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ANNEXES

ANNEX 1

Interview Guideline

<i>Guideline/ theoretical assumption</i>	<i>Concrete questions to the interview partner</i>	<i>Check/further request/keywords</i>	<i>Results</i>
Vietnam's government tries to regulate rather than to provide direct social services	Which duties and responsibilities does the government undertake? Which role do private actors play? How do private actors influence decision making in Vietnam?	Doi moi, socialist market economy, private economy Shift of paradigms, role of the modern nation state Multilevel governance Path dependency Socialization = privatization?	In depth knowledge about the relation between public and private provision and regulation in Vietnam.
However, the capacity to do so is weak.	What are some of the problems with implementation? What criticism is raised in regards to reform in the social system? Which actors are blamed? How do you think is the decentralization affecting the social system? Which laws are issued? Who implements the laws? Who is assigned by the government to conduct social projects?	Decentralization Provincial people's committees	Better understanding of the relation between public and private actors. Better understanding of the different public actors involved in social policy.

<i>Guideline/ theoretical assumption</i>	<i>Concrete questions to the interview partner</i>	<i>Check/further request/keywords</i>	<i>Results</i>
The number of actors involved in the policy network has increased enormously	What role does the government/the MOH/VSS, the National Assembly, provincial committees, etc. play in regards to provision/regulation of health care? Who is included in policy making in Vietnam in regards to social and health protection?	Provider/regulatory policy network	Better understanding of the important actors and their roles.
Policy learning can happen when rules and regulations are clarified and specified. A policy broker can help to bring a certain issue on the agenda.	Have there been any positive changes in the last years? Who positively influenced the decision-making and implementation process? How did policy change happen?	Policy agenda Policy broker	Better understanding of policy change

ANNEX 2

The Political System in Vietnam

The Socialist Republic of Vietnam is an authoritarian regime headed by the Communist Party of Vietnam (CPV). While the ideological orthodoxy of Communism has become less important, the country is still influenced strongly by the CPV. The separation of powers between executive, legislative and judiciary is weak. The *overlap* between the CPV and the government is far-reaching. This overlapping extends to the lower levels of the political system. Vietnam consists of 59 provinces (*tỉnh*) and five cities (*thành phố*) — Hanoi, Ho Chi Minh City, Hai Phong, Da Nang and Can Tho. On the provincial level there are four forms of administrative units: rural districts (*huyện*), provincial cities (*thành phố*), provincial towns (*thị xã*) and urban districts (*quận*). On the district level, there exist three administrative units: communes (*xã*) and district towns (*thị trấn*) in rural areas and wards (*phường*) in urban areas. Below these official levels of administration there exists the unofficial classification of villages (*làng*) and the smaller units of hamlets (*xóm*) in rural areas and neighborhoods (*khu phố*) and quarter or residence cells (*tổ dân phố*) in urban areas. Figure A.2.1 gives a rough overview of the political and administrative system in Vietnam.

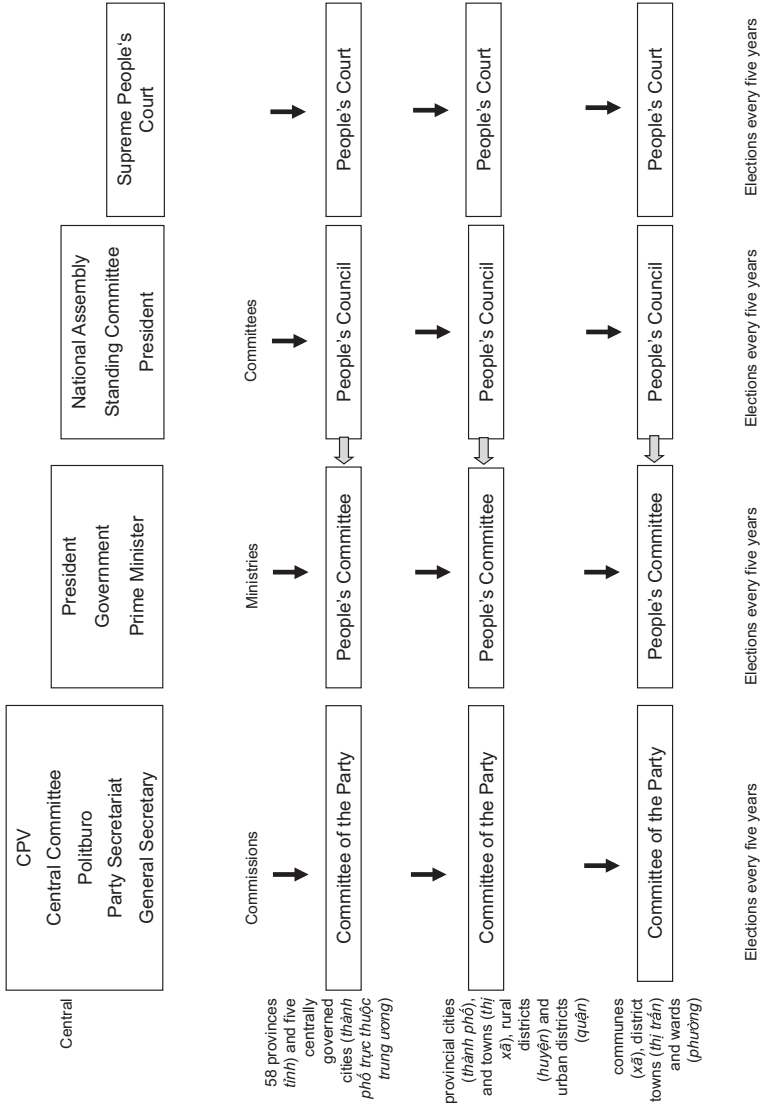
The Communist Party of Vietnam

The Communist Party of Vietnam (CPV) holds National Congresses every five years. At the congresses, the delegates (over 1,000 in 2006; 1,377 in January 2011) set the general direction for the party and the government and elect the next General Secretary. Nong Duc Manh, from Bac Kan Province was appointed by the Central Committee as Party General Secretary in 2001 and re-appointed in 2006. In January 2011, he was succeeded by Nguyen Phu Trong, who has been the head of the National Assembly since June 2006.

The delegates at the National Party Congresses also elect the Central Committee. The Central Committee consists of 175 members and an additional 25 alternate members as of January 2011.¹ Under the Central Committee several commissions are in charge of different political issues:

- Commission on Education and Propaganda
- Commission on Mass Mobilization
- Commission on Organization
- Commission on Inspection
- Commission on Economic Affairs
- Commission on External Relations
- Commission on Finance and Administration

FIGURE A.2.1
The Administrative and Political System in Vietnam



Source: Based on Frehner (2004); own adjustments.

The Central Committee appoints the Politburo (*Bộ Chính trị*; consisting of 14 members as of January 2011²) and the Party Secretariat (*Ban bí thư*). The Politburo is composed of the party's highest ranking members and the party's supreme policy-making body, while the members of the Secretariat are in charge of everyday politics. The Politburo and the Party Secretariat are headed by the Secretary General.

Under the umbrella organization Vietnam Fatherland Front (VFF) the CPV organizes the society in twenty-nine different political, social and professional organizations such as the Women's Union, the Ho Chi Minh Youth Union, the Farmers' Union, the Vietnamese General Confederation of Labour and the Veteran's Union (Nørlund 2007: 32).

The Executive of Vietnam

The executive of Vietnam consists of the President, the Prime Minister, the Cabinet, and the People's Committees on provincial, district and communal level. The Vietnamese President functions as head of state, but also serves as the nominal commander of the armed forces and chairman of the Council on National Defence and Security. He is elected by the National Assembly.

The Prime Minister of Vietnam heads a cabinet of twenty-two ministries and ministerial-rank agencies as of 2009 (from formerly sixty ministries in 1986).³ The average age of the cabinet has decreased enormously. Furthermore, members of the military are no longer found in the positions of the five vice presidents. In 2007, The vice ministers were not appointed by the Central Committee unanimously: Hung, former Minister of Finance, achieved the best result with 89.6 per cent, while Hai, the former General Director of Electricity of Vietnam (EVN) and Deputy Minister of Industry and Minister of Industry, achieved the worst result with 73.2 per cent. President Triet from Southern Binh Duong province became re-elected in 2007 with 99 per cent for another five year term. Prime Minister Nguyen Tan Dung from Southern Ca Mau province was elected in 2006 for five years with 92 per cent of the votes of the members of the National Assembly. At the age of 57, he has been the youngest prime minister for the last twenty years.

Cabinet

- Nguyen Minh Triet State President
- Nguyen Thi Doan State Vice-President
- Nguyen Tan Dung Prime Minister
- Nguyen Sinh Hung First Deputy Prime Minister
- Pham Gia Khiem Deputy Prime Minister and Minister of Foreign Affairs
- Truong Vinh Trong Deputy Prime Minister

- Hoang Trung Hai Deputy Prime Minister
- Nguyen Thien Nhan Deputy Prime Minister and Minister of Education and Training
- Pham Gia Khiem Minister of Foreign Affairs
- Phung Quang Thanh Minister of Defence
- Le Hong Anh Minister of Public Security
- Vu Huy Hoang Minister of Industry and Trade
- Vo Hong Phuc Minister of Planning and Investment
- Cao Duc Phat Minister of Agriculture and Rural Development
- Vu Van Ninh Minister of Finance
- Ha Hung Cuong Minister of Justice
- Nguyen Thien Nhan Minister of Education and Training
- Hoang Van Phong Minister of Science and Technology
- Nguyen Quoc Trieu Minister of Health
- Nguyen Hong Quan Minister of Construction
- Hoang Tuan Anh Minister of Culture, Sports and Tourism
- Nguyen Thi Kim Ngan Minister of Labour, War Invalids and Social Affairs
- Ho Nghia Dung Minister of Transport
- Pham Khoi Nguyen Minister of Natural Resources and Environment
- Le Doan Hop Minister of Information and Communications (press censorship)
- Tran Van Tuan Minister of Home Affairs
- Giang Seo Phu Chairman of the Committee for Ethnic Minorities
- Nguyen Van Giau Governor of the State Bank of Vietnam
- Tran Van Truyen Inspector General of the Government Inspectorate
- Nguyen Xuan Phuc Director of the Government Office

The People's Committees are the executive branch of the government on the provincial, district and commune level. The People's Committee is elected every five years by the People's Council of the same administrative level. Usually party leaders of the same or higher levels propose who to elect. The People's Committees are supposed to cooperate closely with the branch offices of national ministries (Kerkvliet 2004: 8–10).

The Legislative of Vietnam

The National Assembly is the highest organ of the legislature of Vietnam. It is an unicameral parliament, comprising 500 members, who are elected every five years. No individual election campaigns, only general billboards are allowed. The National Assembly has two sessions in April and October for a total of 27 days. The rest of the time, the Standing Committee of 18 members is in charge of the legislative process. The National Assembly is in charge of issuing laws and changes

in the constitution. It also has the task of supervising the implementation of laws and obtaining the public opinion when new laws and regulations are planned. It elects the President, the Prime Minister and the ministers and approves the judges of the Supreme People's Court.

Since 2002, entrepreneurs are allowed to become members of the National Assembly. Since 2007, the percentage of full-time delegates has increased to thirty per cent. Since then, delegates are also asked to publicize their income (Bergstermann/Blohm 2007).

The National Assembly is supported in its work through an Office, which is in charge of providing technical, administrative and legal advisory services to the National Assembly, the committees and delegates. The nineteen different departments employ more than 400 full time staff (Andersson et al. 2002: 11).

People's Councils are the legislative branch on the local level. They normally convene only a couple of times per year for a few days. Each People's Council has a Standing Committee made up of a chairperson and his/her deputies. The People's Councils are elected directly by the Vietnamese population. The People's Councils are supposed to help the People's Committees and the government to implement laws and regulations (Kerkvliet 2004: 5–7).

The Judiciary of Vietnam

The judiciary in Vietnam consists of the Supreme People's Court, the People's Courts of the provinces and municipalities, and the People's Courts of districts. At the communal level, members of the communal administrative committees are in charge of judiciary work (Vasavakul 2001: 391). The Ministry of Justice presents a list of judge candidates to the President for appointment. The head of the Supreme Court is elected by the National Assembly at the proposal of the President for a tenure of five years. The Vice President of the Court and Supreme Court judges are appointed and dismissed by the President of Vietnam at the proposal of the head of the Supreme Court.

The district court is the court of first instance for criminal cases and civil, economic, labour and administrative disputes (Transparency International 2006: 21). The Supreme Court is comprised of a president and several vice presidents. It consists of a Council of Judges and a three Appeals Courts. Its task is to supervise and revise decisions by provincial courts. Judges specialize in criminal, civil, economic, military and administrative law (Gillespie 2006: 106).

Courts are normally the last resort in Vietnam to which people address their criticism. As the judiciary is normally quite weak, complaints and denunciations are first handled administratively. This is where the majority of discrimination usually occurs, particularly for ethnic minorities (Human Rights Watch 2006a).

Lawyers and the around 700 law offices in the country are in charge of legal consultation for individuals and enterprises. The sixty legal aid centres directed by the provincial Department of Justice are obliged to provide free legal assistance to

the poor and disadvantaged members of society. The centres deal with civil disputes, land disputes, marriage, family disputes, and criminal cases (UNDP 2004b: 4–5).

Notes

- ¹ A list of all 200 members of the Central Committee can be downloaded from the Website of VietNamNet: <<http://english.vietnamnet.vn/en/politics/4019/the-list-of-200-members-of-the-11th-party-central-committee.html>> (accessed 24 January 2011).
- ² Brief biographies of the fourteen Politburo members can be accessed at VietNamNet: Nguyen Phu Trong elected as Party Secretary General, 19/01/2011, <<http://english.vietnamnet.vn/en/special-report/4017/nguyen-phu-trong-elected-as-party-secretary-general.html>> (accessed 24 January 2011).
- ³ Communist Party of Vietnam: State apparatus restructure: Ministries, governmental agencies to be arranged tidy, 08/06/2007, <http://www.cpv.org.vn/english/socialaffairs/details.asp?topic=59&subtopic=157&leader_topic=263&id=BT86076725> (accessed 15/06/2007); *Viet Nam Net*: Number of ministries, governmental agencies to be reduced from 38 to 30, 20/07/2007, <<http://english.vietnamnet.vn/politics/2007/07/719705/>> (accessed 20 July 2009); *The New York Times*: Vietnam's National Assembly approves economic reforms, 02/08/09, <http://www.nytimes.com/2007/08/02/business/worldbusiness/02iht-vietnam.1.6955470.html?_r=1> (accessed 18 August 2009); for a list of all ministries and ministerial ranking agencies see *Viet Nam Net*: New Government has five Deputy Prime Ministers, 02/08/2007, <<http://english.vietnamnet.vn/politics/2007/08/725227/>> (accessed 18 August 2009).

ANNEX 3

The Public Social System in Vietnam

The Vietnamese social system can roughly be divided into two major parts: a social insurance and a social assistance component (see also Figure A.3.1). Several ministries including the Ministry of Planning and Investment (MPI), the Ministry of Social Affairs, Labour and Invalids (MOLISA), the Ministry of Health (MOH), the Ministry of Education and Training (MOET), the Ministry of Agriculture and Rural Development (MARD), the Committee for Ethnic Minorities (CEM) and the Ministry of Finance (MOF) are involved in the different programs and schemes of the Vietnamese social system. The social (health) insurance agency Vietnam Social Security (VSS), the People's Committees and the local departments of ministries are in charge of implementation, while the mass organizations and the People's Councils are supervising the different programs.

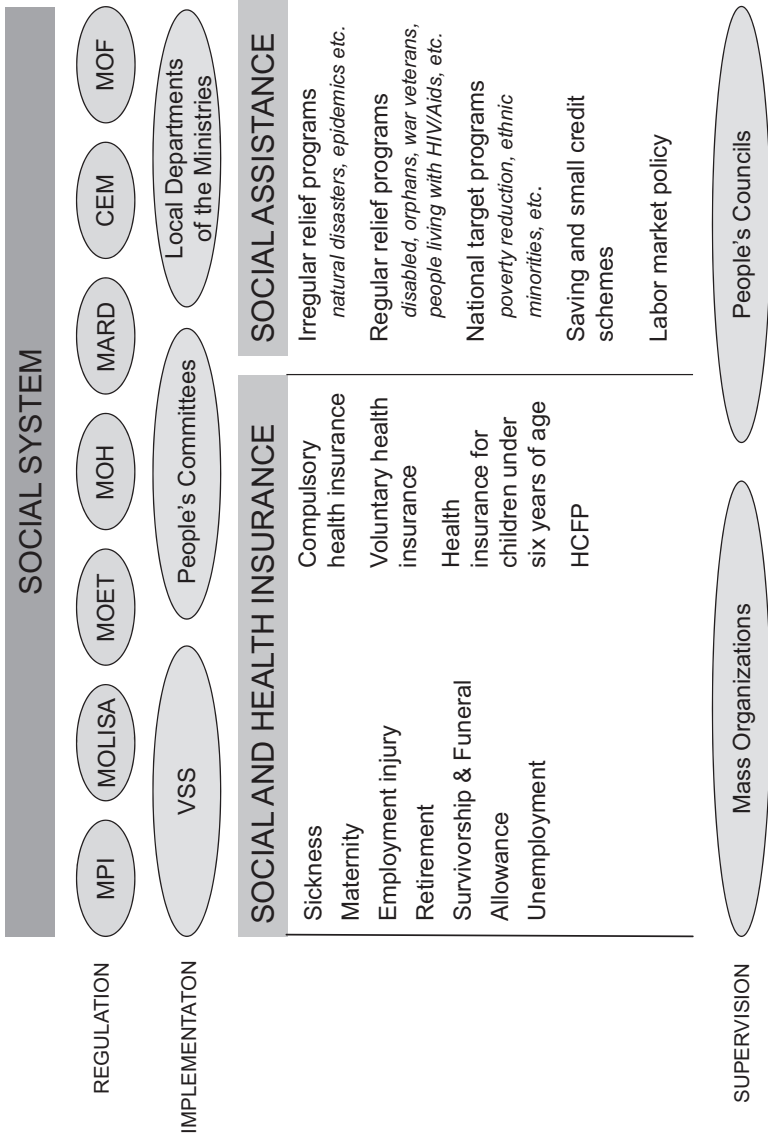
MOLISA has the prime responsibility in assisting the government in managing the different social programs and coordinating with the concerned ministerial branches. The Ministry of Finance (MOF) is supposed to ensure the funding for social relief programs in cooperation with the MPI, which is the first contact point for donors and investors. The MOH is responsible for guidance on disease prevention, check-up and treatment for social relief beneficiaries and the assessment of the degree or type of disablement of persons. The Ministry of Education and Training (MOET) is in charge of the exemption and reduction of school fees and other contributions for students who are social relief beneficiaries. The Ministry of Agriculture and Rural Development (MARD) in cooperation with MOLISA determines the seriousness of natural calamity consequences, crop failures and pre-harvest hunger. The provincial People's Committees and centrally-run cities manage social relief beneficiaries and social charity establishments in their respective localities.

Social Insurance

The social insurance system dates back to 1947. Prior to 1995, employees paid a small premium for employees. Employees did not have to pay anything (MOLISA 1999: 19). Starting from 1995 (Decree No. 12/CP, 26 January 1995), social insurance has become mandatory for employees in SOEs as well as in private enterprises with more than 10 employees. The regulation on social insurance was amended in 2007 with private enterprises with one employee already being applicable to pay contributions. The Social Insurance law is now mandatory for all employees at state administration, State-Owned Enterprises (SOEs), and employees in private enterprises.

The contingencies covered by the social insurance scheme are five in total and are divided into short-term benefits such as sickness, maternity, and employment injury and long-term such as retirement and survivorship (see Table A.3.1).

FIGURE A.3.1
The Vietnamese Public Social System



Source: own compilation.

TABLE A.3.1
Short- and long-term benefits of the VSS

<i>Kind of Benefits</i>		<i>Demands and Payments</i>
Short-Term	Sickness Benefits	75 per cent of the last salary for 30 to 60 days, depending on the years of payment. Employees working in hazardous jobs receive more days off. Employees are entitled to 15 to 20 days for nurturing their sick children
	Maternity	Breast-feeding women up to four months, women in hazardous jobs receive five, handicapped women six months.
	Employment injury	Four to twelve months of minimum salary level depending on the degree of disability.
Long-term Benefits	Retirement	The retirement age for men is 60, for women 55 years. Pensions are paid after 20 years of work (15 for those in hazardous jobs). Pensions range from 45 to 75 per cent of the average wage.
	Survivorship/ Funeral Allowance	Benefits of between 40 to 70 per cent of minimum salary or a one-off payment of up to twelve months salary are paid to children under 18, spouses, parents and parents in law. Up to 4 dependents can be paid. The funeral allowance is equivalent to 10 months (formerly 8) of the common minimum wage

Source: own compilation.

Workers pay a five per cent, employers a fifteen per cent contribution rate. The fund is independent from the state budget, but pensioners, who retired before 1 January 1995 still receive pensions from the state budget, while those who retired after 1 January 1995 are paid from the social insurance fund. The fund therefore has three sources of funding: the contributions from employees, contributions from employers and additional state budget.

Since 1995, the number of contributors to VSS has increased from 2.9 million to 7.4 million in 2007. Over forty million people are currently in the working age (see Table A.3.2). Forty-one per cent are state employees, thirty-eight per cent are employees of SOEs and twenty-one per cent are private employees. The base for the contribution rate is the minimum wage. Since the minimum wage has

TABLE A.3.2
Number of Social Insurance Participants (in million)

	2000	2001	2002	2003	2004	2005	2006	2007
Number of participants (in million)	4.2	4.5	4.8	5.4	5.8	6.2	6.7	7.4

Source: Tran Van Son (2009, p. 1).

increased persistently in the last two decades, incomes of the fund have increased parallel as well.¹

However, the number of enterprises contributing to the social insurance fund as a percentage of the total number of enterprises remains at a rather low level. Many enterprises — especially small and medium-sized enterprises — do not declare all employees. In addition, many jobs are not formalised — both in the rural area, where people are mainly engaged in agricultural activities, and in urban areas, where self-employment and cash in hand jobs dominate the labour market. Secondly, many companies, private as well as public ones, state the minimum wage, the “hard salary”, rather than the actual wage or “soft salary”, which includes benefits and bonuses to employees (see UNDP 2007a: 3). As fines for employers are low (around US\$1,700)² and the society is dominated by young people, who do not see the urgent need to pay contributions, compliance with the regulations remains low.

In 2006, the National Assembly adopted a Social Insurance Law (No. 71/2006/QH11 passed June 29, 2006). This law replaced Decree 19-CP/1995 on the Founding of the Vietnam Social Insurance.³ The new law which came into effect on 1 January 2007 brought two new developments: the introduction of a voluntary social insurance and an unemployment insurance. The voluntary social insurance is addressed to the majority of people — around thirty-three million — who still work in the informal sector.⁴ The premium is equivalent to sixteen per cent of the wage. From 2010 on, the premium will be increased by two per cent of the wage every two years until it reaches twenty-two per cent.

The voluntary insurance covers two benefits: old age and funeral allowance for dependents. An employee is entitled to voluntary old age pension if he/she has reached the age of sixty for man and fifty-five for women and has paid social insurance premiums for at least twenty years. The level of the monthly old age pension ranges between forty-five and seventy-five per cent depending on the years of contribution. The survivor benefit guarantees a funeral allowance for dependents if the employee has paid voluntary social insurance premiums for at least five years.

Starting on 1 January 2009, an unemployment benefit was introduced. The benefit guaranteed unemployment benefit from three to twelve months if he or she had contributed between 72 and 144 months unemployment insurance.

For a description of the social health insurance scheme see chapter 4.

Social Assistance

Vietnam has a long tradition of social assistance programs. Several programs address poor and vulnerable people. Irregular relief programs such as the Contingency Fund for Pre-Harvest Starvation and Disaster Relief provide services in cases of natural disasters such as floods and droughts or after the break-out of epidemics. Regular relief programs provide services to disabled, orphans, war veterans, people living with HIV/Aids, and others. Around 470,000 people benefit from regular relief programs such as the Social Guarantee Fund for Veterans and War Invalids, Social Guarantee Fund for Regular Relief (SGFRR) and other programs for disabled people (World Bank 2007a: 73).⁵ Despite the public programs, most of the income of poor and disabled people still stems from the family (69.37 per cent), while only 17.8 per cent stems from social allowances.⁶ The allowance level of the regular and irregular social relief programs are set by the government. However, the government normally only states minimum figures and then encourages local governments to provide allowances above the rates (MOLISA 1999: 18).⁷

National Target Programmes. Since 1992 the government has developed several national target programmes (NTP) to eradicate poverty, but also to improve education in general (NTP on Education and Training) and employment in specific, to target ethnic minorities (see below), protect the environment (NTP on Clean Water and Hygienic Environment in Rural Areas) or avoid climate change.

One of the biggest programs among the NTPs is the National Target Programme on Poverty Reduction (NTP-PR). The predecessor of the NTP-PR — the Hunger Eradication and Poverty Reduction Programme (HEPR) — began to operate in 1992 and was expanded nation-wide in 1994. The programme was renewed through Decision No. 143/2001/QĐ-TTg for the period 2001 to 2005 (programme 143), and again in 2006 for the period 2006 to 2010.

The model of the NTP-PR has been to provide services such as credits and vocational training, but also to foster cooperation and private initiatives such as “women help each other to do business” or “fraternal villagers and neighbours”. The programs often run with the support of mass organizations including the Women’s, Youth and Farmers Union (MOLISA 1999: 14). The Bank for the Poor was established in 1996 to give out credits on low interest. The schemes offered include assistance for health and education, exemptions from school fees, remissions of local tax due.

Since 1998, the government of Vietnam has started to specifically target ethnic minorities. In specific, three measures have been undertaken: Programme 135 (Socio-Economic Development Programme for Extremely Difficult Communes in Ethnic Mountainous, Boundary and Remote Areas),⁸ Programme 134 (land and housing for all ethnic minorities) and Programme 132 (agricultural and residential land for ethnic minorities in the Central Highlands).⁹ The Committee for Ethnic Minorities (CEM)¹⁰ — a ministerial level agency — is in charge of all matters of ethnic minorities.

Programme 135 was started in 1998 and has been relaunched in 2006. It operates in 52 out of 64 provinces overlapping therefore geographically with the NTP-PR. The programme has started off by focusing on the 1,000 poorest communes and has moved up to the 2,410 poorest communes by 2005. The programme's major components are infrastructure improvement (roads, irrigation system, schools, water system, electricity, markets, health centres, cultural houses, post office), resettlement projects (improve access to cultivatable land), and training of commune level cadres. About eighty to ninety per cent of total programme funds are devoted to infrastructure — mainly roads and schools, but also to market centres, cultural houses, health clinics and commune centres. During the first phase of the programme, block grants of VND 500 million per commune and year were provided independent of the population and size. Even though this system has been criticized, so far it has not changed (Nguyen Thi Thu Phuong/Baulch 2007: 6–10).

Programme 134 (134/2004/QD-TTg) on support for production land, residential land, housing and water for disadvantaged ethnic minority households has started in 2004. Since the liberalization of land markets has increased the landlessness among ethnic minorities — especially in the Central Highlands and Mekong River Delta. The programme is aimed to provide at least 0.5 ha of sloping field, 200 m² of residential land and a permanent house per ethnic household (ibid.: 11–13).

CEM has been criticized many times for corruption and several officials including CEM chairman Hoang Duc Nghi. Some provincial leaders were arrested, central officials including Hoang Duc Nghi were reprimanded, but went free (Writtenet 2002: 13). Much of the insufficiency of the programs targeted towards ethnic minorities stems from a top-down approach. Normally programs do not include sufficient membership of ethnic minorities in the planning and development. In contrast, positions are often filled by lowland Kinh, who were assigned against their wishes to remote areas. Consequently, problems of corruption are prevalent (Rambo and Jamieson 2003: 159). Furthermore, while the programs show some willingness on the one hand to accept differences, the overall goal of political stability brings along a policy of cultural assimilation and Vietnamization (Baulch et al. 2004: 287).

Saving and Small Credit Schemes. Since the 1990s, saving and small credit schemes have been introduced to Vietnam. Currently there are around four million households which use saving and small credit schemes. This number is far below demand.¹⁵ The main micro-financial service suppliers in Vietnam are the Vietnam Bank for Social

Policy (VBSP), the Vietnam Bank for Agriculture and Rural Development (VBARD) and poverty elimination projects.

The VBARD started operating in 1991 and the predecessor of the VBSP — Vietnam Bank for the Poor (VBP) in 1996. In 2003, the VBP was renamed to VBSP. It is supervised by the State Bank of Vietnam. The VBSP tries to aim at those poor people who cannot be reached by the efforts of the VBARD which targets bigger projects and not individuals. The VBSP started to build its own network of branches and expanded by including students and disabled people as well as micro and small entrepreneurs. The Bank has now established 61 branches and 600 transaction offices throughout all 64 provinces of the country. At the end of 2003, VBSP had 3.3 million clients, among those however, only 1,000,000 were considered poor. Theoretically, borrowers have to be listed as “low income household” to obtain a loan, in practice, however, local committees nominate borrowers, which means that also well-off Vietnamese, who are attracted by the subsidized interest rate, receive loans. VBSP’s actions are financed by money from state budget as well as by borrowing from the State Bank of Vietnam.

People in the countryside have also the possibility to apply for a loan from one of the over 500 existing People’s Credit Funds (PCFs). In contrast to the bank branches which are often located in small towns, the funds are based in communes, so clients can access them much more easily (Vu Tuan Anh 2001: 227). However, the PCFs are not targeted directly towards poor people since people can only become borrowers from the fund when they can purchase shares of the fund.

Another big player in the savings and credit field are the *mass organizations* such as the Vietnam Women’s Union (VWU), the Vietnam Peasants’ Association (VPA), the Veterans Association, and the Gardeners’ Association (VACVINA). The VWU alone organizes 50,000 savings and credit groups nationwide for women and therefore is one of the most successful mass organizations in serving banking needs for their members. The VWU has cooperated with various INGOs including ILO.

There have also been various funds which have been modeled after the Grameen Bank such as the Capital Aid Fund For Employment Of The Poor (CEP) in Ho Chi Minh City and the Compassion Funds — both established in 1991. The Compassion Funds were aimed at helping poor women. They were supported by the Japanese Foundation for Development of Asian Communities (ACT) and later also from other donor organizations such as Oxfam America, a Japanese Buddhist Organization (RKK), the *Coopération Internationale pour le Développement et la Solidarité* (CIDSE) — an alliance of catholic organizations, and Nissan Loren (Japan) with a total value of approximately USD 750,000 (Vu Tuan Anh 2001: 228).

Labour Market Policy. The labour force has increased on a fast speed over the last twenty years from thirty million in 1990 to more than forty-four million in 2008. In recent years, the government has used some labour market policies to ease the transition from plan to market — especially the privatization of State-Owned-Enterprises (SOEs). SOEs do not only provide jobs, but also social protection through

participation in the social insurance fund. The government thus has tried to find other ways to support workers. It has installed a Labour Redundancy Fund,¹² established unemployment insurance (see above) and provided incentives for international labour migration (Dang Nguyen Anh 2008). The government has also regularly increased the minimum wage in the last couple of years.

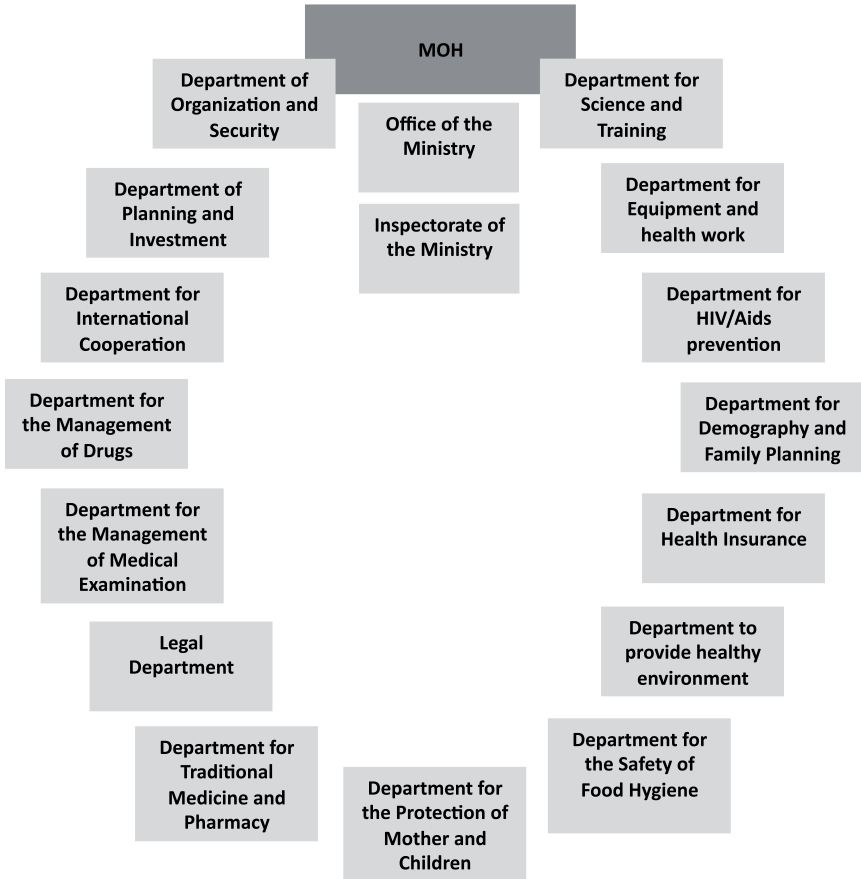
Notes

- ¹ As of 2008, the minimum wage was VND 540,000 for state employees, VND 620,000 for workers in state-owned companies, and between VND 710,000 and VND 1 million for workers in foreign-invested enterprises. Cf. *Asia Times Online Online*. 2008. "Vietnam sets out recovery path." 14/08/2009, <http://www.atimes.com/atimes/Southeast_Asia/JH14Ae01.html> (accessed 18 August 2009). In 2009, it is supposed to increase to VND 800,000 and VND 1.2 million for domestic and foreign-invested enterprises respectively, in Hanoi's urban districts and Ho Chi Minh City, to VND 740,000 and VND 1.08 million in most rural districts in the cities of Hanoi, Ho Chi Minh City and Da Nang, Ha Long, some major areas in northern Hai Phong, in southern Can Tho and the three southern provinces of Dong Nai, Binh Duong and Ba Ria-Vung Tau.
- ² *Viet Nam News*: "Firms renege on social insurance payments, obligations to workers", 11/05/2009, <<http://english.vietnamnet.vn/social/2009/05/847040/>> (accessed 10 August 2009).
- ³ According to the new law on social insurance, from 2010 on, every two years the contribution rate for employees will be increased by one per cent until it reaches eight per cent. The contribution rate for employers will also be increased by one per cent every two years up to a maximum of fourteen per cent. Employees, who are voluntary insured, will pay sixteen per cent. Starting from 2010 on, the rate will increase by one per cent up to twenty-two per cent.
- ⁴ *Viet Nam News*: "Social insurance protects workers", 11/06/2007, <<http://english.vietnamnet.vn/social/2007/06/704920/>> (accessed 10 August 2009).
- ⁵ According to official reports, Vietnam has an estimated five million people with disabilities (PWD), which is roughly six per cent of the whole population. Cf. UNESCAP (2007: 40).
- ⁶ Asia Pacific Development Center on Disabilities: Vietnam, <<http://www.apcdproject.org/Countryprofile/vietnam/situation.html>> (accessed 08/06/2007).
- ⁷ The National Legal Database of Vietnam: Decree No. 07/2000/ND-CP (9 March 2000) on Social Relief Policies, <http://vbqpp.l.moj.gov.vn/law/en/1991_to_2000/2000/200003/200003090001_en> (accessed 02/05/2007).
- ⁸ The first phase of Programme 135 was launched in 1998 (135/1998/QĐ-TTg), the second in 2006 (07/2006/QĐ-TTg).
- ⁹ Smaller projects include the fostering of ethnic minority students by providing poor or rural students money for transportation, accommodation, and food while taking their university entrance exams in Hanoi, Ho Chi Minh City or other major cities. The campaign was launched in 2007 by the Ministry of Education and Training, the Hanoi Students Association and Thien Long company (a company which specializes in school supplies such as pencils, scissors, and boards). *Viet Nam News*: "Programme to help poor students get into university opens in capital", 11/06/2007, p. 4.

- ¹⁰ This special organisation was established in 1993 (Decree No. 11/CP of 20 February 1993) and has the status of a government agency. The name of the organisation has been modified several times (State Committee for Ethnic Minorities and Mountainous Area Affairs, Committee on Nationalities).
- ¹¹ *Viet Nam News*: “Micro-finance services remain limited as demand increases”, 06/06/2007, <<http://vietnamnews.vnagency.com.vn/showarticle.php?num=02ECO060607>> (accessed 07/06/2007).
- ¹² In 2000, the government established an “Assistance Fund for Restructuring and Equitizing SOEs” to finance severance payments, early pension payments and retraining for redundant workers. The measure was supposed to minimize the negative social impact of the reform of SOEs on workers. On 11 April 2002, Decree No. 41/2002/ND-CP on Policies towards Labourers redundant due to the restructuring of state enterprises, was launched and amended by Decree No. 155/2004/ND-CP in 2004. Decree No. 41 has expired on 31 December 2005. So far, it is unclear, which government decision will replace the decree, how the management of SOEs will continue, and if and how labour redundancy funds will merge with the social insurance system, which in the future will provide for unemployment insurance.

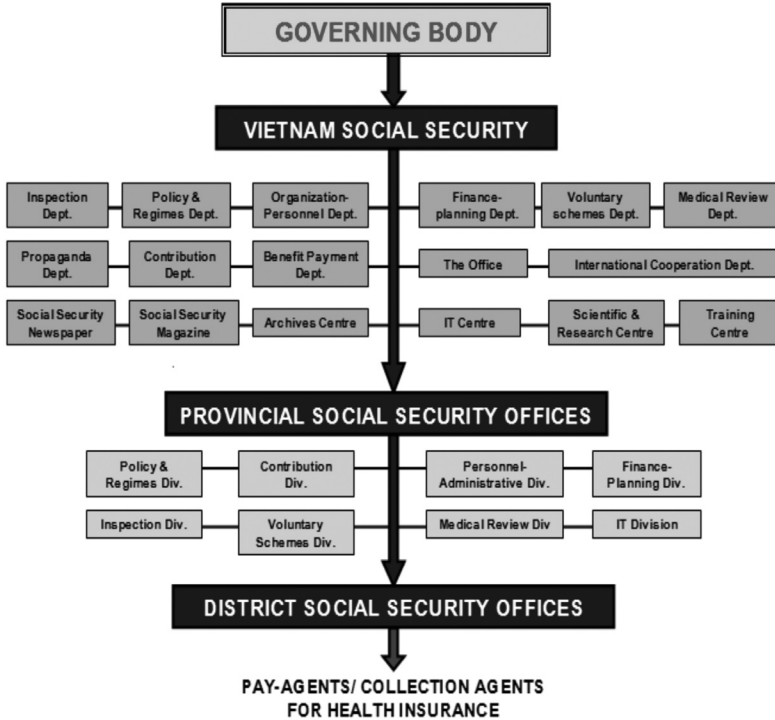
ANNEX 4

Organization Chart of the Ministry of Health

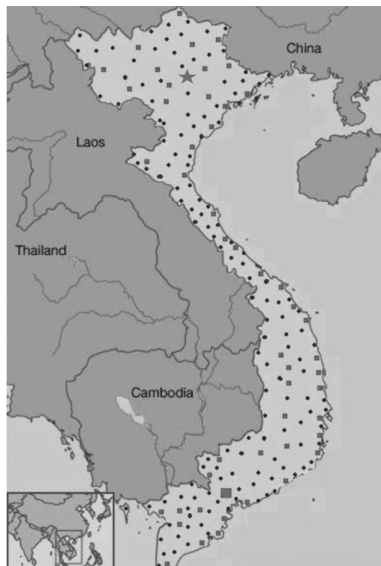


Source: own compilation.

ANNEX 5 Organization Chart of the Vietnam Social Security



Star: Vietnam Social Security's Headquarter,
Rectangle: Provincial Social Security Offices,
Small dots: District Social Security Offices,
Source: VSS



ANNEX 6

List of Important Legal Documents Related to Health Equity

<i>Legal Document</i>	<i>Name</i>	<i>Issuance Date</i>	<i>Issuance Agency</i>	<i>Content</i>
Law on People's Health Protection		30 June 1989	National Assembly	The law on health protection elaborates the responsibilities and rights of citizens, the government, social organizations and enterprises in the protection and improvement of the population's health.
Decree No. 299	Regulations on health insurance	15 August 1992	Council of Ministers	The Decree gives first details on the social health insurance scheme of Vietnam.
Ordinance on Private Practices of Medicine and Pharmacy	Ordinance on Private Practices of Medicine and Pharmacy	30 September 1993	National Assembly Standing Committee	The ordinance gives detailed provisions on the private practice of traditional medicine. The Ordinance permits certified practitioners of traditional medicine to privately practise the range of activities for which they are certified, provided they have a permit to do so and subject to State overview.
Decree No. 06/CP	Detailing a number of Articles of the Ordinance on private practice of medicine and pharmacy	29 January 1994		The decree gives details on the private practice in the area of medicine and pharmacy.

<i>Legal Document</i>	<i>Name</i>	<i>Issuance Date</i>	<i>Issuance Agency</i>	<i>Content</i>
Decree No. 95/ Decree No. 33	Fees at Government Owned-hospitals and Clinics	27 August 1994		The two decrees introduce user fees at public hospitals and clinics.
Inter-Ministerial Circular No. 14	Exemption Policy	1994		Health insurance is introduced for school children over six years. Some groups such as children under six, the poor and ethnic minorities are exempted from user fees.
Decree No. 58	Health Insurance Regulations	13 August 1998		The decree replaced the first health insurance Decree No. 299 of 1992.
Inter-ministerial Circular No. 15	Guidelines for the Implementation of Compulsory Health Insurance	5 December 1998		The circular further elaborates on Decree No. 299. In specific, it specifies eligible persons, the contribution rate, the modes of payment, medical benefits, rights and liabilities of different parties involved in health insurance activities; and the issuance and utilization of the health insurance card.
Circular 17	Guidelines on Health Insurance Administration	19 December 1998		The guideline required members to register with a health care provider. Provider payment methods, insurance fund management and concepts like budget ceilings, capitation based budgeting, fund allocation are introduced. Fund allocation to reserves,

<i>Legal Document</i>	<i>Name</i>	<i>Issuance Date</i>	<i>Issuance Agency</i>	<i>Content</i>
				insurance administration and health care benefits (for primary care, out-patient and in-patient treatments) are streamlined on a national basis. The fund protection measures allowed the fund to build up larger reserves.
Inter Ministerial Circular 05/1999	Free Health Insurance Cards for the Poor	29 January 1999		According to the circular, health insurance cards were priced at VND 30,000 per card and could be purchased by the government from the Vietnam Health Insurance Agency (VHIA). The scheme entitled members for free health care treatment at public facilities where the costs were reimbursed by VHIA to the providers.
Circular No. 15/1999/TT-BYT	Guiding the Implementation of the Ordinance on Private Practice of Medicine and Pharmacy	31 July 1999	Ministry of Health	The Circular gives details on the Ordinance on Private Practice of Medicine and Pharmacy of 1993.
Decision No. 35/2001/QD-TTg	Approving the Strategy for Protection and Care of the People's Health in the 2001–10 Period	19 March 2001	Prime Minister	The decision sets specific objectives and targets such as on average life expectancy and mortality rate targeted to 2010. The aim in health insurance is to expand voluntary health insurance coverage, consolidate compulsory health

<i>Legal Document</i>	<i>Name</i>	<i>Issuance Date</i>	<i>Issuance Agency</i>	<i>Content</i>
				insurance funds and expand the compulsory health insurance coverage to the entire population by 2010. State investment in health shall play a leading role. The proportion of regular expenditures in the total State budget expenditure should be increased step by step. Investment in health for poor, mountainous, deep-lying and remote areas and primary healthcare for poor and social policy beneficiaries, mother and child health protection shall be prioritized.
Decree No. 10/2002/ND-CP	On financial regime applicable to public-service units with revenues	16 January 2002	Government of Vietnam	Public enterprises should become more autonomous and efficient. Hospitals are part of this process and they should treat health insurance revenue as another source of income.
Decree No. 63	Health Insurance for the Dependents of Armed Forces	18 June 2002		The decree marks the first instance of compulsory health insurance coverage being extended to the dependents of compulsory insured.
Decision No. 139/2002/QĐ-TTg	On healthcare for the poor	15 October 2002	Prime Minister	The Decision established a new insurance mechanism for the poor. Outlines the target groups to be covered, premiums,

<i>Legal Document</i>	<i>Name</i>	<i>Issuance Date</i>	<i>Issuance Agency</i>	<i>Content</i>
Decree No. 100	Prescribing the functions, tasks, powers and organizational structure of Viet Nam Social Security Agency	6 December 2002		<p>funding mechanisms, and organizational and administrative arrangements.</p> <p>The decree initiates the merger of the Vietnam Social Insurance (VSI) and the Vietnam Health Insurance Agency (VHIA). It stipulates the new role of the VSS after the merger. The health insurance portfolio is moved out of the MOH and handed over to the VSS to unify social insurance administration. The MOH retains policy control over health insurance. The physical merger takes place on 1 January 2003.</p>
Inter-Ministerial Circular No. 14	Guidelines on Implementation of Health Care Fund for the Poor	16 December 2002	MOH/MOF	<p>The circular creates a breakthrough mechanism for expansion of health insurance and its independent administration separate from VSS to decentralize health insurance administration. It introduces capitation-based provider payments for commune health stations and sets out “no fund rollover” policy to stop reserve build-up. Some administrative bottlenecks, is intended to be amended in future years.</p>

<i>Legal Document</i>	<i>Name</i>	<i>Issuance Date</i>	<i>Issuance Agency</i>	<i>Content</i>
Decision No. 02	Stipulating the Financial Management Regulations of Viet Nam Social Security	2 January 2003	Prime Minister	<p>The regulation has adopted a “single” fund holder approach for administration of all social security “component” “component” funds. The new regulation has annulled health insurance fund regulations effective before the merger. Critical importance for this review is the risk pooling and cross-subsidization between component funds. All social security is now administered under a single “fund holder” made up of various “component funds or risk pools” each to be monitored separately.</p>
Ordinance No. 07/2003/PL-UBTVQH11	On Private Medical and Pharmaceutical Practice	January 2003	Standing Committee of the National Assembly	<p>It allows health insurance agencies to contract directly with private providers. Accordingly it has paved the path for VSS to become a strategic purchaser rather than contracting with public providers only. The regulation disallows private practitioners to engage in sale of pharmaceutical drugs making health insurance a more viable and sustainable source of income for private providers</p>

<i>Legal Document</i>	<i>Name</i>	<i>Issuance Date</i>	<i>Issuance Agency</i>	<i>Content</i>
Decree No. 49/2003/ND-CP	Defining the functions, tasks, powers and organizational structure of the Ministry of Health	15 May 2003	Government of Vietnam	The decree elaborates on the functions and tasks of the MOH.
Circular No. 77/2003/TTLT-BTC-BYT	Circular providing guidelines on voluntary health insurance and aiming to constitute a legal basis for expanding the number of people who participate in voluntary health insurance	5 August 2003	MOH/MOF	The circular provides guidelines for expansion of voluntary health insurance in Viet Nam replacing the regulations on voluntary insurance chapter of Decree 58.
Circular No. 3631	Implementation Guidelines for Voluntary Health Insurance	30 October 2003		According to the circular community enrolment thresholds focusing on enrolling all family members are supposed to be introduced.
Circular No. 24	Health Insurance for the Elderly (Above 90)	6 November 2003	MOLISA	The circular expands health insurance to all persons 90 years of age and above.
Resolution No. 46/NQ-TW	On the protection, care and promotion of people's health in the new situation	23 February 2005	Politburo	The resolution elaborates on the achievements on shortcomings of the Vietnamese health care system. It requires all actors to speed up their efforts in the area of health equity.

<i>Legal Document</i>	<i>Name</i>	<i>Issuance Date</i>	<i>Issuance Agency</i>	<i>Content</i>
Resolution No 05/2005/NQ-CP	On Stepping Up Socialization of Educational, Healthcare, Cultural, Physical Training and Sport Activities	18 April 2005	Government of Vietnam	The resolution further elaborates on the socialization process in Vietnam.
Decree No. 63/2005/ND-CP	Promulgating the Medical Insurance Regulation	16 May 2005	Government of Vietnam	Decree No. 63 puts beneficiaries under Decision No. 139 into the group of compulsory health insurance enrolees. End of co-payments for compulsory insurance for basic services. Co-payments (40 per cent coinsurance) for catastrophic costs above 7 million VND are installed, except for the poor and beneficiaries of the HCFP.
Decree No. 43/2006/ND-CP	On ownership and accountability for implementing tasks, structural organization, employment and finance applicable to public administrative organizations	15 September 2005	Prime Minister	The decree elaborates on the socialization process.
Decision No. 153/2006/QĐ-Ttg	On a master plan for the development of the health system in Viet Nam to	25 April 2006	Prime Minister	The decision outlines the health care plans for the period 2006 to 2020. It sets concrete goals such as hospital beds per 10,000

<i>Legal Document</i>	<i>Name</i>	<i>Issuance Date</i>	<i>Issuance Agency</i>	<i>Content</i>
	2010 with a vision to 2020			inhabitants and the percentage of commune health stations with access to medical doctors.
Decision No. 240/2006/QD-TTg	Guidelines for the Implementation of the Voluntary Health Insurance scheme for population staffs, households and children at commune, ward and town levels	30 June 2006	Prime Minister	<p>The decision created a breakthrough in the rate of State investment in the health sector.</p> <p>According to the decision, each provincial hospital should assure one hospital bed per 1,600–1,800 inhabitants.</p> <p>The decision also states that priority should be given to invest in building regional general hospitals in Son La, Thai Nguyen, Hai Phong, Nam Dinh, Nghe An, Binh Dinh, Khanh Hoa, Dak Lak, Kien Giang and Tien Giang. Further details are given to consolidate the grassroots health system: on average, one commune health station worker shall serve 1,000–1,200 inhabitants.</p> <p>The law states that ethnic minority people should be trained as health workers in the northern mountainous region, Central Vietnam and the Mekong River Delta.</p>
Decision No. 255/2006/QD-TTg	Approving the Vietnam national Strategy on preventive	9 November 2006	Prime Minister	The decision outlines a vision for the preventive medical sector until 2020.

<i>Legal Document</i>	<i>Name</i>	<i>Issuance Date</i>	<i>Issuance Agency</i>	<i>Content</i>
	medicine to 2010 and orientations towards 2020			
Decree No. 67/2007/ND-CP	On support policies for social protection beneficiaries	9 November 2006	Prime Minister	The State shall assure main financial sources for preventive medicine. It shall also raise awareness for disease prevention and health protection among Party Committees and the administrations at all levels, mass organizations, community and every citizen. The state will take the initiative in coping with and controlling new dangerous epidemics. To increase coordination between different sectors of the preventive health system and direct the role of the Healthcare Steering Boards under the People's Committees at all administrative levels.
Decision No. 950/2007/QĐ-TTg	On development of commune health stations in disadvantaged areas for 2008–2010	13 April 2007	Prime Minister	The aim of the decision is to strengthen health care facilities with preference being given to remote areas and sub-standard centres as well as to preventive care.
Decision 1402/QĐ-TTg	Approving the project for Development of District Preventive Health Centres for 2007–2010		Prime Minister	The decision provides for investment to improve the quality of commune health stations

<i>Legal Document</i>	<i>Name</i>	<i>Issuance Date</i>	<i>Issuance Agency</i>	<i>Content</i>
Decree No. 94/2008	Stipulating functions, tasks, powers and organizational structure of Vietnam Social Security	15 October 2007	Prime Minister	The decision targets both capital investment and training of staff, with preference being given to disadvantaged areas.
Decision No. 47/2008/QD-TTg	Approving the investment project on construction, renovation and upgrade of district and inter-district general hospitals funded with government bonds and other lawful sources of capital during 2008–2010	22 August 2008	Prime Minister	The decision replaces Decree No. 100/2002.
Resolution No. 18/2008/NQ-QH12	Strongly promoting the implementation of policies and legislation on social mobilization to improve the quality of health care for the people	2 April 2008	Prime Minister	The government has issued bonds to invest in upgrading district as well as regional general hospitals.
Joint Circular No. 03/2008/TTLT-BYT-BNV	Guiding the functions, tasks, powers and organizational structure of health services and sections of provincial and	3 June 2008	National Assembly	State should increase the share of the annual state budget expenditure for health care, ensuring that the growth rate of health spending is higher than the growth rate of overall spending

<i>Legal Document</i>	<i>Name</i>	<i>Issuance Date</i>	<i>Issuance Agency</i>	<i>Content</i>
	district People's Committees			from the state budget and reserving at least 30 per cent of the state health budget for preventive medicine.
Circular No. 07/2008/TT-BYT	Providing guidelines on continuous medical training for health workers	25 April 2008	MOH and Ministry of Home Affairs	It defines the role, mandates, jurisdiction and organization of Provincial Health Departments, and district health offices affiliated to the Provincial and District People's Committees.
Decision No. 289/2008/QD-TTg	Promulgating a number of policies in support of ethnic minority people, households eligible for policies, poor households, households just above the poverty line and fishermen	28 May 2008	MOH	The decision outlines activities in the sector of health care to specifically targeted groups such as ethnic minorities and poor households.
Law on Health Insurance	Law on Health Insurance	28 November 2008	National Assembly	

Source: Axelson (2007: Annex 1), Nguyen Thi Kim Phuong/Akal (2003) and own compilations.

