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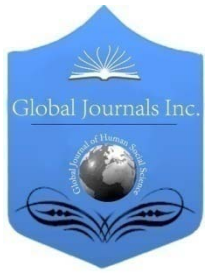

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Reality and Solutions for the Relationships between Social and Economic Growth in Vietnam

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Foreword- Economic growth and social welfare have very important correlation with all countries. History has shown that some nations have fast economic growth but weak social welfare or vice versa. However, there are also economic developments that couple with very strong growth of social welfare. Therefore, the relationship between economic growth and social welfare is strategically economic - social issue for each country. Rhythmic handling the relationship between economic growth and social welfare is a very difficult problem for all countries. Thus, the study of economic growth and progress, social justice has always been one of the requirements and interests.

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Reality and Solutions for the Relationships between Social and Economic Growth in Vietnam

Dr. Le Dinh Phu

I. Foreword

Economic growth and social welfare have very important correlation with all countries. History has shown that some nations have fast economic growth but weak social welfare or vice versa. However, there are also economic developments that couple with very strong growth of social welfare. Therefore, the relationship between economic growth and social welfare is strategically economic - social issue for each country. Rhythmic handling the relationship between economic growth and social welfare is a very difficult problem for all countries. Thus, the study of economic growth and progress, social justice has always been one of the requirements and interests.

II. The Concept of Welfare and Economic Growth

a) The concept of the Welfare

Welfare is a system of policies and measures to protect the minimum living standard of residents from risks and extraordinary impact on economy, society and environment. In the Sino-Vietnamese Dictionary (1932) of Dao Duy Anh, with a brief definition: welfare is happy and benefits (bonheur et interets) & quot; (Dao Duy Anh, 1957, p. 137). The social welfare policy in Vietnam includes: Policy of education and training; Policy of labor and employment; Policy of medical and health care; Policy of social welfare.

b) The concept of economic growth

Economic growth is the increase in income of the economy in a certain period. The increase is shown in the scale and speed. Growth in scale reflects a more or less increase, but the growth rate is used to compare the relative significance and reflects the fast or slow increase between the periods.

Economic growth has shown:

- The increase of: GNI, NNP, GDP, NDI
- The increase in per capita: GNI/person, NNP/person, GDP/person, NDI/person.

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III. The Situation of Economic Growth and Social Welfare in Vietnam

a) Economic achievements

i. *Achievements in GDP and GDP / person*

GDP in USD has reached a fair scale and has grown continuously over the years (54.7 billion US dollars in 2005, 179 billion US dollars in 2013). GDP per capita is also increasing continuously from 700 USD/day/year in 2005 to 1960 USD/day/year in 2013.

b) The achievements of welfare

In the field of education: According to the statistics of Ministry of Education and Training, up to 2013, there were about 22 million pupils and students, including 3.7 million preschool students; 15.1 million high school students; 0.7 million vocational students and 2.5 million college and university students. Networks of educational institutions, educational levels are widely distributed across the country. By the school year 2011-2012, there are totally 28,803 schools which consist of 28,283 public schools and 520 private schools. Of these, there are 15,243 primary schools; 10,223 secondary schools; and 2043 high schools; 420 universities and colleges. There are 62 of 63 provinces which have at least a college or a university (except for Dak Nong). The two cities Hanoi and HCMC have 156 universities and colleges, accounting for 38.3% of the country. There are 63 of 63 provinces that meet and maintain the universalistic standards for secondary education and the government is going to universalize secondary education in some conditioned areas;

In the medical – health sector: By 2013, the entire health sector was attempt to implement the protection, care and enhancing Vietnamese's health which is assessed by the UN as a lighting point in the implementation of the Millennium Development Goals on health, including reducing child malnutrition, reducing child and maternal mortality, preventing HIV/AIDS, malaria and other infectious diseases and environmental sanitation. The nation reached the rate of 22.3 beds per one thousand populations; the percentage of malnourished children under age 5 fell to15.6%; the rate of businesses that violated food safety has fallen to 20.1%. In 2014,

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Vietnam held vaccination for measles and rubella for all children from 1-14 years old with an estimated population of 23 million children across the country. Life expectancy reached 72.8 years and infant mortality rate of children under 1 year (IMR) of 15 per thousand.

The vulnerable groups are concerned. The poor, children under 6 or those who have special contribution enjoyed exempt or directly decreased policies or health insurance card (for partially or full free).

In the area of labor - employment: There are 142 professional colleges all over the country, 316 vocational schools, 850 vocational training centers. The number of vocational students which were recruited this year is 1.9 million people, including 0.4 million people in vocational colleges and vocational secondary schools; 1.5 million elementary occupations.

By 4/2014, the size of the labor force aged over 15 in Vietnam was 53.8 million people, of which at working age was 47.52 million people.

In the field of social issues: impressive achievements of Vietnam in poverty reduction and new challenges "of the World Bank (WB), published in early 2013, said that the World Bank had assessed the poverty rate in Vietnam fell from nearly 60% to 20.7% in the last 20 years (1990-2010) with about 30 million people.

In the field of people's health, education and training, culture, communication, power supply, water, ensuring travel conditions ... were interested developed, especially for the remote, mountainous, border, island and ethnic minorities. The quality of service is improved multi-faceted and approaching ability of the people is enhanced highly. To date, 100% of communes have medical stations, of which about 75% of communes have doctors; 82.5% of rural households are using sanitary water; 96.1% of households access electricity grids; 86.9% of people use television receivers; over 97% of communes have roads going to the commune center; about 90% of them have post office station. The movement of "solidarity", "Gratitude", "drinking water, remember its source" which are actively implemented and responded by the Vietnam Fatherland Front and mass organizations, social organizations, businesses, Vietnamese community abroad, units and individuals promote fine traditions of the nation, contribute significantly to the improvement of social security and social welfare for all the resident, especially for the poor and needy areas.

IV. Restrictions on Social Welfare in the Renovation Period

During the renovation period of the market economy, in addition to the achievement of social welfare, there are also some restrictions on benefits because of many reasons which have been removed, or have not yet fully implemented as follows:

- Implementation of tuition fees even in public schools in all levels of education,
- Documents and textbooks are no longer subsidized (loaned) and have to be bought and so that the burden on family and society increase.
- The inequality in beneficiary of educational quality between rural and urban is growing
- The moral degradation of teachers due to the impact of market economy.

a) In the field of health

- Implementing hospital fees for the majority of people; the higher the payment is, the better treatment is served. Therefore, the poor and low-income people are the most vulnerable objects.
- The health system is not evenly distributed; large hospitals are concentrated in the big cities that make difficulty for the poor to access the high-tech health care services. High qualified doctors and high-tech treatment facilities are located in large cities which create inequality for people in regional and remote areas to approach to services. It has also caused phenomenon of contrary subsidy: the rich enjoy spending from the state budget rather than the poor.
- Ethics and services of medical personnel have decreased due to influence of many aspects including the issue of income and commodity economy.

b) In the field of labor

- The rate of labor force which is through training in our country is still low. In 52.3 million persons from 15 years old of the workforce, only 9 million people have been trained, accounting for 16.8% of the total workforce. The country now has more than 43.4 million employees (accounting for 83.2% of labor force) which have not been trained to achieve a certain level of expertise; therefore, low income does not guarantee the life.
- There are still 69.7% of labor force in our country that concentrate in rural areas, are not trained and have instable jobs.
- In 2012, the rate of youth unemployment was 5 times higher than the unemployment rate of people aged 25 and older. The general trend of the country is that the unemployment rate of female is higher than of male.

c) In the field of social security

- Ensuring social security and social welfare still have shortcomings and weaknesses: unsustainable poverty reduction, large number of close-poor

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households, high proportion every year of re-poor households. The lives of a part of population, especially in highland, remote areas are still difficult, the income gap between social classes is still large.

The states of shortage in jobs in the countryside, in urbanized areas and unemployment in urban are still much. Resources for social security and social welfare are limited and mainly based on the state budget, with the low coverage and level of support. Some forms of insurance do not meet the diverse needs of people. Quality of service is generally low and there are still many negative and troublesome.

Environmental pollution is increasing; natural resources are exploited rudely and exhaustedly. The food safety reduces increasingly which has risk to affect large numbers of working people.

V. Causes of Restriction on Social Welfare

Weaknesses and shortcomings are from the following reasons:

Because the leadership and management are still weak and inefficient; awareness of social security and social welfare is incomplete. We have not formed a throughout system of social security and social welfare with active, sustainable, solid mechanism for the poor and poor households escaping poverty.

- Corruptions and negative for a long time and in many places have made a huge impact to the welfare policies and social security and have made them ineffective, go off target, wasting and great losses, reduce people's confidence.
- Do not take full advantage of social resources in the work of welfare and social security.

VI. Proposed Solutions

The correlation between the economic growth and social welfare in our country today is not adequate. The economy is growing faster than the growth of welfare, so to create harmony between economic growth and welfare, Vietnam should implement a number of measures as follows:

- Strengthening the management of the state apparatus at all levels, building effective policies to give people practical benefit from government policies.
- Removing red tape and corruption in the state apparatus related to welfare policy and social security.
- Strengthening the management of environmental protection against rude, deplorable exploitation and use of natural resources which affect the lives of people.
- Reducing inequalities in the areas of health, education and social security, such as paying school fees, hospital fees, training costs, job search opportunities.
- Facilitating free vocational training for people especially for the youth to help them get a chance to find a better job and ensure stable lives.
- Providing capital and transfering free technical conditions for people so that they can self-employment, production to manage lives for themselves and those around them.
- Prolonging ages which are recieved free medical care from the current 1-6 years old to 1-15 years old.
- Free tuition in public schools from elementary school to high school.
- Issueing welfare and social security policies that previously had but was abolished (exemption from school fees, hospital fees in public schools, public hospitals), these policies had not existed or had been inadequate (subsidies for the homeless, the disabled, pregnant women, the elderly, people who lose of working capacity) to help poor and low-income people have rights to enjoy social benefits and access to stable employment and rising incomes.

VII. Conclusion

More than 25 years of innovation, the economy of Vietnam has tremendous growth. We have had many significant achievements in various fields of agriculture, industry and services. The scale of infrastructure is increasing modernly and lays the foundation for the industrialization and modernization of the country paralleling with economic development. The Party and Govenment are constantly investing in welfare. Vietnam has had many achievements in the field of health, education, human labor which are recognized by people and the world; nationwide security systems of education, poverty alleviation, social insurance system, health insurance. However, we also need to recognize that the development of society is unsustainable, some benefits are missing or incomplete, the poor and low-income people are also vulnerable. In the market economy today, the degradation of ethical lifestyle, communication behavior, quality of life and the harmful effects of environmental pollution make us be more responsible towards the people. Economic growth is good but it must be combined with development of welfare and social security to make Vietnam become a sustainably developing country.

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