



Unemployment Insurance in VietNam

CHALLENGES AND ADJUSTMENTS

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History of UI in Viet Nam: Young, 7 years



**First UI legal provisions:
Social Insurance Law
2006**

**First UI payment:
1/2010**

**Revised SI law
in 2014,
effective from
1/1/2016**

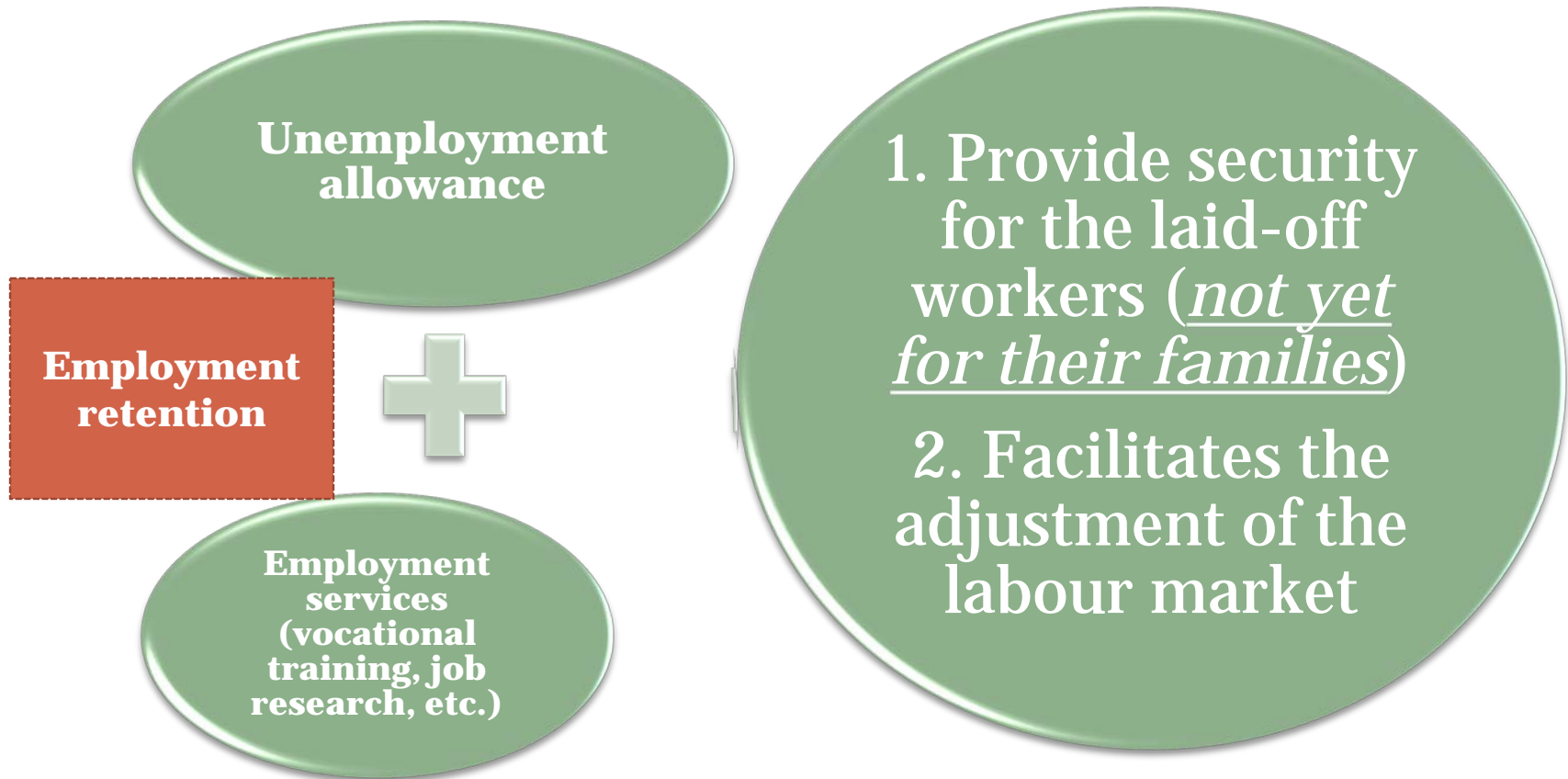


**First collection of
UI contribution:
1/2009**

**New legal provisions:
Employment Law endorsed in
2013, effective
from 1/1/2015**

**Revised Criminal
Code in 11/2015,
effective from 1
July 2016, but
postponed further**

Unemployment Protection Objectives in VN

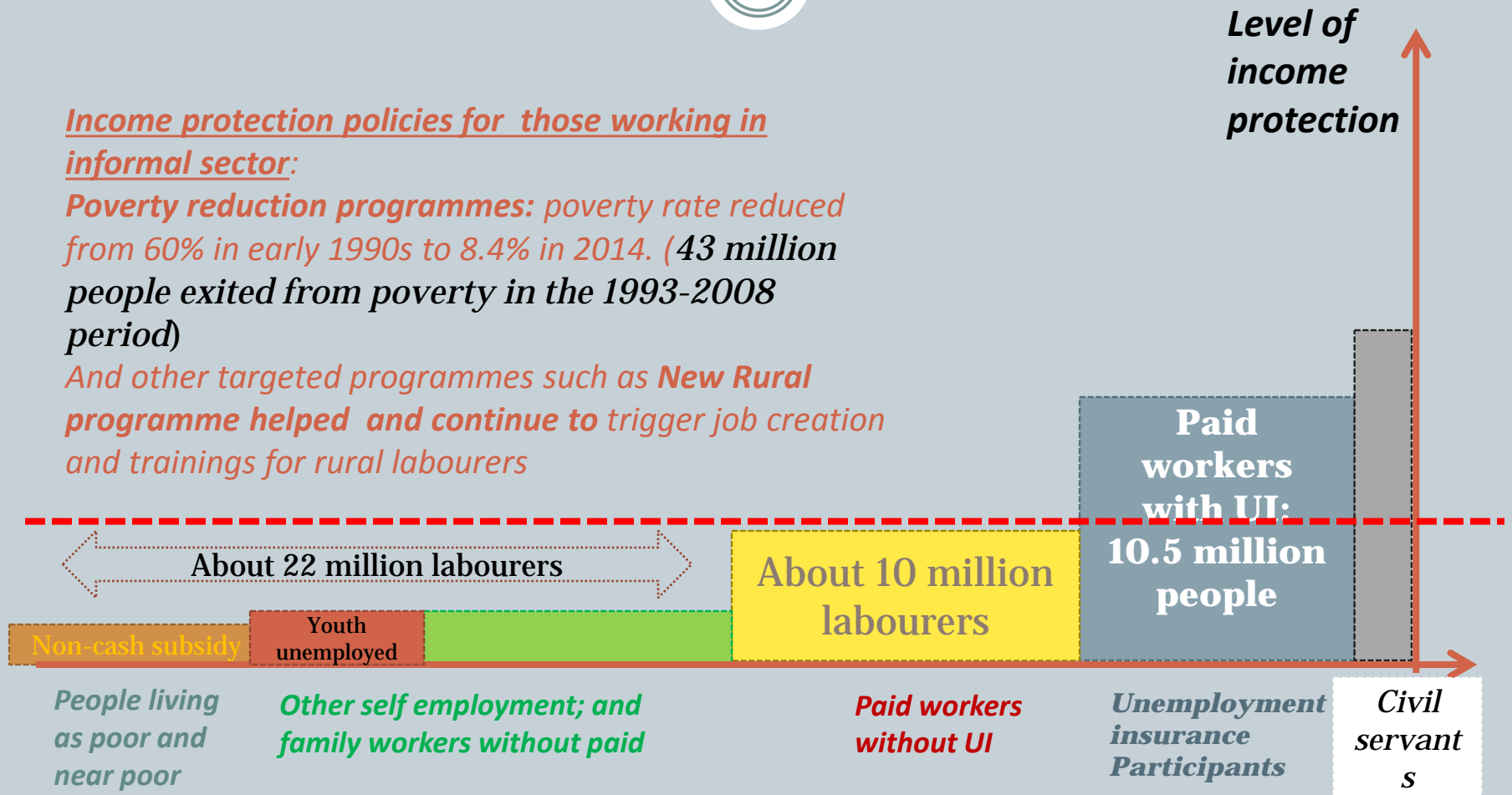


Integrated approach for income protection

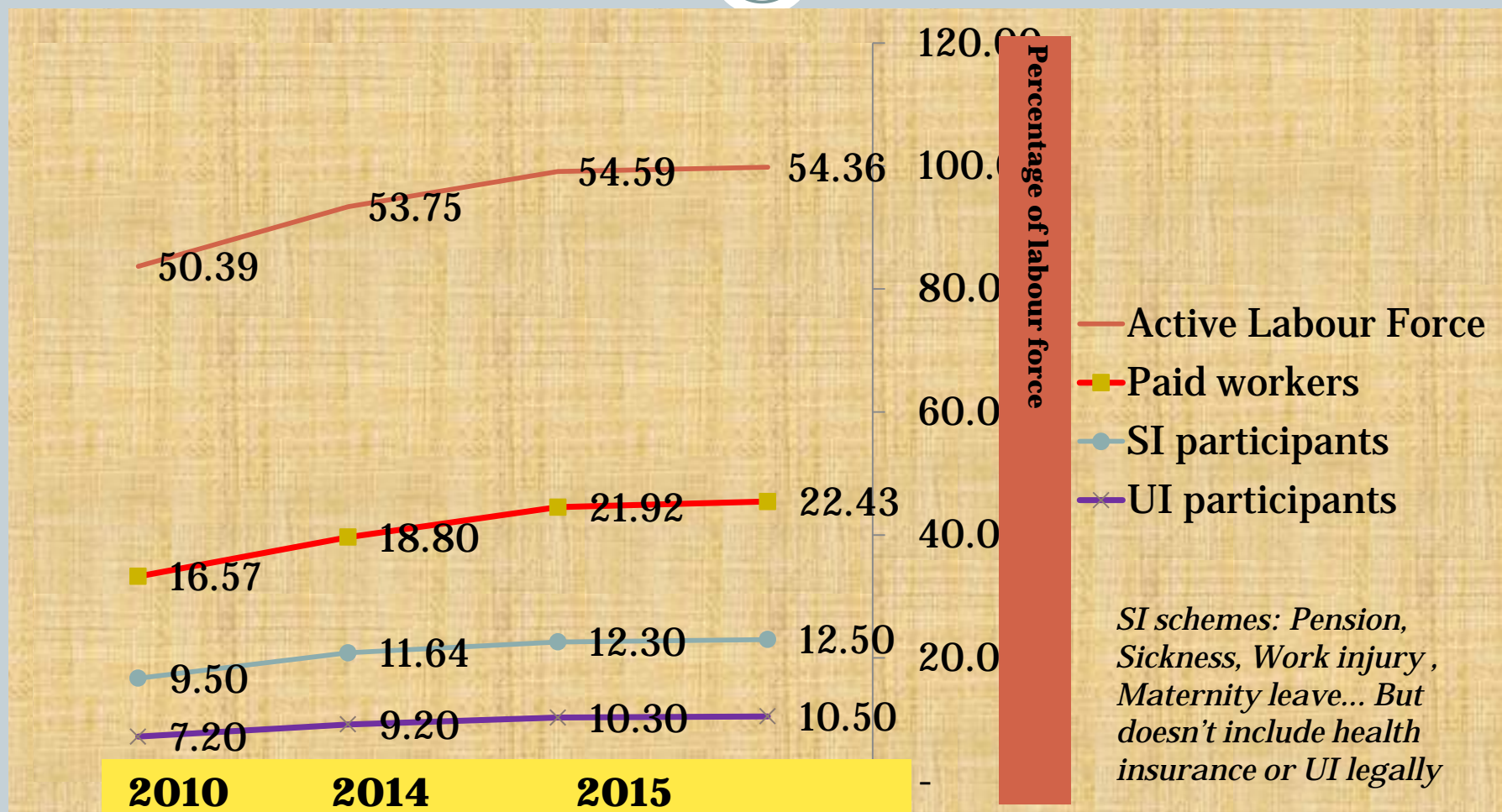
Income protection policies for those working in informal sector:

Poverty reduction programmes: poverty rate reduced from 60% in early 1990s to 8.4% in 2014. (43 million people exited from poverty in the 1993-2008 period)

And other targeted programmes such as **New Rural programme helped and continue to trigger job creation and trainings for rural labourers**



Situation of SI and UI in VN



UI collections and payments

TT	Details	2009	2010	2011	2012	2013	2014	2015	First 7 months of 2016
1	Total UI contributions (in billion VND)	3,510.60	5,400.30	6,747.10	8,664.80	10,094.70	11,812.70	9,939.50	6,325.30
2	#cases received UI allowance (case)		156,765	289,181	421,048	454,839	514,853	526,309	187,166
3	Total UI payments (in billion VND)		145.2	1,120.70	2,428.20	3,553.90	4,528	4,833.30	2,688.50
4	Outstanding balance (in billion VND)		5,255.10	10,881.50	17,118.10	23,658.90	30,943.60	36,049.80	39,686.60
5	Annual Expenditure/ Balance ratio		36.19	9.71	7.05	6.66	6.83	7.46	

Using exchange rate: USD1=VND22,300: the balance of VND36,049 billion at the end of 2015 is equivalent to about **USD1.62 billion**

Key challenges in the first years of operations

Policy gaps:

1. Coverage: No access of seasonal workers (contract < 1 year) and those work for small enterprises (employers with less than 10 workers)
2. Level of benefit: UI monthly allowance is low as the base salary on which UI contribution is made is low

Procedural constraints

3. Too tight deadline for registration of unemployment: within 7 working days

Performance constraints

4. Delays or evasions in remitting UI contribution
5. Limited efficiency of vocational training component

Addressing Challenges 1 + 3

Adjustment 1- EL2013: Revision of UI provisions and put it under Employment Law

		Started in 2009	Revised in 2013, effective from 1/2015
	Coverage		
Workers	Civil servants	No	No
	Public employees	Yes	Yes
	Informal workers	No	No
	Workers with contract from 3 months to less than 1 year	No	Yes
	Workers with contract from 1 year	Yes	Yes
Employer			
	Employing <10 labourers	No	Yes
	Employing from 10 labourers	Yes	Yes
	UI contribution		

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_1767

