



**VIETNAM UNION OF FRIENDSHIP ORGANIZATIONS
NON-GOVERNMENTAL ORGANIZATIONS RESOURCE CENTRE**

+84 24 3832 8570 | administrator@ngocentre.org.vn

www.ngocentre.org.vn

Hanoi, May 30, 2023

To: Ministry of Labor, Invalids and Social Affairs

Women's Union

Subject: Recommendation to the draft Social Insurance Law

The Scaling Up Nutrition (SUN CSA) Working Group, which is established under the NGO Resource Center of the Vietnam Union of Friendship Organizations (VUFO - NGO Resource Center), is a working group comprised of 13 international and local non-governmental organizations operating in 40 provinces in Vietnam, including Save the Children International, HealthBridge, Plan International, World Vision, ChildFund, FHI 360 (Alive & Thrive), Center for Community Health Promotion (CHP), Centre for Community Health Research and Support (CCHS), Center for Education Promotion and Empowerment of Women (CEPEW), LIGHT, Foundation for International Development/Relief (FIDR), Medical Committee Netherlands – Vietnam (MCNV), and Slow Food Vietnam.

We have learned that the draft Social Insurance Law (SIL) is currently being published in the media for public opinions <https://xaydungchinh sach.chinhphu.vn/toan-van-du-thao-luat-bao-hiem-xa-hoi-sua-doi-119230317095523224.htm>. We would like to provide our recommendation on the expansion of the maternity leave policy as follows.

Vietnam is one of the countries in the Southeast Asia region that has a commendable maternity policy with numerous advantages in terms of maternity leave duration and benefits. However, this policy still possesses certain shortcomings. Under the current Law on Social Insurance, only workers participating in compulsory social insurance are entitled to maternity benefits. According to our estimation, for every two children born, there is one child whose mother does not receive any maternity benefits, which

amounts to approximately 802,662 children per year¹. Vietnam meets the International Labour Organization (ILO)² standards regarding the extent and duration of maternity benefits for workers participating in social insurance but falls short in terms of coverage.

We welcome the draft Law on Social Insurance dated March 1, 2023, which introduces new provisions regarding maternity benefits for voluntary social insurance participants in Section 1, Chapter VI, from Articles 99 to 103. Under this policy, a one-time maternity benefit of 2 million VND per child would be provided, guaranteed by the state budget. According to our estimation, approximately 32,690 individuals would benefit from this policy each year, requiring a budget allocation of 65 billion VND.

Therefore, each year, there are still 769,972 children born whose parents do not receive guaranteed income support, leaving them at risk of falling into poverty.

We recommend the following:

1. Increase the one-time maternity allowance to a minimum of 3.6 million VND per child, equivalent to the proposed amount for compulsory social insurance participants under Article 63 of the draft Law. Under this option, the annual budget allocation would be 113 billion VND, and it is projected to reach 565 billion VND by 2030 as the number of voluntary social insurance participants increases to meet the target of 5% of the labor force, as stated in Resolution 28/NQ-TW.
2. The better option is to increase the one-time maternity allowance to 7 million VND per child, equivalent to 3.5 months of maternity leave at the urban poverty line standard. This level of support is also comparable to the policy currently implemented in China³. Under this approach, the annual government budget

¹ According to General Statistics Office and Social Insurance in 2019, out of the 1,535,668 children born, only 733,006 children had mothers who were eligible to receive maternity benefits.

² International Labor Organization (ILO) Convention No. 102 (1952) on Minimum Standards, which stipulates regular cash allowance for a duration of 12 weeks at a rate of 45% of the reference wage.

³ According to China's maternity insurance policy, women in rural areas facing difficulties in childbirth are provided a one-time subsidy of 1,000 yuan (equivalent to 3.6 million VND) for each child. Women in urban areas receive subsidies ranging from 500 to 2,000 yuan (equivalent to 1.3 to 7.2 million VND) for each child. You can find more information about this policy at the following link:

<http://www.nhc.gov.cn/mohwsbwstjxxzx/s7967/201809/3845f0d9607d4b36a1d8c42e745dd169.shtml>

would need to allocate 214 billion VND, with an estimated increase to 1,073 billion VND by 2030.

3. Ideally, expand the eligibility for maternity benefits to all women giving birth, regardless of their participation in social insurance. This would ensure that all children born in Vietnam have a good start and are not at risk of poverty, receiving optimal nutrition in the early months of life. The annual budget allocation for this option would range from 3,594 billion VND (minimum option, based on the rural poverty line standard, for a duration of 3.5 months) to 13,352 billion VND (maximum option, based on the minimum wage of Region 4, for a duration of 6 months). These costs would correspond to 0.04% of GDP in 2020, decreasing to 0.02% of GDP by 2030. The cost of this policy remains lower than the health consequences for mothers and children when female workers are not granted maternity leave and breastfeeding support, estimated at 2 billion USD (0.54% of GDP) per year.

Please refer to the attached appendix for detailed recommendations. For any further information, please contact Ms. Vu Hoang Duong, Program Manager for Vietnam at FHI 360 Alive & Thrive, via phone at 0914568011 or email at vduong@fhi360.org and Ms. Phan Thi Thu Ha, the Coordinator of the Non-Governmental Organizations Resource Center, via phone at 0912174879 or email at haphan@ngocentre.org.vn

Yours sincerely,

On behalf of SUN CSA Vietnam

Chair

Roger Mathisen

Regional Director

Alive & Thrive East Asia Pacific

Co-chair

Doseba Sinay

National Director, Vietnam

World Vision International