

**TERMS OF REFERENCE**  
**INSTITUTIONAL CONSULTANT FOR TECHNICAL BACKGROUND PAPER (TBP)**  
**2014 VIET NAM NATIONAL HUMAN DEVELOPMENT REPORT**  
**Social Security and Inclusion**

**PART I: GENERIC BACKGROUND INFORMATION**

**Introduction**

The concept of human development emerged in the late 1980s based on the writings of Dr. Amartya Sen and Dr. Mahbub ul Haq. The human development approach puts people at the centre of the development agenda. Development is about removing the obstacles to what a person can do in life, obstacles such as lack of income, illiteracy, ill health, lack of access to resources, or lack of civil and political freedoms. The approach is about expanding people’s choices with the ultimate goal of human wellbeing and human freedom.

The first global human development report was launched in 1990 by the UNDP and has been prepared annually since then. Each year, HDRs address a theme highly relevant to the current development debate. Viet Nam prepared its first national Human Development Report in 2001 titled *Doi Moi and Human Development in Viet Nam*. It focused on the *doi moi* policy reforms and their impact on poverty reduction and human development. Since then, Viet Nam has changed rapidly with remarkable growth and a substantive reduction in poverty levels. The second National HDR was produced in 2011 *Social Services for Human Development* highlighting the challenges many Vietnamese face in accessing basic social services.

The 2014 NHDR will focus on *Growth that Works for All: Enhancing Equal Opportunities*. The topic has been chosen based on consultations with stakeholders. The 2014 NHDR is part of a UNDP supported project of *Strengthening Capacity for Human Development Policy Making in Vietnam* with the Vietnam Academy of Social Sciences (VASS) as the national implementing partner. VASS has the overall responsibility of coordinating the preparation of the NHDR with technical and management support provided by UNDP. A Technical Working Group (TWG) consisting of senior researches and experts will guide the overall process and provide substantive comments on TBPs and the report.

**2014 NHDR Growth that Works for All: Enhancing Equal Opportunities**

Viet Nam’s human development progress, poverty reduction and economic growth are slowing. Poverty is becoming more entrenched and concentrated among ethnic minorities. Declining inclusiveness and associated rising inequalities, particularly inequalities in voice and power, exacerbate Viet Nam’s structural challenges and thus affect the pattern and pace of growth and human development progress. This report suggests that a more inclusive approach to growth with a focus on productive employment and enhancing participation will not only address inequalities but also help lift Viet Nam on a more sustained growth path.

The NHDR seeks to address the following key questions:

- How inclusive has Viet Nam’s growth trajectory been over the past 10 years?
- What is driving exclusion/disparities? How important are participation and voice in exacerbating disparities?
- How could inclusiveness contribute to growth and human development, address rising inequalities and ensure social cohesion?

The draft outline of the report can be found in Appendix 1.

**Defining Inclusive Growth**

The following preliminary working definition of inclusive growth will be used: *‘Growth is inclusive when it allows all members of society to participate in, contribute to, and benefit from growth on an equal basis, regardless of individual circumstances. Inclusive Growth is both an outcome and a process’.*

**As an outcome**, inclusive growth results in:

- improved human development outcomes for the country, regions and diverse groups;
- expansion of inclusion of people in growth through business activities, employment and self-employment;
- eradication of both income and non-income inequalities;
- improved social inclusion and cohesion;
- institutional and policy environment that is conducive to long-term sustainable inclusive growth.

**As a process**, the focus is made on removing institutional, political and value-based barriers to inclusive growth. More specifically, key reforms and actions include:

- creating conditions for all to influence decision-making process and promote inclusive growth;
- creating conditions for all to contribute to growth through business activities, employment and self-employment;
- adopting policies and reforms supporting broad-based growth in multiple sectors;
- strengthening capacities of multiple partners to contribute to and benefit from growth process (vulnerable groups, public service, NGOs); and
- enhancing mechanisms and practices of growth benefits sharing (income and non-income such as access to social services, education and healthcare) in terms of equity, transparency, effectiveness and efficiency.

## PART II: SPECIFIC SCOPE OF WORK

The NHDR team is commissioning a number of Technical Background Papers (TBPs) on a range of topics to contribute to the development of the 2014 NHDR. Selected TBPs will also be used as stand-alone policy papers to raise awareness on important policy issues and to feed into various other policy discussions.

The consultant/ research team will be required to produce a TBP on the following topic:

### Social Security and Inclusion

#### Rationale for Paper

Social protection is an important pillar of an inclusive growth strategy, protecting people from risks to their living standards associated with old age, illness, raising children, unemployment and other idiosyncratic shocks. Social protection should also help reduce poverty, vulnerability to poverty and inequality.

The social protection scheme in Vietnam comprises the following:

- active labour market programmes and policies (financed by contributions and tax);
- social insurance both compulsory (financed by contributions) and non-compulsory;
- social assistance; and
- others (financed by insurance fee or tax).

This paper will focus on non-contributory social security schemes. It should build inter alia on a UNDP paper on *'How Progressive is Social Security in Viet Nam?' as well as a background paper to the NHDR 2011 *Toward an aging population: Mapping the reform process in the public delivery of social protection services in Vietnam.**<sup>1</sup>

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<sup>1</sup> *'How Progressive is Social Security in Viet Nam?' was written by Martin Evans, Ian Gough, Susan Harkness, Andrew McKay, Huyen Dao Thanh and Ngoc Do Le Thu. *Toward an aging population: Mapping the reform process in the public delivery of social protection services in Vietnam* was written by Giang Thang Long. Other relevant reports include *Health Equity and Financial Protection Report – Vietnam*, World Bank, 2012.*

## Core Research Questions

Note: This report should look at trends over the past ten years as well as discuss possible future scenarios taking account inter alia of demographic changes. To the extent possible it should draw on existing reports and update existing analyses on the issue.

The consultant/ research team will look at the following research questions:

- To what extent are current social protection schemes progressive? To what extent do they contribute to reducing poverty and inequality? This analysis should use VHLSS data and other relevant data sources and focus on non-contributory social security schemes.
- How is social protection contributing to inclusive growth?
- Who misses out? This should look at informal labour, migrants, etc.
- What role do user fees, formal and informal payments play in accessing basic services like health and education, particularly for the poor and vulnerable? Please note that this research question should be closely coordinated with the background paper on 'socialisation'.
- How does the fragmentation and overlapping of certain programmes lead to resource allocation inefficiencies? Targeting problems?
- How are demographic changes affecting and likely to affect social security in the future?
- What could be done to improve equity, coverage and depth? How have other countries with similar systems dealt with such issues? This analysis should draw some appropriate lessons for Vietnam particularly in relation to institutional reform and governance.

Research questions will be refined during the first phase of the consultancy in close consultation with UNDP and CAF/VASS.

## Timelines and Specific Deliverables

The tasks can be either performed by a small team of consultants for a total of 40 working days between January to July 2014.

	<b>Main Tasks</b>	<b>Outputs</b>
<b>Phase I</b> (to start asap)	- Based on a literature review of the topic, refine research scope and research questions.	- Detailed research concept note.
<b>Phase II</b> March to May 2014	- Based on feedback received on research note, conduct analysis and draft TBP.	- Draft TBP (about 30 to 40 pages).
<b>Phase III</b> June to July 2014	- Present preliminary research findings to TWG and other interested experts - Finalise TBP and develop short policy note based on feedback received.	- Final draft TBP - Policy Note (20 pages)

## Note on Style

- Language should be clear and easy to understand by diverse groups of readers.
- Quotations should be enclosed within single quotation marks. Substantial quotations of forty or more words should be indented without quotation marks.
- The 'HARVARD' system should be used for bibliographical references in the text and notes: give author's name, year of publication and page number(s) in round brackets, e.g.: (Amin, 1997:5-10).

## Reporting

The consultant/ research team will work under the supervision and guidance of UNDP and the NHDR focal point (Director, Center for Analysis and Forecasting at VASS).

### **Qualification and experience**

The tasks can be either performed by a team of consultants. The consultant or team leader should have the following qualification and experience:

- Postgraduate degree in economics, social sciences and/or related field(s);
- Strong expertise about social protection issues in Vietnam and other relevant countries;
- Good data analysis skills;
- Extensive publication record on social protection related issues; and
- Excellent English writing skills.

## APPENDIX 1:

### Tentative Structure of NHDR 2014

#### **PART I: HUMAN DEVELOPMENT TRENDS IN VIET NAM**

**Part I** focuses on the analysis of trends in human development in Viet Nam over the past 10 years using HD indicators and multi-dimensional poverty measurements. International comparisons (with relevant countries such as China, Indonesia, Thailand, etc.) will be made.

#### **PART II: INCLUSIVE GROWTH AND HUMAN DEVELOPMENT**

##### **Chapter II A: What is inclusive growth and why it is important?**

This part introduces international definitions, measurements and discussions on inclusive growth, its importance and relevance to human development.

##### **Chapter II B: How inclusive has growth been in Viet Nam?**

This part provides a working definition and set of measurements of inclusive growth appropriate for Viet Nam. These measurements are then applied to assess to what extent growth has been inclusive in Viet Nam over the past 10 years. This chapter will assess who has been left behind. Human/life stories will complement the quantitative analysis to illustrate patterns of exclusion and disparities.

##### **Chapter II C: What is holding inclusive growth back?**

This part explores why growth has not been inclusive and analyse factors driving declining inclusiveness. The discussion will focus on factors of inclusion/exclusion related to public resource allocation and use, in particular factors related to participation in decision making. The chapter will examine various case studies and use - where appropriate – a political economy analysis.

#### **PART III: TOWARD MORE INCLUSIVE GROWTH**

Part III explores how a more inclusive approach could contribute to sustained growth, further human development and address rising inequalities. It will also include discussions on the potential impact of declining inclusiveness on social cohesion. The last part will suggest concrete policy recommendations based on lessons learnt from other countries and the findings of this report.