



# IDS WORKING PAPER

Volume **2011** Number **371**

CSP WORKING PAPER Number **002**

## **Stopping Child Poverty in its Tracks: The Role for Social Protection in Vietnam**

Keetie Roelen  
September 2011



**Centre for  
Social Protection**



**Institute of  
Development Studies**

The Centre for Social Protection (CSP) supports a global network of partners working to mainstream social protection in development policy and encourage social protection systems and instruments that are comprehensive, long-term, sustainable and pro-poor. We produce research on conceptual approaches; design issues, including delivery, targeting and affordability; and impacts of different social protection initiatives.

Email: [socialprotection@ids.ac.uk](mailto:socialprotection@ids.ac.uk)

Web: [www.ids.ac.uk/go/research-teams/vulnerability-and-poverty-reduction-team/centre-for-social-protection](http://www.ids.ac.uk/go/research-teams/vulnerability-and-poverty-reduction-team/centre-for-social-protection)

CSP WP002



The Vulnerability and Poverty Reduction (VPR) Team aims to construct dynamic and multi-dimensional perspectives on vulnerability and poverty in order to transform thinking, policy and practice.

The VPR team produces working papers on social protection; conflict, violence and development; and poverty and inequality. Follow this link to view a full list of publications:

[www.ids.ac.uk/go/research-teams/vulnerability-and-poverty-reduction-team](http://www.ids.ac.uk/go/research-teams/vulnerability-and-poverty-reduction-team)

Stopping Child Poverty in its Tracks: The Role for Social Protection in Vietnam  
Keetie Roelen  
IDS Working Paper 371  
First published by the Institute of Development Studies in September 2011  
© Institute of Development Studies 2011  
ISSN: 2040-0209 ISBN: 978-1-78118-012-9

A catalogue record for this publication is available from the British Library.  
All rights reserved. Reproduction, copy, transmission, or translation of any part of this publication may be made only under the following conditions:

- with the prior permission of the publisher; or
- with a licence from the Copyright Licensing Agency Ltd., 90 Tottenham Court Road, London W1P 9HE, UK,  
or from another national licensing agency; or
- under the terms set out below.

This publication is copyright, but may be reproduced by any method without fee for teaching or nonprofit purposes, but not for resale. Formal permission is required for all such uses, but normally will be granted immediately. For copying in any other circumstances, or for re-use in other publications, or for translation or adaptation, prior written permission must be obtained from the publisher and a fee may be payable.

Available from:  
Communications Unit, Institute of Development Studies, Brighton BN1 9RE, UK  
Tel: +44 (0) 1273 915637 Fax: +44 (0) 1273 621202  
E-mail: [bookshop@ids.ac.uk](mailto:bookshop@ids.ac.uk)  
Web: [www.ids.ac.uk/ids/bookshop](http://www.ids.ac.uk/ids/bookshop)  
IDS is a charitable company limited by guarantee and registered in England (No. 877338)

# Stopping Child Poverty in its Tracks: The Role for Social Protection in Vietnam

Keetie Roelen

## Summary

A specific focus on children has been called for within the development and social protection debates, for moral, economic, rights and social justice reasons. This paper explores the role for social protection in reducing child poverty in the specific case of Vietnam. Although the country has experienced rapid economic growth with a concurrent rise in living standards, inequalities are widespread across demographic and social groups and deprivation persists in both income and non-income dimensions. Currently, social protection in Vietnam includes both social insurance and social assistance interventions. An indicative review indicates, however, that their impact on child poverty is limited with eligibility being biased towards the public sector, formal labour market and war veterans. Although various components of the social assistance scheme are more poverty-targeted, evidence does not suggest a strong beneficial impact on children's lives. Furthermore, there are considerable gaps with respect to transformative elements that could help address some of the structural inequalities in society. Lessons learned from the poverty analysis suggest that efforts should be directed towards better targeting and expanding services to vulnerable groups such as ethnic minorities or children living in single-headed households. Cash transfers may reduce child poverty when complemented with other measures that directly address the non-monetary aspects of child poverty and vulnerability. The impact of preventive interventions and social insurance could be improved by extending coverage to those in the private and informal sectors and reducing or eliminating user fees. Ultimately, conventional social protection interventions should go hand in hand with improvements in social services, infrastructure and legal frameworks.

**Keywords:** social protection; child poverty; Vietnam.

**Keetie Roelen** is a Research Fellow at the Institute of Development Studies in the Vulnerability and Poverty Reduction team and a member of the Centre for Social Protection. She is a development economist by training with a PhD focused on the definition and measurement of child poverty and the use of such measures for social policy evaluation. She has extensive experience in working with international organisations such as UNICEF, World Bank and UNDP, performing research and policy advice work in South East Asia, Africa and Central and Eastern Europe. She has performed quantitative and qualitative analyses of child poverty and social protection schemes and designed and delivered lectures and training courses for Masters students, professionals, practitioners and policy makers. Her work has been published in the form of peer-reviewed journal publications and book chapters, working papers and project reports.

# Contents

Summary, keywords, author note	3
Acknowledgements and acronyms	4
<b>Introduction</b>	<b>5</b>
<b>1 Child poverty in Vietnam</b>	<b>5</b>
<b>2 Current state of social protection in Vietnam</b>	<b>8</b>
<b>3 Role for social protection in tackling child poverty</b>	<b>10</b>
<b>Conclusion</b>	<b>12</b>
<b>References</b>	<b>14</b>
<b>Tables</b>	
Table 1.1 Poverty estimates for total and child population in Vietnam, 2006	6
Table 1.2 Child poverty estimates in Vietnam, 2006	7

## Acknowledgements

The research underpinning the analysis in this working paper was partly funded by UNICEF Vietnam and supported by the General Statistical Office (GSO) in Vietnam.

## Acronyms

NTPPR	National Targeted Programme for Poverty Reduction
VDR	Vietnam Development Report

# Introduction

Social protection has become an increasingly popular element of the development response to issues of poverty and vulnerability. It has the potential to serve a number of different purposes, ranging from provision, prevention and promotion to transformation (Devereux and Sabates-Wheeler 2004). As such, social protection focuses on the improvement of poor people's lives in the short term as well as on breaking the vicious cycle of poverty in the long run. With respect to child poverty, the concept of child sensitive social protection is now widely used to denote a wide range of policies and instruments that acknowledge and aim to appropriately address the vulnerable position of children (see UNICEF 2009). Children are often amongst the most vulnerable groups in society and have little power to change their situation due to a lack of voice and dependence on others for the provision of basic needs. A specific focus within the development (and consequently, social protection) debate has been called for; on moral, economic, rights and social justice grounds (see Blank *et al.* 2010). In this paper, we aim to explore the role for social protection in reducing child poverty for the specific case of Vietnam.

Despite a period of rapid economic growth and concurrent rise in living standards in Vietnam in the last two decades, a large proportion of children still live in poor and vulnerable conditions. Poverty estimates for 2006 indicate that one out of four children live in monetary poverty whilst almost one out of three children experience poverty in multidimensional terms (Roelen and Gassmann 2009). Research also points towards the existence of large horizontal inequalities with children belonging to ethnic minority groups and living in mountainous areas being most disadvantaged (Roelen and Gassmann 2009). As a result of the country's post-colonial war and post-war social government, Vietnam has quite an elaborate social protection system in place for responding to issues of poverty and vulnerability. Nevertheless, evidence suggests that the scheme is largely regressive (Evans and Harkness 2008) and does little to improve children's lives (Roelen 2010). This paper aims to explore options for the role of social protection in Vietnam to more appropriately address the specific issues of monetary and multidimensional child poverty. It does so by drawing from existing evidence with respect to child poverty in Vietnam as well as their social protection system.

The remainder of this paper is structured as follows: firstly, we consider the status of child poverty in Vietnam from both a monetary and multidimensional perspective. Secondly, we elaborate on the existing system in place before exploring options for social protection to adequately address and respond to issues of child poverty and vulnerability. Finally, we reflect on the lessons learned and put forward a number of recommendations.

## 1 Child poverty in Vietnam

Despite an overall improvement of living standards in Vietnam, child poverty is still an issue of considerable size and scope. We base our analysis of child poverty on monetary and multidimensional estimates for 2006 in order to gain a comprehensive insight into the multifaceted nature of the problem. A wide range of research has suggested that monetary and multidimensional measures are subject to considerable mismatch in both theoretical and empirical terms (see de Neubourg *et al.* 2009; Notten and Roelen 2010; Roelen *et al.* 2010). Country-specific evidence on child poverty for Vietnam suggests that measurement on either one of such approaches would draw different and partial pictures of the situation by identifying different groups of children being poor and a different set of factors underlying that poverty risk (Roelen *et al.* 2010). To ensure that this paper explores the role for social

protection on the basis of a comprehensive and inclusive analysis of child poverty, we incorporate estimates for both monetary and multidimensional child poverty into our analysis.

Table 1.1 compares poverty estimates from 2006 for the population as a whole with estimates for children. This comparison is only possible for monetary poverty as the multidimensional poverty measure was tailor-made to capture and reflect the specific situation for children and cannot be calculated for the overall population.

**Table 1.1 Poverty estimates for total and child population in Vietnam, 2006**

	Monetary poverty		Food poverty		Multidimensional poverty	
	headcount	gap	headcount	gap	headcount	gap
<i>total</i>	15.8	3.8	6.6	1.3	na	na
<i>children (0&lt;16)</i>	22.6	5.8	10.3	2.3	30.7	18.5

Source: Roelen and Gassmann (2009)

A first observation is that children are poorer in comparison to the rest of the population. Children face a higher risk to monetary and food poverty with poverty headcounts that are at least 50 per cent higher. The poverty gap is also higher for children in comparison to the total population, indicating that children experience deeper levels of poverty. In addition to moral, rights-based and economic arguments, the relatively disadvantaged position of children often serves as a justification for a special policy focus on children (see Devereux *et al.* 2010).

Table 1.2 provides a more detailed insight into monetary and multidimensional child poverty in Vietnam with decompositions by gender, area, region and ethnicity. Overall poverty estimates point towards a considerable size difference between monetary and multidimensional child poverty. Headcount rates suggest that 23 per cent of all children up to age 16 are monetary poor, whilst this amounts to 31 per cent in terms of multidimensional poverty. These size differences are considerable but can also be considered as largely arbitrary due to their dependence on the construction of the welfare measure, assumptions about intra-household distribution and economies of scale and the establishment of the poverty line. Although all elements in the construction of a monetary poverty measure are often the result of a long and thorough process, it remains subjective and open to debate (Roelen *et al.* 2010). Notwithstanding the inevitable degree of arbitrariness, we can still draw a number of lessons from the poverty estimates with respect to differences across demographic groups in the population.

Demographic decomposition shows that the child poverty profile is similar for monetary and multidimensional poverty in terms of gender, area and ethnicity, although the disadvantaged position of specific groups might be more or less outspoken depending on the approach under consideration. Neither monetary nor multidimensional estimates point towards a degree of gender inequality. Disaggregated poverty estimates do point towards the existence of horizontal inequality, which is confirmed by parametric analysis in Roelen and Gassmann (2009). Children living in rural areas and of ethnic minority experience higher and deeper levels of both monetary and multidimensional poverty in comparison to their counterparts in urban areas and of ethnic majority. However, the gap is considerably wider between children living in rural or urban areas in the case of monetary poverty vis-a-vis multidimensional poverty whilst the reverse holds in the case of ethnicity. Regional poverty estimates do not point towards a coherent picture of child poverty, neither in terms of size nor ranking.

**Table 1.2 Child poverty estimates in Vietnam, 2006**

	Monetary Child Poverty Rate	Monetary Child Poverty Gap	Multi-dimensional Child Poverty Rate	Multi-dimensional Child Poverty Gap
<i>Total</i>	22.62	5.8	30.72	18.5
<i>Male</i>	22.40	5.8	30.47	18.5
<i>Female</i>	22.85	5.9	30.99	18.5
	***	***	***	***
<i>Urban</i>	5.42	1.2	11.25	8.8
<i>Rural</i>	27.58	7.2	36.33	21.0
	***	***	***	***
<i>Red River Delta</i>	13.22	2.5	9.66	8.2
<i>North East</i>	34.05	8.4	36.16	21.0
<i>North West</i>	58.94	19.3	63.12	38.7
<i>North Central Coast</i>	37.99	10.4	25.75	14.2
<i>South Central Coast</i>	16.73	3.5	18.50	11.1
<i>Central Highlands</i>	37.16	11.9	39.33	20.9
<i>South East</i>	9.08	2.4	20.24	13.5
<i>Mekong River Delta</i>	12.59	2.3	56.31	27.3
	***	***	***	***
<i>Kinh/Chinese ethnicity</i>	14.50	3.0	24.08	13.9
<i>Other ethnicity</i>	61.25	19.2	62.34	34.1

Source: Roelen and Gassmann (2009)

Both methods identify the North West region as the region with the highest incidence and depth of child poverty but regional rankings differ greatly when considering the other regions. Most notable is the Mekong River Delta, which has the one but lowest poverty incidence in terms of monetary poverty but one but highest poverty incidence and depth in terms of multidimensional poverty.

Further analysis by Roelen *et al.* (2009b, 2010) provides more insight into the most stringent problems for children in Vietnam in terms of domains as well as the underlying factors in- or decreasing a child's risk to poverty. In terms of domains, the most stringent issues include access to water and sanitation, access to health and monetary poverty with deprivation rates ranging from 49 to 23 per cent. Deprivation across domains displays low correlation meaning that a large majority of children suffers from deprivation across a relatively small number of domains. In other words, there is considerable breadth of child poverty across the child population of Vietnam. In fact, 63 per cent of all children experience deprivation in at least one of the non-monetary domains. Taking into consideration that there is considerable mismatch in identification of the poor between the monetary and multidimensional measures, this share is likely to be considerably higher when one also took monetary poverty into consideration. A number of factors increase a child's risk to be poor, regardless of whether this concerns monetary, multidimensional or combined poverty. Children living in rural areas, living in the North West region and of ethnic minority are disadvantaged across the board. A child living in a household with unemployed household heads is relatively more likely to be monetary poor in comparison to multidimensional or combined poverty. By the same token, living in the Mekong River Delta or in a household with an unskilled household head increases the relative risk to multidimensional poverty. Children living in single-headed households, large households with many children or in households with non-active heads are more likely to be both monetary and multidimensionally poor.

There are a number of messages to take away from this child poverty analysis that are relevant for the discussion on the role for social protection as (part of) a response to the most stringent dimensions of child poverty and to address the needs of the most disadvantaged groups of children. A first issue to keep in mind is that child poverty is still widespread with large proportions of children suffering from at least one type of deprivation. Second, the areas of water and sanitation, health and economic resources are most pressing for children across the country. Third, the relative risks to experience different kinds of poverty differ depending on area and region of residence, ethnicity and household characteristics. As a final note, which has also been emphasised in the previous literature on child poverty in Vietnam, it is important to mention that the measures of monetary and multidimensional poverty cannot serve as a proxy for each other. As such, both should be included into an analysis of poverty that is to inform policy design and decision-making (Neubourg *et al.* 2009).

## 2 Current state of social protection in Vietnam

In this section, we provide a brief account of Vietnam's current state of affairs with respect to social protection, especially considering its effect on children. It has to be noted that this is an indicative rather than exhaustive review as not all policies and programmes in place might be documented or its documentation might not have been updated to reflect the latest developments. For a systematic discussion, we will build on the frameworks by Guhan (1994) and Devereux and Sabates-Wheeler (2004). Together, they propose a classification of social protection measures into protective, preventive, promotional and transformative measures in conjunction with their identified mechanisms of social assistance, insurance, services and justice. This classification has been widely applied in other studies on social protection and is particularly well-suited for the purposes of this paper as it allows for the notion of poverty and deprivation to be interpreted as issues beyond merely monetary concern (Devereux and Sabates-Wheeler 2004). Nevertheless, to avoid getting caught up in terminology, we use the various terms loosely and when appropriate.

Vietnam employs a wide range of social policy and protection programs, which are in part the result from the country's post-colonial war and post-war social government (Evans and Harkness 2008; Van de Walle 2004a). The policies comprising Vietnam's current social protection scheme can largely be subdivided into social insurance (preventive) and social assistance (protective). In Vietnam, social insurance primarily consists of pensions on a pay-as-you-go basis but also include short-term sickness benefits, unemployment allowances, maternity and disability benefits (Evans and Harkness 2008). The social insurance schemes primarily covered workers in the public sector but was expanded to the private sector in 1995 (Van de Walle 2004a). Participation in these schemes is biased towards those in formal employment and the public sector. Pensions are largely regressive as a result and Evans and Harkness (2008) show that three-quarters of the pensions are distributed to the two richest percentiles rather than to the poor. In addition, Vietnam has a social health insurance with compulsory, voluntary and targeted elements (Long 2008). Coverage has been expanding rapidly in recent years with the extension of free health insurance for disadvantaged groups and all children below the age of 6 years (VDR 2008). Nevertheless, evidence suggests that access to services is limited due to supply side barriers and a lack of understanding from beneficiaries about their entitlements (VDR 2008) and that take-up is seriously hampered due to formal and informal user-charges (Evans and Harkness 2008).

Social assistance can be considered a mechanism for protection or provision for the poor and vulnerable groups in society, usually in the form of targeted resource transfers provision (Devereux and Sabates-Wheeler 2004). In Vietnam, social assistance includes transfer schemes for veterans and war invalids and targeted benefit programs with cash and in-kind components (Justino 2005). The targeted transfers are part of the comprehensive National Target Program for Poverty Reduction (NTPPR), which includes a wider range of instruments. Overall, the system does not include a specific program that is targeted towards children. An evaluation of the Vietnamese cash transfer scheme with respect to child poverty suggests that they do little to improve their economic situation for children (Roelen and Gassmann 2009). The evaluation did not specify the impact of each component separately as they were too small in size but considered its overall impact on children. The limited impact of social welfare on monetary child poverty is in contrast to existing evidence in other contexts suggesting that welfare benefits that are not targeted towards children can still have the potential to positively impact their situation (e.g. Case and Deaton 1998).

In addition to social insurance and social assistance, Vietnam also employs a number of targeted programs that could be considered promotive measures. These programs are also largely part of the NTPPR and targeted to the vulnerable and disadvantaged groups in society. They can be considered to focus on the creation of opportunities for people to move out of poverty rather than on the mere provision of relief and support. Programmes include access to credit, agricultural subsidies and infrastructural development but with their shape and size varying greatly across programs and provinces (VDR 2008). The largest component of NTPPR provides preferential credit to poor households as well as subsidies to take part in essential services such as education. Programmes 132, 134 and 135 are geographically and categorically targeted programmes addressing the vulnerable and disadvantaged situation of ethnic minorities and those living in mountainous areas. Programme components include subsidies to poor communes support with agricultural and residential land, housing and water supply (VDR 2008). Whilst evaluations point towards the positive impact of instruments aimed to increase the access to basic services in terms of improvement of local infrastructure and provision of subsidies, evidence is less conclusive about the availability of micro-credit (VDR 2008). No specific information is available with respect to impact on children.

Although not part of the formal social protection system, a discussion of social protection in Vietnam would not be complete without mentioning the role of informal transfers. Many households are supported by informal transfers, including a steady flow of remittances as well as one-time cash or in-kind gifts, from those living outside of the household. This flow of remittances is caused by international and booming domestic migration after organised migration moved to more spontaneous migration in the mid-1990s (Niimi, Pham and Reilly 2008) and informal transfers are considerably more substantial in size than the flow of formal transfers (Cox 2004). Whilst public transfers are often considered to crowd out private transfers, previous research shows that in Vietnam shows that the receipts of public transfers is strongly associated with private transfers (Cuong and Van den Berg 2009; Evans and Harkness 2008).

In sum, this indicative review indicates that Vietnam has programmes in place that could be categorised as being 'protective' or 'provisional' by means of transfers, 'preventive' in terms of the insurance against an economic fall-back in case of illness, old-age or unemployment, and partly 'promotional' with access to credit, subsidies and improvement of infrastructure. Evidence about impact is limited but suggests that programmes are regressive, small-scale and have little to no beneficial impact on children. In other words, they do little to improve the situation for children at large or poor children specifically. A 'transformative' aspect to social protection seems to be missing altogether, despite it being an area with great need and/or potential for improvement considering the existence of considerable horizontal inequalities between children in Vietnam (Roelen *et al.* 2009b).

### 3 Role for social protection in tackling child poverty

There are a number of lessons to be learned from the analysis of child poverty in Vietnam in conjunction with analysis of the country's current social protection system for its potential role in reducing child poverty. Lessons learned can refer to types of support offered by social protection as well as the way in which this support is targeted. In this section, we draw upon those lessons and put forward a number of preliminary options that could have the potential to make social protection more progressive and beneficial for poor and vulnerable children.

In terms of protective, preventive and promotional interventions, the previous analysis suggests that the mechanisms currently in place would have to be redesigned in order to be more beneficial for children. In terms of the cash transfer component of social assistance, for example, one could consider the possibility of a child-targeted benefit. There is ample and increasing evidence pointing towards the positive effects of cash transfers for children. Barrientos and DeJong (2006) claim that due to the strong correlation between childhood and poverty and the number of children in a household and the depth of poverty, cash transfers targeted at children are bound to reduce child poverty. The Child Support Grant in South Africa, for example, is claimed to increase school enrolment (Case, Hosegood and Lund 2005), reduce self-reported hunger for children, and improve access to cell-phone services (Samson *et al.* 2010). The introduction of a child-targeted cash transfer in Vietnam might lead to similar results and, more particularly, have the potential to reduce monetary child poverty and the incidence of child labour. A universal child benefit scheme might not be feasible due to budget and political constraints but targeting options could include means-tested and categorical targeting. Means-tested targeting could make social assistance more progressive if well-implemented and effectively reaching the poor. Means-testing benefits, however, is expensive due to the heavy information requirements and liable to in- and exclusion errors (Coady *et al.* 2003). Categorical targeting is another option worthwhile considering as the preceding poverty analysis indicated that children belonging to an ethnic minority or children in large households are more likely to be poor. In addition to exclusion of poor and vulnerable children outside of these categories, another notable downside to this type of targeting is stigmatisation (Dutrey 2007), which might actually exacerbate their marginalised position rather than alleviate it. Furthermore, targeting benefits to specific vulnerable groups is likely to under-predict and misdiagnose the range of vulnerabilities and deprivations that these groups face (Sabates-Wheeler *et al.* 2009). Ultimately, there is no such thing as perfect targeting and the choice for a particular targeting scheme involves a trade-off between minimising the inclusion of non-poor and maximising coverage of the poor given existing budget constraints (Coady, Grosh and Hoddinott 2004).

Measures of preventive social protection, including social insurance schemes such as old-age pension and unemployment benefits, could be made more progressive and beneficial for children if coverage was less tightly connected to employment in the public sector and more accessible for private sector and informal workers (Evans and Harkness 2008). Given the disadvantaged position of children living with unemployed heads of households, the extension of unemployment benefits to cover more workers in the private sector is likely to decrease their risk to monetary poverty. And although social insurance will only indirectly benefit children through other members in the households, it might have strong potential for breaking the intergenerational transmission of poverty. In terms of social health insurance, the reduction of user-charges will be imperative to improve access to and take-up of health services. Although the Government of Vietnam committed to providing free health services to all children under 6 years of age (Long 2008), there are still considerable costs attached to the use health care services. Estimates from 2006 indicate that 30 per cent of household

spending on health is spent on official and unofficial user-fees (VDR 2008). Especially with respect to children, access to and use of health care services is crucial for their development and a lack of such might have irreversible effects.

Although changes in the design of current social assistance and insurance can go a long way in extending coverage to children and reducing child poverty and vulnerability, the earlier discussion on child poverty makes it obvious that further interventions beyond the realm of social protection are needed to address the multidimensional nature of child poverty. Although the provision of monetary resources in terms of transfers can help to alleviate poverty levels, it will not be able to respond to all issues of vulnerability and deprivation that children face. As stipulated by Barrientos and DeJong (2006), cash transfers have to be matched by sizeable investment in social services to ensure that the supply of services can respond to increased demand due to cash transfers. However, even without the demand impetus, we would argue that the provision of services in itself is imperative for the reduction of multidimensional child poverty. Poor outcomes in terms of health, for example, should be addressed by an investment in health services, regardless of whether demand for these services will increase from increased levels of economic resources at the household level or not. The child poverty analysis also points towards the dire situation with respect to water and sanitation for many children, which might require more structural, and particularly infrastructural, investment beyond the household level. Although such policies are usually considered beyond the realm of social protection, they have an important role to play in terms of prevention, protection and promotion. In terms of transformative policies, another important aspect would be a change in the current household registration system. Such legislative reform in order to uphold children's rights can be argued to be part of a child protection rather than social protection agenda but is also imperative for addressing the structural inequalities that persist in Vietnamese society.

A special note has to be added with respect to children not commonly reached through formal schemes of social protection. These include children that live in households with workers in the informal market, children of unregistered migrants and children outside of any family setting. The size of the informal versus formal labour market is difficult to measure due to issues of definition and data availability but is estimated to be considerable (VDR 2008). Naturally, children in households with informal labourers will not be covered by the majority of social protection schemes due to its tight link with formal employment. Duong *et al.* (2010) have pointed towards the growing trend of migration in Vietnam and the consequent challenges for the social protection scheme. The current policy response to migration is still very dominated by state control over internal movements of population as opposed to protecting migrants throughout the different stages of the migration process (Duong *et al.* 2010). And even though labour migrants are in work, they are bound to face considerable hardship with far from ideal work and pay conditions (VDR 2008). Pincus and Sender (2008) have raised specific concerns with respect to unregistered migrants due to the strict *ho khau* household registration system. Although the exact numbers of unregistered migration are not known, which is a problem in and of itself, it is assumed to be a large and growing group (Pincus and Sender 2008). Unregistered households and its members are likely to be more disadvantaged due to the denial of social and public services as a result of their status (Roelen 2010). Finally, the problem of street children appears to be a growing concern in primarily the cities of Hanoi and Ho Chi Minh City (Hong and Ohno 2005). These children will not be reached through the conventional measures of social protection and special programmes are required to address their specific needs.

Finally, any analysis of the social protection scheme in Vietnam and recommendations for improvement have to be cognisant of the country's rapidly changing demographic situation. As the Vietnam Development Report (2008: i) points out '*Vietnam is at the dawn of unprecedented economic and social transformation*'. Whilst the majority of households now live in rural areas and hold multiple generations with largely young and healthy members

active on either the formal or informal labour market, this is likely to shift to the prevalence of nuclear households in an urban setting alongside an ageing population and growing unemployment (VDR 2008). These changes in terms of migration flows, household composition, age structure of the population and activity on the labour market are likely to put pressure on the social protection scheme or at least change the demand for support and services. With respect to children and social protection, it means that parents can no longer rely on grandparents for child care when working but have to rely on alternative services or adopt different coping strategies. Furthermore, the increased risk to unemployment makes children more volatile to drops in household income, possibly pushing them out of school and into child labour. Finally, any old-age pensions or war veteran and invalidity benefits are even less likely to benefit children when they are living in nuclear households as opposed to extended families. Any consideration of the role of social protection in the response to child poverty and vulnerability should anticipate and take these future changes into account.

## Conclusion

Despite high levels of economic growth and a concurrent rise in living standards, child poverty in Vietnam is still widespread with considerable inequalities across demographic groups in society. Especially children living in rural areas and mountainous regions and children of ethnic minority are more likely to experience monetary and multidimensional poverty. This paper aimed to assess the current response of social protection in terms of child poverty and to explore possible options for making that response more progressive and beneficial for children.

Notwithstanding Vietnam's relatively elaborate social protection agenda, current social protection measures can be considered largely regressive and of little benefit to poor and vulnerable children. The social insurance system's bias to those in formal employment and working in the public sector leads to exclusion of poor and vulnerable households, including children. Although social health insurance is free for children up to six years of age, user fees present a considerable constraint in take-up of health services. Although various components of the social assistance scheme are more poverty-targeted, evidence does not suggest a strong beneficial impact on children's lives. Furthermore, despite the range of social protection policies in place, there is considerable gap with respect to transformative elements that could help address some of the structural inequalities in society.

The lessons drawn from the analysis of monetary and multidimensional child poverty and the review of current state of affairs with respect to child poverty allow for an initial scoping of options to make the scheme more progressive and favourable to poor and vulnerable children. In terms of monetary poverty, efforts should be directed towards better targeting and expanding services to vulnerable groups such as ethnic minorities or children living in single-headed households. With respect to social assistance as a protective intervention, the introduction of a child-focused benefit could go a long way in reducing the breadth and depth of monetary child poverty. In light of possible political and budget constraints, targeting options could include means-testing or categorical targeting. The impact of preventive interventions and social insurance could be improved by extending coverage to those in the private sector and in the informal sector and the reduction or elimination of user fees. In terms of multidimensional aspects of child poverty, cash transfers through either insurance or assistance-type programmes cannot be considered a panacea they should be complemented with other measures that directly address the non-monetary aspects of child poverty and vulnerability. More generally, social protection policies for children in Vietnam cannot be considered in isolation with taking into account the wider societal and economic context. In order to provide policies that are preventive, protective, promotive and

transformative in nature, it is imperative to think out of the box and beyond the realm of social protection. Conventional social protection interventions should go hand in hand with improvements in social services, infrastructures and legal frameworks.

As a final note, it has been mentioned that the comprehensive child poverty estimates on the basis of micro-data might go a long way in providing insight into the issues that need to be addressed and the groups of children that deserve prioritisation, it does not provide the full picture. More information about supply- and demand-side constraints is required to be able to formulate solid policy recommendations in terms of social protection. As such, this paper presents an initial scoping of opportunities to make social protection more progressive and beneficial for children in Vietnam. The feasibility and potential impact of each option would need to be explored in greater detail to be able to provide more solid recommendations.

# References

- Barrientos, A. and DeJong, J. (2006) 'Reducing Child Poverty with Cash Transfers: A Sure Thing?', *Development Policy Review* 24.5: 537–52
- Blank, L.; Devereux, S. and Handa, S. (2010) 'The Case for Social Protection for Children', in S. Handa, S. Devereux and D. Webb (eds), *Social Protection for Africa's Children*, London: Routledge
- Case, A. and Deaton, A. (1998) 'Large Cash Transfers to the Elderly in South Africa', *The Economic Journal* 108.450: 1330–61
- Case, A.; Hosegood, V. and Lund, F. (2005) 'The Reach and Impact of Child Support Grants: Evidence from KwaZulu-Natal', *Development Southern Africa* 22.4: 467–82
- Coady, D.; Grosh, M. and Hoddinott, J. (2004) *Targeting of Transfers in Developing Countries. Review of Lessons and Experiences*, Washington DC: World Bank
- (2003) 'Targeting Outcomes Redux', *World Bank Research Observer* 19.1: 61–85
- Cox, D. (2004) 'Private Interhousehold Transfers in Vietnam', in P. Glewwe, N. Agrawal and D. Dollar (eds), *Economic Growth, Poverty and Household Welfare in Vietnam*, Washington DC: World Bank
- Cuong, N.V. and Van den Berg, M. (2009) *Impact of Public and Private Transfers on Poverty and Inequality: Evidence from Vietnam*, Wageningen: Mansholt Graduate School of Social Sciences
- Devereux, S. and Sabates-Wheeler, R. (2004) *Transformative Social Protection*, IDS Working Paper 232, Brighton: IDS
- Dutrey, A.P. (2007) *Successful Targeting? Reporting Efficiency and Costs in Targeted Poverty Alleviation Programmes*, Social Policy and Development Programme Paper 35, Geneva: UNRISD
- Evans, M. and Harkness, S. (2008) 'Social Protection in Vietnam and Obstacles to Progressivity', *Asian Social Work and Policy Review* 2.1: 30–52
- Evans, M.; Gough, I.; Harkness, S.; McKay, A.; Thanh, H.D. and Thu, N.D.L. (2007) *The Relationship between Old Age and Poverty in Vietnam*, Hanoi: UNDP
- Guhan, S. (1994) 'Social Security Options for Developing Countries', *International Labour Review* 133.1: 35–53
- Justino, P. (2005) *Beyond HEPR: A Framework for an Integrated National System of Social Insurance in Vietnam*, Hanoi: UNDP
- Neubourg, C. de; Roelen, K. and Gassmann, F. (2009) 'Making Poverty Analyses Richer – Multidimensional Poverty Research for Policy Design', in K. Boyser, C. Dewilde, D. Dierckx and J. Friedrichs (eds) *Between the Social and the Spatial – Exploring Multiple Dimensions of Poverty and Social Exclusion*, Farnham: Ashgate

- Niimi, Y.; Pham, T.H. and Reilly, B. (2008) *Determinants of Remittances: Recent Evidence Using Data on Internal Migrants in Vietnam*, World Bank Policy Review Paper 4586, Washington DC: World Bank
- Notten, G. and Roelen, K. (2010) 'Cross-national Comparison of Monetary and Multidimensional Child Poverty in the European Union: Puzzling with the Few Pieces that the EU-SILC Provides', *BWPI Working Paper 135/2010*, Manchester: Brooks World Poverty Institute
- Roelen, K. (2010) 'Social Welfare in Vietnam – A Curse or a Blessing for Poor Children?', *Asian Social Work and Policy Review* 4.2: 66–83
- Roelen, K. and Gassmann, F. (2009) 'Equal Opportunities for all Children in Vietnam – Assessing the Distribution of Child Poverty from a Monetary and Multidimensional Perspective', *Journal of Income Distribution* 18.3–4: 206–31
- Roelen, K.; Gassmann, F. and Neubourg, C. de (2010) 'Child Poverty in Vietnam – Providing Insights using a Country-specific and Multidimensional Model', *Social Indicators Research* 98.1: 129
- (2009a) 'The Importance of Choice and Definition for the Measurement of Child Poverty – The case of Vietnam', *Child Indicators Research* 2.3: 245–63
- (2009b) *False Positives or Hidden Dimensions – What can Monetary and Multidimensional Measurement tell us about Child Poverty?*, MGSOG Working Paper 2009/015, Maastricht
- Sabates-Wheeler, R.; Devereux, S. and Hodges, A. (2009) 'Taking the Long View: What does a Child Focus add to Social Protection?', *IDS Bulletin* 40.1, Brighton: IDS
- UNICEF *et al.* (2009) *Joint Statement on Advancing Child-sensitive Social Protection*
- Van de Walle, D. (2004a) 'The Static and Dynamic Incidence of Vietnam's Public Safety Net', in P. Glewwe, N. Agrawal and D. Dollar (eds), *Economic Growth, Poverty, and Household Welfare in Vietnam*, Washington DC: World Bank
- (2004b) 'Testing Vietnam's Public Safety Net', *Journal of Comparative Economics* 32.4: 661–79
- VDR (2008) *Vietnam Development Report 2008: Social Protection*, Hanoi: Joint Donor Report to the Consultative Group Meeting