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INCREASING PARTICIPATION OF WAGE EMPLOYEES WORKING FOR HOUSEHOLD BUSINESSES IN COMPULSORY SOCIAL INSURANCE

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Abstract: Household businesses play a significant role in Vietnam's economy, with 2.5 million registered businesses employing nearly 4 million workers, accounting for 10% of the workforce. However, in 2022, only 1.8% of these workers participated in both compulsory and voluntary social insurance, despite the 2014 Social Insurance Law requiring employees engaged under indefinite-term labor contracts or contracts lasting a minimum of one month at household businesses to join compulsory social insurance. To address this, the new Social Insurance Law of 2024, effective July 1, 2025, aims to increase the participation rate of both business owners and their employees in the social insurance scheme, aligning with efforts to formalize the informal sector and expand social protection amid an aging population. However, lessons from the 2014 law suggest challenges in enforcing this regulation within household businesses. This paper, part of a broader study by the Vietnam Development Research Institute (VIDERI) under the Vietnam Economic Association and sponsored by the International Labour Organization, assesses the current state of social insurance participation in household businesses. It evaluates the perceptions of both business owners and employees, provides recommendations to enhance the feasibility of implementing the new policy on compulsory social insurance for workers in this sector.

Keywords*: compulsory social insurance, wage employees, household business.*

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1. Introduction

Household businesses (HHB) have significantly contributed to the economy of Vietnam and are currently undergoing a formalization process. This sector has provided employment to a substantial number of workers, many of whom remain uninsured under the compulsory social insurance (CSI) scheme. The Resolution 28-NQ/TW, issued on May 23, 2018, pointed out shortcomings of the social insurance system at that time and outlined directions for its reform. As a result, the Social Insurance Law (SIL) 2024, which will come into effect on July 1, 2025, has broadened the scope of individuals eligible for CSI to include registered HHB owners, reflecting the Government's significant commitment to advancing the formalization of the informal sector. Nevertheless, experiences from the implementation of the SIL 2014 concerning the inclusion of employees within the HHB sector in the CSI suggest that there may be inherent challenges in enforcing the new regulations regarding the social insurance of workers in this sector.

The HHB sector plays a crucial role in the economy, with wage employees in HHBs required to participate in the CSI scheme. HHBs are a prevalent type of business organization in Vietnam, formed by a group of household members who agree to operate a business without formal registration as an enterprise. Additionally, individuals may also register as HHBs, leading to a growth trend in this sector, which remains classified as informal and lacks a clearly defined legal status. Currently, there are approximately 2.5 million registered HHBs employing nearly 4 million workers, representing about 10% of the total workforce in the economy. According to Clause 1, Article 2 of the SIL 2014, employees engaged under indefinite-term labor contracts or contracts lasting at least one month in HHBs are required to participate in the CSI scheme.

The participation rates of individuals in the CSI scheme continue to be remarkably low. According to estimates from the research team utilizing data from the Labor Force Survey conducted by the General Statistic Office (GSO), the number of employees in household businesses (HHBs) was 7.8 million in 2020, rising to 8.6 million by 2022. This increase in employment within HHBs can be partially attributed to the effects of the COVID-19 pandemic, which led to job losses in the formal economic sector, prompting some workers to transition into the informal sector (Quyen, 2021).

Employees in household businesses (HHBs) represent a significant segment of Vietnam's overall workforce[1], however, their engagement in both compulsory and voluntary social insurance remains notably low, recorded at just over 1.8% in 2022. From 2020 to 2022, there has been a slight increase in participation rates for both types of social insurance among this workforce, rising from 1.19% to 1.83%. This uptick can be partially linked to the effects of the COVID-19 pandemic, which has heightened awareness of income instability among these workers, fostering a stronger inclination to enroll in social insurance. Nevertheless, the participation rate for wage earners in the HHB sector continues to be alarmingly low. Consequently, more than 10 million workers, including both family members and wage earners in household businesses, remain largely unprotected by the social security system.

Furthermore, enhancing the participation rates of this employee demographic in the CSI scheme represents a pragmatic strategy to address the challenges posed by the aging. population[2] in Vietnam. The United Nations Population Fund in Vietnam has indicated that the aging process of the country's population is anticipated to accelerate more rapidly than previously projected. According to the National Population Database, on February 9, 2023, the total number of individuals aged 60 and above in the country was 16,179,824, representing almost 17% of the overall population[3]. It is anticipated that by the year 2036, Vietnam will begin to experience the phase of an aging population, evolving from an "aging" society into an "old" society[4]. From 2036 through the conclusion of the forecast period in 2069, the population of individuals aged 60 and above will surpass that of children aged 0 to 14. At the provincial level, while there are 14 provinces with an aging index exceeding 100 in 2029, this number is projected to rise to 41 provinces by 2039. The rapid progression of population aging in Vietnam necessitates urgent preparations for the

[1] According to the GSO, the labor force aged 15 and over in 2022 reached 51.7 million people, an increase of 1.1 million compared to the previous year. The labor force in urban areas was 19.1 million people, accounting for 37.1% of the total. The female labor force comprised 24.2 million people, making up 46.8% of the country's labor force.

[2] According to United Nations data, as of January 7, 2024, Vietnam's population is 99,191,534 people (accounting for 1.23% of the world's population). In the ASEAN Economic Community (AEC), Vietnam's population ranks 3rd (after Indonesia and the Philippines). Globally, Vietnam's population ranks 15th. Currently, Vietnam's population density is 320 people/km2, the average age is 33.2 years old. In 2020, the country had more than 11 million elderly people (accounting for 11.86% of the population). It is forecasted that in 10 years (2030), the elderly will account for 17% of the population; by 2038 it will be 20% and by 2050 it will be 25%.

[3] As of February 9, 2023, of the 16,179,824 people aged 60 and over, 9,417,924 were aged 60 to under 70; 4,189,640 were aged 70 to under 80; 1,907,991 were aged 80 to under 90; 623,221 were aged 90 to under 100; and 41,048 were aged 100 and over.

[4] Among the increasing elderly population, the early elderly group (60-69 years old) has the highest growth rate, followed by the late elderly group (80 years old and above). The aging index of the whole country in 2029, 2049 and 2069 is forecasted to be 78.0; 131.3 and 154.5, respectively.

elderly[5]. Currently, approximately 20% of the elderly rely on pensions or social benefits, while the proportion of elderly individuals benefiting from social insurance and preferential policies is below 50% (Tao, 2023). Enhancing the coverage of compulsory social insurance by boosting the participation rate of employees in the household business sector represents a social security policy that aligns well with the realities of an aging population.

2. Research Objectives and Methodology

Research Objectives

This paper is a component of a broader research initiative titled "Assessment of Business Registration and Expansion of Subjects Participating in CSI for the Group of Registered HHB Owners." This study is being carried out by the Vietnam Development Research Institute (VIDERI) which is under the Vietnam Economic Association, with funding from the International Labor Organization (ILO). The objective of this paper is to:

Assess the current situation of CSI participation among employees in HHBs.

Evaluate the understanding and perception of HHB owners regarding their obligations to participate in CSI for their employees.

Propose solutions and recommendations to increase the feasibility of implementing the policy on CSI participation for employees in HHBs.

Research Methodology

The Research Team is employing three primary methods for data collection in this study: (1) Desk review, (2) Surveys targeting HHB owners, and (3) In-depth interviews and focus group discussions with officials from government and social insurance administrations, as well as HHB owners.

Desk rewiew. The objective of the literature review is to establish a theoretical framework and to present the most recent insights concerning matters associated with the social security system, as well as the perspectives of the Party and State on the development of this system. Additionally, it examines the institutional and legal context within Vietnam. The review also analyzes secondary data derived from the General Statistics Office's Labor Force Survey to assess the current involvement of employees from household businesses in the existing SCI scheme.

Survey on Household business. A structured survey utilizing a questionnaire directed at HHB owners constitutes one of the two main methods for data collection in this research. This survey aims to gather insights regarding the perceptions and evaluations of both registered and unregistered HHB owners on several key topics: (i) comprehension of laws pertaining to CSI for registered HHB owners and their employees; (ii) readiness to engage in CSI among employees in HHBs; and (iii) evaluations by HHB owners concerning the advantages of participating in CSI, alongside the associated costs and obstacles faced by employees in HHBs. Additionally, the survey will solicit feedback from HHB owners regarding the extent of CSI contributions and specific regulations outlined in the SIL of 2014 and 2024. The sample size and structure are detailed in Table 1.

Table 1. Sample of the survey (registered and unregistered) HHB owner

		Registered HHB owners	Unregistered HHB owners	Total
Total		**234**	**162**	**396**
Location	City (Hanoi and Ho Chi Minh City)	147	236	527
	Province (Tuyen Quang and Thanh Hoa)	87	160	300
Gender of HHB owner	Male	141	218	404
	Female	93	178	423
Industry	Manufacturing and construction	69	109	197
	Wholesale and retail	68	152	203
	Accommodation and food service activities and tourist	33	97	164
	Transportation and other services	64	38	263

Source: Survey of registered/unregistered HHB owners (VIDERI, 2024)

In-depth interview and focus group discussion. Qualitative data collection instruments were utilized with two groups of key informants, which included:

[5] According to Tao (2023), the population aging process in Vietnam is happening very quickly, inversely proportional to economic growth and development, so people's lives are still difficult, low income, social insurance has not covered the whole population. Currently, most of the population living in rural areas (65.7%) are farmers and work in agriculture. The lives of the elderly are still difficult: 70% have no material savings; 2.3% face difficulties and deprivation, and 18% live in poor households; over 70% of the elderly still work to earn a living with the support of their children and family; only over 25.5% of the elderly have pensions or social benefits. The number of elderly people living with and relying on their children and grandchildren accounts for 72.3%. Vietnam is one of the few countries with an aging population when it is not yet rich, so it is necessary to soon have a solution to overcome the vicious cycle: when young, people struggle to make a living, do not have the conditions to take care of themselves and their children, are malnourished, and lack material things; when old, they do not have savings, live on their children and society, greatly affecting the quality of the population and human resources.

Registered and unregistered HHB owners: The interview content aimed to gather their perspectives on awareness and comprehension of the SILs, the advantages they perceive, and their capacity to engage in CSI, including the appropriateness of regulations concerning contribution levels, rates, and any obstacles that might hinder their participation in CSI. Participants for the in-depth interviews and focus group discussions were intentionally chosen from HHB owners or individuals who took part in the survey and expressed a willingness to provide more detailed insights and feedback pertinent to the research topic.

Officials from relevant provincial and district departments, along with experts, will engage in discussions aimed at evaluating the practicality of implementing the SIL 2014 and the new regulations of SIL 2024 in their respective areas. The objective is to leverage the distinct attributes of large cities in contrast to other locations and to develop recommendations for enhancing the feasibility of the new regulations. The sample size for in-depth interviews and focus group discussions is detailed in Table 2.

Table 2. Qualitative Sample

Key informants	Quantity
Social Insurance officials (provincial and district levels)	19
Leaders of the District People's Committee and representatives of line departments *(including Department of Finance and Planning, Department of Economic Infrastructure, and Department of Labor, Invalids and Social Affairs)*	16
Social Insurance Experts	3
Total	**38**
Household business owners participate in FGD (7 FGD sessions, 4-8 participants/group)	35
Household business owners participate in IDI	18
Total	**54**

Source: Sample of quatitative surrey (VIDERT, 2024)

3. Findings and discussion

This section examines the extent of participation in the CSI among employees of HHBs. It further addresses the involvement of family workers in social insurance, who play a crucial role in the workforce of CSIs yet frequently lack formal labor contracts, allowing for a comparison with the category of "wage" workers. Moreover, this section investigates the knowledge and practices of HHB owners concerning their employees' engagement in the CSI program. The factors contributing to the reluctance of employers (HHB owners) to contribute to the CSI scheme on behalf of their employees are also analyzed.

The level of participation in the SCI scheme among employees working for HHBs

The participation rate in the CSI scheme is notably low, with fewer than 1% of family workers and slightly more than 1.1% of wage workers in household businesses and individual enterprises engaged in this form of insurance. Although the SIL 2014 mandates the contribution shares from both employers and employees to the CSI scheme, a requirement that has been in place since January 1, 2016, there has been no significant enhancement in the participation levels of informal sector workers in the social security system (refer to Table 3).

Table 3. An estimation of the number of employees and the participation rates in social insurance (both compulsory and voluntary) for family workers and wage workers in households and individual businesses

		Family Worker		Wage workers in HHBs	
		2020	**2022**	**2020**	**2022**
Total number of people/workers (unit: 100000 people)	**Whole country**	**19.1**	**19.2**	**78**	**86.5**
	Urban	8.9	9.5	25	29.2
	Rural	10.2	9.8	53	57.3
Simulated estimates of social insurance participation rates [mandatory and voluntary] (unit: %)		1.22	1.9	1.19	**1.83**
CSI	**Whole country**	**0.73**	**0.96**	**0.78**	**1.14**
	Urban	1.29	1.49	1.37	1.9
	Rural	0.23	0.46	0.5	0.75
Voluntary social insurance	**Whole country**	**0.49**	**0.94**	**0.41**	**0.69**
	Urban	0.68	0.99	0.62	0.77
	Rural	0.33	0.88	0.31	0.65

Source: Authors' estimation from the Labor Force Survey

Data obtained from household and individual business surveys conducted across four localities indicated a minimal percentage of household business owners employing non-family workers, aligning with the national data estimates previously referenced. Out of the 827 household and individual business owners who took part in the survey, merely 15% (or 128 respondents) indicated that they employed at least one worker under a labor contract, whether for an indefinite duration or for a term of one month or longer. Among these 128 respondents, only 40.6% (which translates to 56 respondents) reported their participation in social insurance for employees. This figure represents 6.8% of the overall survey sample, as depicted in Figure 1.

Figure 1. Percentage of HHB owners and individual entrepreneurs reporting the use of contract labor and participation in the SCI scheme for employees

Source: The survey conducted with individual and HHBs (VIDERI, 2024)

Business owners who reported their involvement in social insurance for their employees also noted that this decision was influenced by the fact that many of these employees were relatives or family members. To facilitate social insurance participation for this category of employees, they entered into non-term labor contracts. This group demonstrated a clear understanding of the advantages of social insurance, which motivated them to enroll family employees. Some family members were not officially recognized as employees of the business owner; they simply signed a labor contract to ensure compliance with legal requirements regarding social insurance participation. In-depth interviews with owners of household businesses indicated that they were unable to enroll hired employees who were not family members or relatives in social insurance. It was established that these employers did not willingly allocate time and resources for social insurance for non-relative employees. This observation is consistent with the insights provided by local social insurance officials, as elaborated upon in the following sections.

Field data obtained from conversations with district-level social insurance agencies in the surveyed provinces and cities indicated that a minimal number of household businesses with active business registrations are engaging in the compulsory social insurance for their employees. Further details can be found in Box 1 below.

Box 1: Number of HHBs participating in the CSI scheme for employees

Thanh Hoa Province (Dong Son District): "Dong Son District currently (2024) records 10 household businesses participating in CSI for employees. Most of the employees in these household businesses are family members and relatives. Participation in CSI aims to assist family members in securing health insurance for medical visits or accessing maternity benefits for female relatives."

Ho Chi Minh City (District 6): "As of September 2024, District 6 has a total of 20,268 household businesses, with merely 48 of these participating in social insurance for their employees. This represents an increase of just one unit since December 2023."

Tuyen Quang Province: "Statistical information provided by the Social Security Agency of Tuyen Quang Province indicates that the province has approximately 900 to 1,000 employees from household businesses (HHBs) engaged in the social security system. The majority of these HHBs are small in scale, typically employing just 1 to 2 individuals, with a maximum of 2 to 3 employees."

Source: Notes in round-table discussions with local Social Insurance Agencies in surveyed localities

HHB owners' perception regarding participation in the SCI scheme for their employees

In general, HHBs owners, as employers, have a limited awareness of the legal regulations related to CSI for employees.

First of all, while owners of household businesses (HHB) and individual entrepreneurs can ascertain their status as employers (refer to Figure 2), they face challenges in determining the specific instances that necessitate a written labor contract for their employees. . Of the 128

HHB owners and individual entrepreneurs who employ individuals under a labor contract, 124 responded to the question, "Do you identify yourself as an employer?" and 94.4% answered YES. The percentage of No responses was quite small at 3.2%, while the percentage of those who "did not understand the concept of an employer" was only 2.4%.

Figure 2. Labor situation of household businesses

Source: The survey conducted with individual and HHBs (VIDERI, 2024)

As per Article 2 of the SIL 2014, employees who have labor contracts lasting one month or longer are required to be included in the CSI. Additionally, Clause 3 of this Article mandates that employers, including household businesses (HHBs), must register their employees for social insurance. Consequently, if a household business employs individuals under a labor contract of one month or more, it is obligated to ensure their participation in social insurance. Furthermore, Article 14 of the Labor Code 2019 states that labor contracts may be established either in writing or verbally. For contracts with a duration of less than one month, a verbal agreement is permissible; however, contracts exceeding one month must be formalized in writing[6].

A total of 130 HHB owners and individuals, representing 16.7% of the survey sample, indicated that they routinely employed workers who received wages or salaries and were overseen by the HHB owner, yet did not enter into a formal labor contract (see Figure 2). In discussions and interviews regarding the necessity of signing a written labor contract, numerous HHB owners expressed a lack of knowledge on the subject. Furthermore, HHBs exhibit a highly adaptable approach to labor utilization, which varies according to the nature of the business and the season. For example, food businesses that only operate during certain times of the day, such as in the morning or at noon, may hire long-term workers, but these employees only work four to five hours each day. These households and individual businesses consider this part-time work to be not a "stable and long-term" job and, therefore, do not believe they are required to sign a contract or participate in CSI for employees. This indicates that they have not proactively learned about relevant legal regulations, rather than intentionally choosing not to comply with regulations on labor contracts. Some business owners noted that their operations were small-scale and fragmented, and that they hired workers on a seasonal basis, which contributed to their lack of attention to legal education on this matter. Additionally, a significant number of business owners who employ hired labor in focus group discussions and in-depth interviews conveyed that they did not comprehend the legal ramifications of failing to engage in CSI for their employees. They were predominantly unaware of the stipulations outlined in the SIL 2014 regarding the legal restrictions imposed on HHB owners when participating in CSI for their employees, which include:

- Evading payments for CSI and unemployment insurance.
- Delaying the payment of social insurance and unemployment insurance.
- Misappropriating social insurance and unemployment insurance payments and benefits.
- Committing fraud or falsifying records in the implementation of social insurance and unemployment insurance.
- Illegally using social insurance and unemployment insurance funds.
- Obstructing or causing difficulties and damage to the legal and legitimate rights and interests of employees and employers.
- Illegally accessing and exploiting databases related to social insurance and unemployment insurance.
- Reporting false information or providing inaccurate data regarding social insurance and unemployment insurance.

Certain business owners, who have registered their enterprises and maintained stable operations for numerous years, expressed that this was the first occasion they were made aware of the requirement for their employees to engage in CSI. Below are some of their remarks:

[6] If the employer fails to comply, he or she will be punished according to Clause 1, Article 9 of Decree 12/2022/ND-CP.

Box 2: HHB owners lacks awareness of their mandatory obligation in participating in CSI for their hired employees

"I have never heard that as a business owner, I have to pay CSI for my employees. I have been operating my business since 2015, which amounts to nearly a decade . I have not encountered any legislation regarding this matter, nor have I received any notifications from relevant agencies urging my participation. I employ five workers who live and work at my factory. I pay them a monthly salary and cover their living expenses on-site. However, I have not signed labor contracts with them, even though they have worked for me for many years. Even during the COVID pandemic, when there were almost no orders, I had to use my own money to cover the costs for my employees. The truth is that I did not know I had to participate in CSI for my employees."

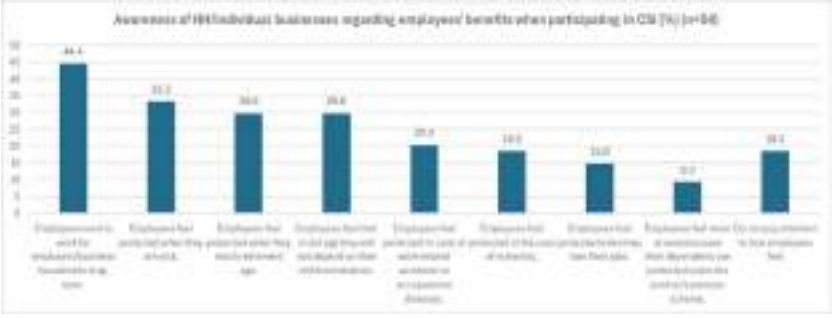
"I find it very worrying. Now I know that I will have to participate in CSI for HHB owners, and I also know that I will have to participate for employees. If I choose to employ my family members, and they all necessitate my participation in the CSI, it will pose a significant challengefor me. I am now aware of these regulations. Each morning, upon waking, I must consider the various expenses I need to manage, and I now realize that I must also factor in the social insurance fee."

Source: Focus group discussion with HHBs in a district in one of the two major cities.

Second, business owners often perceive themselves as part of the informal economic sector, which is marked by instability, small scale operations, and limited revenue and profit. Consequently, they tend to regard compliance with regulations pertaining to social security and labor relations as relatively unimportant..

Third, the survey also gathered insights from business owners who participate in CSI for their employees (54 respondents) regarding the benefits that their employees can enjoy (refer toFigure 3 below). This group believes that employer participation in CSI fosters a greater attachment among employees to the business, attributing this to the job's stability, a sentiment echoed by 44.4% of the respondents. One-third (33.3%) of the business owners and individual entrepreneurs involeved in CSI for their employees asserted that "their employees feel protected when they are sick." Other benefits selected in succession include: "employees feel protected when they reach retirement age" (29.6%), "employees feel independent [not dependent on children or relatives] when they get old" (29.6%), "workers feel protected when they have work-related accidents or occupational diseases" (20.4%), and "employees feel protected in case of maternity" (18.5%). The comparatively low rates suggest that, while business owners engage in CSI for their employees, they do not place excessive value on the diverse benefits available to employees. This may explain why they do not utilize CSI for employees as a strategy to attract workers.

Figure 3. Perception of the household and individual businesses on the employee's benefits when participating in the CSI



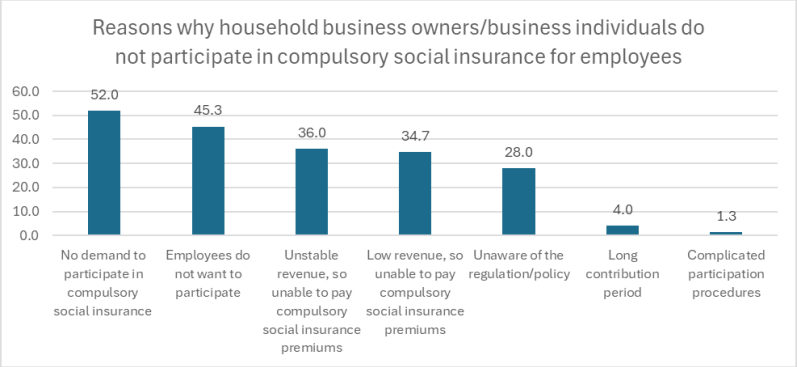
Source: The survey conducted with individual and HHBs (VIDERI, 2024)

In conclusion, a legal regulation that has been in effect for nearly 10 years remains largely unknown to those it governs. The insufficient comprehension among HHB owners demonstrates that distribution of legal information is inadequate, and it also highlights a tendency to refrain from actively seeking knowledge about laws pertinent to business operations.

Reasons/barriers that prevent HHB owners and from participating in CSI for their employees

The survey featured a question regarding the factors influencing employees' non-participation in CSI among households that indicated the use of labor through labor contracts. Figure 4 presents the reasons selected, arranged from highest to lowest.

Figure 4. Reasons why HHB owners/business individuals do not participate in CSI for employees (%)



Source: The survey conducted with individual and HHBs (VIDERI, 2024)

First, as shown in figure above, 52% of respondents indicated that they refrained from participating in CSI for employees because they "did not need it." During focus group discussions and in-depth interviews, they elaborated on this sentiment, stating that they did not recognize any advantages associated with engaging in social insurance for employees, leading to a lack of motivation to participate. They noted that such participation did not enhance their standing with employees or facilitate the recruitment of additional workers. In fact, the typical workforce for business owners and individuals comprises only 1 to 2 employees (excluding the owners themselves), which diminishes the emphasis on attracting workers through adherence to social insurance regulations. In regions where it is particularly challenging to hire employees, business owners and individuals tend to rely solely on wages as the primary incentive for attracting workers.

Second, 45.3% of respondents said they did not participate in CSI for employees because "the employees themselves do not want to participate." According to some HHB owners in the group discussion, employees do not want to participate in CSI because their income is still too low, and they do not want to have a portion of their income deducted to contribute to social insurance. Employees recognize that they are required to allocate a portion of their earnings (10.5%) towards social insurance, unemployment insurance, and health insurance. Consequently, they exhibit hesitance in participating, as their overall income is relatively modest.

Box 3: Employees' unwillingness to participate in the CSI

"Prior to establishing my own business, I was employed by a company that mandated participation in the CSI. This experience has given me a clear understanding of the significance of social insurance for employees. When I launched my own business, I also endeavored to implement the human resource management practices I had observed at my former workplace. Therefore, I engaged in discussions with my sales team regarding their participation in CSI. Unfortunately, my employees declined to participate upon discovering that they would be responsible for covering 10.5% of the total insurance premium across all insurance categories. I am able to offer a monthly salary ranging from 5 to 6 million VND. While this amount exceeds the regional minimum wage, the rising cost of living poses a significant challenge. If my employees are required to allocate approximately 500,000 to 600,000 VND each month for insurance contributions, their disposable income becomes quite limited. Consequently, I empathize with their decision to decline participation in the CSI program, despite my willingness to cover the associated costs. I believe that workers will only consider reducing their income for insurance premiums when their "take-home" income reach a minimum of 7 million VND per month, which is regarded as the "living income" threshold in our district town.

Source: In-depth interview with a telecommunications agency service HHB owner

Instances in which HHB owners indicated that their employees sought to renegotiate following the introduction of this regulation were quite rare. Employees approached HHB owners with requests to either raise their salaries to align with 21.5% of the total insurance premiums, which encompass social insurance, or to manage the social insurance processes on their behalf. It is important to highlight that such occurrences are not typical. Among the numerous HHB owners who were interviewed or took part in focus group discussions, only one or two reported that their employees were cognizant of this legal regulation and had initiated discussions to amend their labor agreements.

Third, a total of 36% and 34.7% of business owners identified unstable revenue and low revenue,

respectively, as factors deterring their participation in CSI for employees. These two issues frequently coexist. The traits associated with low and unstable revenue are commonly found in the informal economic sector (Hung, 2021) and were further confirmed during meetings with local management officials, as well as through discussions and interviews with business owners and individual entrepreneurs (refer to box 4).

Box 4: Fierce competition and low profit margins are two main reasons for HHB's hesitation in participating in CSI for their employees

"Even if I wanted to participate in CSI for employees, I couldn't do it. The level of competition has intensified, particularly from individuals engaged in online business, while my expenses remain elevated and significantly exceed those of online entrepreneurs. Consequently, over the past five years, particularly following the COVID pandemic, my business has experienced a downturn and has consistently operated at a loss. With revenues declining and no signs of stabilization, my only option has been to avoid reducing employee salaries; however, I find it impossible to incur the additional costs associated with mandatory insurance contributions for my staff."

Source: Interview with an HHB owner located in a central district of one of the two major cities

"In suburban regions, household businesses (HHBs) experience considerable fluctuations in revenue, particularly those engaged in the sale of agricultural supplies to farmers. During the harvest season, farmers typically settle their debts related to agricultural inputs acquired throughout the production cycle, leading to a substantial increase in business revenue. During this time, their employees (such as sales personnel, accountants, and porters) also have a lot of work to do. Conversely, in non-harvest times, accountants or sales staff often work as "custodians," and business owners might have no income. Additionally, adverse weather conditions can lead to crop failures, leaving farmers indebted to business owners and resulting in significantly diminished revenue during these times. Therefore, if business owners in this sector are required to regularly participate in CSI for their employees, as enterprises in the industrial sector do, I find it very difficult for them."

Source: Discussion with a provincial insurance agency in a surveyed province

Finally, a significant reason mentioned by 20% of business owners for their lack of participation in CSI for their employees is their unaware of this regulation. This issue has been previously examined.

Thus, There are several factors that deter HHB owners from engaging in CSI for their employees. Primarily, they do not recognize any advantages for their businesses. Additionally, the interplay of low and unpredictable revenue, coupled with employees' hesitance to participate in CSI, exacerbates the situation. A fundamental issue is that their current earnings fall below the "living standard" threshold, which hinders their ability to allocate funds for "managing the risk of income loss or reduction during working age" and "compensating for income after retirement," objectives that the CSI policy aims to address. Furthermore, tax regulations applicable to HHBs fail to consider the "vulnerability" and "less competitive capacity" of these businesses. Consequently, promoting their participation in social security policies for their employees becomes unfeasible, as demonstrated in practice. This suggests that there needs to be truly practical and cohesive policies aimed at improving the competitiveness of this sector, or tax incentives for these groups. HHB owners would likely be more inclined to engage in the safety system for both themselves and their employees. Otherwise, the immediate difficulties faced in the short term may lead business owners and individual entrepreneurs, as well as workers, to overlook the long-term benefits that participation in CSI can offer.

4. Recommendations and Conclusion

The impartial implementation of the new regulation concerning social insurance for registered HHB owners, effective from July 1, 2025, is not a matter of dispute. Nevertheless, it is essential to evaluate the practicality of universal participation in the CSI for both employees and employers within the sector by that date. The regulations governing CSI participation for employees and employers in HHBs must be elaborated to address the specific vulnerabilities and characteristics inherent to this sector. Furthermore, the obligations placed on employers operating HHBs or those participating in the CSI for employees under the SIL 2014 may create a "double burden," which could further diminish the already limited competitiveness of the sector, thereby heightening its susceptibility. The inclusion of nearly 10 million workers, encompassing both family and employed individuals, underscores the importance of expanding social insurance coverage for these groups. This expansion is crucial not only for the nation's social security framework but also for the individuals involved. However, the financial burden cannot be placed solely on informal sector workers and "vulnerable" HHBs. It is imperative to develop adaptable financial support packages tailored to the needs of this sector.

First of all, it is essential to provide education and communication to HHB owners and employees within

these organizations regarding the provisions of the SIL 2014, as their current understanding of this legislation is significantly lacking.

The state budget should provide support packages aimed at reducing the financial strain on both employees and employers within HHBs. A "bold" solution to consider is allowing the deduction of CSI premiums paid for employees participating in the CSI from the "contractual (revenue) tax" and "personal income tax" obligations of HHB owners.

Additionally, a more favorable support mechanism than the existing voluntary social insurance support level should be implemented for employees in HHBs to increase the appeal of voluntary social insurance participation. Localities with budget autonomy ought to be motivated to reassess these support packages every three years..

Implementing social insurance for HHBs and their employees requires a flexible and practical approach. When businesses are profitably operated, people are often willing to participate in social insurance. Conversely, during periods of financial difficulty, it is essential to explore flexible alternatives, such as the option to suspend contributions. This approach is vital for maintaining the long-term viability of the policy. While the potential for success is considerable, given the enthusiasm demonstrated by many registered HHB owners, achieving full coverage in the initial phases of the Law's implementation is unlikely.

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THE IMPACT OF GOVERNANCE QUALITY ON HEALTH INEQUALITY IN VIETNAM

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Abstract: This study examines the impact of governance quality on health inequality across 63 provinces in Vietnam over a five-year period (2012, 2014, 2016, 2018, and 2020). Using data from the Provincial Governance and Public Administration Performance Index (PAPI), the Provincial Competitiveness Index (PCI), and the Vietnam Household Living Standards Survey (VHLSS), the study measures health inequality through the Gini index based on per capita health expenditure. The Generalized Method of Moments (GMM) estimation results indicate that aspects of governance quality have an inverse relationship with health inequality. Regional analyses reveal that improvements in governance quality have a more pronounced effect on reducing health inequality in rural areas. Based on these findings, the study offers recommendations for enhancing governance quality and addressing health inequality in Vietnam. Despite its valuable insights, the research has certain limitations. Notably, the irregularity in data collection years (2012, 2014, 2016, 2018, and 2020) poses challenges for identifying short-term impacts, particularly during the period of significant influence from the COVID-19 pandemic. Additionally, the reliance on the Gini index, which is based exclusively on per capita health expenditure to evaluate health inequality, fails to consider important elements such as the quality of healthcare services, accessibility, and utilization. This limitation leads to an inadequate evaluation of health disparities. Consequently, it highlights the necessity for more comprehensive research in the future..

Keywords: *Governance quality, health inequality, urban, rural.*

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1. Introduction

Inequality has consistently been viewed as a critical challenge of our era, profoundly influencing both economic development and social cohesion across nations globally (Stewart & Samman, 2013). Previous studies on inequality has predominantly concentrated on income disparities, as scholars have posited that income serves as the primary indicator of welfare and reflects the standard of living of the population (Jenkins, 2017). However, many studies argue that inequality should be reflected in various non-income dimensions such as education, health, housing, etc., in order to fully capture the barriers to development opportunities for different population groups (Rohde & Guest, 2018). Along with this, the emergence and outbreak of the global COVID-19 pandemic have highlighted existing social issues, accelerated changes in others, and introduced new challenges (Lindellee, 2021). Concerns regarding health inequality have long existed; however, they gained heightened visibility for many during the COVID-19 pandemic (McGrail et al., 2022). This situation has led to considerable research focus on issues such as healthcare access, vaccination rates, and mortality statistics among women and children (Tram, 2023). The majority of studies suggest that health inequality is on the rise worldwide, presenting a significant threat to economic and political development efforts as well as social stability in various nations (Ahmed et al., 2022). To mitigate the consequences of health inequality on socio-economic issues, it is essential first to identify the factors that contribute to either the increase or reduction of health inequality (Vo et al., 2019). In fact, there are many factors influencing health inequality, among which governance quality is considered one of the most significant determinants (Klomp & Haan, 2008). Tight control over corruption has created favorable conditions for the effective and transparent use of public funds, thereby supporting investments in healthcare infrastructure, building hospitals in disadvantaged areas, improving the quality of healthcare staff, and expanding health insurance coverage (Gupta et al., 2001). Notably, a democratic political system not only encourages public participation in the policymaking process (World Health Organization, 2022) but also ensures that the essential healthcare needs of the community are reflected and prioritized in policy decisions (Walby, 2021). Thanks to these efforts, the gap in healthcare service quality between urban and rural areas, different regions, and social classes has been significantly reduced, contributing to decreased inequality in healthcare access and improving public health (Potrafke & Roesel, 2020).

According to the 2013 Health Sector Overview Report (JAHR 2013), the overarching goal of the Universal Health Care program pursued by countries, including Vietnam, is to ensure equity in access to healthcare services, provide basic healthcare services, and protect users from financial risks to realize the principles of public health (Ministry of Health & Health Partners Group, 2014). However, according to Tran et al. (2020), Vietnam's healthcare system still faces many limitations, which calls for experimental research to propose solutions for reducing health inequality in Vietnam. Moreover, while governance quality is considered a significant factor in reducing health inequality, most studies analyzing its impact on health inequality focus mainly on individual aspects such as corruption and public services (Chen et al., 2018; Socoliuc et al., 2022; Bukari et al., 2024). Therefore, to provide a comprehensive view of the role of governance quality in reducing health inequality, this study combines the Provincial Governance and Public Administration Performance Index (PAPI) and the Provincial Competitiveness Index (PCI) over the five years 2012, 2014, 2016, 2018, and 2020 to assess governance quality from various aspects, such as corruption control, democracy, and public services. The expected results of this study will provide a reference basis for making recommendations to improve governance quality and reduce health inequality in Vietnam through the research: ***"The Impact of Governance Quality on Health Inequality in Vietnam".*** This paper consists of five sections: Section 1: Introduction, Section 2: Theoretical Basis, Section 3: Research Methodology, Section 4: Research Results, and Section 5: Conclusions and Recommendations.

2. Literature review

According to Kataeva et al. (2015), inequality is the unequal distribution of opportunities or benefits among individuals within a social group or across multiple social groups. In the context of health, health inequality is defined as the disparity gap in accessing, utilizing, and the quality of healthcare services between individuals, communities, or nations (O'Neill, 2001; Fleurbaey et al., 2009). Towards one of the Sustainable Development Goals (SDG) focused on reducing inequality and ensuring health for all, the authors' group chose to analyze health inequality through the disparity in healthcare spending among individuals, as healthcare expenditure not only reflects the ability to pay for healthcare services but also indicates the level of access to healthcare services for the population (Goroshko et al., 2018). On the other hand, governance quality refers to the measurement of an organization's performance across various governance aspects, specifically corruption control, government effectiveness, political stability and absence of violence/terrorism, regulatory quality, rule of law, voice, and accountability (Global, 2020). Overall, governance quality is one of the core factors influencing health inequality in any country (Klomp & Haan, 2008). To objectively and comprehensively assess the quality of local governance in Vietnam, Nhung and Canh (2020) proposed a new measurement tool that combines the

advantages of both the Provincial Governance and Public Administration Performance Index (PAPI) and the Provincial Competitiveness Index (PCI). Based on this research, the authors' group will evaluate governance quality across five dimensions, including: (1) Democracy, (2) Corruption control, (3) Public services, (4) Policy, and (5) Public administration.

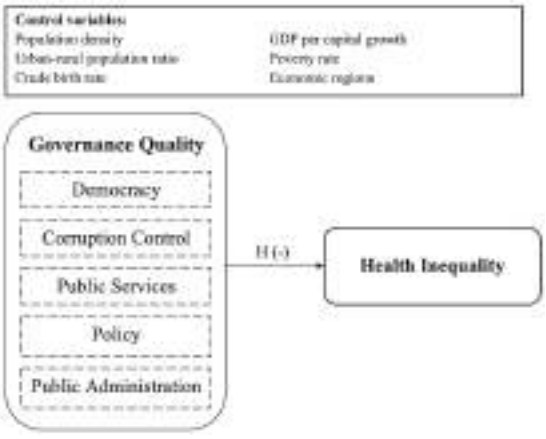
In the race toward achieving healthcare equity, an efficient governance system reflects a relatively positive position of an organization (whether at the national, regional, or local level) in reducing health inequality and improving national health outcomes (World Health Organization, 2024). Through measures such as curbing tobacco consumption and promoting the use of healthy nutrients, public health policies not only encourage disease prevention but also save public healthcare costs (Ferrara & Nistico, 2019). Additionally, applying a democratic model in policy-making ensures that healthcare policies are grounded in reality and adequately address the healthcare needs of all social groups, particularly the disadvantaged (Church, 2002). For example, in Canada, healthcare policies such as universal public health insurance covering 100% of the population and ensuring effective coverage across the entire territory guarantee equal access to basic healthcare services, regardless of socioeconomic status (Dhamanaskar et al., 2024). Especially, the public health insurance system helps prevent "catastrophic health expenditure" from occurring when out-of-pocket payments exceed 40% of a person's ability to pay for healthcare, which is a cause of increasing inequality among population groups (Quintal, 2019). Similarly, Kohler (2011) found that publicly listing the prices of medical supplies combined with regular internal and external audits helps prevent malpractice such as collusion and corruption. This ensures that resources and budgets allocated to healthcare are distributed and spent effectively. In Vietnam, a study by Luong et al. (2024) surveyed 174 patients at Cai Nuoc General Hospital (Ca Mau Province) and found that procedures ensuring fairness and prioritization, modern facilities and medical equipment, and convenient examination and treatment processes significantly improved healthcare services. As a result, people tend to choose public hospitals with lower costs instead of seeking expensive private clinics (Bamfo & Dogbe, 2017), thus reducing financial burdens, especially for low-income groups (Mendoza, 2020).

On the other hand, a substantial body of research highlights the negative consequences of weak governance in the healthcare sector. Specifically, deficiencies in governance systems, especially those related to corruption, create significant obstacles for the healthcare system in fulfilling the fundamental healthcare requirements of the population, and widen disparities in healthcare access across different social strata (Frank et al., 2018). Supporting this assertion, Naher et al. (2020) observed that petty corruption in Bangladesh's healthcare sector eroded public trust in the quality of services provided by public health facilities. This is reflected in the low rates of healthcare utilization at public hospitals (25%) and government-run areas (10%). The study by Matsushima and Yamada (2016) on bribery in the healthcare sector in Vietnam indicated that only 83.5% of patients felt cured after treatment, while 39.1% of patients believed that they needed to bribe in order to receive better services. Furthermore, empirical studies have demonstrated that poor governance, evident in poorly designed and implemented policies, is one of the main drivers of inequality in healthcare access (Gupta et al., 1998; Vega & Irwin, 2004). In Uganda, the lack of policies, regulations, and lax management in policy implementation has led to an estimated drug loss rate of up to 73% from the public healthcare system, severely affecting the supply of treatment medications for patients and forcing people to purchase medicines from "black markets" at high prices that not everyone can afford (Lewis, 2006).

It is evident that previous empirical studies across diverse contexts consistently highlight an inverse relationship between governance quality and health inequality. In Vietnam, the study by Huyen (2022) highlights the positive impact of the correct perspectives, policies, and strategies implemented by state management agencies in reducing social inequality in general and health inequality in particular. Previously, Matsushima and Yamada (2016) indicated that high bribery rates were associated with higher mortality rates and lower health insurance coverage, which indirectly diminished public trust in healthcare activities in Vietnam. It can be said that governance quality and health inequality are also closely correlated, as improving governance quality directly contributes to reducing disparities in healthcare spending and promotes sustainable development in the healthcare sector. Based on this, the authors propose the following hypothesis:

(H): Governance quality has a negative impact on health inequality in Vietnam.

Figure 1. Research Model



Source: Constructed by the authors' group

In the research concerning health disparities in the United States, Lichtenstein (2015) emphasized the impact of socioeconomic and demographic factors on health inequality. Consequently, the authors' team incorporated several additional control variables into their model, including population density, urban-rural ratio, crude birth rate, poverty rate, per capita GDP growth, and economic region.

3. Research Method

3.1. Data

This study utilizes data from three main sources:

First, governance quality in Vietnam is measured using the Provincial Governance and Public Administration Performance Index (PAPI), conducted annually by the United Nations Development Programme (UNDP), the Vietnam Fatherland Front, and the Centre for Community Support Development Studies (CECODES), along with the Provincial Competitiveness Index (PCI), initiated by the Vietnam Chamber of Commerce and Industry (VCCI) with support from the United States Agency for International Development (USAID) and SUNTORY PEPSICO.

Second, the Vietnam Household Living Standards Survey (VHLSS) from the General Statistics Office is used to calculate health inequality in Vietnam.

Finally, data for control variables, such as population density, urban-rural population ratio, crude birth rate, poverty rate, GDP per capita growth, and economic regions, are sourced from the Statistical Yearbook published by the General Statistics Office of Vietnam.

Due to the availability of the VHLSS dataset deployed by the General Statistics Office in even years, the authors measured the variables over the years 2012, 2014, 2016, 2018 and 2020.

After compiling the above data sources, the study conducted statistical analysis and calculated the Gini index for health inequality and the characteristic variables in the research using Stata 14 in a panel data format. The data was aggregated from 63 provinces and cities in Vietnam over the five years 2012, 2014, 2016, 2018, and 2020, resulting in a data table that includes 315 observations.

3.2. Measuring

Measuring health inequality

The study develops a health variable to indirectly measure the medical aspect as proposed by Bui & Erreygers (2020). The health index of an individual h_i is the comparison of this individual's medical costs with their total costs (including total expenditure c_i and medical costs t_i). In this context, medical costs encompass the total amount that an individual pays out of pocket and the amount covered by health insurance for medical services at healthcare facilities. To calculate the health index h_i, the study uses the formula (1) as Bui & Erreygers proposed:

$$h_i = 1 - \frac{t_i}{t_i + c_i} = \frac{c_i}{t_i + c_i} \quad (1)$$

In which:

h_i is the individual health index

t_i is the individual's healthcare expenses

c_i is the individual's total expenditure (excluding healthcare expenditure)

Next, the study measures health inequality through the Gini inequality index developed by Corrado Gini (1912), which is considered the most widely used inequality measure to date. The Gini coefficient was developed based on the theory of the Lorenz curve (Lorenz, 1905), which graphically represents the distribution of a specific factor (usually income) within a certain group of people. The Gini coefficient measures inequality in the form of a numerical scale to facilitate comparisons between groups. The Gini coefficient is calculated by the ratio of the area under the 450 line and above the Lorenz curve to the total area below the 450 line. Therefore, the Gini coefficient will vary between 0 and 1, with Gini = 0 representing perfect equality, and Gini = 1 representing absolute inequality.

Measuring Governance quality

To comprehensively assess governance quality in Vietnam, the study measures governance quality by combining data from PAPI and PCI, as proposed by Do Tuyet Nhung & Le Quang Canh (2020). Specifically, governance quality is measured based on five aspects:

Democracy: Participation, Transparency and Vertical Accountability

Corruption Control: equivalent Control of Corruption in the Public Sector

Public Services: equivalent Efficiency in providing public services

Policy: equivalent Policy quality

Public Administration: equivalent Public Administrative Procedures

The five aspects are calculated and standardized on a scale of 10 according to the method of VCCI & USAID (2018), formula (1) and (2) below:

For the positive indicators:

$$P = 1 + 9 \times \frac{X - Min}{Max - Min} \quad (1)$$

In which:

P is the governance variable value of the province/city after standardization

F is the value of the province

Min is the lowest score among the 63 provinces.

Max is the highest score among the 63 provinces.

For the negative indicators:

$$P = 11 - (9 \times \frac{X - Min}{Max - Min} + 1) \quad (2)$$

In which:

P is the normalized governance variable value of the province/city.

X is the value of the province.

Min is the lowest score among the 63 provinces.

Max is the highest score among the 63 provinces.

Next, by using the weights of the aspects based on the normalized Rotation Sums of Squared Loadings to total 1, Do Tuyet Nhung (2021) proposed calculating the composite governance quality index (PGI - Provincial Governance Index) according to formula (2):

$$PGI = 0,255 * DEM + 0,208 * COR + 0,192 * SER + 0,190 * POL + 0,155 * PUB \quad (3)$$

3.3 Method

Firstly, the study considers the impact of governance quality on inequality through the standard regression equation as proposed by Huang & Ho (2018):

$$Gini_{jt} = \alpha + \beta_1 EG_{jt} + \beta_2 Old_{jt} + \beta_3 Gov_{jt} + \varepsilon_{jt} \quad (4)$$

where

$Gini_{jt}$ is Gini index for country *i* in year *t;*

EG_{jt} is economic growth for country *i* in year *t;*

Old_{jt} is share of elderly population for country *i* in year *t;*

Gov_{jt} is governance measures for country *i* in year *t;*

ε_{jt} is the error term.

Secondly, the study evaluates the impact of governance quality on health inequality through five aspects: Democracy, Corruption Control, Public Services, Policy, and Public Administration; specifically, the authors' group assesses this impact using the following regression equation:

$$Gini_{jt} = \beta_0 + \beta_1 * DEM_{jt} + \beta_2 * COR_{jt} + \beta_3 * SER_{jt} + \beta_4 * POL_{jt} + \beta_5 * PUB_{jt} + \beta_6 * X_{jt} + u_{jt} \quad (4)$$

In which:

$Gini_{jt}$ is the Gini index measuring health inequality in province *j* in year *t*;

DEM_{jt} is the index measuring the Democracy aspect of province *j* in year *t*;

COR_{jt} is the index measuring the Control of Corruption aspect of province *j* in year *t*;

SER_{jt} is the index measuring the Public Services aspect of province *j* in year *t*;

POL_{jt} is the index measuring the Policy aspect of province *j* in year *t*;

PUB_{jt} is the index measuring the Public Administration aspect of province *j* in year *t*;

X_{jt} are the control variables, including: gender ratio, population density, population growth rate, GDP per capita growth, key Economics regions economic

u_{jt} are the unobserved variables.

Finally, to estimate the regression equation, the study uses the Generalized Method of Moments (GMM). Previous studies examining the relationship between various factors and inequality have pointed out the occurrence of endogeneity, as shown by Sağlam (2021). Therefore, the authors perform the Durbin-Wu Hausman test to check for endogeneity in the model. The results in **Tables 1** and **2** show that the models all have a P-value < 0.05, indicating the presence of endogeneity. Thus, the study applies the GMM method to address this issue as proposed by Hansen (1982).

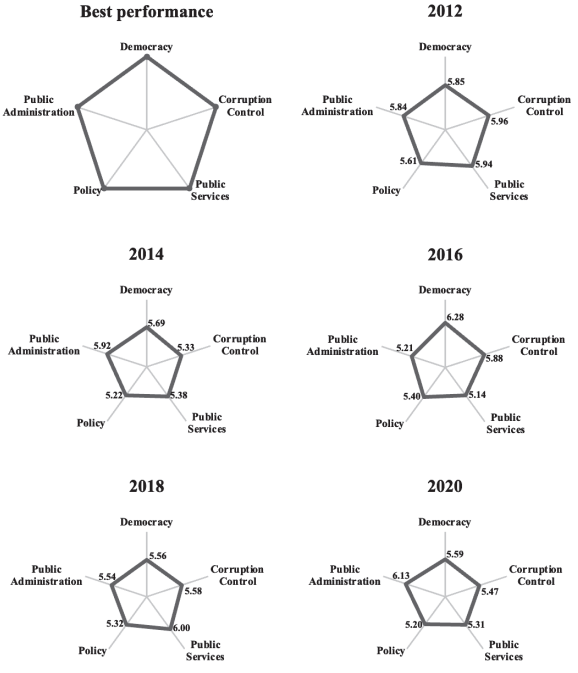
Additionally, the authors use the Hansen test (or Sargan test) to check the validity of the instrumental variables and the Arellano-Bond (AR) test to check for autocorrelation in the variance of the error terms in the GMM model in first-differenced form (AR(2)). The results in **Tables 1** and **2** show that all the instrumental variables used in the model are valid and there is no second-order autocorrelation in the residuals.

4. Study Results

4.1. The State of Governance Quality and Healthcare Inequality in Vietnam

The State of Governance Quality

Figure 2. Radar chart of the component indices of Governance Quality in Vietnam for the period 2012-2020



Source: Calculated by the authors' group

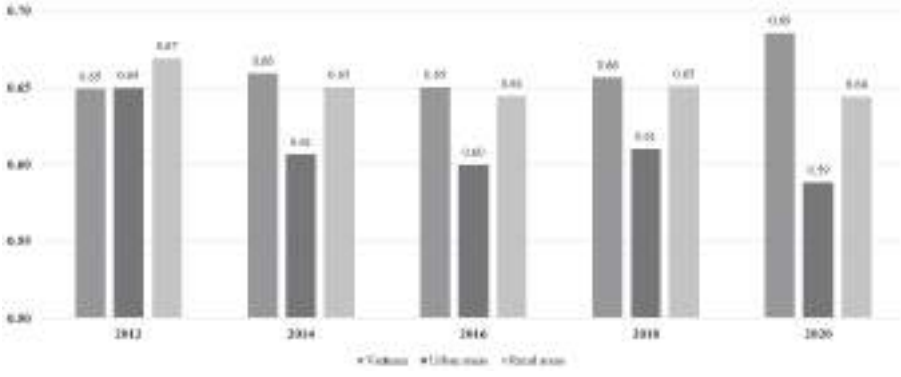
Figure 2 illustrates the changes in Vietnam's Governance Quality Index and its components over

five years: 2012, 2014, 2016, 2018, and 2020. The data is presented in the form of a radar chart, where each axis corresponds to the average score of the five component indices on the 10-point scale that standardizes the aspects of governance quality by VCCI & USAID (2018). Governance quality achieves the "best performance" when all aspects score a perfect 10 and is considered "balanced" when the five aspects have relatively equal scores. In terms of the "balance" across the five aspects, the governance quality in Vietnam exhibited relatively uniform scores in 2012. However, this balance gradually deteriorated over the years as certain aspects received prioritized improvements while others experienced declines. Specifically, in 2014, the Public Administration aspect saw a significant improvement, reaching a score of 5.92. In contrast, the 12th National Congress of the Communist Party of Vietnam in 2016 prioritized improving the aspects of Democracy and Corruption Control, which consequently led to the neglect of Public Services and Public Administration, with their scores respectively being 1.14 and 1.07 points lower, than the highest-scoring aspect - Democracy. Acknowledging these limitations, local governments redirected their priorities in subsequent years to improve the neglected aspects, resulting in Public Services dominating in terms of scores in 2018 and Public Administration taking the lead in 2020. Thus, the significant progress in certain areas may reflect resource prioritization aligned with periodic development strategies. However, the government should also focus on balancing underperforming aspects to ensure harmonious development, sustaining the long-term effectiveness and sustainability of governance quality.

When assessing governance quality across different aspects over time, it is evident that the scores generally remained above average, with each aspect showing distinct fluctuations during the study period. Specifically, the aspects of Democracy and Corruption Control exhibited a downward trend from 2012 to 2020, with score decreases of 0.27 and 0.49, respectively. Explaining this situation, CECODES et al. (2019) noted that although efforts to combat corruption in the public sector had been implemented since 2011, corruption remained an extremely serious social issue, necessitating more decisive measures from all levels of government to address it comprehensively. A similar trend was observed in the aspects of Public Services and Policy, which saw score declines of 0.63 and 0.41, respectively, particularly during the 2018–2020 period amid the outbreak of the COVID-19 pandemic. This phase marked a critical shift in Vietnam's socio-political stability, as policies—while achieving high effectiveness in disease control—posed significant challenges to safeguarding constitutional rights (Dung, 2022), thereby negatively affecting governance quality across multiple dimensions. In contrast, the Public Administration aspect experienced positive changes, with its quality improving by 4.97% in 2020 compared to 2012. This improvement highlights the efforts of governmental agencies at all levels to support businesses and citizens, fostering an efficient business environment and a more service-oriented public administration. In summary, efforts to enhance governance quality across Vietnam's 63 provinces and cities still face considerable limitations, underscoring the need for the government to implement timely measures for improvement.

The State of health inequality in Vietnam

Figure 3. Gini index on health inequality averaged across 63 provinces and cities in Vietnam categorized by urban and rural areas for the period 2012-2020



Source: Calculated by the authors' group

Figure 3 shows the Gini index measuring health inequality through personal healthcare expenditure, averaged across 63 provinces and cities, for both urban and rural areas in Vietnam during the period 2012-2020. Overall, the gap between the two regions has been increasingly widening over time, with health

inequality in rural areas consistently higher than in urban areas and the national average. Specifically, in 2012, health inequality between the regions was not significantly different, with the rural area index being 0.02 points higher than both the national and urban averages. By 2014, this gap increased, with the Gini index score reflecting national health inequality reaching 0.66 points, 0.05 points higher than urban areas and 0.01 points higher than rural areas. In 2016 and 2018, the gap remained similar, although the health inequality score in 2018 increased by 0.01 points compared to 2016, reflecting a growing trend in health inequality. By 2020, the gap in personal healthcare expenditure between the regions increased significantly, as the Gini index in urban and rural areas decreased to 0.59 and 0.64 points, respectively, but rose sharply to 0.69 points for the entire country. This phenomenon can be attributed to the significant influence of COVID-19 on social inequality, especially regarding health disparities in Vietnam. It is clear that health inequality in urban regions has consistently been less pronounced than in rural areas and the national average, highlighting the deficiencies in infrastructure and the persistent challenges encountered by low-income communities in these locales. The underlying causes of this inequality arise from the substantial economic opportunity divide between rural and urban settings (Newman & March, 1969), along with lower educational attainment and civic engagement, which lead to restricted access to superior healthcare services (Baker, 1999). In rural regions, a significant portion of the population often depends on conventional practices and has restricted access to information regarding contemporary healthcare. Consequently, they are more inclined to utilize herbal treatments for ailments instead of antibiotics for infections, and prefer acupuncture for pain relief rather than relying on analgesics. Furthermore, families in these areas frequently engage in self-medication at home and seek private healthcare options, such as private clinics and home visits from doctors, rather than utilizing public hospitals that comply with the Ministry of Health's regulations. Conversely, individuals residing in urban settings are more likely to seek care at public healthcare institutions. (Thuan et al., 2008)

4.2. The influence of quality of governance on health inequality in Vietnam

The study uses STATA 14 software to calculate the impact of governance quality on health inequality through equation (4) and the Generalized Method of Moments (GMM). Detailed results are presented in **Tables 1** and **2**.

Table 1. Results of estimating the impact of quality of governance on health inequality in 63 provinces in Vietnam

Independent variable		**Regression coefficient**	**Standard deviation**
		Health Inequality	
Lagged health inequality		-0.0315***	0.0500
Democracy		-0.0149***	0.0034
Control of corruption		-0.0144***	0.0025
Public services		-0.0097***	0.0026
Policy		-0.0058**	0.0020
Public Administration		-0.0034**	0.0016
Control variables			
Gender Ratio *(Reference: Female)*	Male	0.0055***	0.0013
Population density		0.000007**	0.000004
Population growth rate		-0.0089***	0.0019
GDP per capita growth		-0.00012**	0.00004
Key Economics Regions *(Reference: Non-KERs)*	Group of provinces in KERs	-0.0356***	0.0058
Economic region *(Reference: Northern Midlands and Highlands)*	Red River Delta	-0.0468***	0.0075
	North Central and Central Coast	-0.0317***	0.0089
	Central Highlands	0.0402***	0.0106
	Southeast	-0.0276***	0.0101
	Mekong Delta	0.0235*	0.0166
Constant		0.2531**	0.1337
Wald chi2(14)		743401.94	
Prob>chi2		0.000	
Wu-Hausman F(1,24)		0.0201	
AR(2) (P-value)		0.557	
Hansen J. (P-value)		0.681	
Number of observations		244	
Number of instrumental variables		61	
Statistical significance levels: * p<0.1; ** p<0.05; ***p<0.01			

Source: Compiled by the authors

The results in **Table 1** show that Governance quality has an inverse relationship with health inequality across 63 provinces and cities in Vietnam from 2012 to 2020. It is evident that all five dimensions of governance quality exhibit an inverse relationship with health inequality. Among these dimensions, Democracy and Corruption exert the most substantial influence, followed by Public Services, Policies, and Public Administration. Specifically: At the 1% significance level, when the scores for the Democracy and Corruption aspects increase by 1 point, the Gini index measuring health inequality based on personal healthcare expenditure decreases by 0.0149 and 0.0144 points, respectively. When the Public Services score increases by 1 point, the Gini index score decreases by 0.0097 points (at the 1% level). At the 5% level, with a 1-point increase in the Policy and Public Administration aspects, the Gini index measuring health inequality decreases by 0.0058 and 0.0034 points, respectively.

These results align with the research of Church (2002) and Dhamanaskar et al. (2024), which argue that improving Democracy, as reflected in enhancing citizen participation and transparency in healthcare policies, helps increase public trust in the quality of public healthcare services, thereby promoting the trend of service utilization within the community. In democratic systems, voters often consider implementing comprehensive healthcare policies aimed at narrowing the healthcare gap between different social classes. Specifically, in Vietnam, the "National Health Insurance Program (BHYT)" has been expanded based on feedback from the public, helping millions of low-income workers access and afford high-quality healthcare services. The community's involvement in disease prevention programs like COVID-19 highlights the importance of citizens' voices in creating effective healthcare policies.

Improving Corruption and Policies can mitigate the severity of health inequality through better resource allocation. This result is consistent with previous studies, such as those by Gupta et al. (1998), Aleshkina et al. (2016), and Frank et al. (2018), and Donkor (2023). The results of empirical studies indicate that improving the situation of corruption, combined with implementing effective healthcare policies, not only helps allocate the healthcare budget more appropriately but also ensures access to healthcare services for people in rural and remote areas. In Vietnam, the Vietnam Social Insurance has implemented an electronic health insurance information control system to monitor medical examination and treatment activities, prevent the abuse of health insurance funds, thereby expanding opportunities for access, utilization, and expenditure on healthcare services for the population, especially in rural areas.

Improving *Public Services* and *Public Administration* has been shown to have a positive impact on the effectiveness of healthcare service delivery, especially for vulnerable groups. Ensuring transparency and clarity in public administrative processes not only addresses issues of discrimination and misallocation but also improves citizens' access to healthcare support policies. This, in turn, encourages greater utilization of public healthcare services, which helps to lessen the financial strain on vulnerable populations. When public services and administration function efficiently, the quality of healthcare at facilities can be significantly improved, leading to enhanced investment in district hospitals and community health stations, thereby reducing the burden on central hospitals. From 2013 to 2020, the Ministry of Health launched the Family Doctor Program to provide basic, comprehensive, and continuous healthcare services for individuals, families, and communities, which helped reduce hospital overload. It can be seen that although the research results show agreement with previous studies on the role of governance quality on health inequality and average health expenditure, this study comprehensively assessed the influence of aspects of governance quality on health inequality instead of individual aspects.

Table 1 also shows that demographic characteristics influence health inequality across provinces. Specifically, *Gender Ratio* and *Population Density* both have a positive impact on health inequality. When the Gender Ratio increases by 1% and Population Density increases by 1 person/km^2, the Gini index increases by 0.0055 and 0.000007 points, respectively. On the other hand, the *Population Growth Rate* and *GDP per capita growth* have an inverse relationship with health inequality in Vietnam. Specifically, when the Natural Population Growth Rate and GDP per capita growth increase by 1%, the Gini index decreases by 0.0089 and 0.00012 points, respectively.

Additionally, *provinces in key economic regions* tend to experience a reduction in health inequality. Health inequality also varies across the *economic regions of Vietnam*. The results in **Table 1** indicate that health inequality tends to decrease in the Red River Delta, North Central, Central Coast, and Southeast regions, but increases in the Central Highlands and Mekong River Delta regions.

4.3. The influence of quality of governance on health inequality in Vietnam by urban and rural areas

Table 2. Results of estimating the impact of quality of governance on health inequality in Vietnam by urban and rural areas

Independent variable		Urban area	Rural area
		Health Inequality	
Lagged health inequality		-0.2161***	-0.2327***
Democracy		0.0075**	0.0074***
Control of corruption		-0.0247***	-0.0025*
Public services		0.0102**	-0.0049**
Policy		-0.0176***	-0.0143***
Public Administration		0.0064***	-0.0070**
Control variables			
Gender Ratio *(Reference: Female)*	Male	0.0108***	-0.0054**
Population density		-0.00008***	-0.00001**
Population growth rate		0.0288***	-0.0185**
GDP per capita growth		-0.0003**	-0.0002***
Key Economics Regions*(Reference: Non-KERs)*	Group of provinces in KERs	-0.0582***	-0.0473***
Economic region *(Reference: Northern Midlands and Highlands)*	Red River Delta	0.0959***	-0.0012
	North Central and Central Coast	-0.0740***	-0.0627***
	Central Highlands	-0.0197	-0.0040
	Southeast	0.1122**	0.0464***
	Mekong Delta	0.2545***	0.0143
Constant		-02462**	1.5562
Wald chi2(14)		129878.75	243235.19
Prob>chi2		0.000	0.000
Wu-Hausman F(1,24)		0.0273	0.0075
AR(2) (P-value)		0.320	0.369
Hansen J. (P-value)		0.336	0.950
Number of observations		246	246
Number of instrumental variables		60	53
Statistical significance levels: * p<0.1; ** p<0.05; ***p<0.01			

Source: Compiled by the authors

The results in **Table 2** highlight the differences in the impact of governance quality on health inequality in urban and rural areas of Vietnam during the period 2012-2020. Specifically.

The aspects of *Democracy, Corruption, and Policy* have an inverse effect on health inequality in both urban and rural areas during the study period. When the scores for Democracy, Corruption, and Policy increase by 1 point, the Gini index reflecting health inequality through personal health expenditure decreases by 0.0075, 0.0247, and 0.0176 points in urban areas and 0.0064, 0.0025, and 0.0143 points in rural areas. It can be seen that improving democracy, reducing corruption, and enhancing health policies have a greater impact on reducing health inequality in urban areas than in rural areas. This is because urban areas have more advantages in infrastructure, human resources, and are allocated most of the resources for implementing reforms. Additionally, urban areas benefit from better education and communication, allowing people to easily access and quickly benefit from health policies (Konadu-Agyemang & Shabaya, 2005).

Improving governance quality in the *Public Services and Public Administration* aspects reduces health inequality in rural areas but increases health inequality in urban areas. Specifically, when the scores for Public Services and Public Administration increase by 1 point, the Gini index using personal healthcare expenditure to calculate health inequality increases by 0.0102 and 0.0064 points in urban areas, but decreases by 0.0049 and 0.0070 points in rural areas. Enhancements in public services and administration within rural regions can be attributed to their role in mitigating health disparities by addressing fundamental deficiencies and ensuring more equitable access to benefits. In contrast, similar improvements in urban settings may exacerbate inequality, as disparities in access to benefits persist between wealthy and impoverished groups (Guo et al., 2020). Compared with previous research results of scholars, the results of the group of authors both demonstrate the inheritance and the new insights. They not only provide a thorough evaluation of the impact of governance quality on health inequality but also highlight and compare the differing trends observed in urban and rural settings. This approach aims to enhance health equity in both regions comprehensively..

Table 2 also shows that demographic characteristics affect health inequality in both urban and rural areas. Specifically, *Population Density* and *GDP per capita growth* have an inverse effect on health inequality in both urban

and rural areas. Meanwhile, the *Gender Ratio* and *Population Growth Rate* have a positive impact on health inequality in urban areas but have an inverse effect in rural areas.

Additionally, both urban and rural areas in the economic regions of Vietnam show a trend of decreasing health inequality. Furthermore, the level of health inequality in urban and rural areas varies across the economic regions of Vietnam. The results in **Table 2** indicate that health inequality tends to increase in urban areas of the Red River Delta but decreases in rural areas. In both areas, health inequality decreases in the North Central and Central Coastal regions but increases in the Southeast and Mekong River Delta regions.

5. Conclusion

Using data from 63 provinces over five years (2012, 2014, 2016, 2018, and 2020), this study analyzes the relationship between governance quality and health inequality in Vietnam. The study shows that improving governance quality can help reduce health inequality in the country.

The authors present a series of recommendations aimed at improving governance quality, drawing from the findings. These suggestions include enhancing indicators related to public administrative procedures and service delivery, combating corruption within the public sector, ensuring transparency, fostering citizen engagement at the local level, and reinforcing governmental accountability to the populace.

First, the government should expand access to and improve the quality of public services and public administration in the health sector. A crucial element in mitigating health disparities is guaranteeing that every citizen has equitable access to healthcare services. Enhancing online public services and adopting telemedicine can facilitate easier access to healthcare information for citizens, thereby lowering obstacles to service utilization. This is particularly vital for vulnerable groups such as ethnic minorities, the elderly, and people with disabilities. On November 21, 2024, Vietnam's Ministry of Health, in cooperation with the United Nations Development Program (UNDP) and the Korea Foundation for International Healthcare (KOFIH), officially launched the "Telemedicine Application Project to Enhance Healthcare Access for Vulnerable Groups in Vietnam." The project aims to improve the health of vulnerable groups by increasing digital transformation, expanding access, and improving the quality of healthcare services. The "Doctor for Every Household" program under the project has connected over 1.3 million people with healthcare facilities and trained more than 3,000 healthcare workers, enabling people, especially those in remote areas, to access healthcare services without traveling to large healthcare centers. Furthermore, expanding access must be accompanied by improving the quality of public services and public administration. This can be achieved through the training of healthcare personnel and the investment in essential infrastructure, both of which are critical to the delivery of healthcare services. The government should also persist in its efforts to research and develop mechanisms for gathering feedback on public services and administration, thereby fostering long-term improvements in quality.

Second, the government needs to tighten control over corruption in the health sector and ensure transparency in spending. All expenditures in this sector should be justified, made public, and transparent so that citizens can monitor and report them. This includes publishing investment projects, operational costs of healthcare facilities, and health support programs. A positive signal in this regard is the improvement in Vietnam's budget transparency scores. According to the 2023 Open Budget Survey (OBS 2023), conducted by the International Budget Partnership in collaboration with the Center for Development and Integration (CDI), Vietnam's rankings in transparency, public participation, and budget oversight have all increased compared to OBS 2021. The budget transparency score reached 51/100, higher than the global average of 45/100, marking a 7-point increase and an 11-place rise compared to OBI 2021. In addition to promoting budget transparency, it is essential to review pricing regulations and establish suitable mechanisms that elucidate the pricing framework for healthcare services. This framework should be consistent with local living standards and should actively prevent corruption and discrimination. Furthermore, to guarantee consistent and systematic inspections and monitoring, independent agencies dedicated to healthcare oversight should be created to ensure that resources are utilized efficiently and for their designated objectives.

Third, the government should build, supplement, and improve policies related to health, ensuring access for all segments of society. Before introducing new policies, the government needs to review current policies to ensure their effective utilization and improvement where necessary. One often-discussed policy is healthcare socialization. Globally, socialization involves encouraging private investment in high-quality healthcare services, with public healthcare systems focusing on vulnerable groups such as low-income individuals and people in remote areas. However, in Vietnam, socialization operates through public-private partnerships in the healthcare sector, where private enterprises collaborate with public hospitals. On the positive side, this model allows local hospitals to adopt many high-level techniques, offering affordable access to quality healthcare for local residents, especially vulnerable groups with limited financial resources, thereby reducing pressure on higher-tier hospitals. However, the model

is not clearly defined, leading public hospitals to focus on profit-making, which results in higher service fees, preventing vulnerable groups from benefiting as expected. Therefore, it is crucial to formulate and enhance policies prior to their implementation to guarantee their successful functioning. Furthermore, the healthcare insurance policy requires careful consideration. Increasing participation in health insurance will ensure that all individuals, especially vulnerable groups such as the economically disadvantaged and ethnic minorities, have access to necessary healthcare coverage. On October 19, 2023, the government issued Decree No. 75/2023/ND-CP, amending and supplementing several provisions of Decree No. 146/2018/ND-CP, which regulates the implementation of health insurance laws. One of the key updates in this decree is the inclusion of more groups eligible for state-supported health insurance premiums, particularly ethnic minorities in disadvantaged areas.

In addition to the recommendations provided, the study acknowledges certain limitations, as follows:

First, due to data constraints, the study uses data from 2012, 2014, 2016, 2018, and 2020, resulting in temporal discontinuities. This makes it challenging to identify short-term impacts, particularly in the context of the rapidly changing factors during the COVID-19 pandemic.

Second, the research, due to constraints in the available dataset, computes the Gini index using per capita health expenditure as a means to assess health inequality. Nonetheless, this approach overlooks essential elements such as the quality of healthcare services and their accessibility to the population. Consequently, the assessment of health inequality in this study lacks comprehensiveness, potentially resulting in incomplete insights regarding the overall state of health inequality. Future research endeavors should integrate supplementary indices to facilitate a more thorough evaluation and employ a variety of data sources to offer a more complete perspective on health inequality. .

Third, all social interactions are bidirectional; however, the current study does not analyze the impact of health inequality on governance quality due to the scope limitations. Therefore, future research should undertake more in-depth studies on these aspects and related influencing factors.

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MULTI-DIMENSIONAL INEQUALITY IN VIETNAM: THE ROLE OF GOVERNANCE QUALITY

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Abstract: **In the context of the increasingly growing inequality in all aspects, the question raised for localities in Vietnam is how governance quality affects multidimensional inequality. This study will answer this question by measuring multidimensional inequality through the Atkinson inequality index with four aspects: expenditure, health care, education, and housing. Using data from the Vietnam Household Living Standards Survey (VHLSS) over a span of five years (2012, 2014, 2016, 2018, and 2020), the results indicate that multidimensional inequality has a tendency to increase in Vietnam throughout the study period. Moreover, utilizing the Generalized Method of Moments (GMM) model, the research reveals an inverse relationship between governance quality and multidimensional inequality in Vietnam, whereas the characteristics of provinces and cities exhibit a direct correlation with multidimensional inequality. Building upon empirical evidence, the authors advocate for several policy recommendations, including curbing corruption, elevating public service quality, and fostering democracy to bolster governance quality and mitigate multidimensional inequality in Vietnam.**

Keywords: *Atkinson, Governance quality, GMM, Multidimensional inequality*

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1. Introduction

Multidimensional inequality, characterized by its global and diverse nature, not only diminishes the living standards of certain population groups but also restricts the development potential of society as a whole, threatening the stability and peace of many nations. In Vietnam, despite achieving impressive milestones after more than three decades of reform, the issue of multidimensional inequality remains a pressing concern, hindering sustainable development and posing significant challenges for policymakers. Furthermore, the role of governance quality in relation to multidimensional inequality has not been clearly analyzed, especially in the context of Vietnam's ongoing administrative reforms and international integration. Recognizing the urgent need for in-depth research on this issue, the authors have chosen to study "Multidimensional Inequality in Vietnam: The Role of Governance Quality" to clarify this relationship and propose appropriate solutions.

From a theoretical perspective, the research is expected to contribute to the expansion of the theoretical framework on multidimensional inequality. Specifically, the development of a multidimensional approach through the aspects of expenditure, health, education, and housing will provide a more comprehensive reflection of the level of inequality rather than being confined to individual aspects. Notably, this study has constructed and proposed an analytical framework that can be tested in similar contexts, thereby contributing to the promotion of interdisciplinary research on the relationship between governance quality and multidimensional inequality in the future.

In practical terms, the research not only provides data demonstrating that improving governance quality will mitigate multidimensional inequality but also identifies specific weaknesses existing within Vietnam's governance system. Based on the research results, the authors propose appropriate recommendations aimed at reducing the rate of multidimensional inequality in Vietnam through policies that enhance and improve governance quality. Given the role of governance quality in ensuring equitable access to healthcare (SDG 3) and education (SDG 4) for all social strata, this study is expected to contribute to achieving the goal of reducing inequality within and among countries (SDG 10), thereby promoting sustainable economic growth and creating job opportunities (SDG 8).

The authors chose to examine multidimensional inequality through the aspects of expenditure, health, education, and housing using a composite multidimensional inequality index calculated from data from the Vietnam Household Living Standards Survey (VHLSS). At the same time, the study utilizes surveys from the Vietnam Governance and Public Administration Performance Index (PAPI) to measure governance quality through various composite factors. This approach provides an objective and comprehensive assessment of the inequality situation in Vietnam, while also highlighting the role of governance quality in multidimensional inequality. The paper consists of five main sections: section 1 introduces the issue, section 2 presents an overview of the research and theoretical framework, section 3 outlines the research methods, section 4 analyzes the research results, and finally, section 5 concludes with recommendations.

2. Overview and theoretical framework

2.1. Overview

It can be seen that research on multidimensional inequality in Vietnam has extensively examined non-income factors such as expenditure, health, education, and housing. However, these studies predominantly concentrate on individual aspects and fail to deliver a holistic evaluation of multidimensional inequality through an aggregate lens (Gupta et al., 2001). Similarly, when evaluating the impact of governance quality on socio-economic issues, particularly inequality, previous studies primarily concentrated on the aspect of corruption without considering other factors such as legal policies and public services, etc. (Gallego, 2010). Therefore, it is essential to conduct a comprehensive assessment of all factors to accurately and impartially elucidate the significance of governance quality in relation to multidimensional inequality (Nguyen et al., 2017).

Inequality is one of the factors that strongly affects the economic growth and social stability goals of many countries around the world (Stewart & Samman, 2013). Most studies on inequality primarily focus on analyzing income disparities (unidimensional), as scholars consider income to be the most fundamental measure of living standards and social welfare (Dalton, 1920). However, many researchers also argue that income alone cannot reflect a comprehensive view of injustice in society, especially regarding human capital development (Atkinson & Bourguignon, 1982; Sen, 1997). Consequently, several multidimensional concepts have been proposed, specifically that inequality will be assessed through aspects such as expenditure, education, health, and housing (Sen, 1997).

In Vietnam, the situation of inequality across various aspects among population groups is is becoming more pronounced, driven by economic, political, and environmental factors. (Bui et al., 2014). For example, people in regions frequently affected by natural disasters tend to cut back on spending, leading to expenditure inequality between regions (Yusuf et al., 2014). Additionally, households that enjoy superior economic conditions are afforded greater access to healthcare services (Vu et al., 2014), educational opportunities (Tran & Pasquier-Doumer, 2017), and higher-quality housing in comparison to less advantaged households (Gough & Tran, 2018). This disparity contributes to the growing challenges associated with inequality in health, education, and housing.

Many studies indicate that multidimensional inequality is most directly affected by governance quality (Ghura, 1998; Gallego, 2010). Specifically, corruption leads to a decline in tax revenues and increases the risk of unemployment, causing people to cut back on spending, which in turn increases expenditure inequality among households (Dang, 2016). This creates pressure on government spending, restricting investments in education and health, resulting in inequalities in access to education and

healthcare services among different economic regions (Gupta et al., 2001). Governance quality is not only assessed by the level of corruption but also by the level of public investment by the government, management skills, and legal policies (Mingat & Tan, 1998; Gallego, 2010). An accurate and comprehensive evaluation of the effects of governance quality on multidimensional inequality necessitates the consideration of all facets of governance quality. Nonetheless, prior research examining the relationship between governance quality and socio-economic challenges, especially inequality, has predominantly concentrated on corruption, often overlooking other critical elements such as legal frameworks and public service provision, etc. (Gallego, 2010). Therefore, a thorough evaluation of all aspects is necessary to clearly and objectively explain the role of governance quality in multidimensional inequality (Nguyen et al., 2017).

2.2. Definition of multidimensional inequality

According to Kataeva et al. (2015), inequality is the unequal distribution of opportunities or benefits among individuals within one or more social groups. Previously, inequality was discussed as a unidimensional phenomenon, primarily measured by income (Sen, 1973). However, subsequent studies have shown that individuals can also face inequalities in employment conditions, access to land, healthcare utilization, education, and social services (Sen, 1997). Since then, various multidimensional aspects of inequality have gained the attention of many researchers, such as Atkinson & Bourguignon (1982) and Muller & Trannoy (2012).

In Vietnam, the Mekong Development Research Institute (MDRI) and Oxfam (2020) state that multidimensional inequality is the situation where individuals feel concerned about increasing inequality across various dimensions. The new approach proposed by MDRI and Oxfam (2020) seeks to reduce the scrutiny of individuals who, while not differing in income, may experience disparities in other dimensions. The authors contend that, in addition to focusing exclusively on income inequality, it is essential to recognize individuals who lack access to quality education, healthcare services, or land as also facing inequality. The authors selected the methodology and analysis of multidimensional inequality as defined by MDRI and Oxfam (2020) due to its comprehensive nature, which encompasses various dimensions of inequality beyond mere income disparities. This choice aligns perfectly with the aims and context of the research conducted in Vietnam. In this study, the authors explore the influence of governance quality on multidimensional inequality, focusing on factors such as expenditure, education, healthcare, and housing, as suggested by Decancq & Lugo (2009) and Bui & Erreygers (2020).

2.3. Concept of governance quality

The World Bank (1992) defines governance as "the manner in which power is exercised in the management of a country's economic and social resources for development." More specifically, UNDP (1997) states that governance quality involves efforts towards the rule of law, transparency, fairness, effectiveness/efficiency, accountability, and strategic vision in the exercise of political, economic, and administrative power. Additionally, IGI Global (2020) affirms that governance quality is measured by the performance level of an organization in governance aspects, including: control of corruption, government effectiveness, political stability and absence of violence/terrorism, regulatory quality and rule of law, voice and accountability.

In this paper, the authors use the definition provided by IGI Global (2020) because this definition not only measures the level of governance quality in a comprehensive manner but also fully addresses various aspects of governance. This aligns perfectly with the research objective of the group, which is to examine the impact of governance quality on multidimensional inequality in Vietnam.

2.4. The role of governance quality in multidimensional inequality

Rather than examining the impact of governance quality on multidimensional inequality from a broad perspective, the majority of research tends to concentrate on the analysis of individual dimensions of inequality, such as expenditure (Bahmani-Oskooee & Xi, 2011), education (Gupta et al., 2001), healthcare, and housing (Brenner & Theodore, 2002).

In terms of expenditure, governance quality plays an indirect role in shaping the spending decisions of individuals and households. Improving governance quality encourages businesses to expand investments, thereby creating stable employment opportunities for unemployed individuals and low-income workers (Dang, 2016). Evidently, low-income workers experience reduced economic difficulties, enabling them to increase expenditures on consumer goods and other areas such as education and healthcare (Bahmani-Oskooee & Maki-Nayeri, 2019). Therefore, enhancing governance quality not only stimulates investment but also improves income levels, contributing to a reduction in expenditure inequality.

From a healthcare perspective, poor governance quality undermines effective corruption control, leading to resource inefficiencies and reduced investments in healthcare systems (Stepurko et al., 2010). This results

in unreasonably high healthcare costs, placing undue financial strain on individuals and households (Azfar & Gurgur, 2008). Furthermore, weak governance is a major contributor to the lack of transparency in healthcare policies and services (Ghimire et al., 2013). Studies consistently indicate that insufficient accountability in information provision exacerbates public distrust in national healthcare systems, reducing the utilization of medical services. Consequently, the healthcare sector struggles to detect and address emerging diseases, posing significant challenges to national health standards (Evans, 2015).

In terms of education, governance quality is a crucial factor influencing educational inequality. Enhancing governance quality can help reduce corruption, increase funding for educational initiatives such as improving school infrastructure and waiving tuition fees for disadvantaged students (Gupta et al., 2001). Moreover, advancing democratic processes through improved governance quality contributes to greater investment in public education systems (Ansell, 2008). This progress is instrumental in expanding access to quality education for impoverished children, thereby reducing illiteracy and dropout rates (Gupta et al., 2001) and mitigating educational inequality.

From the perspective of housing, weak governance quality exacerbates housing inequality. First, poor governance quality, characterized by lax corruption control, results in most land and housing benefits being concentrated among the upper class and high-income groups (Brenner & Theodore, 2002). Second, improving governance through enhanced democratic practices and better public services can alleviate housing inequality; for instance, enforcing housing regulations, effectively controlling investment, and providing subsidized loans positively impact the ability of low-income workers to own homes (Aluko, 2011). Thus, improved governance directly contributes to narrowing the housing inequality gap, particularly in urban areas (Lee & Zhu, 2006).

In summary, most prior studies highlight an inverse correlation between governance quality and multidimensional inequality. This relationship aligns with the socio-economic context in Vietnam. Consequently, the authors propose the hypothesis:

Governance quality has an inverse impact on multidimensional inequality in Vietnam.

3. Research Method

3.1. Data

This study draws on data from the following primary sources:

First, the Vietnam Household Living Standards Survey (VHLSS) conducted by the General Statistics Office over five years (2012, 2014, 2016, 2018, and 2020) to calculate multidimensional inequality. The selected period is particularly meaningful for assessing long-term trends in multidimensional inequality and for evaluating its changes in response to shocks such as COVID-19. Consequently, the 2012–2020 dataset provides a timely reference point for comparisons with current conditions. As the VHLSS employs a highly representative two-stage stratified sampling method, it offers reliable data for research and policy formulation in areas such as living standards, poverty, healthcare, and education in Vietnam. This study utilizes VHLSS data collected from approximately 35,000 individuals in 9,000 households across 63 provinces to compute multidimensional inequality.

Second, the Provincial Governance and Public Administration Performance Index (PAPI), conducted annually by the United Nations Development Programme (UNDP), the Vietnam Fatherland Front, and the Centre for Community Support Development Studies (CECODES), is used to measure provincial governance quality in Vietnam.

3.2. Measurement

3.2.1. Measuring multidimensional inequality

The study evaluates multidimensional inequality across four key dimensions: expenditure, healthcare, education, and housing, as outlined by Decancq & Lugo (2009) and Bui & Erreygers (2020).

In terms of expenditure, individual expenditure (c_i) is determined using real per capita expenditure, excluding healthcare-related costs, following the methodology of Bui & Erreygers (2020).

In terms of healthcare, a health index (h_i) is constructed to indirectly represent healthcare inequality. This index compares an individual's healthcare spending to their total expenditures, incorporating both average expenditure and healthcare costs, as proposed by Bui & Erreygers (2020).

From the perspective of education, previous studies often use average years of schooling (e.g., Yang et al., 2014; Varughese & Bairagya, 2020) or actual years of schooling (e.g., Lam & Levison, 1991) to measure educational inequality. However, these methods may overestimate inequality and lack accuracy in reflecting the completion of educational levels (Bui & Erreygers, 2020). Therefore, this study adopts Bui & Erreygers' (2020) approach, measuring education (e_i) through nine levels of academic attainment (1, 2, ..., 9), corresponding to the highest level of education completed, starting from primary school. These levels correspond to ranges of completed years of schooling: [0,1], [2,3], [4,5], [6,7], [8,9], [10,12], [13,15], [16,17], and [18,22].

From the perspective of housing, the housing index (d_i) is calculated by estimating the expected housing value through a regression model that incorporates factors such as per capita living space, housing type, sanitation conditions, and durable assets, in line with Decancq & Lugo's (2012) approach.

To ensure comparability across these dimensions, all measures are normalized to a standardized scale (0, +∞) by dividing each dimension's values by their respective 2012 mean, as recommended by Decancq & Lugo (2009). Finally, the composite multidimensional inequality index is calculated, following the steps outlined in the subsequent sections.

Composite Multidimensional Inequality Index: The measurement of multidimensional inequality can employ various indices, such as the generalized multidimensional Gini index, Theil index, Robin Hood index, Alkire-Foster index, Bourguignon index, and Atkinson index. Among these, the Atkinson index stands out for its clear consideration of distributional aspects, making it both a measure of inequality and a tool for assessing potential welfare benefits from redistribution (Sun et al., 2015). According to Schlör (2013), the epsilon parameter (ε) in the Atkinson index determines its sensitivity to inequality, which is particularly crucial in the context of sustainable development. Other indices lack this distinctive feature. Moreover, Schlör highlights the natural connection between Є\epsilonЄ and social theories embedded in the Atkinson index. Additionally, the Atkinson index incorporates societal responses to inequality, making it a valuable tool for assessing social welfare and guiding public policy improvements (Duc et al., 2018). Given these advantages and recommendations from prior studies, this research adopts the Atkinson index to measure multidimensional inequality in Vietnam

The research measures multidimensional inequality by employing the the methodology proposed by Tsui (1995, 1999) through the Atkinson index to assess four distinct dimensions of inequality: expenditure, healthcare, education, and housing. This framework is based on the contributions of Decancq and Lugo (2009) as well as Bui and Erreygers (2020). Specifically:

Step one, measure each dimension of multidimensional inequality based on the level of well-being achieved by each individual in society. According to the proposal by Decancq et al. (2009), the formula for the composite welfare function of an individual across *g* dimensions is presented in the following equation (1):

$$W_\beta(x_i) = [\sum_{j=1}^{g} w_j x_{ij}^{\beta}]^{\frac{1}{\beta}} \qquad (1)$$

In which,

x_{ij} represents the welfare achieved by individual *i* in dimension *j*;

β is a parameter indicating the marginal rate of substitution between dimensions;

w_j is the weight of dimension *j* (with the sum of all weights w_j equal to 1).

Step two, calculate the weights w_j between the dimensions of multidimensional inequality. According to the proposal by Bui & Erreygers (2020), the study assumes that all dimensions of inequality are equally important, and therefore, in equation (3), the study sets $w_j = 1/g = ¼$ (where g represents the number of dimensions in the welfare function).

Step three, measure multidimensional inequality through the Atkinson index, as proposed by Tsui (1995, 1999). First, the study presents how to calculate the one-dimensional Atkinson index to measure the degree of inequality in the distribution *x* across *n* individuals, using the following equation (2):

$$I = 1 - [\frac{1}{n}\sum_{i=1}^{n} (\frac{x_i}{\mu(x)})^{1-\epsilon}]^{\frac{1}{1-\epsilon}} \qquad (2)$$

Where x_i is the welfare level achieved by individual i, μ(x) is the average welfare level achieved by individuals, and ϵ\epsilonϵ is a parameter representing society's sensitivity to inequality. Next, the study constructs the multidimensional Atkinson inequality index, similar to the one-dimensional Atkinson index (equation (2), $W_\beta(x_i)$, the composite individual welfare function. The formula is presented as follows:

$$I = 1 - [\frac{1}{n}\sum_{i=1}^{n} (\frac{W_\beta(x_i)}{W_\beta(\mu)})^{1-\epsilon}]^{\frac{1}{1-\epsilon}} \qquad (3)$$

$$\mu = [\mu(x_{(1)}), \mu(x_{(2)}), \ldots, \mu(x_{(g)})] \text{ and } \mu(x_{(j)})$$

and $\mu(x_{(j)})$ represents the average welfare level achieved by individuals in dimension *j*. $W_\beta(\mu)$ denotes the average welfare level achieved by individuals across all dimensions. Furthermore, the multidimensional Atkinson inequality index can be expressed as follows:

$$I = 1 - [\frac{1}{n}\sum_{i=1}^{n} (\frac{\sum_{j=1}^{g} w_j x_{ij}^{\beta}}{\sum_{j=1}^{g} w_j (x_{(i)})^{\beta}})^{\frac{1-\epsilon}{\beta}}]^{\frac{1}{1-\epsilon}} \qquad (4)$$

According to Bui & Erreygers (2020), when conducting the study, for each different criterion, the values of the parameters β and ϵ need to be chosen appropriately. When selecting β and ϵ, it is important to observe the condition ϵ > 0 and β < 1 (Kolm, 1977). The condition ϵ > 0 ensures that society has an

aversion to inequality, while the condition $\beta < 1$ ensures that different dimensions are not perfect substitutes for each other. To align with the context of the study on multidimensional inequality in Vietnam, the study uses ϵ - 2 and β - 0 to calculate the Atkinson index, as proposed by Decancq & Lugo (2009) and Bui & Erreygers (2020).

3.2.2. Measuring governance quality

The study utilizes the Provincial Governance and Public Administration Performance Index (PAPI) in Vietnam, as proposed by Giang et al. (2020). After two years of testing, PAPI was rolled out nationwide in 2011 with six domain indicators, which include:

(1) Public participation at the grassroots level
(2) Transparency
(3) Accountability
(4) Control of corruption in the public sector
(5) Public administrative procedures
(6) Public service delivery

By 2018, the dataset was expanded to include two additional domain indicators: Environmental governance and E-governance. However, since the study was conducted in the years 2012, 2014, 2016, 2018, and 2020, the authors only used the six domain indicators to maintain consistency across the years. In 2020, Giang and colleagues argued that the six domain indicators were closely correlated, which could lead to multicollinearity in regression analysis. Therefore, the study divided the six indicators into three aspects, as proposed by Giang et al. (2020), and then standardized the aspects to a 10-point scale (with equal weights assigned to each indicator within the aspects). Specifically, the three aspects are:

Democracy (Public participation at the grassroots level; transparency and openness; and accountability to the public)

Control of corruption in the public sector

Public services (Public administrative procedures and public service delivery)

3.3. *Method*

In order to avoid potential endogeneity issues in the model, simple methods such as OLS, FEM, or REM cannot meet the research requirements. Therefore, the study uses GMM as an appropriate method to estimate the dynamic model. This method eliminates endogeneity issues and also provides robust estimates in the presence of heteroscedasticity and autocorrelation.

The study follows the specific steps outlined as follows:

First, as presented in section 3.2.2, governance quality is measured through three aspects: Democracy, Corruption, and Public Services. The authors assess the impact of governance quality on inequality in each dimension and multidimensional inequality across 63 provinces in Vietnam during the period from 2012 to 2020, using the regression equations (5) and (6):

$$DI_{gjt} = \beta_0 + \beta_1 * DE_{jt} + \beta_2 * CO_{jt} + \beta_3 * PS_{jt} + \beta_4 X_{jt} + u_{jt} \quad (5)$$

$$MI_{jt} = \beta_0 + \beta_1 * DE_{jt} + \beta_2 * CO_{jt} + \beta_3 * PS_{jt} + \beta_4 X_{jt} + u_{jt} \quad (6)$$

In which:

DI_{gjt} is the index measuring the level of inequality in dimension *g* for province *j* in year *t*, where *g* refers to expenditures, healthcare, education, and housing;

MI_{jt} is the index measuring the level of aggregated multidimensional inequality for province *j* in year *t*;

DE_{jt} is the index measuring the governance quality of province *j* in year *t* through the dimension of democracy;

CO_{jt} is the index measuring the governance quality of province *j* in year *t* through the dimension of corruption;

PS_{jt} is the index measuring the governance quality of province *j* in year *t* through the dimension of public services;

X_{jt} are the control variables, including: population density, the urban-rural population ratio, crude birth rate, poverty rate, per capita GDP growth, and economic region.

u_{jt} are the unobserved variables.

Second, to estimate the regression equations, the study uses the Generalized Method of Moments (GMM). Previous studies examining the relationship between various factors and inequality have pointed out typical endogeneity issues, such as those identified by Baloch et al. (2017) and Sağlam (2021). Therefore, to avoid endogeneity in the model, the study applies the GMM method to address this issue, as proposed by Hansen (1982).

To test the appropriateness of the GMM method, the study conducts the Durbin-Wu Hausman endogeneity test. The model exhibits endogeneity if the P-value is less than 0.05, and vice versa. The results in **Table 3** show that the models all have a P-value less than 0.05, indicating the presence of endogeneity in the model.

Additionally, the Hansen test, also known as the Sargan test, is employed to assess the validity of the instrumental variables within the GMM model. The results presented in Table 3, with a P-value of 0.1 or higher, suggest that all instrumental variables utilized in the model are indeed valid.

Furthermore, the research employs the Arellano-Bond (AR) test to assess autocorrelation within the error terms of the GMM model presented in second-differenced form (AR(2)). The condition of P-value exceeding 0.05 indicates the absence of second-order autocorrelation in the residuals. The findings presented

in Tables 3 and 4 demonstrate a P-value greater than 0.05, signifying that there is no second-order autocorrelation present in the residuals of the estimation model.

4. Study results

4.1. Descriptive statistics

4.1.1. The current state of multidimensional inequality in Vietnam

Table 1. The Atkinson one-dimensional inequality index in the provinces and cities of Vietnam during the period 2012-2020.

	Average value	Standard deviation	Variance	Kurtosis coefficient	Skewness coefficient	Variation range	Minimum	Maximum
Spending inequality	0.4246	0.0734	0.0054	4.1471	0.9916	0.4444	0.2745	0.7189
Health inequality	0.0256	0.0274	0.0008	70.0379	6.4446	0.3529	0.0013	0.3542
Educational inequality	0.2520	0.0755	0.0057	2.7195	0.3261	0.3617	0.0967	0.4584
Housing inequality	0.7294	0.1247	0.0155	5.9769	-1.6362	0.6419	0.3202	0.9621

Source: Calculations by the authors

Table 1 illustrates the Atkinson inequality index across four dimensions: expenditure, health, education, and housing for 63 provinces and cities in Vietnam from 2012 to 2020. Notably, the level of inequality shows a gradual decline, ranked in the following order: housing, expenditure, education, and health. The distribution data for these four aspects from 2012 to 2020 shows a peaked distribution (Kurtosis > 0). Additionally, the aspects of expenditure, health, and education during this period exhibit a positive skewness (Skewness > 0), whereas the housing aspect shows a negative skewness (Skewness < 0). Furthermore, the range of variation among these aspects is relatively large, indicating significant disparities in inequality across provinces and cities in Vietnam during the study period. The factors contributing to this situation arise from disparities in income among different population groups across various regions, coupled with unequal distribution of resources and opportunities. This has resulted in significant inequality between provinces and cities in Vietnam. Such pronounced inequality adversely affects socio-economic conditions and the overall quality of life, while also presenting a substantial obstacle to the nation's sustainable development objectives. Furthermore, the extent of inequality underscores the urgent need for effective supportive policies from the government, particularly aimed at rural areas that often encounter economic, social, and environmental difficulties.

Table 2. The multidimensional Atkinson inequality index in the provinces and cities of Vietnam during the period 2012-2020.

	Number of observations (household)	Average value	Standard deviation	Variance	Kurtosis coefficient	Skewness coefficient	Variation range	Minimum	Maximum
2012	9399	0.1098	0.1035	0.0107	53.7028	7.0220	0.8442	0.0487	0.8929
2014	9399	0.1106	0.0496	0.0025	25.1326	4.0757	0.3591	0.0605	0.4196
2016	9399	0.1227	0.0550	0.0030	29.6679	4.5049	0.4077	0.0729	0.4805
2018	9296	0.1264	0.0331	0.0011	2.7324	0.5128	0.1383	0.0713	0.2096
2020	9389	0.1378	0.0402	0.0016	10.8702	2.0936	0.2603	0.0751	0.3354

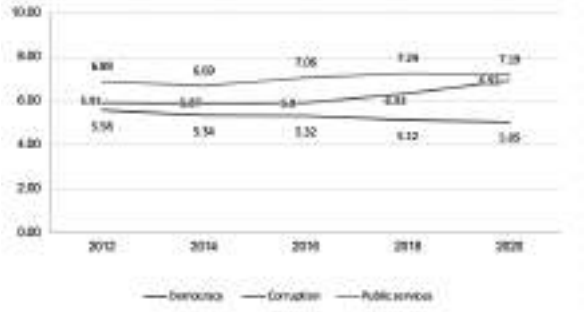
Source: Calculations by the authors

Table 2 indicates that multidimensional inequality across the 63 provinces and cities of Vietnam has consistently risen from 0.1098 points in 2012 to 0.1378 points in 2020, reflecting an increase of 0.028 points. This suggests that multidimensional inequality is on the rise in the provinces and cities of Vietnam. Additionally, the distribution data throughout the period from 2012 to 2020 exhibits a peaked and positively skewed distribution (Kurtosis > 0; Skewness > 0). Moreover, the range of variation of the Atkinson index at the beginning of the period is relatively large, indicating significant disparities in inequality among the provinces and cities. However, this range tends to decrease during the period from 2012 to 2020, reflecting an improvement in inequality disparities among the provinces. This trend can be attributed to the disparities in socio-economic development across provinces, where significant urban centers exhibit a higher concentration of economic resources, thereby generating greater opportunities for access

and advancement in comparison to other areas. Additionally, inadequate budget allocation and public investment have played a role in exacerbating regional inequalities. The movement of individuals towards major cities in pursuit of new opportunities further contributes to the escalating levels of inequality.

4.1.2. The current state of governance quality in Vietnam.

Figure 1. Governance quality metrics averaged across the nation for the years 2012 to 2020



Source: Calculations by the authors

The scores of Democracy, Corruption Control, and Public Services demonstrated varying trends from 2012 to 2020. In particular, the Democracy aspect, as illustrated in figure 1, revealed a decline in the average score across the 63 provinces and cities, with a reduction of 0.53 points during this timeframe. This decline signifies a deterioration in the quality of democratic engagement, particularly in terms of citizen participation at the grassroots level and the transparency and accountability owed to the public. Conversely, the indices for Corruption Control and Public Services, as shown in figure 1, experienced increases of 1.01 and 0.3 points, respectively, over the same period. This indicates that the provinces and cities have made notable progress in effectively managing corruption and enhancing the delivery of local public services.

4.2. The role of governance quality in multidimensional inequality in Vietnam

Table 3. The estimated impact of governance quality on the aspects of multidimensional inequality in Vietnam

Independent variable		Spending inequality	Health inequality	Educational inequality	Housing inequality	Multidimensional inequality
Lagged inequality		0.2686***	-0.1498***	0.5855***	-0.4744***	-0.1699***
Democracy		-0.0079***	-0.0047***	-0.0049***	-0.0702***	-0.0042**
Control of corruption		-0.0107***	-0.0010*	-0.0034***	-0.0614***	-0.0096***
Public services		-0.0119*	-0.0071***	-0.0268***	-0.0980***	-0.0186**
Control variable						
Population density		-0.00001**	-0.0164***	-0.0099**	0.0001***	0.00002***
Urban-rural ratio *(Reference: rural)*	Urban	0.0005***	-0.0002***	0.0002***	-0.0015***	0.0007***
Crude birth rate		0.00211***	-0.0130***	0.0142***	0.0309***	0.0132***
Poverty rate		0.0032***	0.0010***	0.0028***	0.0029***	0.0018***
Per capita GDP growth		-0.0051*	0.00007***	-0.00001***	-0.0001**	0.0029***
Economic region *(Reference: Northern midland and mountainous)*	Red River Delta	-0.0216**	-0.0056*	0.0039**	-0.0535***	0.0052
	North Central and Central Coast	-0.0191**	-0.0191***	0.0147***	0.0310**	-0.0099*
	Central Highlands	0.0264**	-0.0099**	-0.0031	0.0903***	0.0228***
	Southeast	0.0048	-0.0190***	0.0345***	-0.0061	0.0208**
	Mekong Delta	-0.0178**	-0.0140***	0.0327***	0.0195*	0.0116*
Constant		0.1133**	0.1046***	0.1876***	1.8286***	0.1960***
Wald chi2(14)		393740.17	286193.34	3263.73	1101.36	18132.78
Prob>chi2		0.000	0.000	0.000	0.000	0.000
Wu-Hausman F(1,24)		0.0001	0.0241	0.0017	0.0038	0.0001
AR(2) (P-value)		0.295	0.296	0.681	0.923	0.173
Hansen J. (P-value)		0.344	0.320	0.306	0.146	0.115
Number of observations		250	250	250	250	250
Number of instrumental variables		62	61	60	62	52
Statistical significance levels: * p<0.1; ** p<0.05; ***p<0.01						

Source: Calculations by the authors

Table 3 illustrates that the quality of governance exerts a negative influence on various dimensions of multidimensional inequality. In particular, with respect to the democracy dimension, improvements in democratic governance are associated with a reduction in inequality. At a significance level of 1%, an increase of 1 point in the democracy index corresponds to decreases in inequality of 0.0079 in expenditure, 0.0047 in health, 0.0049 in education, and 0.0702 in housing. Notably, the most pronounced effect of democracy is observed in the housing dimension. For the *corruption aspect, e*ffective management of corruption is associated with a decrease in inequality, particularly in areas such as expenditure and housing. Specifically, an increase of 1 point in the corruption index corresponds to reductions in inequality of 0.0107, 0.0010, 0.0034, and 0.0614 points in expenditure, health, education, and housing, respectively, at the 1% and 10% significance levels. In terms of public services, enhancing their quality can significantly mitigate inequality, particularly within the housing sector. At significant thresholds of 1% and 10%, disparities in expenditure, health, education, and housing diminished by 0.0119, 0.0071, 0.0268, and 0.0980 points, respectively, when the index assessing the public service dimension rose by 1 point.

Table 3 shows that, alongside various dimensions of multidimensional inequality, the quality of governance exerts an inverse influence on the overall multidimensional inequality index in Vietnam throughout the study period. Notably, the dimension of democracy adversely affects multidimensional inequality; an increase of 1 point in the democracy index corresponds to a reduction of 0.0042 points in the multidimensional inequality index, significant at the 5% level. Likewise, the dimension of corruption demonstrates a negative correlation with multidimensional inequality. At the 1% significance level, an improvement in corruption (indicated by a 1-point increase in the corruption index) results in a decrease of 0.0096 points in the multidimensional inequality index. Among the three dimensions, the public services aspect has the most pronounced negative effect on multidimensional inequality. Specifically, a 1-point increase in the public services index leads to a decrease of 0.0186 points in the multidimensional inequality index, significant at the 5% level.

This finding aligns with numerous prior studies, including those conducted by Ferrara et al. (2019) and Danish et al. (2022). The rationale is as follows: Firstly, high-quality governance fosters an environment that motivates businesses to increase their investments, thereby generating employment opportunities for workers, especially those from low-income backgrounds (Dang, 2016). This, in turn, enables these individuals to allocate more resources towards consumer goods, education, healthcare, and housing (Bahmani-Oskooee & Maki-Nayeri, 2019). Secondly, effective governance coupled with minimal corruption levels can boost public investment and improve the efficiency of public service delivery in areas such as health and education. This focus particularly benefits low-income and vulnerable segments of society, contributing to a reduction in multidimensional inequality (Rajkumar & Swaroop, 2008).

Table 3 further presents that the attributes of the provinces and cities influence multidimensional inequality. In particular:

Population density, the urban-rural ratio (with rural as the reference), the crude birth rate, the poverty rate, and the growth of per capita GDP all exert a positive influence on the multidimensional inequality within the province. At a significance level of 1%, an increase of 1 person/km^2 in population density and a 1% rise in the urbanization rate correspond to increases in the multidimensional inequality index of 0.00002 and 0.0007 points, respectively; however, the impacts of both population density and urbanization rate are not statistically significant. Conversely, an increase of 1‰ in the crude birth rate, a 1% rise in the poverty rate, and a 1% growth in per capita GDP lead to increases in the multidimensional inequality index of 0.0132, 0.0018, and 0.0029 points, respectively. Regarding economic regions, multidimensional inequality exhibits variation across different economic regions. In the North Central and Central Coast areas, inequality has shown a decline, whereas it has been on the rise in the Central Highlands, Southeast region, and Mekong River Delta. The effectiveness of government poverty alleviation initiatives is evident in the improvements seen in the North Central and Central Coast regions. Conversely, challenges such as the rugged mountainous terrain and isolation in the Central Highlands, along with significant saltwater intrusion in the Mekong River Delta, hinder residents' access to essential services like healthcare and education. Furthermore, the pronounced income disparity in the economically vibrant Southeast Vietnam contributes to the escalating multidimensional inequality in that region.

5. Conclusion

With data from 63 provinces and cities over five years (2012, 2014, 2016, 2018, and 2020), the study assessed the situation of multidimensional inequality in Vietnam through the Multidimensional Inequality Index. At the same time, the research also

explained the role of governance quality in reducing multidimensional inequality in Vietnam. The results indicate that governance quality has an inverse relationship with multidimensional inequality, meaning that as governance quality improves, multidimensional inequality in the provinces and cities of Vietnam is also alleviated.

The authors, drawing on the findings of their research, aim to offer several pertinent recommendations aimed at enhancing governance quality and narrow the gap of multidimensional inequality in Vietnam. It is essential for the government to intensify its efforts in combating corruption, as this issue adversely impacts economic activities and investment, thereby complicating the lives of citizens, particularly those facing difficult circumstances. Moreover, the State should prioritize the establishment of efficient public services that create opportunities for employment, education, and development within a supportive environment, with assistance from local authorities. Additionally, there is a need to revise and simplify administrative procedures, elevate the status and voice of the populace, and continuously address matters related to political institutions, all in pursuit of narrowing the multidimensional inequality gap and achieving comprehensive and sustainable development.

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INTERNATIONAL EXPERIENCES IN DEVELOPING SOCIAL SERVICES FOR THE ELDERLY AND LESSONS FOR VIETNAM

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Abstract: In 2021, the General Statistics Office reported that Vietnam's elderly population reached 12.58 million, representing 12.80% of the overall population (General Statistics Office, 2021). This indicates that Vietnam has officially entered an aging phase, characterized by a significant increase in the proportion of elderly individuals, surpassing 10%. In developed countries with aging demographics, various policies and strategies have been adopted to enhance the effectiveness of social services for the elderly. This article examines international practices in elderly care from Japan, China, Korea, and France, aiming to provide recommendations for the enhancement of social services for the elderly within the Vietnamese context. The primary research methodology employed is document analysis, which involves the examination of statistical documents and official reports from both domestic and international agencies and organizations pertinent to the current circumstances of the elderly and the policies surrounding elderly care. The findings of the research yield several lessons for Vietnam, including: enhancing communication regarding social services; addressing psychological concerns; overcoming geographical obstacles and ensuring service affordability; diversifying service offerings and tailoring them to specific needs; integrating digital technology; and fostering public-private partnerships in the provision of services, etc.

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1. Introduction

In light of the growing elderly population in our country, research concerning elderly caregivers serves as a crucial foundation for the organization and implementation of suitable elderly care methods, thereby ensuring their well-being in later life. The report from the General Statistics Office indicates that a significant majority of elderly individuals in Vietnam are either married (67.81%) or widowed (27.73%), while other marital statuses, including single, separated, and divorced, represent a negligible percentage. The population of individuals aged 80 years and older experiences a widowhood rate that is nearly four times greater than that of the younger demographic, specifically those aged 60 to 69. Furthermore, the widowhood rate among elderly women exceeds that of older men by more than a factor of four. In the category of widowers, elderly women represent over 85.21% across all age groups (General Statistics Office, 2021). From the perspective of elderly care, when elderly individuals find themselves living alone following the loss of a spouse, they will require assistance and support from others as their health declines, rather than relying on their spouse as they once did.

There are 4.43 million elderly individuals residing either

alone or in households comprised solely of other older individuals or living with children under the age of 15. Among those who are single, approximately 74% of older adults live in proximity to their children, with 57.65% residing in the same village or hamlet and 16.36% in the same commune or ward. A notable disparity exists between urban and rural older populations: around 78% of rural older adults live close to their children, compared to approximately 61% of their urban counterparts (General Statistics Office, 2021). It is crucial for elderly individuals to obtain support from their children or other relatives, including siblings, grandchildren, and great-grandchildren. As society evolves, nuclear families have become more prevalent, resulting in younger generations often being preoccupied and having limited time and resources to care for their parents. Concurrently, the elderly typically experience declining health and may no longer be able to work, which increases the demand for caregivers in families with older members. This situation highlights the growing necessity for external care options through social services.

Social services in Vietnam have gained greater visibility in recent years, thanks to the involvement of both government and private entities. However, these services have not yet reached their full potential and remain underutilized in the realm of elderly care. This article examines the experiences of several developed nations—specifically Japan, China, Korea, and France—that are grappling with aging populations. By analyzing their approaches to organizing and implementing social services for elderly care, the article aims to draw relevant insights that can be adapted to the Vietnamese context, ultimately providing recommendations to enhance the quality and availability of social services for the elderly.

2. Theoretical basis and analytical framework

The World Health Organization indicates that countries establish varying age thresholds for defining elderly individuals based on their respective life expectancies. In less developed nations, this threshold is typically set at 50 years, while in more developed countries, it is generally recognized at 65 years (Sanjeeve Sabharwal, 2015). For nations in the developing category, the age is often set at 60 years. In Vietnam, the Law on the Elderly (2009) defines elderly individuals as those aged 60 and above.

The classification of the elderly can be based on several criteria, including age, gender, ethnicity, and geographic location. Specifically, age categorizes the elderly into three distinct groups: the early elderly (ages 60 to 69), the middle elderly (ages 70 to 79), and the older elderly (ages 80 and above) (General Statistics Office, 2021).

Services resemble goods in that they fulfill specific human needs; however, they are intangible products. Social services are defined as those that address the needs of both individuals and the community, contributing to social development. They play a crucial role in ensuring social welfare and justice while also promoting moral values and humanity.

The definition of "social services" within a specific country is shaped by its historical context, cultural values, political framework, and economic conditions. These services encompass a range of facilities and services, including public education, welfare assistance, infrastructure development, postal services, libraries, social work, food banks, universal healthcare, law enforcement, fire protection, public transportation, and public housing, etc. (Julian, 2020).

Social services primarily cater to various target groups, including families, children, youth, the elderly, women, and individuals with disabilities. Social services for the elderly vary significantly across different countries; however, they share a common goal of assisting older adults in fulfilling their fundamental life needs while ensuring their safety, both materially and spiritually. This study defines social services for the elderly as those offered by community and social organizations, rather than by family members, aimed at helping older individuals meet their daily requirements, such as nutrition, housing, health care, and spiritual well-being, ultimately promoting their overall welfare

The elderly individuals have significantly contributed to their families and society. Consequently, it is essential for families and society to show them respect and provide care, ensuring they experience a fulfilling old age both materially and spiritually. The Vietnamese legal framework includes numerous provisions addressing this responsibility. *The Constitution of the Socialist Republic of Vietnam has consistently addressed the support for the elderly throughout its various iterations. The 1946 Constitution, in Article 14, states that "Elderly or disabled citizens who cannot work shall be assisted." In the 1959 Constitution, Article 32 emphasizes the need to "Assist the elderly, the sick, and the disabled," while also advocating for the expansion of social insurance, health insurance, and social assistance. The 1992 Constitution includes Article 64, which asserts that "Children have the responsibility to respect and care for their grandparents and parents," and Article 87, which mandates that "The elderly shall be assisted by the State and society." Finally, the 2013 Constitution, in Article 37, highlights that "The elderly shall be respected, cared for, and promoted by the State, family, and society in the cause of national construction and defense."*

Legislation concerning the responsibilities and obligations for the care of the elderly, as well as their rights to healthcare and involvement in cultural, sports, and employment activities, is encapsulated in various laws. These include the Law on the Elderly (2009), the Law on Marriage and Family (2014), the Labor Code (2012) with amendments in 2019, the Penal Code (1999, 2015) with further amendments in 2017, along with several decrees and circulars. Notable among these are Decree 76/2024 on social protection, Circular 35/2011/TT-BYT that provides guidance on elderly healthcare, and Decision No. 554/QD-TTg from 2015, which designates October each year as "Action Month for the Elderly in Vietnam." Additionally, the National Action Program on the Elderly in Vietnam spans the periods of 2012-2020 and 2021-2030, while Circular 71/2011/TT-BGTVT outlines support measures for the elderly in traffic participation.

Decision No. 1579/QD-TTg, issued by the Prime Minister on October 13, 2020, endorses the Elderly Health Care Program aimed at 2030, setting the goal: caring for and enhance the health of the elderly population (individuals aged 60 and older) to adapt to demographic aging, thereby supporting the effective execution of Vietnam's Population Strategy through 2030. Additionally, the program outlines specific targets, such as "100% the elderly individuals who are unable to care for themselves will receive health care support from their families and communities by 2025 and continuing through to 2030". To accomplish these objectives, the Government has initiated the creation of a model for day care centers aimed at the elderly, targeting a coverage of 20% by 2025 and 50% by 2030 across various districts. This initiative includes establishing elderly care centers that focus on socialization, thereby facilitating health care services for the elderly at both provincial and municipal levels. Many elderly individuals experience loneliness and severe health issues, rendering them unable to visit medical facilities for examinations and treatments; thus, it is essential to provide medical care at their residences. These legal foundations underscore the necessity of developing social services dedicated to the care of the elderly in Vietnam, leveraging state resources alongside community collaboration.

This article provides a summary and analysis of the international experiences of several developed nations regarding elderly care and the advancement of social services for older adults. Drawing from these experiences and considering the existing challenges to the development of social services for elderly care in Vietnam, the research team offers recommendations and suggestions aimed at enhancing the effectiveness of this matter within the country.

The analytical framework is below:

Figure 1. Framework for evaluating global practices in the care of the ederly and insights applicable to Vietnam

Source: The Authors proposed

3. Research methods

This research predominantly employs the document analysis approach, drawing on primary sources including the Constitutions of the Socialist Republic of Vietnam from 1946, 1959, 1992, and 2013, as well as relevant laws, decrees, and circulars pertaining to elderly care and social services. Additionally, it incorporates secondary sources such as statistics and official reports from various agencies and organizations, including the General Statistics Office, UNFPA, ILO, and the Ministry of Health, to derive conclusions regarding the characteristics of the elderly population in Vietnam, focusing on aspects such as demographic structure, caregivers, and other related factors. International experiences from Japan, China, and France have been synthesized and analyzed based on articles and publications from reputable sources. The author's insights from Korea were gathered through documents related to a cooperation program aimed at enhancing the capacity of Vietnamese government officials regarding employment policies for individuals with disabilities. This program was a collaboration between the Ministry of Employment and Labor of Korea and the Ministry of Labor, Invalids and Social Affairs of Vietnam in 2023. Additionally, information concerning the needs and barriers faced by the elderly in accessing social services was derived from the author's research conducted in 2023. This research involved in-depth interviews with 20 elderly individuals, comprising 10 participants from Hoan Kiem district in Hanoi and 10 from Kien Xuong district in Thai Binh province.

4. Findings

4.1. Experience of Japan

Japan ranks among the nations with the highest average life expectancy globally. As of 2016, the average life expectancy for both genders in Japan reached an impressive 83.7 years (The BMJ, 2016). By 2020, Japan's total population was recorded at 125.8 million, with 35.7 million individuals aged 65 and older, representing 28.4% of the total population. In light of its status as a super-aged society, the Japanese government has implemented proactive policies aimed at enhancing social services for the elderly, ensuring that they live with dignity and security.

The rising percentage of the elderly demographic, coupled with a decrease in the working-age population, has created financial difficulties for Japan's long-term care

insurance policy for the elderly. In response, the Japanese government has established a community-based integrated care system. This system is built upon four fundamental components: Self-help initiatives undertaken by individuals or the families of the elderly; Mutual aid facilitated through informal networks of community medical volunteers; Socially connected care offered by social security programs, such as long-term care insurance; and Government care delivered through public health and social welfare services, supported by tax revenues (Yen, 2021).

This system necessitates a team of highly trained elderly care professionals who possess a deep understanding of the physical and psychological attributes of older adults. These staff members must also demonstrate the ability to collaborate effectively with other specialists within the system. Based on individual circumstances, needs, and financial resources, elderly individuals can select or be referred to various social care services available in the community. Consequently, some elderly individuals are admitted to nursing homes operated by residential organizations that are licensed by the Government and equipped with essential facilities. In these settings, they receive care tailored to their specific aging requirements. Alternatively, another group may be placed in skilled nursing facilities to obtain specialized, long-term nursing services, including physical therapy. For those who prefer not to utilize either of these service types, elderly individuals in Japan have the option to request admission to nursing homes or to receive care in their own homes. This service caters to individuals seeking either regular daily assistance or occasional support.

The structure of social care services in Japan is organized in a layered manner, offering flexible „packages" that cater to the varied needs, characteristics, and financial capabilities of the elderly population. This framework also facilitates the engagement of all stakeholders, including the State, local authorities, organizations, the private sector, and families. As a result, the range of services is maximized, and the quality of these services is ensured through a competitive system.

In nursing facilities, services are structured and delivered in accordance with professional standards to guarantee optimal service quality. The staff in these facilities consistently show respect for the elderly. In Japan, there is a profound respect for older individuals and a recognition of their contributions to society. This cultural value has motivated nursing facilities in Japan to offer the highest standard of care for the elderly. A primary focus of these care centers is the health of their residents. They provide well-balanced nutrition and suitable exercise programs to promote the well-being of the elderly. Japan has made significant investments in the training and development of caregivers, ensuring they are equipped to deliver exceptional care services. This commitment enhances the skills of caregivers and improves the overall quality of life for the elderly.

The responsibilities of personnel in Japanese nursing centers encompass aiding with daily activities, providing transportation, delivering medical care, and offering emotional support to the elderly. To qualify as a nursing center staff member (kaigo-shoku), individuals must initially complete short-term training programs focused on elderly care, which cover essential skills such as bathing, diaper changing, and body massage. Upon finishing the training, candidates are eligible to take examinations at training institutions to earn vocational certifications for roles within the healthcare sector, including the "kaigo-shoku" certification. Furthermore, to attain a professional status as nursing center staff, candidates may need to undertake additional courses that enhance communication skills and competencies for working with the elderly and individuals with special needs. Applicants are required to register for and engage in current training programs to enhance their skills and knowledge in accordance with industry standards. A nursing home in Japan generally comprises a diverse range of staff members fulfilling various roles, as outlined (Department (2023):

- Nursing center staff (kaigo-shoku): The primary personnel tasked with the care and support of the elderly, including daily living assistance, transportation services, medical assistance, and emotional support.

- Medical personnel: These are certified healthcare professionals tasked with delivering medical services to the elderly. Their responsibilities encompass activities such as measuring blood pressure, administering vaccinations, dispensing medications, and providing comprehensive health care.

- Education and recreation staff: The individuals in this role are tasked with delivering recreational, enjoyable, and educational activities for the elderly, aimed at enhancing their mental well-being.

- Cleaning staff: These are staff responsible for cleaning, wiping, and disinfecting areas in the nursing center to ensure a safe and clean living environment for the elderly.

- Manager: Personnel are tasked with overseeing and executing all functions of the nursing home, which encompasses financial oversight, human resources management, strategic planning, and the assurance that the operations of the nursing home are conducted in a seamless and effective manner.

Many elderly care facilities in Japan are equipped with clinics or offer medical services, including diagnosis, treatment, and internal medicine, to assist the elderly in managing their health. To address the requirements for more comprehensive examinations and treatments for elderly patients with various health conditions, several care centers have established collaborations with hospitals. The clear delineation of responsibilities, along with a focus on specialized expertise and the professional ethics of the personnel involved in the care system, has significantly contributed to the quality of care provided. This has fostered trust among the elderly and their families, encouraging their active participation in the care process. This model serves as an important lesson for Vietnam to consider and adopt.

An effective approach to learning from Japanese elderly care centers is the implementation of a group care model. In this model, a small number of elderly individuals who share compatible personalities, perspectives, and lifestyles are grouped together to reside in the same room. They engage in mutual support during daily activities, such as dining and conversing. This arrangement fosters a sense of companionship among the elderly, enhances social

connections, and creates an environment reminiscent of family life.

Information about community social services is widely disseminated in Japan, such as in hospitals, at residential areas, on traditional media, volunteer groups, office groups, or social workers... Thanks to this widespread dissemination, most elderly people know how to choose the types of community social services that are suitable for their circumstances, conditions and needs. The dissemination of community social services for the elderly is based on cultural traditions, according to which, the elderly often receive care from their families even when they are completely dependent. In Japan, information regarding community social services is extensively shared through various channels, including hospitals, residential neighborhoods, traditional media, volunteer organizations, professional groups, and social workers, etc. This extensive outreach enables the majority of elderly individuals to understand how to select community social services that align with their specific circumstances, conditions, and needs. The promotion of these services for the elderly is rooted in cultural traditions, which emphasize that elderly individuals frequently receive care from their families, even in cases of complete dependence. The care of the elderly extends from familial settings to community environments, highlighting a collective responsibility shared by both families and the broader community. In many instances, access to social services for the elderly is determined primarily by age (Pushkar, 2009). This situation bears a resemblance to the context in Vietnam, where the apprehension of being perceived as unfilial if elderly individuals are placed in professional care facilities serves as a significant barrier. This fear often results in many elderly people experiencing loneliness at home while their children and grandchildren are at work, leaving them without adequate caregivers. Drawing from Japan's experience, it is evident that there is a need to broaden the concept of family culture to encompass community culture, thereby extending the responsibility of elderly care beyond immediate family members. Consequently, Japan is emphasizing the importance of community involvement and is working towards the integration of clinical care for the elderly with social security services.

4.2. Experience of China

By the end of 2020, China's overall population reached 1.411 billion, with 190.64 million individuals aged 65 and older, representing approximately 13.5% of the total population (NBS China, 2020). In response to the challenges posed by an aging population, the Chinese government has implemented a range of flexible measures and policies aimed at safeguarding the welfare of this demographic. In recent years, there has been a significant expansion of community-based care services in China, emerging as "an innovative approach to address the needs of the elderly" (Liu, 2021). Community-based care services in China are characterized as professional care offerings that address the formally evaluated needs of elderly individuals residing in their homes and communities. This includes both system-based and non-system-based care services (Yu, 2014). These services function within a dual structure: vertically, with direct support from local government entities, and horizontally, through community-funded and provided services. The model of community-based elderly care in China exhibits several distinct features as follows:

Regarding the supporting subjects, the vertical structure is designed to facilitate the decentralization of government authority from the central to grass-roots level in the management and support of these subjects. The primary beneficiaries of this vertical structure model are elderly individuals and their families residing within the community. The horizontal structure encompasses various entities such as individuals, businesses, civil society organizations, agencies, schools, and hospitals. In accordance with the horizontal structure model, the method of support is executed based on the specific locality and geographical region through community organizations. The target beneficiaries of the horizontal structure model are community-dwelling elderly individuals who possess sufficient financial resources to afford care services.

In the vertical structure model, elderly support services in China are provided at no cost or for a nominal fee, with funding sourced from both central and local governments. Conversely, the horizontal structure model indicates that while these services may receive subsidies, they are not offered free of charge, necessitating that elderly individuals and their families have the financial means to afford them.

In terms of services provided, the central and local governments, operating within a vertical structure, offer a range of services including health education, basic medical care, primary health care, and rehabilitation for the elderly. In contrast, the horizontal structure model facilitates services such as day care, home care, community kitchens and meal programs, recreational activities, and mutual aid networks (Qingwen, 2011).

Consequently, through a combined vertical and horizontal distribution structure, China has shifted its emphasis from relying solely on a single government social service provider to promoting a collective responsibility among individuals, families, communities, the private sector, and the government in both funding and managing the care of the elderly.

Community services are coordinated by Urban Residents' Committees and Rural Villagers' Committees; however, the primary responsibility for elder care services lies with community volunteers or private providers. These volunteers and private enterprises offer services for a fee. Their assistance is designed to complement family care and can serve as a substitute when families are unable to fulfill their caregiving responsibilities for the elderly.

China's National Health Commission (NHC) forecasts that by 2035, the population aged 60 and older will increase to 400 million, a significant rise from the current 280 million. This demographic shift necessitates the availability of approximately 40 million beds in community facilities and nursing homes, which is five times the existing capacity of 8 million. In light of this, the Chinese government has directed provinces to establish a foundational set of elderly care services, taking into account economic and social development as well as financial conditions. These support services will encompass both material assistance and nursing care. Additionally, provinces are required to offer care and

visitation services for elderly individuals living alone and families experiencing financial hardships, enhance the basic pension system, and develop a long-term care security framework that integrates insurance with social welfare. Newly constructed elderly care centers will adhere to government standards, while existing facilities will undergo renovations to ensure a safe, convenient, and comfortable environment (Nguyet, 2023).

The recently released guidance from the Elderly Care Bureau of the Ministry of Civil Affairs in China emphasizes that families facing financial hardships will receive assistance in providing care for the elderly. It also highlights the need to optimize and integrate all institutional resources associated with elderly care, enhance the basic pension system, and establish a long-term care security framework that integrates insurance and welfare services (VTV, 2023).

Although the economic, political, and social contexts differ from those of Japan, the Chinese government has gleaned valuable insights regarding elder care. These lessons emphasize the importance of enhancing community resources, fostering shared responsibilities among individuals, families, communities, the private sector, and the government, promoting integrated care, and establishing a comprehensive long-term care security system that connects insurance with social welfare.

4.3. Experience of Korea

In 2017, Korea officially became a nation characterized by an aging population. The shift from population aging to aging popultation occurred over a span of 18 years. This timeframe allowed Korea to establish a comprehensive network for delivering social services in community for the elderly (AARP, 2017). Under Korean law, every citizen is entitled to access community social services, particularly medical care. Public sector service providers are mandated to receive, care for, and support the elderly promptly upon their arrival at the "doorstep: (Boyoung Jeon and Soonman Kwon, 2017).

In Korean society, as the expenses associated with elderly care continue to rise, a significant number of the elderly express a desire to spend their final years in the comfort of their own homes. In response, the Ministry of Health and Welfare has announced the creation of a comprehensive community care platform tailored for the elderly, which encompasses services for daily activities, medical assistance, and home or neighborhood nursing care. These community care services in Korea enable older individuals to access support that is adaptable to their specific needs while remaining in their homes and connected to their local communities (Hwang and Park, 2018). This model is particularly relevant as it aligns with the traditional values of the Vietnamese culture, where most elderly individuals prefer to reside in familiar surroundings, close to their families.

In Korea, the elderly are supported to access the social service system in the community, including:

- Services for long-term care insurance
- Support services for early detection of dementia
- Assistance services for dementia treatment
- Optical support services associated with surgical procedures
- Job search support services for people aged 60 and over who are still able to meet labor requirements
- Daily living support services for people aged 65 and over living below the poverty line
- Social care services for the elderly
- Community welfare services for the elderly
- Free or low-cost food services (Chan, 2015)

To facilitate the elderly's access to social services, Korea is implementing an investment initiative aimed at constructing rental housing in proximity to healthcare and other social care facilities. Additionally, the program enhances the connection between these rental apartments and social welfare centers dedicated to the elderly. Numerous elderly individuals experience limited financial resources or reside independently, receiving assistance from the Government to facilitate access to home health assessments and to connect with local care services. To create a robust community-oriented social service framework, Korea engages citizens, service providers, and strengthens the capabilities of local governments (Hwang and Park, 2018).

Korea has actively encouraged the integration of science and technology in the realm of elderly care. The Korean government has created technology aimed at enhancing the efficiency and accessibility of social services for the elderly. This initiative seeks to provide vital information to this demographic and to subsidize public social services, including travel support and long-term health care services. Notably, this support for long-term health care can cover as much as 85% of the service fees (AARP, 2017).

In elderly care facilities across Korea, the integration of science and technology is being actively pursued to enhance the quality of care provided. Presently, numerous residential care centers in the country employ robots to assist with the daily activities of elderly individuals, particularly those facing disabilities or functional decline associated with aging. Nonetheless, access to these services is contingent upon the users' financial capacity. Consequently, it is imperative to identify a solution that reduces costs while maintaining the highest standards of care.

4.4. Experience of France

In line with practices observed in other developed nations, the French Government has made significant investments in and has actively promoted social services within the community. This initiative aims to establish an effective care network that caters to various social groups, with a particular focus on the elderly population. Retirement care funds play a crucial role in facilitating the elderly's access to essential community social services, which include home support services (such as home maintenance, shopping, and meal preparation), transportation assistance, travel arrangements, food delivery, temporary accommodation support, and home care services following hospital discharge. Additionally, support is provided for navigating housing administrative procedures to prevent loss of property ownership. To qualify for these beneficial social services, elderly individuals must meet certain criteria, including participation in social insurance and having a lengthy professional work history (Assurance, 2016).

Social services offered by social workers in France to the elderly encompass counseling and care aimed at alleviating

both physical and mental distress during the later stages of life and hospital stays. This team also assists the elderly in safeguarding their administrative rights, which include obtaining identity documents, property ownership, and addressing disputes, complaints, and litigation. Additionally, they support health care rights by facilitating medical examinations and treatments, as well as the dispensing of medications. Social rights, such as access to travel, entertainment, and respect, are also promoted. Information regarding these social work services is extensively available online, in hospitals, and within nursing homes. Access to these services does not impose stringent criteria on the elderly; rather, it requires them to provide relevant information to community social organizations or to reach out proactively to social work services (Chantal Antigny-Warin, 2017).

Community social services in France are focused on delivering home support services for the elderly, which include home health care, assistance with daily living activities, mobility support, and companionship services. These services may be offered on a paid basis or may be available either partially or fully free of charge. The elderly individuals who utilize these services may do so based on their ability to pay, whether fully, partially, or not at all. The level of complexity in the community-based social services provided is tailored to the individual circumstances, ensuring that older adults receive highly professional assistance from qualified staff or a team of well-trained professionals (Danièle, 2017).

For over a decade, the implementation of the social service network for elderly care in France, involving various forms and numerous stakeholders, has revealed certain deficiencies in its operation, as highlighted by recent studies. These deficiencies encompass fragmentation and insufficient coordination between social care and healthcare services. Kodner and Kyriacou note that while there has been a slight improvement in the connectivity among stakeholders and services, a consistent approach has yet to be realized. The primary factors contributing to this situation include inadequate information systems, the scattering of governance institutions, and the excessive number of plans (Emma, 2020).

In 2002, France introduced a new concept known as EHPAD (Établissements dhébergement pour personnes âgées dépendantes), which stands for establishments for dependent elderly individuals, equipped with a range of medical apparatus. The provision of medical oversight and care for the elderly has rendered EHPAD services progressively more costly. A significant challenge faced by many EHPAD facilities is the shortage of resources and personnel, resulting in increased workloads. Notably, the average age of residents in these specialized care centers is 85 years. Contrary to popular belief, the French Minister of Health has stated that the number of nurses and caregivers in EHPAD facilities has not diminished; it has remained consistent. However, there has been a swift increase in the number of elderly individuals requiring dependent medical care, a trend that is expected to persist over the next two decades (Duong, 2018).

At present, the French government allocates financial resources solely for medical services at EHPAD and does not extend funding for the care of the elderly. Local authorities are expected to balance this funding gap. In light of these challenges, the French National Ethics Advisory Committee urges society to transform its perspective and approach towards elderly care, advocating for a reevaluation of the roles of nursing homes and EHPAD facilities. Concurrently, the Committee has highlighted the pressing necessity to redefine the concept of social security, foster new intergenerational solidarity, and explore alternative methods for caring for, supporting, and accompanying the elderly. Notably, the Committee envisions a "multi-generational" housing model, positioning care facilities for dependent elderly individuals within densely populated areas to promote their integration into the community, contrasting with the current trend of isolation.

5. Lessons for Vietnam

An examination of elderly care services in various countries reveals several insights that Vietnam can utilize to enhance service coverage and quality as follows:

Firstly, it is essential to assist the elderly and their families in understanding the services offered at care centers. To achieve this, countries must enhance their communication strategies. In Japan, France, and Korea, effective dissemination of information regarding social services enables the elderly to access relevant details swiftly and comprehensively, serving as a valuable example for Vietnam. Currently, the communication regarding social services in Vietnam remains inadequate, resulting in a low awareness among the elderly about available community services. Therefore, Vietnam should diversify its communication methods, employing various channels and collaborating with local authorities to integrate and share information about elderly care services during community meetings, activities, and through local socio-political organizations.

A major obstacle to utilizing care services, alongside effective communication strategies, is the reluctance and hesitation exhibited by the elderly and their families. Consequently, they refrain from utilizing services, particularly those related to intensive care and inpatient treatment. This situation is prevalent in countries with strong Eastern cultural influences, such as Vietnam, China, and Korea, where the expectation for children to cohabit with and care for their parents is a deeply rooted aspect of filial piety. To address this issue, it is essential for the media to work on alleviating these psychological barriers and collaborate with local elderly associations to organize regular visits to care facilities. This initiative would allow the elderly to witness firsthand the advantages of professional care. Additionally, care service providers must consistently strive to enhance the quality of their offerings to better attract the elderly population.

Learning from the experiences of other nations offers valuable insights into addressing the challenges faced by the elderly in accessing services, particularly when they reside far from service providers. To facilitate connections between the elderly and social services, Korea has made significant investments in constructing rental housing near healthcare and social care facilities. Additionally, the integration of these housing areas with social welfare centers

for the elderly has been enhanced. Many low-income older individuals or those living alone receive government support to access home health check-up services and connect with care services within their communities. To create a robust community-based social service system, Korea engages citizens, service providers, and strengthens the role of local governments (Hwang and Park, 2018). Additionally, the Korean Government fosters technological advancements to enhance information access for the elderly, thereby improving their efficiency and accessibility to social services. Concurrently, it offers subsidies for various public social services, including travel assistance and long-term healthcare services. Support in long-term healthcare can account for as much as 85% of service fees (AARP, 2017). Given the circumstances in Vietnam, there is potential to establish online service delivery and deploy staff to offer services directly in the residences of the elderly. Furthermore, it is essential to enhance and strengthen the capacity of the network of collaborators to work in conjunction with centers and facilities that provide care services for the elderly.

Many families caring for elderly members encounter challenges due to budget constraints for service utilization. International experience indicates that service design must be varied based on two key criteria: it should cater to the fundamental needs of the elderly and offer flexibility across different pricing tiers to maximize accessibility. Central and local governments are responsible for delivering essential healthcare services and ensuring social security for elderly individuals facing hardships, particularly those benefiting from social protection policies. In parallel, the private sector and community organizations can offer a range of services, including day care, home care, community kitchens, meal programs, recreational activities, and the establishment of clubs and mutual support networks.

Beneficiaries have a variety of care model options tailored to their specific circumstances and needs. They may qualify for admission to state-owned facilities, skilled nursing homes for intensive long-term care, or community-based care settings, including home care services. Both regular daily care and periodic care options are available for those seeking home and community support. Vietnam can leverage international best practices to assist service providers through measures such as tax incentives and subsidized rental spaces, thereby lowering service costs for the elderly and enhancing accessibility. The government should explore partnerships with private enterprises (utilizing a public-private partnership model - PPP) to collaboratively deliver services that yield mutual benefits. It is essential to categorize services clearly: basic services should be provided at no cost, while advanced services will incur charges.

Limited diversity and lack of appeal in service offerings can hinder elderly individuals from utilizing available services. To enhance service quality, countries like France and Japan have focused on the experiences of the elderly and their caregivers, leading to necessary modifications in their services and integrated care policies. Vietnam should conduct regular surveys and assessments to understand the evolving needs of the elderly, ensuring that services are relevant and effective. It is essential for these services to be adaptable and innovative in both content and delivery to engage the intended audience effectively. One way to incorporate knowledge about nutrition or health is through the use of skits, performances, games, and similar activities.

Research conducted in Vietnam indicates that our current service delivery methods lack flexibility, primarily offering services directly at facilities. Insights from France reveal that older adults prefer to reside within their communities and families rather than in isolated centralized centers. Consequently, it is essential to transition from a model focused solely on inpatient care to one that emphasizes outpatient care. This would involve staff from both public and private facilities visiting the homes of elderly individuals to provide care services on an hourly or daily basis. Drawing from global best practices, it is advisable to establish social houses or on-demand care centers within residential neighborhoods, allowing family members to visit easily and enabling the elderly to experience a homelike environment while receiving care.

Drawing insights from Japan's approach, social welfare and elderly care centers can explore the concept of group living arrangements that mimic a family environment. By placing elderly individuals with shared interests and mutual understanding in the same room, these centers can foster a sense of self-care, supported by the staff's guidance. Additionally, it is essential for these centers to organize more outdoor activities, such as picnics and walks, to enhance the elderly's connection with the community and reduce feelings of isolation.

Vietnam should enhance the availability of online services. For instance, when the older adults visit the center's website, they should have the opportunity to participate in weekly meditation sessions or access other desired content. In situations where the elderly are not well-versed in information technology, they can seek assistance and guidance from family members. If the older individuals are home alone, it is essential to simplify the access process to ensure ease of use. Additionally, remote control software can be implemented, allowing center staff to manage the seniors' computers from the center, thereby facilitating their access to the information and services they require.

Learning from the experiences and operational strategies of other nations can assist Vietnam in addressing the challenge of enhancing service quality. Insights from China indicate that support for the elderly should be structured in a mixed manner to optimize available resources. The vertical structure involves management, approval, and financial provision, which is decentralized from the central government to local authorities. The horizontal structure encompasses individuals, organizations, and businesses within specific regions that deliver services and provide direct support to the elderly. The State should encourage social participation, facilitating the involvement of all stakeholders in service provision. This includes services that the elderly fully pay for, as well as those for which they contribute partially, with the remainder funded by pension schemes, social security, or government support.

To enhance the operational efficiency of public centers, it is essential for the State to establish an independent mechanism. Beyond fulfilling their regulatory obligations, these centers can introduce supplementary services such

as diagnostic and treatment options, semi-residential care, and outpatient services for elderly individuals who require assistance and have the financial means to pay. At nursing and elderly care facilities, services should be structured and delivered based on professional standards to guarantee optimal service quality. Centers should focus on enhancing staff quality through ongoing and systematic training, along with establishing a framework for monitoring and evaluating task execution. The development of personnel should be approached uniformly, addressing skills in professional ethics, physical well-being, nutrition, and psycho-social aspects.

In nursing centers for the elderly, the Korean Government advocates for the integration of science and technology to enhance service quality. Presently, numerous inpatient care centers in Korea employ robots to assist elderly individuals, particularly those with disabilities or age-related functional decline. However, access to these services often depends on the users' ability to pay. Consequently, there is a pressing need for solutions that can reduce costs while maintaining the highest standards of care for the elderly.

In Vietnam, the majority of elderly care facilities face challenges related to infrastructure and equipment. Current support policies, particularly for non-public institutions, remain insufficient. Insights from international practices indicate the need for establishing a public-private partnership framework that enhances collaboration with local authorities in service delivery and grants greater autonomy in social service provision. Furthermore, experiences from France highlight the importance of creating a coordinated network among various stakeholders to improve elderly care, such as fostering connections between care facilities, hospitals, and the Association of the Elderly.

6. Conclusion

Social services in Vietnam have progressively established their vital role within the elderly care system, despite existing limitations. Analyzing the experiences of countries with advanced social services for the elderly offers valuable insights that can be adapted to the Vietnamese context. Key lessons include enhancing awareness of social services, addressing psychological barriers, tackling geographical and financial obstacles, diversifying service offerings, leveraging digital technology, and fostering public-private partnerships in service delivery. By implementing these strategies and securing investments from both the government and private sectors, the quality of social services in Vietnam is expected to improve significantly, thereby strengthening their essential contribution to elderly care.

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THE INFLUENCE OF RISK ON SUPPLIER RELATIONSHIPS IN SMALL AND MEDIUM-SIZED ANIMAL FEED MANUFACTURERS IN NORTHERN VIETNAM

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Abstract: Small and medium-sized enterprises (SMEs) engaged in animal feed production in Northern Vietnam are currently operating under constrained economic conditions and are encountering significant challenges. These difficulties primarily stem from the substantial influx of imported raw materials for animal feed and the elevated input costs associated with domestic production, which result in low investment efficiency. Such factors are likely to continue impacting the profitability of the animal feed sector in the foreseeable future. This study aims to identify four risk factors that influence the relationships with suppliers of animal feed raw materials: (1) Supply risk; (2) Market demand risks; (3) information sources risks; and (4) Environmental risks. The research methodology involved an online survey, which collected 175 responses from leaders, business owners, and heads of functional departments within animal feed SMEs in Northern Vietnam. Following the analysis of the data, the author presents recommendations designed to assist Vietnamese animal feed producers in establishing suitable strategies and policies to secure a stable supply of raw materials.

Keywords: *Small and medium-sized enterprises (SMEs) engaged in animal feed production, supplier links, supply chain risk*

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1. Introduction

The Ministry of Agriculture and Rural Development has established the Vietnam Animal Feed Industry Development Project for the period of 2021 to 2030, which includes a clear objective for the year 2030. The goal is to reach an annual production volume of approximately 30 to 32 million tons of industrial animal feed. Market research firm Mordor Intelligence predicts that the Vietnamese animal feed market will experience a compound annual growth rate (CAGR) of 4.6% from 2021 to 2026. The anticipated robust expansion of the animal feed market presents both opportunities and challenges for small and medium-sized enterprises engaged in animal feed production in Vietnam. The Vietnam Animal Feed Association reports that small and medium-sized enterprises (SMEs) constitute 82.2% of the total enterprises within the animal feed production sector in the country. Small and medium-sized enterprises (SMEs) within the industry face significant competitive challenges posed by robust foreign companies and corporations. These SMEs tend to operate independently and are characterized by fragmentation, limited economic potential, and inadequate management and administrative capabilities. Additionally, fluctuations in input materials further exacerbate the difficulties encountered by these businesses.

Numerous businesses, as evidenced by practical experience, fail to grasp the significance of the supply chain within today's globally competitive landscape (Nguyen & Sarker, 2018; Phan et al., 2019). With economic advancement, there is a rise in specialization (Lummus & Vokurka, 1999), prompting companies to enhance their connections with other supply chain participants. This strategy allows them to leverage the high-quality resources of their partners at a reduced cost compared to in-house production, which frequently proves to be inefficient. Supply chains are established by companies to minimize expenses and maintain competitiveness within the market. A disruption in any segment of the supply chain can have

repercussions for the entire network, potentially hindering the operations of the organization. Supply chain risk refers to the likelihood of an event occurring that leads to such disruptions, thereby impacting the effectiveness of the supply chain link (Ghadge et al., 2012). Comprehending the connection between risk and supply chain integration will establish a robust basis for companies to grow rapidly and sustainably.

This study is grounded in various domestic and international research findings, as well as expert insights regarding the unique circumstances of Vietnam's animal feed production sector. It aims to analyze the influence of four risk factors associated with the relationships with suppliers of animal feed raw materials, which include: (1) Supply risks; (2) Market demand risks; (3) Risks related to information sources; and (4) Environmental risks.

2. Theoretical basis of risk and supply chain linkage

2.1 Supply chain linkage

Supply chain

The most common concept of the supply chain was developed by La Londe & Masters (1994), who stated that the supply chain is a collection of businesses in a sequence from raw material suppliers to product manufacturers and product distributors to the end consumers. Similarly, Lambert et al. (1998) also defined the supply chain as the collaboration among businesses to bring products and services to the market. In this research, the notion of the supply chain encompasses the actions of all pertinent stakeholders, ranging from the procurement of raw materials and the manufacturing of goods to the distribution to final consumers. A supply chain is characterized as a network that connects various organizations, incorporating both upstream and downstream linkages, through processes and activities that generate value for the products and services offered in the marketplace.

Supply chain risks

Various academic disciplines offer distinct definitions of risk, tailored to the specific subject matter and temporal context of their analyses. Risk is characterized as the potential for uncertainty regarding future results. In the context of business, risk refers to a situation or event that adversely impacts the value of the enterprise. It is important to note that while risk cannot be entirely eradicated, it can be mitigated to the greatest extent possible.

In the examination of supply chains within businesses, the interpretation of risk differs across various studies. Ketchen and Short (2012) characterized risk in connection with the intricacies of the supply market, encompassing factors such as supply scarcity, technological advancement rates, alternative sources of inputs, market entry barriers, logistics expenses or complexities, and conditions of monopoly. To enhance the understanding of supply chain risks, Christopher and Peck (2004) categorized these risks into three distinct groups. The initial category of risks pertains to the organization itself, encompassing process risk and control risk. Process risk refers to the potential for uncertainty or interruptions in activities that generate value for the organization. Control risks stem from either the implementation or the lack thereof of policies designed to oversee the organization's processes. The subsequent category of risks is external to the business yet remains within the supply chain, which includes risks associated with supply and demand. Market demand risk arises from the unpredictable, intricate, and unstable nature of market demand (Boyle et al., 2008). High-risk markets are defined by rapidly evolving customer demands, making accurate forecasting challenging. In such environments, businesses frequently struggle to satisfy customer requirements. Supplier risks can arise from low planning and production capabilities, leading to unstable production processes or cycles, imbalanced production systems, inflexible production processes, or insufficient ability to adopt new technologies (Punniyamoorthy et al., 2013). The third category of risks pertains to external environmental factors that exist beyond the supply chain, including the political landscape, legal frameworks, economic conditions, governmental policies, social dynamics, and natural surroundings. Additionally, risks may arise from the unreliability of information sources, which can include inaccessible information, delays in information delivery, compromised and disrupted information systems, or inadequate security measures for information sources. (Punniyamoorthy et al., 2013).

In the context of methodologies and risk categorization, the framework proposed by Christopher and Peck (2004) alongside that of Punniyamoorthy et al. (2013) is frequently utilized in supply chain research. This study specifically focuses on the relationship with the supplier within the supply chain. Consequently, the notion of risk in the supply chain aligns with the research aims, which encompass four distinct categories of risk: supply risk, market risk, information source risk, and environmental risk.

Supply chain linkage

In the current landscape characterized by volatility and intense competition, organizations must adopt more adaptable and interconnected operations to mitigate potential risks (Sertic et al., 2018). Consequently, both theoretical frameworks and empirical studies highlight the significance of collaborative linkages in establishing a competitive supply chain, defining such cooperation as "the adhesive that unites organizations and departments within an organization's supply chain" (Min & Zhou, 2002; Sertic et al., 2018). Supply chain linkage refers to the capacity of multiple businesses to function and collaborate efficiently, coordinating and organizing their activities within the supply chain towards a shared objective (Mentzer et al., 2001).

According to the evolution of supply chain linkage concepts in both theoretical and practical contexts, Bechtel and Jayara (1997) identified four distinct types of supply chain linkage: (1) Logistics activity linkage; (2) Information linkage; (3) Process linkage; and (4) Functional chain linkage. Of these, functional chain linkage is the most prevalent and is categorized into internal and external linkages. Internal linkages refer to the collaboration among various departments within the organization (Pagell, 2004; Van Dong and Van Der Vaart, 2005). External linkage emphasizes the examination of connections

among businesses. This includes establishing relationships with customers, engaging with suppliers, and facilitating connections from suppliers and manufacturers through intermediaries to reach the end consumer (Swink et al., 2007). Maintaining a strong relationship with suppliers is essential to guarantee the availability of input factors such as raw materials, machinery, equipment, and critical information, which are vital for the timely production and distribution of products and services to customers. This concept aligns with the notion of supplier association as utilized in this research.

2.2. Risk factors influencing the relationship with suppliers.

Supply risks, including delays in delivery and the inability to fulfill specified quantity and quality requirements, can adversely impact the supply chain linkages (Zhao et al., 2013). As the prevalence of supply risks rises, manufacturers may become reluctant to allocate capital and may also hesitate to reinforce their long-term commitments to suppliers. Organizations are increasingly opting to establish relationships with multiple suppliers rather than committing to a single or a few suppliers. This strategy aims to mitigate risks and enhance the safety of production and business operations. Any delays in the timely delivery of goods, disruptions, or breaches of supply contracts can significantly hinder the coordination between various departments, such as procurement and production (Frohlich, 2002). Consequently, this complicates the ability of manufacturing firms to deliver products on schedule, in adequate quantities, and with the required quality to their customers. An analysis of the animal feed supply chain revealed a negative correlation between the level of risk and the degree of cooperation among its members. The following hypothesis, H1, is proposed:

H1: The risks associated with supply exhibit an inverse correlation with the extent of relationship between enterprises and their suppliers.

Market instability, ongoing demand fluctuations, and challenges in forecasting significantly impact the connections within the supply chain. When market risks are elevated, manufacturers frequently find it necessary to alter their products, production levels, and order quantities (Trkman & McCormack, 2009). This situation will impact the flow of raw materials from suppliers to manufacturing companies. The elevated market risk further complicates the ability of the Marketing and Sales departments to collaborate effectively with other divisions within the organization, including the production and supply departments. The following hypothesis, H2, is proposed:

H2: Market risk exhibits an inverse correlation with the extent of relationship between enterprises and their suppliers

Effective coordination among functional departments within a business, as well as among supply chain members, is significantly influenced by the availability of information (Lee et al., 1997). A primary contributor to diminished efficiency is the presence of incomplete information. Enhancing information sharing and the quality of information sources can mitigate risks, enhance decision-making accuracy, and foster greater alignment among supply chain participants. Consequently, risks stemming from insufficient information, delays in information flow, issues with information systems, or inadequate information security can adversely impact operational outcomes and the coherence among members, as well as within organizations (Christopher and Lee, 2004). The following hypothesis, H3, is proposed:

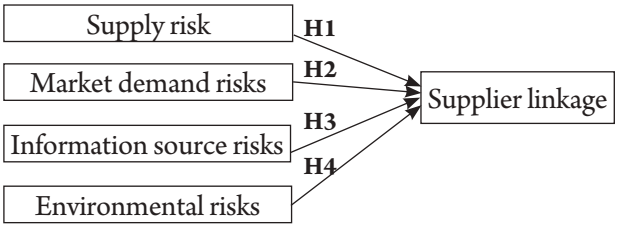
H3: Information sources risks have an inverse relationship with the degree of linkage between businesses and suppliers.

Supply chain risks can arise from various factors, including political, economic, social, and environmental influences. As supply chains continue to expand and grow in complexity, the prevalence of these risks is on the rise (Khan & Burnes, 2007). The aforementioned risks are typically objective and lie outside the control of individual members within the chain. Consequently, members frequently opt to diversify their relationships in order to mitigate these risks, rather than focusing on enhancing cooperation and establishing closer ties with a limited number of partners. The H4 hypothesis is articulated as follows:

H4: The risks posed by the environment exhibit an inverse correlation with the degree of linkage between businesses and suppliers.

This research will investigate how supply chain risk factors influence the connections between suppliers and small to medium-sized enterprises (SMEs) within the animal feed production sector of the Red River Delta. The research model and the relationships to be tested are illustrated in Figure 1.

Figure 1. A model of risk factors influencing supplier linkage



Source: The author proposes

3. Research methods

The research was conducted in two phases: qualitative and quantitative analysis. Initially, a theoretical framework was established, focusing on studies related to supply chain risks, interconnections within the supply chain, and the current conditions of animal feed-producing small and medium-sized enterprises (SMEs) in the Red River Delta. This framework was utilized to develop a scale for qualitative research. Subsequently, the author engaged in direct interviews with experts, staffs, and employees within the industry to verify the accuracy of the statements included in the scale. The calibration scale derived from the preliminary study was then adopted as the official research scale. In the formal study, the observed variables were evaluated using a 5-point Likert scale, ranging from (1) Completely disagree to (5) Completely agree.

Table 1. Scale and source of variable scale

No.	Encode	Scales	Source
	NC	Supply risks	
1	**NC1**	The logistics operations of the supplier are characterized by substandard quality (delays in delivery, late scheduling of appointments, etc.)	Wagner & Bode, 2008; Punniyamoorthy et al., 2013; with adjustments based on findings of qualitative research
2	NC2	Suppliers frequently provide raw materials that exhibit quality issues.	
3	**NC3**	The complexity and challenges associated with substituting vital materials.	
4	**NC4**	Unexpected supplier insolvency (for instance, as a result of bankruptcy).	
5	**NC5**	Suppliers exhibit limited adaptability in response to changes in market demand.	
6	**NC6**	The supply market exhibits considerable volatility.	
	NCTT	Market demand risks	
1	**NCTT1**	Uncertainty in customer demand	Wagner & Bode, 2008; Zhao et al., 2013; Manuj & Mentzer 2008; with adjustments based on findings of qualitative research
2	**NCTT2**	Forecasting market demand presents challenges and frequently diverges from the actual demand observed.	
3	**NCTT3**	Customer needs are varied and subject to frequent changes.	
	TT	Information source risks	
1	**TT1**	Information frequently experiences delays or becomes inaccessible as a result of insecure information systems both within organizations and across business networks.	Punniyamoorthy et al., 2013; Trung, 2018
2	**TT2**	The infrastructure of information technology is frequently flawed.	
3	**TT3**	Information system with low security measures.	
4	**TT4**	Illogical selection of communication channels or methods for information exchange.	
	MT	Environmental risks	
1	**MT1**	Unstable political environment	Punniyamoorthy et al., 2013; Wagner & Bode, 2008; with adjustments based on findings of qualitative research
2	**MT2**	Intricate and interrelated legal and policy frameworks.	
3	**MT3**	Changeable economic indicators	
4	**MT4**	The labor source has not met the requirements, there is a shortage of highly skilled workers, or strikes...	
5	**MT5**	Risks from the natural environment (disasters, epidemics, floods, extreme climates...)	
	NCU	Supplier linkages	
1	NCU1	Businesses maintain cooperative relationships with suppliers	Zhao và cộng sự, 2013; Trung, 2018; with adjustments based on findings of qualitative research
2	**NCU2**	Companies engage in dialogue with suppliers regarding modifications pertaining to product design.	
3	**NCU3**	The enterprise's suppliers participate in the development of new product designs.	
4	**NCU4**	Suppliers furnish the necessary inputs associated with the enterprise's development projects.	
5	**NCU5**	Companies consistently strive to foster enduring partnerships with their suppliers.	
6	**NCU6**	Companies consistently collaborate with suppliers to enhance the quality of their products.	

Source: The author gathered

The sample size was determined in accordance with the guidelines established by Hair et al. (1998), which stipulate that for exploratory factor analysis (EFA), the ratio of observation to measurement variables should be 5:1. This implies that each measurement variable requires a minimum of five observations. In this research, all 24 observation variables were measured for the factors within the formal quantitative research model. Consequently, the minimum sample size required for this study was set at 120 samples. Considering the objectives of the study and budgetary constraints, the research team gathered data from 60 businesses. Within each organization, three managers were surveyed, comprising both business leaders and middle management. This resulted in a total of 180 survey responses, of which

175 were deemed valid for inclusion in the official analysis.

The collected research data underwent a cleaning and analysis process utilizing SPSS 22.0 software. This study employs a multivariate regression approach to examine the influence of supply chain risk factors on supplier relationships.

4. Findings of the study

4.1 Description of the study sample

The research methodology outlines that the study's participants consist of directors or business owners, as well as heads or deputy heads of sales and production departments within small and medium-sized enterprises (SMEs) in the animal feed production sector located in the Red River Delta. A total of 180 votes were issued, with 180 votes collected, resulting in 175 usable votes, which corresponds to a rate of 97.2% for inclusion in the official analysis. The characteristics of the 175 samples utilized in the official study are detailed as follows:

Table 2. Descriptive statistics of the formal quantitative research sample

		Quantity	Percentage (%)
Type of enterprise	Private enterprise	24	13.5
	Limited liability companies	37	21.3
	Joint stock company	114	65.2
The duration of the enterprise's operation.	Less than 5 years	23	13.3
	From 5 t0 10 years	100	57.3
	Above 10 years	52	29.3
Enterprise scale	Less than 50 employees	108	61.5
	From 50 employees or more	67	38.5
Title of the respondent	Senior Management	53	30.0
	Middle management.	122	70.0

Source: Author's data analysis results

The survey findings indicate that a significant proportion of businesses within this sector are joint-stock companies, comprising 65.2% of the total. The remaining entities are categorized as limited liability companies and private enterprises, representing 21.3% and 13.3%, respectively. A majority of these businesses have been in operation for a duration of 5 to 10 years, accounting for 57.3%. Additionally, there are 22 enterprises that have been functioning for over 10 years, which corresponds to 29.3% of the total. Conversely, the number of enterprises that have been active for less than 5 years is the smallest, making up 13.3%. Furthermore, the majority of the surveyed enterprises employ fewer than 50 individuals, which constitutes 61.5% of the total.

4.2. Evaluate the reliability of the scale

The findings from the data analysis indicate that the observed variables utilized in this research exhibit reliability, as evidenced by the Cronbach Alpha coefficient and the correlation coefficient between the component variable and the aggregate variable, both exceeding 0.6 and 0.3, respectively. Consequently, the observed variables confirm the reliability of this study.

Table 3. The Cronbach Alpha coefficient

TT	Components	Cronbach's Alpha
1	Supply risks	0.897
2	Market demand risks	0.848
3	Information source risks	0.824
4	Environmental risks	0.840
5	Supplier linkages	0.913

Source: Author's survey data

4.3. Outcomes of the correlation coefficient matrix analysis

The analysis of the correlation coefficient between the independent variables (environmental risks, supply risk, market demand risk, and information source risks) and the dependent variable (supplier linkage) revealed that the correlation coefficients for the inversely correlated variables ranged from -0.266 to -0.545. Additionally, the significance test values for these variables were below 0.05 (significant value = 0,05), indicating a statistically significant association at the 5% significance level. These findings suggest that the relationship between the independent and dependent variables is not strong, leading to the acceptance of hypotheses H1, H2, H3, and H4 in this research.

Table 4. Correlation coefficient matrix between risk and supplier linkage

		Supplier linkages	Environmental risks	Supply risks	Market demand risks	Information source risks
Supplier linkages	Pearson Correlation	1	-0.266**	-0.399**	-0.503**	-0.545**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N	175	175	175	175	175
Environmental risks	Pearson Correlation	-0,266**	1	-0.173*	0.178*	-0.069
	Sig. (2-tailed)	0,000		0.022	0.018	0.361
	N	175	175	175	175	175
Supply risks	Pearson Correlation	-0,399**	-0.173*	1	-0.136	-0.232**
	Sig. (2-tailed)	0,000	0.022		0.072	0.002
	N	175	175	175	175	175
Market demand risks	Pearson Correlation	-0,503**	0.178*	-0.136	1	0.170*
	Sig. (2-tailed)	0,000	0.018	0.072		0.024
	N	175	175	175	175	175
Information source risks	Pearson Correlation	-0,545**	-0.069	-0.232**	0.170*	1
	Sig. (2-tailed)	0,000	0.361	0.002	0.024	
	N	175	175	175	175	175

***. Correlation is significant at the 0,01 level (2-tailed).*

***. Correlation is significant at the 0,05 level (2-tailed).**

Source: Author's data analysis results

4.4. Results of the research model testing

The analysis results indicate that the adjusted coefficient of determination is 0.553, which signifies that the independent variables—namely, risk from supply, risk from market demand, risk from information sources, and risk from the environment—account for 55.3% of the variance in the dependent variable related to supplier associations. The F-test significance level, which is below 0.05, confirms the appropriateness of the regression analysis model utilized in this study. Furthermore, the significance levels of the regression coefficients for the four independent variables are also below 0.05, indicating that these coefficients are statistically significant. There is no indication of multicollinearity among the independent variables, as evidenced by the variance inflation factor (VIF) values being less than 10. Additionally, the significance of the correlation coefficient test between the normalized residuals and the independent variables exceeds 0.05, suggesting that there is no variance in the error of changes. Consequently, the regression model effectively demonstrates the statistically significant impact of risk factors on supplier linkage in this study (refer to Table 5). The analysis of the absolute values of the standardized regression coefficients for the independent variables indicates that the information source risk exerts the most significant influence on the relationship with the supplier, as evidenced by the highest regression coefficient value of 0.447. Following this, the subsequent factors are as follows: market demand risk at 0.363, supply risk at 0.212, and the environmental risk at 0.196.

Table 5. Regression coefficient between risk and supplier linkage

Model		Unstandardized regression coefficients		Standardized regression coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	0.856	0.449		1.908	0.058		
	Supply risks	-0.278	0.070	-0.212	-3.986	0.000	0.906	1.103
	Market demand risks	0.284	0.041	-0.363	-6.915	0.000	0.931	1.075
	Information source risks	-0.395	0.047	-0.447	-8.410	0.000	0.908	1.101
	Environmental risks	-0.316	0.085	-0.196	-3.717	0.000	0.927	1.079
Dependent Variable: Supplier linkage Adjusted R Square: 0.553 F - value: 54.823; Sig. of F: 0.000 *Source: Author's data analysis results*								

5. Conclusions and recommendations

This research examines the impact of four risk factors on the supplier relationships of animal feed SMEs. The findings of the study validated the proposed hypotheses. In particular, the four identified risk factors include supply risk, market demand risk, information source risk, and environmental risk, all of which significantly influence supplier linkages. The results indicate that both information source risks and market demand risks exert a substantial effect on the supplier relationships of animal feed SMEs.

The animal feed production sector has relied heavily on imported raw materials for many years and is likely to continue doing so in the foreseeable future. To safeguard the long-term interests of the livestock industry and farmers, it is essential for the Government, relevant ministries, sectors, and Vietnam feed Associations to address the challenges faced by animal feed production companies, particularly during the input material phase. Specifically:

- Efforts should be directed towards enhancing domestic production, diversifying supply sources, and utilizing alternative raw materials to mitigate reliance on imported supplies. This includes the strategic planning of areas dedicated to the production of animal feed raw materials. Additionally, The establishment of planning regions for the production of animal feed components is essential. This initiative aims to promote the utilization and processing of supplementary feeds derived from local raw materials, including feed crops, by-products from feed manufacturing, fish meal, and fish oil. Such measures are intended to decrease import dependency and reduce the overall costs associated with animal feed.

- It is essential to enhance and expand the ability to anticipate market fluctuations concerning input materials and trends in product consumption, ensuring timely supply to enterprises. Concurrently, adjustments to import policies are required, particularly in relation to export and import tax rates. A recommendation is made to reduce the import tax to 0% for all imported animal feed ingredients. While certain raw materials currently enjoy a 0% tax rate, many others are subject to a tax rate ranging from 2% to 5%. Furthermore, it is advisable to increase the export tax on raw materials used in animal feed production to a range of 10% to 20%, depending on the specific type of material.

- Arranging seminars to facilitate the exchange of experiences concerning legislation and documentation pertinent to the organization of activities within the industry supply chain, as well as strategies for accessing

raw material markets and export markets for finished products. Establishing strong connections among animal feed manufacturers, farmers, and relevant associations.

- Vietnam's animal feed production companies are presently characterized by fragmentation, with weak joint ventures and associations. There is a pressing requirement for restructuring strategies, establishing the joint ventures and partnerships to develop large, diversified enterprises. The Ministry of Agriculture and Rural Development serves as the governmental authority responsible for assisting these enterprises in restructuring, as well as in formulating and developing business strategies aimed at mitigating the disadvantages faced by Vietnamese companies in comparison to foreign enterprises operating in Vietnam.

We anticipate that the findings of this study will provide valuable recommendations for small and medium-sized enterprises (SMEs) to enhance their connections, mitigate risks within the supply chain, and secure the stability of raw materials in the future.

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FACTORS INFLUENCING POVERTY REDUCTION INITIATIVES IN HOAI DUC DISTRICT, HANOI

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Abstract: This article analyzes and evaluates the elements influencing poverty reduction initiatives based on the multidimensional poverty standard method in Hoai Duc district, Hanoi. The analysis of the existing situation has yielded an evaluation of the elements influencing poverty alleviation efforts in the area, specifically: regulatory policy issues, local policymakers engaged in poverty reduction initiatives, and factors pertaining to the impoverished individuals themselves. The findings of the research indicate that in recent years, Hoai Duc district has consistently adhered to policies aimed at supporting local impoverished populations.. Policy authorities have exerted considerable effort to fulfill their responsibilities by providing permanent employment for impoverished households in the district's communes, enabling them to concentrate on their work and alleviate poverty. Nonetheless, limits in their requirements persist, along with challenges in assisting impoverished households in accessing the policies. The inadequate educational attainment of the impoverished constitutes an obstacle that hinders their capacity to assimilate information and knowledge pertaining to science, technology, manufacturing, and the market, etc.

***Keywords**: Multidimensional poverty, poverty alleviation, policies, framework*

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1. Introduction

Hoai Duc District is an emerging region characterized by a high population density and a varied economy. Nevertheless, impoverished households persist, and the threat of reverting to poverty remains owing to reasons such as insufficient money, inadequate education, unstable employment, and restricted production resources. Comprehending the causes and determinants facilitates the identification of the appropriate strategies for poverty alleviation initiatives. Sustainable poverty alleviation encompasses not only income enhancement but also the consideration of education, healthcare, housing, labor skills, and various social determinants, including local poverty reduction policies, the human resources executing poverty alleviation initiatives, and crucially, the cognitive capabilities of the impoverished in engaging with these activities. Examining these factors in Hoai Duc facilitates the evaluation of their significant impact, thereby enabling the formulation of suitable and practical policies for the region; support policies can be crafted to align optimally with the local conditions, assisting residents in not only overcoming poverty but also sustaining an improved quality of life and preventing regression into poverty. Establishing a foundation for social welfare and community development initiatives to foster more stable economic conditions for impoverished households. Investigating the

determinants of sustainable poverty alleviation in Hoai Duc district not only enhances the socio-economic development of the region but also significantly helps to the formulation of effective and sustainable poverty reduction policies for the nation.

2. Fundamental principles and literature review

2.1. Fundamental principles

The notion and criteria of multidimensional poverty

The United Nations (UN) defines poverty as the absence of the essential capacity to engage effectively in social activities. Poverty signifies a lack of sufficient food, clothing, educational opportunities, medical care, arable land, gainful employment, and access to finance. Poverty encompasses insecurity, deprivation of rights, social exclusion, susceptibility to violence, existence in hazardous conditions, and lack of access to clean water and sanitation services. (United Nations, 2012). Organizations and scholars fighting poverty frequently offer varying definitions and criteria for assessment and evaluation, depending upon their objectives, viewpoints, and methodologies. The World Bank (WB) claims that poverty encompasses not just material deprivation but also risk, vulnerability, social challenges, and possibilities. World Bank, 2006.)

Poverty is a multifaceted issue characterized by the deficiency or inadequate provision of fundamental human needs. Multidimensional poverty refers to the state in which individuals' basic demands are insufficiently fulfilled.

Alleviating poverty via a multidimensional strategy includes that households show a viable means of livelihood, ensuring their subsistence and protecting the family's survival, while also equipping them to minimize and adapt to risks stemming from unpredictable fluctuations in their livelihood context, thereby preventing a regression into poverty.

The criteria for multidimensional poverty contain an index that includes not only income levels but also factors associated with the deficiency of essential social services (Oxfam and ActionAid, 2010). The global Multidimensional Poverty Index comprises three primary dimensions: health, education, and living conditions. This is a significant measure to augment traditional income-based poverty evaluation method.

2.2. Literature review

The article "*Social Work and Poverty*" by authors Greg Mantle and Dave Back (2010), examines the connection between the practice of community-based social work, policy, and academia. The authors contend that social workers should directly participate in poverty alleviation. This approach is most effective when social workers maintain a close relationship with the local community and provide support that is centered on empowerment and prevention. "Despite a decline in interest among academics, government officials, and professionals in the community-based social work approach in the UK over recent decades, there is potential for a resurgence, with valuable insights to be gained from the implementation of this approach in other nations." (Greg Mantle, 2010).

The World Bank (2006) did research and produced a book entitled "*Beyond the Number: Understanding the Institution for Monitoring Poverty Reduction Strategies*" (Washington, DC), authored by Tara Bedi, Aline Coundouel, Marcus Cox, Markus Goldstein, and Nigel Thornton. The research has demonstrated the basis of the relationship in enhancing the framework of comprehensive guidance for poverty alleviation strategies, thus enabling the formulation of policies and the evaluation of their effects on impoverished nations. An examination of policy practices and outcomes has been conducted in several countries, including Albania, Bolivia, Guyana, and Honduras. (World Bank, 2006).

In their study "*The Relationship Between Livelihoods and Poverty Status in Rural Vietnam,*" conducted at the University of Economics Ho Chi Minh Khai and Danh (2012) asserted that poverty status is assessed not solely through expenditure or income, but also through living standard indicators that signify the socio-economic welfare of households. The study sought to investigate the correlations between monetary poverty and various socio-economic attributes of households in rural Vietnam through a livelihood framework, while also identifying suitable socio-economic indicators for assessing multidimensional poverty. The research findings validate the existence of a minimum of 10 dimensions for assessing multidimensional poverty, encompassing four categories of livelihood assets. Quantitative and categorical data were retrieved and utilized as relevant indicators for assessing multidimensional poverty. Classifying households according to multidimensional poverty status is statistically more successful, demonstrating enhanced homogeneity within each group compared to classification based on per capita expenditure. The subject also provides a foundation for modifying policies to accommodate certain target groups, so harnessing their strengths to attain the objective of lasting poverty alleviation. (Khai & Danh, 2012).

The report detailing the outcomes of the 2023 survey on poverty and near-poor household presents the implementation results achieved through the sustainable poverty reduction program and objectives set for 2023, encompassing the 2018-2023 period, as conducted by the People's Committee of Hoai Duc District. The study presents data on impoverished and near-impoverished households in 2023, together with the outcomes of implementation and strategies for sustainable poverty alleviation in Hoai Duc district. This research establishes a basis for social workers to determine the prevalence, underlying causes, existing circumstances, and potential solutions to poverty, thereby enhancing the effective application of social work practices to support the impoverished. (People's Committee of Hoai Duc District, 2023).

The "*Multidimensional Poverty Report in Vietnam: Reducing Poverty in All Dimensions to Ensure Quality of Life for Everyone,*" published by the United Nations Development Program (UNDP), emphasizes the evolving trends of multidimensional poverty and identifies the factors influencing the reduction of multidimensional poverty in Vietnam. The paper specifically examines and identifies vulnerable groups susceptible to multidimensional poverty, including ethnic minorities and individuals with impairments. This paper examined the existing poverty reduction programs and suggested various targeted ways to tackle multidimensional poverty currently. One significant proposed solution is to "enhance the effectiveness of programs and policies through design and implementation," which entails increasing awareness among the impoverished to proactively engage with policies, actively collaborate with

the state to attain poverty reduction objectives, and promote community-based poverty alleviation initiatives. (UNDP, 2021).

3. Methodology of research

The study used the questionnaire interview approach, utilizing quota sampling to gather data from 158 impoverished households residing in the three communes of Duong Lieu, Cat Que, and Minh Khai, located in Hoai Duc District, Hanoi City.

The study employed an in-depth interview methodology: The research involved 15 in-depth interviews, comprising 10 interviews with representatives from households, 3 interviews with officers responsible for enforcing commune policies, and 2 interviews with community leaders.

Method of document analysis: The examination of secondary data will involve utilizing sources from reports concerning the execution of initiatives aimed at assisting impoverished women within the research area. The approach of document analysis provides the research with a robust theoretical framework, which acts as a basis for exploring the present circumstances of poverty alleviation efforts in the designated area.

4. The current situation regarding the factors affecting poverty alleviation efforts utilizing the multidimensional poverty approach in Hoai Duc district, Hanoi city

4.1. The current impoverishment in Hoai Duc district

As of 2023, according on the survey review reports from the municipalities and towns, the total number of impoverished households in Hoai Duc district has diminished to 582, or 0.92%. The quantity of near-poor families rose to 1,400, representing 2.22%.

Table 1. Data regarding the quantity of impoverished households

No.	Municipality	Aggregate quantity of households	Impoverished household	Percentage (%)
1	Minh Khai	1.806	33	1.83
2	Duong Lieu	3.560	35	0.98
3	Cat Que	4.698	90	1.92
4	Yen So	2.867	22	0.77
5	Dac So	1.246	10	0.80
6	Tien Yen	1.870	37	1.98
7	Song Phuong	3.581	35	0.98
8	Duc Thuong	3.334	40	1.20
9	Duc Giang	3.407	27	0.79
10	Kim Chung	3.666	22	0.60
11	Di Trach	2.130	0	-
12	Van Canh	3.108	13	0.42
13	Son Dong	2.348	17	0.72
14	Lai Yen	2.698	29	1.07
15	Van Con	3.299	41	1.24
16	An Thuong	4.446	23	0.52
17	Dong La	3.277	31	0.95
18	An Khanh	7.949	72	0.91
19	La Phu	3.073	23	0.75
20	Tram Troi	1.658	8	0.48
	Total	64.021	608	0.92

Source: Hoai Duc District Poverty Alleviation Report, 2023

The prevalence of impoverished households in Hoai Duc district is predominantly situated in rural regions. Of the 582 impoverished households, 91.0% reside in rural regions. Merely 9.0% of impoverished households are situated in urban areas. Among the 20 communes/towns in the district, only one commune, Di Trach Commune, is devoid of impoverished households. Nineteen of the twenty communes/towns in the district contain impoverished households.

In evaluating the poverty rate by locale, there are 13 communes/towns with a poverty rate under 1% and 6 communes with a poverty rate exceeding 1%. Within the survey region of this study, two communes (Minh Khai and Cat Que) exhibit a poverty rate beyond 1%, while one commune (Duong Lieu) demonstrates a poverty rate below 1%.

Table 2. The determinants of poverty

No	The determinants of poverty	Impoverished household	Percentage (%)
1	Some individuals endure severe illnesses that preclude them from employment, while others are single parents caring for young children.	269	46.2
2	Some members frequently experience illness due to expensive ailments, while others are older individuals unable to engage in employment.	141	24.2
3	A family member has a disability.	77	13.2
4	The family members' occupations are precarious; they are unable to secure stable employment and lack adequate vocational training.	75	12.2
5	The family lacks the financial resources to enhance output.	35	5.9
6	There are dilapidated dwellings need construction and restoration.	58	10.0
7	Currently not utilizing potable water sources and hygienic latrines.	11	1.9
8	Insufficient resources for obtaining media information: absence of television and digital set-top box.	40	6.9
9	Challenges in financing children's education across multiple levels	133	22.8
10	Some members engage in social vices and exhibit a lack of diligence in their employment.	28	4.8

Source: Hoai Duc District Poverty Alleviation Report 2023

The factors contributing to poverty among households in Hoai Duc district are highly varied. This indicates a distinct multidimensional poverty scenario. Presently, multiple primary factors contribute to the impoverished conditions of households in Hoai Duc district. Poverty is primarily attributed to severe health conditions, including cancer, dialysis, and heart surgery, as well as poor health, inability to work, and the circumstances of the elderly, single parents raising children, and those who are unemployed. Furthermore, there are various other factors contributing to poverty, such as insufficient capital..

Moreover, various other factors contribute to poverty, including insufficient capital for production development; deteriorated and severely damaged housing; inadequate access to clean water and sanitary facilities; scarcity of assets for information and communication; family members engaged in social vices; and challenges in financing children's education.

4.2. Factor poverty alleviation strategies in Hoai Duc district

The poverty alleviation objective is a significant socio-economic metric of the district. In pursuit of reducing the poverty rate to 0.97% by 2023, the government and citizens of Hoai Duc district have consistently endeavored to adopt policy measures that facilitate sustainable poverty alleviation, enhance living conditions, and ensure social security.

A significant initiative aimed at alleviating poverty in Hoai Duc district is the subsidy policy designed for households facing extreme hardship. At present, there are 269 households classified as being in extremely difficult situations, which constitutes 46.2% of the total 582 poor households in the district. These families require sustainable solutions to overcome poverty, as the individuals within these households are unable to improve their circumstances on their own. .

In the group, 39 impoverished households afflicted by severe illnesses, incapable of working or self-care, receive supplementary healthcare cost assistance amounting to 50,000,000 VND annually. (Report on the findings of the survey and evaluation of households in poverty and near poverty conducted in 2023). These assistance policies are highly significant, assisting the impoverished in mitigating their medical bills.

The one-time subsidy program is presently implemented in Hoai Duc district for specific categories of impoverished households, adhering to poverty alleviation criteria. According to the report on the findings of the survey and evaluation of households in poverty and near poverty conducted in 2023, 220 homes, representing 37.8% of the total 582 impoverished households, are getting a poverty alleviation stipend according to established criteria. These households have obtained assistance for housing construction and repairs; financial aid for loans; support for preschool and primary education expenses, including tuition fee waivers and reductions; vocational training; and employment placement services.

Table 3. Subsidies are based on poverty reduction for poor households.

No	Objective of assistance	Count of households assisted	Support Level (1000 VND)
1	Monthly stipend	101	8.400.
2	Constructing residential dwellings	11	4.500
3	Residential maintenance	7	3.500
4	Financial assistance for loans	22	100.000
5	Assistance for preschool tuition	4	5.000
6	Complimentary tuition for middle school	24	1.000
7	No-cost secondary education	5	1.500
8	Occupational training, employment placement	30	3.000
9	Advocacy for potable water	5	4.200
10	Assistance for the construction of hygienic latrines	2	5.000
11	Propaganda and mobilization	9	-
	Total	220	

Source: Findings from the poor household assessment in Hoai Duc district, 2023

Furthermore, 74 impoverished homes out of 582 (representing 12.7% of the total impoverished population) received assistance according to two poverty alleviation criteria. Criterion 1 mostly entails the provision of monthly stipends or complimentary health insurance cards, while criterion 2 predominantly encompasses the waiver or reduction of tuition fees for secondary and high school, assistance in the construction or renovation of homes, or the facilitation of employment alternatives. The degree of support for each criterion will vary among them. The minimum assistance level is 750 million VND (for acquiring health insurance cards), while the maximum support level might attain 100,000,000 VND (for home repairs).

Among 582 impoverished households, 14 (2.4%) received assistance based on three criteria, while five households (0.85%) received support based on four criteria. The primary kinds of assistance are monthly stipends, health insurance card aid, tuition fee waivers and discounts, and support for the construction or renovation of homes. The minimum level of help is 750,000 VND (to cover health insurance expenses), while the maximum level of support is 50,000,000,000 VND (for housing construction or repairs). (Report on the findings of the survey and evaluation of households in poverty and near poverty conducted in 2023.)

In the three surveyed communes, the quantity of households requiring assistance to alleviate poverty, based on defined criteria, differs. Minh Khai now has 33 impoverished homes, including 15 households classified as highly vulnerable with little capacity to overcome poverty; 11 households require assistance for one criterion of poverty alleviation, and 6 households need support for two criteria of poverty alleviation. Cat Que currently has 90 impoverished households, comprising 36 households in particularly challenging circumstances unable to escape poverty; 37 households requiring assistance for one criterion; 12 households needing support for two criteria to overcome poverty; and 5 households necessitating aid for three criteria to escape poverty. Duong Lieu Commune comprises 35 impoverished homes, with 30 households categorized as experiencing exceptionally challenging conditions with no prospect of overcoming poverty, and 5 households requiring assistance in one criterion to achieve poverty alleviation.

**Loan assistance policy*

The district social policy bank has collaborated with the district Department of Labor, Invalids and Social Affairs, authorized organizations, and the People's Committees of communes/towns to allocate loans to impoverished individuals and other policy beneficiaries through various initiatives. Specifically:

- Loans for impoverished households: A total of 1,697 impoverished households have received loans amounting to 72,254 million VND, thereby assisting 1,536 poor families in investing in production development and alleviating poverty.

- Loans for near-poor households: A total of 1,678 near-poor households have received loans amounting to 72,889 million VND, enabling 1,414 of these households to acquire capital for production development, enhance income, and achieve sustainable poverty alleviation.

- Loans for recently escaped poverty households: A total of 5,937 households that have recently escaped poverty have received loans amounting to 294,474 million VND, thereby enabling these households to continue accessing policy credit support for production development, which contributes to sustainable poverty alleviation in the district.

To facilitate the access of the impoverished and policy beneficiaries to the government's preferential credit policies, Social Policy Bank in Hoai Duc District has decreased expenses while augmenting the oversight of local authorities and socio-political groups in the management of policy credit capital. In recent years, Social Policy Bank in Hoai Duc District has aggressively collaborated with local authorities and delegated responsibilities to political-social organizations to enhance the operational quality at communal transaction sites. The employment creation loan program not only improves the communication of loan source advantages to the public but also ensures efficient and prompt evaluation and distribution of loan projects. In Yen So commune, throughout 2021 and 2022, the "For the Poor" Fund received donations amounting to 118 million VND, which facilitated the construction and repair of houses and the provision of presents to near-poor households, totaling 90 million VND. At now, Yen So commune has merely 20 houses classified as near-poor remaining. Numerous households receive assistance from local groups to obtain favorable loans for economic advancement. The entire commune aims to further decrease the number of near-poor homes to 7 in 2023. Nguyen Van Thanh, Secretary of the Party Cell and Head of the Front Work Committee of Hamlet 6, reported that from 2020 to 2023, the hamlet received support for 3 households from the Fatherland Front at all levels and various organizations, totaling 200 million VND for the construction of Great Solidarity Houses. The robust residences enabled households to secure assistance from multiple organizations in acquiring loans for economic advancement, thus enhancing their living conditions over time.

For numerous years, the Farmers' Association in Hoai Duc district has actively assisted members in securing favorable loans from the Farmers' Support Fund and financial institutions to enhance productivity. They have effectively established and enhanced exemplary models, including the cultivation and maintenance of Buddha's hand fruit, Dien grapefruit, Taiwanese guava, apple, and late-ripening lychee, as well as the production of safe vegetables adhering to VietGAP standards. This initiative has generated employment for thousands of local workers. Additionally, facilitating access to loans for farmer members' aids in the development of collective economic models and diverse production linkages, addressing the practical demands of commodity agriculture during the era of international economic integration. The late-ripening longan cultivation model has proliferated in the riverside communes, encompassing over 120 hectares, with yields of 15-18 tons per hectare annually, resulting in an income of 500-550 million VND per hectare per year. The local pomelo cultivation model, established for several years, spans 186 hectares, primarily in the communes of Cat Que, Dong La, Yen So, and Duong Lieu, yielding 35-40 tons per hectare and generating an income of 400-500 million VND per hectare per year. Additionally, the apple and guava cultivation model in Di Trach commune has achieved an income exceeding 500 million VND per hectare per year…

In accordance with Directive No. 40-CT/TW dated November 22, 2014, and Conclusion No. 06-KL/TW dated June 10, 2021, from the Central Committee's Secretariat regarding the enhancement of the Party's leadership over social policy credit; Program No. 08-CTr/TU dated March 17, 2021, from the City Party Committee; and Plan No. 159/KH-UBND dated July 1, 2021, from the Hanoi City People's

Committee concerning the "*Development of the social security system, augmentation of social welfare, and enhancement of the quality of life for the capital's residents during the period 2021-2025.*" Each year, the district People's Committee allocates monies from the district budget to the Hoai Duc Social Policy Bank for the purpose of lending to impoverished households and other recipients of social policies. As of September 2023, the total outstanding loans from the Social Policy Bank programs in Hoai Duc district exceeded 378 billion VND, reflecting a growth rate of 25% and achieving 100% of the annual target. (Report on the findings of the survey and evaluation of households in poverty and near poverty conducted in 2023.)

Between 2018 and 2023, Vietnam's poverty reduction programs and policies, especially those in Hoai Duc district, have significantly improved through the comprehensive integration of previously fragmented and overlapping poverty alleviation strategies. Historically, the framework of poverty alleviation initiatives and policies was assessed as exhibiting considerable redundancy. There is insufficient cohesion among poverty reduction policies, programs, and projects, as well as social assistance, risk prevention, and mitigation policies, programs, and projects across the life cycle (social insurance) and the establishment of support service systems, particularly for the impoverished. The system is presently under assessment and incorporation into the "Plan for Reviewing and Integrating Poverty Reduction Policies for the 2017-2018 Period" (Decision No. 1259/QĐ-TTg, dated August 22, 2017). Nonetheless, the outcomes attained remain constrained.

The extent and thoroughness of poverty reduction measures have facilitated the efficient implementation of multidimensional poverty criteria in the district.

Nonetheless, the constraints in executing poverty alleviation programs are also partially attributable to the intricacy, fragmentation, and redundancy of the current poverty reduction documentation system. Presently, certain documents pertaining to the execution of poverty alleviation programs exhibit redundancy, hence complicating the agencies' efforts in implementing these policies. Policy for alleviating poverty. Official Letter No. 17332/BTC-NSNN, dated December 6, 2016, from the Ministry of Finance, addresses the execution of poverty alleviation and social welfare policies in accordance with the multidimensional poverty standard for the period 2016-2020. The letter articulates, "*in the short term, permit the application of poverty reduction policies for impoverished households based on income criteria; for impoverished households lacking access to essential social services (multidimensional poor households), upon the issuance of support policies by the competent authority and guidance on funding sources for implementation, the support policies for these groups will subsequently be enacted.*" In accordance with the intent of this Circular, all support policies for multidimensional impoverished households must be temporarily halted. This circular is deemed to hinder the execution of numerous poverty alleviation measures that adhere to multidimensional poverty criteria, including:

Mr. T.H.X, a social policy officer, asserted: *"Presently, numerous poverty alleviation measures are implemented directly for impoverished homes and individuals, irrespective of their income status or multidimensional poverty classification. The frequently enacted policies encompass: healthcare assistance for the impoverished; educational and vocational training support for disadvantaged students; job creation and labor export initiatives; preferential credit schemes; housing assistance policies; electricity bill subsidies; social assistance for specific community protection groups; legal aid provisions; and support policies for economically disadvantaged ethnic minority women during childbirth, in accordance with regulations." (T.H.X, Male, 40 years of age)*

Poverty reduction policies continue to exhibit redundancy and dispersion, as numerous regulatory documents are insufficient and misaligned with local realities, thereby hindering implementation and diminishing the efficacy of these policies. The strategy of offering material assistance, such as breeding cattle, to impoverished and near-impoverished households remains impractical; the preferential credit support with minimal loan amounts is not adequately aligned with the production cycle of businesses.

The methodology for identifying impoverished and near-impoverished households is regarded as flawed due to its annual updates and reliance on predetermined poverty quotas established by higher authorities, while transitions into or out of poverty occur more rapidly in response to various shocks, such as employment fluctuations, health crises, natural disasters, and epidemics.

T.V.T, a policy-making officer, stated: "*The poverty alleviation policies primarily emphasize support and financial assistance, which have not cultivated a proactive mindset among various levels of society, resulting in a dependency mentality both at all levels and among the impoverished." A trend exists in numerous areas, districts, and communes where individuals aspire to be included on the list of impoverished households to obtain aid. Despite the existence of numerous support policies for impoverished households, these initiatives are fragmented and fail to incentivize upward mobility; the proliferation of such policies, directly linked to the benefits for these households, has resulted in diminished motivation for development, fostering a mindset of dependence, expectation, and reluctance to transcend poverty among certain impoverished households". (T.V.T, Nam, 45 years of age).*

Local authorities encounter numerous challenges in executing policies and providing resources suitable for their regions due to constraints in authority and budget implementation regarding poverty alleviation strategies. Poverty reduction strategies frequently establish ambitious aims, with several policies introduced without adequate budget allocation, resulting in insufficient resources for execution…

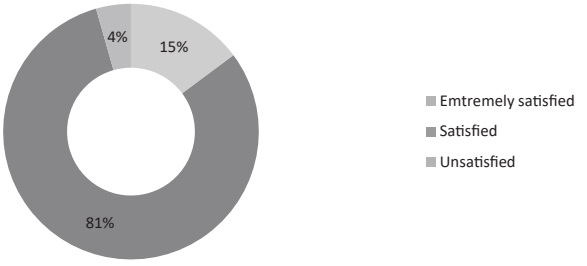
The approaches for poverty alleviation remain limited, lacking sustainability, exhibiting unpredictable production yields, and demonstrating inadequate coordination between production and consumption. Individuals predominantly depend on their own endeavors, devising personal strategies to do business and alleviate poverty.

The execution of poverty alleviation strategies predominantly relies on diverse resources, particularly human resources and additional assets.

Vocational training and employment regulations are essential activities for assisting impoverished individuals and households in securing labor conditions and work prospects. Consequently, we have concentrated on guiding districts, towns, wards, and communes to execute various specific measures, including: assessing the vocational training and employment needs of the impoverished,

offering job counseling and information; collaborating with local enterprises to address employment challenges; and partnering with educational institutions and vocational training centers to facilitate vocational training and employment solutions. Diversifying vocational training methods for the impoverished in the community to align with their abilities, qualifications, and local economic development characteristics, thereby creating opportunities for them to leverage their skills, implement them in family economic development models, attain stable incomes, alleviate poverty, and elevate their social status.

Figure 1. Assessment of satisfaction levels on employment support initiatives for impoverished households



Source: Survey data from the 2024 project

The research findings indicate that 81% of the impoverished population expresses pleasure with employment support initiatives for low-income households, 15% report being very satisfied, while a mere 4% convey dissatisfaction. The figure is minimal; yet, the district must comprehensively address it to alleviate the anxieties of impoverished households regarding support initiatives.

4.3. Determinants of local policy officials engaged in poverty alleviation

Local officials assist in advising and linking impoverished individuals with support programs and initiatives. To attain optimal outcomes, the team of poverty reduction policy authorities, alongside the impoverished individuals, significantly influences poverty alleviation initiatives. The predominance of local officials trained in disciplines unrelated to social work, along with their insufficient understanding of societal issues and substantial workloads, will significantly hinder their ability to critically assess the function of a social worker.

In recent years, Hoai Duc district has executed numerous training programs and policies to augment the capabilities of personnel at all levels, particularly those at the commune and village levels, in implementing multi-dimensional poverty alleviation strategies. Augmenting the capabilities of the poverty alleviation workforce substantially aids in the effective execution of poverty reduction initiatives.

Nonetheless, concerning the equipment and operational methods of the pertinent institutions in executing poverty alleviation measures, numerous restrictions persist. Many regions exhibit a deficiency of proficient poverty alleviation personnel. At present, the majority of personnel engaged in poverty alleviation at the commune level are simultaneously occupied by social culture authorities responsible for Labor, Invalids, and Social Affairs, whereas the primary operations of the Program are executed at the commune and ward levels. The personnel have not had systematic training, and the substantial workload hinders their ability to execute their designated responsibilities effectively. Furthermore, poverty alleviation efforts necessitate that authorities possess not only professional acumen but also enthusiasm, sensitivity, and creativity to comprehend the local context.

The team of grassroots authorities at the commune, village, and town levels experiences instability and frequent turnover, which negatively affects the management and implementation of poverty alleviation programs within the communities. Furthermore, the policies and regulations that oversee this group of officials at the district and commune levels have not been adequately addressed. The skills and managerial competencies of the program's local personnel vary significantly, impeding the effectiveness of their advisory functions across various levels of government.

Ms. N.T.A's evaluation, derived from comprehensive interviews with poverty reduction policy officials about their influence on policies at the commune and district levels, confirmed the critical importance of this factor: *"Each commune has a team of officials devoted to poverty reduction, possessing expertise, passion for their profession, and significant commitment and enthusiasm." Nevertheless, the staff remains insufficient in size to fulfill the task requirements. The majority of policy officers have pursued studies in unrelated disciplines, primarily human resource management and law, and some officers possess limited job experience due to their youth. Nevertheless, they consistently endeavor to execute their responsibilities effectively, optimizing their capabilities in their capacity as poverty reduction officers.* (N.T.A., female, 39 years of age).

Despite its critical importance, recent years have revealed that the team of poverty reduction policy officials is still quantitatively insufficient, and the capabilities and talents of grassroots poverty reduction personnel are markedly constrained. Deficiencies in cultural understanding and insufficient information regarding perspectives, policies, and protocols on poverty alleviation result in miscommunication with impoverished individuals.

The deficiency in understanding agricultural and fishery extension, management, and capital usage results in generalized support for impoverished households, which fails to effectively impart knowledge on business practices and strategies for overcoming poverty.

The commune has yet to formulate a strategy for communication sessions regarding poverty reduction measures, nor has it linked impoverished households to these policies, resulting in a limited comprehension of these policies among such households.

The primary challenges confronting the impoverished in the participation process are the absence of clear policy explanations and the protracted duration required to implement and obtain assistance. This indicates that the efforts to disseminate information and counsel the public regarding programs, policies, and activities aimed at assisting the impoverished remain insufficient.

The coordination mechanism reveals that poverty reduction programs are still allocated to numerous entities. The simultaneous involvement of numerous entities in poverty reduction measures, coupled with the absence of a designated agency, contributes to the overlapping and fragmented execution of these policies. Poverty alleviation policies remain redundant and disjointed.

Table 4. Assessment of the influence of personnel factors on poverty alleviation initiatives (%)

Magnitude of effect	Loan assistance initiatives	Vocational assistance initiatives	Employment assistance initiatives
Low	0	0	0
Moderate	11.7	4.2	4.4
High	25.8	35.2	36.3
Very high	62.5	60.6	59.3

Source: Survey data for the 2024 initiative

The data reveals that the majority of survey respondents rated the effectiveness of poverty reduction policy authorities as either high or very high, with no participants providing low ratings. This suggests that poverty reduction authorities play a vital role, significantly impacting the success of poverty alleviation efforts. In summary, policy-making officials at the communal and district levels are pivotal in shaping poverty alleviation initiatives. Policy-making officials assist the impoverished in various domains, including disseminating information on accessible loan sources, promoting awareness, guiding them through loan procedures, offering vocational training, and facilitating employment opportunities. In the absence of policy-making officials, the impoverished would lack access to these programs, resulting in diminished efficacy in poverty alleviation.

4.4. The cognitive determinants of the impoverished

The understanding of the impoverished is limited to the phrases "ask – give," without recognizing their entitlement to seek information and obtain assistance in accessing resources pertaining to finance, healthcare, employment, psychology, and more. This results in their lives being deficient relative to the broader community, and they experience exacerbated hardship when support resources are accessible yet unknown and unattainable to them. Furthermore, their mentality perpetually instills a sense of inferiority, inhibiting them from asserting their rights and resulting in a lack of information of the advantages that, if utilized, could facilitate a sustainable escape from poverty. This poses a barrier in disseminating support activities among impoverished individuals.

Connected programs can fail to fully leverage their inherent advantages. They have not adequately acknowledged the advantages they enjoy, feeling timid and apprehensive when accessing resources intended to alleviate poverty. If the home is reliant and passive, then all influencing conditions are inconsequential. It is essential to assist them in altering their entrenched views regarding their capabilities to enable them to accept resources that will facilitate their escape from poverty.

Comprehensive interviews with the poverty reduction officer disclosed: "*The impoverished individuals themselves play a crucial role; if they lack the resolve to overcome poverty, no officer or policy can facilitate their escape from it." (V.T.H., female, 35 years of age)*

The impoverished individuals' awareness of poverty is constrained. The research findings indicate that a significant proportion of the impoverished respondents own only an elementary education (42.2%) or have not received any formal schooling (28.9%). Numerous impoverished individuals fail to recognize the underlying factors contributing to their poverty, such as procreation of numerous offspring, lackadaisical work ethic, or involvement in social vices, which they ascribe to fate or the absence of equitable regulations that hinder their access to developmental possibilities. Consequently, they lack the awareness to pursue self-improvement and instead habitually depend on and anticipate support from the government and community during challenging times.

The perspective of impoverished households, as well as the broader community, still perceives poverty alleviation programs as charitable acts. As a result, the initiatives aimed at supporting vulnerable groups, especially the impoverished, and facilitating their involvement in poverty reduction efforts have not received adequate recognition. Numerous impoverished homes have a mentality of contentment with their circumstances and demonstrate a reliance on community and governmental assistance. They have not genuinely valued the benefits they receive and continue to feel timid and inferior when obtaining poverty reduction resources. The mindset of dependency constitutes a significant barrier to the implementation of poverty alleviation programs and the optimization of policymakers' roles in executing these initiatives in Hoai Duc district today.

Significant effort from local authorities and community collaborators is essential to effectively develop and foster self-confidence among the impoverished, enabling them to comprehend the support actions and their associated benefits.

5. Conclusion

Hoai Duc is among the swiftly urbanizing regions of Hanoi. Urbanization presents several benefits; yet, it also poses significant obstacles for the impoverished, particularly in obtaining essential services and accessing the job market. Investigating the determinants of sustainable poverty alleviation in Hoai Duc district not only enhances the socio-economic development of the region but also significantly helps to the formulation of effective and sustainable poverty reduction policies for the nation. Research enables the formulation of support policies that are optimally tailored to the circumstances of the residents of Hoai Duc, facilitating their departure from poverty while promoting sustained improvement in their quality of life and preventing regression into impoverishment.

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QUY ĐỊNH BÀI VIẾT
GỬI ĐĂNG TRÊN TẠP CHÍ NGUỒN NHÂN LỰC VÀ AN SINH XÃ HỘI CỦA TRƯỜNG ĐẠI HỌC LAO ĐỘNG – XÃ HỘI

I. HÌNH THỨC CỦA BÀI BÁO

- Bài viết bằng tiếng Việt, soạn thảo trên Word, font Times New Roman (Unicode); cỡ chữ 12; trên khổ giấy A4; lề trên, dưới, trái, phải: 2,54 cm; giãn dòng: 1,5 lines. Mật độ chữ bình thường, không được nén hoặc kéo dãn khoảng cách giữa các chữ.

- Nội dung bài viết cô đọng, súc tích, theo cấu trúc của bài báo khoa học; không quá 15 trang đánh máy giấy A4 (bao gồm cả bảng biểu, hình vẽ, chú thích, tài liệu tham khảo).

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1. Tên bài báo: tên bài báo cần phải ngắn gọn (không nên quá 20 chữ/words), rõ ràng và phải phản ánh nội dung chính của bài báo. Tên bài báo phải viết chữ in hoa, cỡ chữ 12, in đậm, căn giữa trang.

2. Tên tác giả, cơ quan công tác, địa chỉ email (Trường hợp có nhiều tác giả cũng nêu đầy đủ).

3. Tóm tắt bài viết: phần tóm tắt bài báo gồm 2 phần tiếng Việt và tiếng Anh. Tóm tắt bằng tiếng Việt có độ dài từ 150 đến 250 từ, phản ánh khái quát những nội dung chính trong bài báo và thể hiện rõ những kết quả, đóng góp, điểm mới của bài báo.

4. Từ khóa: từ khóa là những từ được cho là quan trọng đối với nội dung nghiên cứu đặc trưng cho chủ đề của bài viết đó. Tác giả đưa ra một số từ khóa (khoảng 3 - 6 từ khóa) của bài viết. Từ khóa có cỡ chữ 12, chữ thường, cách mỗi từ là dấu phẩy.

5. Nội dung bài báo: có thể có hình thức khác nhau nhưng đảm bảo các nội dung sau: Giới thiệu; Tổng quan nghiên cứu và hoặc cơ sở lý thuyết; Phương pháp nghiên cứu; Kết quả nghiên cứu (Thực trạng vấn đề nghiên cứu); Kết luận hoặc /và giải pháp/khuyến nghị/hàm ý và Tài liệu tham khảo.

III. CÁC QUY ĐỊNH VỀ KỸ THUẬT TRÌNH BÀY

1. Quy định về đánh số đề mục

Trong phần nội dung chính của bài viết, các đề mục lớn phải là chữ in đậm, căn trái và được đánh số liên tục theo chữ số Ả-rập. Các tiểu mục cấp1 (ví dụ: 1.1) là chữ in đậm và nghiêng. Các tiểu mục cấp 2 (ví dụ: 1.1.1) là chữ in nghiêng nhưng không in đậm.

2. Quy định về trình bày bảng biểu, hình vẽ, ký hiệu, công thức

Quy định trình bày bảng, hình vẽ

- Các bảng dữ liệu trình bày trong bài báo được ghi thống nhất là Bảng. Các bảng dữ liệu phải là định dạng bảng (table) trong phần mềm Microsoft Word.
- Các đồ thị, biểu đồ, sơ đồ trong bài báo được ghi thống nhất là Hình.
- Các bảng/hình trong bài báo phải được dẫn nguồn.

3. Quy định về trình bày trích dẫn, tài liệu tham khảo

Việc trích dẫn tài liệu tham khảo được thể hiện ở trích dẫn trong bài và tài liệu tham khảo. Tạp chí áp dụng cách trích dẫn kiểu APA.

IV. HÌNH THỨC GỬI BÀI, NHẬN BÀI

Bài viết gửi về Ban Biên tập theo địa chỉ email: **tapchinguonnhanluc@ulsa.edu.vn**

- Quy định thể lệ viết bài Tạp chí, tác giả vui lòng xem chi tiết tại website của Trường: **http://ulsa.edu.vn/**


TRƯỜNG ĐẠI HỌC LAO ĐỘNG - XÃ HỘI