in Viet Nam committed to work with the Government and all relevant actors in the fight against HIV/AIDS.

Prevalence: Viet Nam’s Ministry of Health estimates that the number of people living with HIV in Viet Nam increased during the four-year period between 1999 and 2003 from approximately 96,000 to 245,000. Estimates extending back to 1990 indicate that the rate of increase is exponential. Young people between 15 and 24 years of age represent 40 percent of those reported with HIV, up from 10 percent in 1994. HIV cases have been reported in all provinces. There are a number of ‘hot spots’ with particularly high numbers of reported HIV/AIDS infections or prevalence levels, including Ho Chi Minh City, Hai Phong, Quang Ninh, and Can Tho (Government of Viet Nam 2004). Figures from the Ministry of Health (MOH) show that by 2003, an estimated one in 75 households had a family member who was living with HIV/AIDS. The national HIV prevalence for injecting drug users (IDUs) is 33 percent, and for female sex workers is 6 percent (Government of Vietnam, 2004). However, more than 60 percent of IDUs are infected in HCM City, Hai Phong, and Quanh Ninh. Over 25 percent of female sex workers are infected in HCM City, and 15 percent in Ha Noi.

Ministry of Health figures show the majority of reported HIV cases to be IDUs, accounting for 56.9 percent of reported HIV cases at end March 2004. However, this may partly reflect HIV testing practices, since many IDUs in state institutions have compulsory HIV testing. There is an increasing trend of injecting drug use among female sex workers in a number of cities or provinces. Female sex workers also run the high risk of HIV infection due to unprotected sex with male clients, many of whom are also IDUs. The number of infections due to heterosexual transmission appears to be increasing. Four provinces show greater than one percent of pregnant women attending antenatal care or more than one percent of young men attending pre-recruitment medical exams for military service to be HIV positive.

As a result of the increasing HIV prevalence rate among adults, the number of HIV positive newborns is increasing. The current HIV prevalence is 0.39 percent among Viet Nam’s two million pregnant women every year (VTWG 2003). The mother-to-child transmission rate is estimated at 30 to 40 percent. In 2002, 44 percent of pregnant women were provided with treatment to prevent mother to child transmission, which is an increase over past years.

23 Calculated on the basis of 250,000 cases and an average household size of five people.
Regional context: Viet Nam’s experience is similar to that of other countries in the region, with the initial spread of the disease through IDUs, then through sex worker to the general population. This is cause for concern in view of the high prevalence rates in neighbouring countries. Based on current trends, Asia will have more HIV infections than sub-Saharan Africa by 2010. Viet Nam must act swiftly is the country is to avoid replication of this pattern.

Discrimination: There is growing evidence that discrimination against people living with HIV/AIDS (PLWHA) is present in Viet Nam, especially in employment and health services (Ford Foundation 2004). A UNCT report (2004b) found that HIV related employment discrimination is a reality in Viet Nam. There are reports that children from some families with a member infected with HIV/AIDS have been turned away from schools and health facilities, or have been subjected to bullying and stigmatisation. The National Strategy documents cite surveys indicating that some PLWHA are not accepted by their communities, and that only a very small number have participated in peer support groups (Government of Vietnam 2004).

Tuberculosis: The emerging HIV epidemic in Viet Nam is closely linked to tuberculosis (TB). HIV increases vulnerability to TB, increasing the number of cases, prevalence of TB in the community and therefore new infections. WHO estimates that HIV-positive people infected with TB have a 60 percent lifetime risk of developing TB disease. This compares with 10 percent in HIV-negative individuals. This increases the burden on the healthcare system, which must cope with a large and increasing number of both TB and AIDS patients. The number of reported TB cases co-infected with HIV has increased ten-fold since 1995. Provinces of particular concern include Binh Duong, where 14 percent of TB patients are also infected with HIV; Hai Phong, where the corresponding figure is 11.8 percent; HCM City at 9.4 percent; Ha Noi at seven percent; and An Giang at 4.8 percent.  

Government response: In the recent past, HIV was classified as a ‘social evil’ and closely associated in the public mind with IDUs and female sex workers. This fostered discrimination against people infected and affect by HIV/AIDS and delayed the introduction of ‘harm reduction’ measures at a time when heterosexual transmission between couples was already on the increase. Now, the Government of Viet Nam has responded to the problem and threat of HIV/AIDS with a National Strategy of Prevention and Control, approved in March 2004, designed to promote greater coordination and social mobilisation in the fight against the disease. The Prime Minister has assigned responsibility to different ministries for implementation of the National Strategy. The National Strategy has a number of targets, such as to reduce prevalence in the general population to below 0.3 percent by 2010; to provide care and treatment to all HIV infected pregnant women; and the provision of specific drugs to 70 percent of AIDS patients. Many of these targets are very ambitious. For example, it would be most impressive if Viet Nam could reduce HIV prevalence by a third by 2010.

Alongside the strengthened policy framework and other support from the Party, National Assembly and Government, a significant number of pilot and other projects

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25 Approved by the Prime Minister as No. 36/2004/QĐ-Ttg, Ha Noi, 17 March 2004.
have also been launched at the national and provincial levels by health departments, MOLISA, the Committee for Population, Family and Children, the Vietnamese Youth Union, Vietnamese Women’s Union and others. The National Strategy recognizes the importance of young people in HIV prevention activities. The Strategy calls for life skills and behaviour change communication for young people; services to encourage young people to efficiently manage sexually transmitted infections as well as provide reproductive health care and counselling services; and, more opportunities for young people to participate in and contribute to the development and design of programmes related to HIV/AIDS.

The National Strategy also calls for a ‘harm reduction’ approach including programmes that provide clean needles and syringes as well as condoms. The Strategy emphasizes non-discrimination and departs from the previous classification of HIV/AIDS as a ‘social evil’.

In the view of the United Nations, some aspects of the initial response to HIV/AIDS raised human rights concerns. These included the isolation of IDUs and female sex workers in state institutions in order to protect the health of the general population. MOLISA reports that there are 71 such institutions for drug users and female sex workers. The National Strategy, which establishes a new approach based on solidarity and social mobilisation, signals a shift to more effective strategies that are also consistent with protection of the rights of people infected and affected by HIV/AIDS.

The direct 2004 national budget for HIV/AIDS is approximately US$5 million, which represents a 25 percent increase over the previous year. The central budget provides 37 percent of this amount, while local government accounts for 58 percent and the remainder from non-health ministries. There is also significant funding through local government and indirect support. This amount is supplemented by the international community, which is providing approximately US$ 70 million for the period 2002-2005.

**Analysis**

<table>
<thead>
<tr>
<th>Development Challenges</th>
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<tbody>
<tr>
<td>HIV/AIDS prevalence growing exponentially and following trends in other countries</td>
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<tr>
<td>Capacity building needed at the national and local levels to improve care for people living with and affected by HIV/AIDS</td>
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<tr>
<td>Stigma and prejudice against people living with HIV/AIDS, including employment discrimination</td>
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<tr>
<td>Need for integrated and coordinated information collection and dissemination for policymakers, service providers and people living with, affected by and vulnerable to HIV/AIDS.</td>
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Injecting drug use and unprotected sex are the main modes of HIV transmission in Viet Nam. Aggressive and widespread implementation of HIV-prevention activities such as clean syringe programmes can reduce the spread of HIV by protecting drug
users, their sexual partners and, in the case of female users, their children. Increasing rural to urban migration could increase the number of men who pay for sex. HIV is both a cause and consequence of poverty in Viet Nam. Families with members with AIDS have to cope with the burdens of illness, reduced earning capacity and increased medical costs (UNDP/AUSAID 2003).

**Women:** In Viet Nam as in other parts of the world, the greatest risk factors for women are the drug use and sexual behaviour of their husbands or other sexual partners. Most Vietnamese women come into contact with HIV through their one and only sexual partner, usually their husband. The proportion of women among newly infected people is increasing as HIV is increasingly transmitted through sex.

Cultural attitudes that inhibit women from obtaining knowledge about sex make it very difficult for women to negotiate safer sex or to suggest condom use without jeopardizing their relationships. Some women who are victims of domestic violence suffer extreme forms of disempowerment that leave them particularly vulnerable to infection from their partners.

**Children:** One of the key groups affected by HIV/AIDS are children. A minority of children born to mothers with HIV are themselves HIV positive. Some of these children are abandoned by their parent or parents and live in hospitals around the country, and this number is believed to be increasing. Although data reliability is still a serious problem, a recent assessment conducted by UNICEF and MOLISA estimates that HIV/AIDS in Viet Nam affects more than 283,000 children, including over 263,000 living with HIV positive parents and more than 19,200 infected by the virus. On the basis of these figures MOLISA estimates that children affected by HIV constitute 36 percent of all vulnerable children in Viet Nam (UNICEF and MOLISA 2002).

**Communication:** Successful HIV/AIDS strategies rely heavily on behaviour change and communications. In Viet Nam, the initial Government response included HIV/AIDS in the list of ‘social evils’ alongside prostitution, gambling and drug use. This message was very effective in raising awareness of HIV/AIDS and in generating a fear of the disease within the general population. However, this approach undermined efforts to encourage greater use and acceptance of condoms and voluntary testing and non-discriminatory attitudes to people infected or affected by HIV/AIDS. International standards and practice on HIV/AIDS stress the benefits of ‘harm reduction’, and the right to voluntary and confidential testing and the right to be provided with the results of tests.

These issues are being addressed in new guidance developed by the Central Commission for Ideology and Culture, Central Commission for Science and Education and the Ministries of Culture and Information and Health. This guidance directly seeks to de-link the concept of social evils from HIV infection, noting that people living with HIV/AIDS are not ‘social evils’ but rather human beings affected by a virus. The new approach seeks to publicise laws and policies on the rights and responsibilities of people living with HIV/AIDS. However, more work needs to be done to ensure that these messages are available to ethnic minorities who do not speak Vietnamese. Specific strategies are needed for geographically and otherwise isolated populations. Given the efficacy of previous communication around ‘social evils’
messages, extra efforts may be required to reverse some of the negative effects of the earlier approach.

**Youth**: A high percentage of Vietnamese youth have basic knowledge of HIV and AIDS, including what it is, how it is transmitted and how it can be prevented. Results from the Survey and Assessment of Vietnamese Youth (SAVY) show that over 90 percent of respondents aged 14 to 24 years identified using condoms and avoiding prostitution, sex with strangers and shared needles as means to control the spread of HIV. Results from the 2002 Viet Nam Demographic and Health Survey also suggest that the public has extensive knowledge of HIV/AIDS, with only two percent of 15 to 29 year old females stating that it is impossible to prevent HIV/AIDS.

Yet the proportion of young people putting such knowledge into practice remains low, and as a result a significant number of Vietnamese youth are still at risk of HIV infection. Injecting drug users are overwhelmingly young. Also SAVY shows that only 25 percent of sexually active single males and three percent of sexually active single females reported using a condom the first time that they had sex. Many reasons were given for this. Around 30 percent said they simply did not want to, while 20 percent said they did not know how to use contraceptives. Most respondents did not give a specific reason. Young people are apparently still embarrassed by condom purchase and use. Young men also believe that the use of a condom implies that they suspect that their female partner is sexually promiscuous. The majority of young men surveyed also report that they had their first sexual experience in a hotel, suggesting a strong link with sex work. In addition to these problems there are also very few youth-friendly health services available to HIV-infected youth that provide care and testing.

**Capacity**: While there have been many successful HIV/AIDS interventions in Viet Nam these have remained largely at the pilot stage, with little real impact on the growing epidemic. Significant additional funds have recently been made available from government and international sources in order to expand these efforts. However, a rapid increase in capacity is needed to ensure effective management of these larger programmes, and to establish a national planning, monitoring and evaluation framework. This includes the urgent need to develop the nine Programmes of Action called for in the National Strategy.

Staff from many district and provincial hospitals lack the necessary knowledge and skills to counsel and care for people living with HIV/ AIDS including HIV infected women and their babies. In addition, there is inadequate knowledge of necessary precautions to prevent HIV transmission in medical settings and a fear of transmission among some health workers that makes them reluctant to treat those infected with HIV/ AIDS.

Efforts to care for the infected and affected are also hampered by a lack of developed models, regulation and comprehensive services for community-based care and family-based approaches to care as opposed to institution-based approaches. This is particularly true in the case of children infected, and those affected by HIV/AIDS through having an infected parent.

There is a pressing need for an integrated management information system to ensure that policymakers, service providers and those infected and affected by HIV/AIDS
have access to all relevant information. A danger exists that information will be fragmented across sectoral ministries and between central and lower-level government agencies. Increased access to reliable information would promote coordination and accountability.

Legal Issues: Work has progressed on the legal aspects of the national response to HIV/AIDS, including the National Strategy and other decrees and ordinances. However, greater attention to the rights of PLWHA, including specific non-discrimination legislation to protect access to employment, confidentiality in testing and care, and access to health insurance. Legislation is also needed to provide a strong legal basis for and to facilitate harm reduction programmes such as needle exchanges, access to clean syringes, and access to condoms.

Temporary and permanent migration: Migration patterns in Viet Nam are another factor in the spread of the disease. Male labour migrants visit female sex workers and bring HIV home to their wives and partners, and women migrants may be especially vulnerable to HIV infection. Over the past decade, both dynamics have been quietly operating in Viet Nam, and many individuals perceived of as low risk have contracted HIV through these infection routes. These include women whose husbands frequent female sex workers in Viet Nam or in other countries where they are working, and the spouses and partners of those who are involved in high-risk behaviour.

Participation: The need to involve all sectors of society in HIV prevention and response efforts is recognised in the National Strategy, which calls on religious, social, charity, non-governmental organisations, and community groups including PLWHA to participate in HIV/AIDS prevention and control activities. The Strategy fully recognizes the key roles of the Fatherland Front, mass organisations, local government, and the private sector in HIV/AIDS activities. However, the specific and practical action such groups can take in HIV/AIDS prevention and control still needs to be identified, supported and undertaken. Of particular importance is the need for organisations consisting of and led by PLWHA and the full participation of such organisations in the national policy dialogue. Greater Involvement of People Living with AIDS (GIPA) is vital, not only because PLWHA are best placed to identify their own interest and needs, but also because in making their voice heard PLWHA can directly confront the fear and ignorance that bring about stigma and discrimination.

Conclusion

Although HIV prevalence is increasing in Viet Nam, there is still a chance to prevent a much wider epidemic. The recently approved National Strategy represents a sound basis for further action. The National Strategy provides a framework for action, and external donors are providing or pledging considerable funds for the expansion of the response to HIV in Viet Nam.

The fight against HIV/AIDS will require the involvement of the all levels of Vietnamese society. Viet Nam’s leaders will need to show their leadership and commitment. While the Ministry of Health takes a lead role in elaborating the Programmes of Action of the National Strategy it is important that other actors identified in that Strategy take responsibility for and feel ownership of these activities and mainstream HIV/AIDS into their workplans. It is also important to empower
local authorities, PLWHA and other actors to ensure the concrete action at grassroots level including comprehensive community-based care and support.

Viet Nam needs to expand and strengthen the technical, management, information sharing and other capacities to address HIV/AIDS. Effective action to prevent a larger HIV epidemic needs to take place at the local level, and capacities need to be built among local communities, professionals at the local level, and local government. The National Strategy also recognizes the need to build the capacity of people living with and affected by HIV/AIDS for this work. An effective strategy to combat HIV/AIDS must also fight discrimination against and protect the rights of people living with HIV/AIDS. The epidemic thrives on stigma and prejudice and therefore can only be countered through acceptance and the free flow of information.

There are also a number of areas that require further research to better address the issue of HIV/AIDS. These include areas such as the role of migration in transmission, and other sensitive issues such as men who have sex with men.
Chapter 7: Good governance for inclusive development

Assessment

Development Achievements

- Grassroots Democracy Decree opens space for local participation
- Strengthened role and capacity of National Assembly
- Greater awareness of governance issues and negative relationship between corruption and growth

Participation: Decrees 29 (1998) and 79 (2003), commonly referred to collectively as the Grassroots Democracy Decree, represent an important step towards incorporating public participation into Viet Nam’s development agenda. The decrees call for extensive public involvement at the commune level in decisions relating to the use of public resources. The Government’s intention is to strengthen the role of beneficiaries in the selection, implementation and evaluation of projects executed at the commune level and in the provision of public services.

Information relating to the Grassroots Democracy Decree is limited, and more work is needed to evaluate the implementation and coverage of the decree at the local level. However, existing evidence confirms that when local people are able to take an active role in local decision-making, the quality of decisions improves and the implementation of projects and programmes is more efficient and effective. Good examples can be found in the implementation of the infrastructure investments in poor communes carried under the targeted anti-poverty programme known as Programme 135. Surveys conducted under the MOLISA-UNDP evaluation of this programme indicate that when decision-making is devolved to the commune level, and when participatory mechanisms are in place, project costs decline and quality improves (UNDP and MOLISA 2004).

These examples also point out shortcomings in the implementation of the decrees. Participatory Poverty Assessments suggest that the coverage of the decree is still patchy, and that participatory mechanisms are less likely to be in place in remote areas dominated by ethnic minorities. Moreover, the Grassroots Democracy Degree is mainly relevant to the commune level. Mechanisms to promote public participation at the district and provincial levels should be strengthened.

Rule of law: While Viet Nam has made progress in improving the legal infrastructure, serious gaps remain between the domestic legal system and international standards. Viet Nam is now making great efforts to incorporate international treaty commitments, including human rights guarantees into domestic laws. Moreover, many laws provide only the framework provisions, leaving room for competing interpretations and inconsistent application. Regulations are sometimes absent or inconsistent with the spirit and content of laws.

The Legal Needs Assessment of 2001 indicates that more consideration must be given to the human and financial resources needed to ensure effective implementation of

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26 The Poverty Task Force has published a number of Participatory Poverty Assessments in various regions of the country, most of which are available electronically through www.vdic.org.
laws and regulations. The limited capacity of judges at the local level and difficulties related to enforcement and execution of court judgements and decisions are other shortcomings that are likely to affect public confidence in the justice system.

According to a recent survey by UNDP, disparities exist among different groups in society in terms of awareness of and access to justice. The problem is most intense among low-income groups and people living in rural and remote areas. The survey also reveals that key supporting institutions such as the legal aid centres and grass-root mediation groups are under-utilised, indicating that the institutions set in place to promote access to justice for the poor and other marginalized groups are not yet successful in reaching their target groups (UNDP 2004).

In some key areas the legal framework is still insufficient. One prominent example is the absence of separate laws against child abuse. Similarly, in the area of juvenile justice, there remains a need to adopt international practices and to keep children and adolescents away from the criminal justice system. Much also needs to be done to simplify and streamline regulations, and improve the general quality of laws.

**Accountability and transparency in public affairs**: Transparency and accountability require equal access to comprehensible information, decentralised powers and resources, efficient oversight functions at the central and local levels, and a well-developed ethos of public service among government employees.

The participatory poverty assessments indicate that access to information is a major constraint on public participation in decision-making. Information is sometimes shared through one-way communication channels, effectively restricting the ability of people to express their views and of local officials to benefit from useful information relevant to decision-making. However, in recent years the mass media have played an increasingly important role in disclosing incidences of corruption and abuse of power.

The absence of active public participation at the district and provincial levels is not conducive to accountability. Interaction between People’s Councils and local people, especially poor and disadvantaged groups, needs to be strengthened. Sometimes, the handling of citizen’s complaints and denunciations by government institutions also leave much to be desired.

**Government response**: The Communist Party of Viet Nam and the Government acknowledge the economic and political costs of poor governance. The SEDS 2001-2010 notes that ‘undemocratic practices, bureaucracy, authoritarianism, corruption, harassment at the expense of the people, and waste, are still grave, obstructing development and causing resentment among the population.’

The SEDS calls for a ten-year programme of public administration reform to strengthen the institutions of the executive, legislature and judiciary. The programme involves far-reaching changes in laws, institutions, organisational structures, management and financial systems. At the same time, the nation’s representative institutions have begun to refine and extend their role. The National Assembly has intensified implementation of the representative, legislative and oversight functions assigned to it under the Constitution. Specific legislation has been enacted to strengthen People's Councils at the provincial, district and commune levels.
Significant strides have also been made in developing a legal framework to support the shift from centrally planning to a socialist-oriented market economy.

As the *doi moi* process matures, governance issues have emerged as among the most pressing and difficult aspects of reform. Formal changes in legislation, rules and regulations are essential, but improvements in the management of public institutions and the exercise of the authority of the state cannot be achieved at the stroke of a pen. Achieving concrete changes that can be sustained over time will require fundamental political and social change, including a greater role for public participation, respect for the rule of law and accountability and transparency in public life.

**Analysis**

Poor governance slows economic growth, deters investment, leads to inequity and inefficiency in the delivery of public services, and prevents ordinary people from exercising their rights as citizens. The poor and other disadvantaged groups usually suffer most from the effects of poor governance, as they depend more on the state for services and lack the money, power and influence that are often needed to induce public officials to perform their duties.

<table>
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<th>Development Challenges</th>
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<tr>
<td>Uneven implementation of the Grassroots Democracy Decree</td>
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<tr>
<td>Disparities in access to justice and exclusion of the poor</td>
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<tr>
<td>Local government <em>sometimes</em> more responsive to centre than to local constituencies</td>
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<tr>
<td>Need for more transparency and accountability in public life</td>
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The Government has identified administrative decentralisation as the primary means through which these issues will be addressed. Making decision-makers more accountable to the needs and demands of local people will help the Government to tailor programmes to the needs of specific groups and will improve accountability and transparency.

However, as emphasised in the 2004 MDG Report, effective decentralisation will also require more investment in a range of capacities at the provincial and sub-provincial levels. Equally important, greater attention must be given to citizen’s empowerment and the creation of adequate incentive structures.

**Participation:** The persistence of top-down government structures in some circumstances is an impediment to public participation. Administrative decentralisation must be accompanied by the devolution of authority and control over the allocation of resources if participation is to be meaningful. For example, the Grassroots Democracy Decree will not have the intended impact if all resource allocation decisions are made at the provincial and district levels rather than in communes.

The uneven implementation of the Grassroots Democracy Decree in part reflects limited knowledge and understanding of the decree and a wider lack of awareness of political and development rights. Citizens are unlikely to bring their concerns and
grievances to the authorities if they are unaware or unable to act on their rights under the law, and if government agencies themselves are only vaguely aware of the implications of grassroots democracy. Public education relating to the importance of local participation and training for government officials at all levels is needed to raise awareness and understanding of this important policy change.

Decree no. 88/2003 provides a clear legal basis for the formation and management of non-governmental organisations. The development of local NGOs will provide an important additional avenue of public participation.

The persistence of patriarchal values and customs can act to limit the participation of women in decision-making. Currently, women hold about one fourth of the seats in the National Assembly, 23 percent in the provincial and district people’s councils, and around 20 percent on the commune people’s councils. Participatory poverty assessments indicate that women’s participation is limited in commune and village affairs in rural areas. Strikingly, only three of 64 chairpersons of provincial People’s Committees are women. Contributing factors include time constraints as women continue to shoulder the bulk of domestic work while also working outside the home, lower educational attainment and disempowerment.

New legislation and institutional development alone will not remove all barriers to participation. Promoting people’s participation over the longer term will require a frank public discourse touching on all aspects of the relationship between citizens and authority and the social values and perspectives underlying this relationship. The Vietnamese people will ultimately decide on the appropriate balance between social cohesion and empowerment, and between tradition and change. The United Nations strongly supports this public discourse, and in the spirit of inclusive development urges Viet Nam to pay particular attention to the participation and representation of women, ethnic minorities, adolescents and children in public life.

**Rule of Law**: The rule of law is essential to sustainable development and social equity. While institutional and human capacity building can go a long way towards addressing bottlenecks in the legal system in Viet Nam, a concerted effort is needed to enhance legal accessibility and legal safeguards for vulnerable groups. In this respect, much more attention must be given to improving the legal aid system and other mechanisms to widen access to justice.

**Accountability and Transparency**: Decentralisation, if accompanied by devolution of authority and spending power, could enhance accountability and transparency by fully bringing decisions closer to the people. However, existing incentive structures do not foster productive interactions between local government and the citizenry. In some locations, local officials are more likely to be rewarded for responsiveness to central authorities than to local constituencies.

People’s councils still lack the authority needed to fulfil their representative and monitoring functions. These bodies still are marked by some dependence on People’s Committees and limited technical capacities.

Transparency remains an important issue at all levels of government. Some government agencies operate on the assumption that the public neither has the right to
access information relating to the business of government nor the capacity to use this information in socially constructive ways. More freedom to report corruption cases would discourage corrupt practices and increase public awareness of rights and laws.

Conclusion

Governance issues are now central to the *doi moi* process. The further extension and deepening of economic reform agenda is now constrained by progress in political, administrative and legal reforms. Greater public participation, respect for the rule of law and enhanced accountability and transparency in public institutions are needed in their own right to protect the rights of Vietnamese citizens, particularly the most vulnerable members of society. These changes would also create an environment conducive to quality economic growth.
SECTION III

LOOKING AHEAD

[PHOTO]
Chapter 8: Conclusion and Cooperation Issues

Summary

Viet Nam has made impressive progress on a number of fronts. These include significant gains in poverty reduction, access to education and health indicators such as infant and maternal mortality. These improvements have taken place against a backdrop of rapid economic development, unprecedented in Viet Nam’s modern history. Progress has occurred alongside a number of development challenges and, at the same time creates its own challenges. In this CCA we have concentrated on four main sets of issues:

1. **Ensuring equity and inclusion of vulnerable groups**: At present not all of Viet Nam’s people enjoy the benefits of rapid progress. Isolated geographic areas and ethnic minorities in particular have recorded the smallest improvements with regard to poverty, education and health. Current projections suggest they are likely to fall further behind over the medium term. The privatisation of social services and introduction of user fees may further jeopardise the rights of vulnerable groups. Women work longer hours than men but earn less. While shouldering domestic burdens at home they are in some circumstances excluded from public life or do not have access to the same legal protections. Although the quality and quantity of information on social disparities has improved markedly, there are still large gaps in our knowledge. For example, reliable data on migration trends and the conditions faced by temporary and permanent migrants are still limited. Household surveys do not allow for sufficient disaggregation by gender. Policies and programmes must cope with the diverse conditions and problems faced by different ethnic groups.

2. **Protecting, providing for and realising the potential of Viet Nam’s youth**: Viet Nam’s youth make up an ever-increasing proportion of the population. At present 30 percent of Vietnamese are between 12 and 25 years of age, and their share is rising. Young people need protection from exploitation and abuse, access to services to enable them to achieve their potential, and opportunities to participate in and contribute to building Viet Nam’s future. In the context of economic development, the issues of education, youth employment and the rising incidence of accidents and injuries are particularly urgent.

3. **Participation, empowerment and accountability**: Viet Nam’s development must be founded on the strengths of its people. Government must be both accountable and transparent and enable local people to participate in planning, monitoring, implementing and evaluating projects and programmes intended to help them. Viet Nam’s experience confirms lessons learned elsewhere that investment, services and administration work better when they empower end users, beneficiaries and local constituencies, and when empowerment enables people to tailor projects and programmes to meet their needs. Top-down planning is also less accountable than community-responsive government, and therefore less efficient and effective. Tackling the growing problem of public and private sector corruption will require more participation and respect for the rights of local people.
4. **Meeting the challenge of HIV/AIDS**: While recorded HIV prevalence in Viet Nam is still comparatively low, the potential still exists for a generalised epidemic that could threaten progress toward the Millennium Development Goals. Past approaches to dealing with the problem have not always been in line with international best practice and human rights standards. The current focus on harm reduction and challenging discrimination and stigmatisation are both appropriate and welcome, and must be followed through and built upon if the Government is to meet the very ambitious target of 0.3 percent prevalence by 2010.

The Government of Viet Nam has consistently taken a proactive stance in the face of these and other challenges. An impressive array of programmes exists that is specifically aimed at assisting the poor, improving the situation of ethnic minorities, promoting the involvement of youth, deepening public participation and slowing transmission of and caring for people living with HIV/AIDS. However, it is the view of the United Nations that too often these responses are hampered by lack of capacity, an overly top-down approach, failure to achieve genuine local ownership and management and, in some cases, questionable decisions over the allocation of resources in particular with regard to public investment. The lack of reliable, disaggregated data remains a major constraint on effective policymaking.

Viet Nam is on course to meet the Millennium Development Goals, and current challenges need to be viewed in the context of this historic achievement. Viet Nam is without doubt an economic success story. However, during the period 2006-2010 it is essential that Viet Nam achieve not just economic success, but also success in realising the rights of all people to share in the benefits of economic growth, to be protected, provided for, and to be active participants in the process of development.

**Future direction and co-operation issues**

The Common Country Assessment will inform consultations among the United Nations agencies and the Government leading to the formulation of the United Nations Development Assistance Framework (UNDAF) for the period 2006 to 2010. The UNDAF process will provide a mechanism through which the United Nations and Government can reach consensus on United Nations priorities for the coming period. The analysis contained within this CCA suggests three recurring themes that may prove useful as a starting point for UNDAF consultations. These themes are as follows:

1. **Ensuring that the process of economic growth is equitable, inclusive and sustainable**: Economic growth cannot be evaluated solely in terms of the rate of increase of national output. It is important to consider the quality as well as the pace of growth. Growth must promote equity, inclusiveness and sustainability. Quality growth generates employment and limits obstacles to the creation of job opportunities for women, youth, ethnic minorities and other vulnerable groups such as people living with HIV/AIDS and migrants. Quality growth does not generate jobs that exploit young people and others. It takes full advantage of the entrepreneurial spirit of the people and does not place obstacles in the way of productive private sector activity. It is not based on excessive depletion of natural resources or the domination of the nation’s natural resources by the few. **Quality growth provides the means to protect all**
people, especially women and children, from the impact of natural and man-made disasters.

2. **Improving the quality of delivery and equity in access to social services:** Realising the rights of Viet Nam’s people necessarily entails ensuring that high quality services such as education, nutrition, health, sanitation and access to clean water are available to all. An enabling environment must be created to ensure that services are understood and used. An appreciation of the links between local knowledge, beliefs and practices and public receptiveness to services is part of this enabling environment. Strengthened capacity is needed at all levels to deliver quality services. This includes better monitoring and evaluation at national and local levels, improved planning, decentralisation, local ownership and devolution of authority with regard to service delivery. Greater involvement of users in the planning, monitoring, delivery and evaluation of services would improve efficiency and efficacy.

Availability of services to people infected with and affected by HIV/AIDS including counselling, access to materials to reduce the risk of infection and appropriate public information remain key issues. Knowledge about HIV/AIDS helps all people, and in particular youth, to protect themselves. Genuine efforts to combat discrimination and stigmatisation against people living with HIV/AIDS are needed to ensure that PLWHA get access to services and are not excluded from employment and the life of the community. Special protection measures are needed for women and children made vulnerable through the impact of HIV/AIDS on their families.

3. **Laws, policies and governance structures that support and promote a rights-based development process:** Viet Nam's legal system already includes a range of measures that contribute to a rights-based development process. However, legal standards often need to be further developed through decrees and circulars that specify concrete measures for implementation. A number of existing legal provisions are not in line with international human rights standards and should be reviewed and if necessary revised. A culture of rights also requires that people are more aware about their rights, and the ways that these are protected in law.

Governance structures and mechanisms need to be strengthened. Participation, respect for the rule of law and greater accountability and transparency in public life are the foundations of good governance. Awareness is growing of the importance of an independent judiciary that is able to apply the law in a consistent, fair and objective manner. Access to justice and the provision of legal aid are recognized as an essential part of the governance agenda. Steps are underway to strengthen the oversight functions of elected bodies such as the National Assembly, but more work is needed. Greater accountability and transparency are also closely associated with a vibrant civil society including non-government organisations that enjoy legal safeguards and protection and an active and free press. Governance also requires greater coordination within government, as well as among donors, international agencies and other development partners.

Viet Nam has already demonstrated a remarkable capacity to achieve major advances in these areas and others. The Government and people are justifiably proud of the record of the doi moi period. The main challenge over the next five years is to intensify and deepen the reform process, and to ensure that all Vietnamese people
enjoy the benefits of reform. If this can be achieved in a manner that promotes and respects the rights of every citizen, then Viet Nam will have met the challenge of the Millennium Declaration and the Millennium Development Goals.
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ANNEX I
Socio-economic data in Viet Nam

Effective policy formulation and implementation relies on the availability of quality data. Reliable data allows for evidenced-based policymaking and supports more effective monitoring and evaluation. Disaggregated data, in particular, are necessary to assess the inclusiveness of the development process and to highlight disparities among socio-economic groups. Appropriate policy responses can then be formulated to address the needs of disadvantaged individuals and groups. The availability of high quality, disaggregated data will become increasingly important as a result of the decentralisation of decision-making authority to provinces, districts and communes under the public administration reform process. Local planning, budgeting, implementation and monitoring and evaluation will be increasingly based on data collected and utilised at the local level.

These issues are well understood by Government and the donor community in Viet Nam. The CPRGS emphasises the need for reliable, disaggregated data to measure progress towards achieving stated objectives. Similarly, successive MDG reports have highlighted the need for disaggregated data to assess progress towards the achievement of the MDGs.

The General Statistics Office (GSO) is responsible for the management of statistical activities and is the lead agency for the compilation of social statistics. Line ministries and other agencies support GSO through the collection of information in their areas of responsibility. The main sources of socio-economic statistics are the population census, household living standard surveys, enterprise surveys and labour force surveys.

Various steps have been taken to strengthen data collection and reporting in Viet Nam, training of government officials and new regulations concerning the collection, compilation and utilisation of official data. These efforts have resulted in considerable improvements in the coverage and quality of socio-economic data during the reform period. The international donor community has played an important role in the provision of development assistance to train officials in modern design, survey and analytical methods.

Nevertheless, official statistics in Viet Nam still suffer from numerous problems, including insufficient quality control, inconsistent methodologies, limited coverage and poor accessibility. Coordination among agencies, including the main statistical bodies, needs improvement.

Quality control and consistency: Quality control of the work of statistical enumerators is still weak, resulting in data inconsistency and inaccuracy. Skill levels among enumerators and even supervisors are low. Field staff lack the capacity to

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27 UNDP, The World Bank and The Swedish International Development Cooperation Agency (SIDA) have provided assistance to GSO since the early 1990s. These agencies supported the Vietnam Living Standards Surveys conducted in 1993 and 1998. UNICEF has collaborated with GSO since the late 1980s on the surveys relating to women and children. In addition, GSO has also received assistance from UNFPA for the implementation of demographic and health surveys and population censuses. Other agencies have provided assistance to GSO for numerous specialised projects and surveys.
implement complicated surveys such as the Viet Nam Household Living Standard Survey or industrial surveys. Although sampling methods have improved markedly, survey design would benefit from greater collaboration between statistics officers and end users. Variable definitions are at times vague or contradictory. Frequent changes in government policies further complicate the process of collecting consistent time series data.

Coverage: Although the quality of statistical data has improved, coverage is still limited. Provincial level data of even key economic indicators are generally not available. Socio-economic data are usually not disaggregated by gender and ethnicity. Basic education indicators such as dropout rates or grade repetition rates are not collected. Information on domestic and international migrants is limited. Labour force data are not sufficiently disaggregated to allow for meaningful analysis of employment and wage trends.

Accessibility: Numerous obstacles exist to public access to data. Although the situation is improving, the use of non-standard dissemination formats reduces data quality and ease of use. Official permission is required for access to even basic data in electronic form, and fees are high.

Inter-agency coordination: the General Statistical Office is officially responsible for collecting, processing and disseminating data. Due to the specific characteristics of some surveys, sectoral ministries and agencies are also involved in data collection. Unfortunately, coordination and collaboration between the GSO and line ministries and agencies remains weak. GSO is unable to monitor quality and to apply standard methodologies. The absence of an integrated computer network within GSO also impedes efforts to achieve minimum standards of quality control.

During the preparation of this Common Country Assessment, the United Nations agencies encountered specific information constraints. Most of these issues relate to the scarcity of socio-economic data disaggregated by locality, gender, ethnicity and other key categories. In addition, several issue specific problems have emerged as listed below:

Governance: Qualitative data collected in the context of participatory poverty assessments (PPAs) have improved our understanding of governance issues at the local level. Unfortunately, publicly information relating to public administration at the local levels remains extremely limited. More case studies and surveys are needed to build to stock of knowledge on topics such as the implementation of the Grassroots Democracy Decree, fiscal transparency, planning capacity and access to justice.

Health: An urgent need exists for more accurate infant and maternal mortality data. GSO has raised concerns about the accuracy of the official data in the most recent demographic and health survey (GSO 2003b). The absence of an effective registration system for births and deaths, the difficulty the poor may have in meeting vital registration payments and a lack of specific child and neonatal mortality surveys are the main causes of concern. There is also some evidence that maternal mortality is systematically underreported (Ministry of Health 2002c). More systematic information is needed on births taking place outside of formal health facilities and maternal deaths relating to abortion procedures.
**Migration:** Although migrants account for a large proportion of the urban poor they are largely absent from official statistics, including household surveys. Rural to rural migrants are entirely unrecorded.

**Gender:** There have been significant improvements in the collection of data on gender in Viet Nam. GSO is in the process of developing Convention on the Elimination of Discrimination Against Women (CEDAW) indicators to be applied routinely to data collection. However, the need still exists for a national level, systematic mechanism to collect gender-specific data. Priority should be given to gender disaggregation of household survey data.

**Environment:** Data relating to environmental sustainability and natural resource use are still limited in Viet Nam. Published information on forest cover has improved in recent years as this issue has emerged as a policy priority. However, less information is available on water and air quality, industrial emissions, soil erosion and depletion of non-renewable resources. The problem in part reflects the fragmentation and duplication of authority and in these areas. Greater policy continuity and coordination is needed to ensure that quality information is collected in a consistent manner.