

Original Paper

State Management of Social Security in Vietnam

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Abstract

In recent years, Vietnam has made remarkable progress in ensuring social security, which is clearly shown through the development and good implementation of insurance policies, contributing to reducing difficulties and stabilizing people life and social welfare and people's lives continue to be improved. However, in the context of international integration and Industrial revolution 4.0, state management of social security faces many challenges. This article clarifies the requirements of international integration and Industry revolution 4.0 for state management of social security.

Keywords

Social Security, State management, Vietnam

1. Introduction

Globalization, accession the World Trade Organization (WTO), Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)..., deep participation in the organization and operation of the ASEAN are the processes by which Vietnam conducts trade liberalization, participates in the international labor division system, reaches out to the regional and world markets. In the trend of globalization, international migration, labor export and movement of natural persons are an inevitable objective certainty. Vietnamese workers working abroad, as well as foreign workers working in Vietnam, will increase. Vietnam's economic space expands, labor relations develop and there are new elements related to foreign factors. The development, issuance and implementation of social security policies in a way that is suitable to the market economy and non-discrimination will contribute to the proactive process of Vietnam's international economic integration on the global equality play.

In the context of integration and globalization today, continuing to promote the state management role in social security in the process of international integration in Vietnam is an indispensable and appropriate suitable for the times and meet the requirements of national development.

2. Method

The role of social security in the process of industrialization, modernization and international economic integration in Vietnam is enormous. The current social security system has been exerting positive effects in social life, the participants and beneficiaries have increased; Insurance policies and regimes are always adjusted to suit the country's socio-economic development level, which have a positive impact on the stability of workers' lives during the labor process and when retirement; Social security funds ensure timely payments to beneficiaries and contribute to the country's socio-economic sector and are highly institutionalized (laws) as a legal basis for effective social security activities.

However, comparing to the requirements and facing new opportunities and challenges in the process of industrialization, modernization and international economic integration, social security is still inadequate and weak, without fully complete its role. This is due to the low coverage of social security forms, especially in the informal sector, which has not yet participated in social insurance; provision of inadequate social insurance services (poor implementation of unemployment insurance, voluntary social insurance) and low quality (beneficiaries still face difficulties, quality of medical examination and treatment with Health insurance remains limitations...); social insurance fund development is not sustainable; The institution organizing the implementation of social insurance services needs to be improved.

Stemming from that requirement, in order to enhance the role of the state in social security management in the process of international economic integration in our country in the coming time, we use the systematization method. Communist Party's views on social security policies and policies and laws of the State of Vietnam on social security issues. At the same time, we use the data processing method of Party and State organizations for social management of social security in the process of international integration in Vietnam today. From there, there is a basis to assess the status of state management of social security in the process of international integration in Vietnam. Since then, the authors have identified the following research issues:

- Continuing to research for the general national social security reform. It is necessary to develop a comprehensive research, analysis and evaluation project for social security in relation to the socio-economic policy system; researching international experience, thereby proposing the formation of a new social security system, in which social insurance is the first and most important component, reflecting the country's specific conditions and taking into account general directions of the international.
- Reforming the overall national social security strategies, ensuring harmony between the long-term joint development orientation framework and addressing priority issues to overcome limitations that when adjusting the immediate social security policy system creates unreasonable contradictions in the long term. In this way, the new system of social security policies will be able to develop sustainably, ensuring the goals, the direction and the effectiveness.
- Researching and improving the organizational system for implementing social insurance, especially

when implementing unemployment insurance. Using ICT (Information & Communication Technologies) technology to establish management information system for each type of social insurance (compulsory social insurance, voluntary social insurance, health insurance, unemployment insurance) and the ability to connect with each other.

In addition, the paper uses a combination of research methods, such as historical and logical methods, collation and comparison, analysis and synthesis, induction and interpretation, and statistical methods from sources. References to serve in the research and presentation of articles.

3. Result

3.1 State Management of Social Security in the Context of International Integration should Take into Account the Experience of Countries in this Field

In the formulation and promulgation of policies and laws on social security in our country, it is necessary to study and apply the common principles of the social security policy system from the experiences of other countries, in which the main issues to be thoroughly understood are:

Firstly, implement the principle of majority in preventing social risks (principle of solidarity). The principle of social security is to take the large number of contributors to distribute risks to a small number of people, thereby preventing risks for the whole society. Therefore, the larger the number of participants, the less likely the risk for each individual to be involved and the higher the level of compensation for risk. At the same time, the greater the coverage or the number of participants, the more it can improve the financial scale of the Social Security Fund, lowering the unit cost of the fund manager.

Secondly, implement the principle of insurance obligation. This requirement of the social security system in a market economy stems from the theory of risk in human life. In life, everyone is at risk, even though some don't face risks. Therefore, each particular person often has a subjective psychology of random events that do not bear risks for them. In order to prevent that common subjective psychology from happening to the whole society, it is necessary to have a law that requires every citizen to enforce the Law on Social Insurance.

Thirdly, implement a unification of rights and obligations. The operation of social security funds in a market economy complies with the principle of "contribution - benefit" of the State, society and individuals. Contribute to get entitlement. The higher the contribution rate, the higher the benefit rate. This is true for social security, health insurance and social assistance funds. Therefore, participants in the social security system must consider fulfilling the obligation to pay as a basis for entitlement. Throughout the system, importance must be attached to the management, preservation and growth of the fund's value. If errors are made at any stage, the social security fund's operation results in great loss and risks of imbalance.

Fourthly, the level and scope of social security enjoyment must come from the level of economic development. Once the standard and the scope of enjoyment are established, it is difficult to lower and

eliminate. When the benefits of social security participants are recognized, it is very difficult to adjust to reducing or restricting the scope of benefits.

Therefore, when determining the level and scope of social security benefits, it is necessary to make it derive from the level of economic development, with the economic and psychological endurance of participants in the social security system.

Fifthly, socialize the implementation of social security policies. Most of the countries with a strong market economy, social security is highly socialized. According to the regulations of the law and management system of the State, management system, business system, capital and fund collection system, capital inspection and monitoring system, social security fund, system arbitration protecting interests between the parties, all operate on the principle of autonomy. Employers only obey the law that contributes to the social security fund, and all social security activities of employees are driven by an independent social security organization structure, which works under the form of public service agencies. The current general trend is to strongly develop the service system, mainly public services on social security.

3.2 State Management of Social Security Needs to Stem from a Proper Awareness of the Role of Social Security in the Process of International Integration in Vietnam

Proper awareness of the role of the social security system is of particular importance in the formulation, promulgation and implementation of social security policies in Vietnam.

State management of society in Vietnam is for the people, ensures human rights and human development. For Vietnam, ensuring the needs of social security for all is one of the very important social goals, demonstrating the superiority of socialist socialism, while also being consistent with the trend of the international community towards a prosperous and fair society. The social security system is also an important way for the State to implement social policies to stabilize and develop, especially to help people affected by natural disasters, the poor and the ethnic minorities.

State management of social security in Vietnam ensures the normal and sustainable operation of a socialist-oriented market economy. Vietnam is moving strongly towards developing a socialist-oriented market economy. The market system includes basic market types such as commodity market, capital market, real estate market and labor market.

State management of social security in Vietnam creates opportunities for businesses to focus on the key task of production and business, improving productivity, quality and efficiency of production and business activities. In the bureaucratic and subsidies central planning economic mechanism, the enterprise acts as a production unit, a business unit, a welfare unit, and an insurance unit at the same time. To carry out the welfare and insurance tasks, each enterprise has to spend a huge part of talents and material resources to do social work. It is becoming a “miniature society” that makes enterprises scatter resources to realize many objectives, therefore, the specialization, professionalism for their own tasks are limited, leading to the reducing of efficiency of production and business activities of the enterprise.

Social security forming will create favorable conditions for businesses to focus on production and business activities, improve productivity, increase income for businesses, their employees and the society. The performance of social security tasks for employees of the enterprise will be undertaken by a specialized section of society. That makes businesses return to the true meaning, perform its duties, thereby improving competitiveness in the market.

State management of social security in Vietnam is an important tool to implement social justice, ensuring stability and social development in Vietnam. Developing market economy, on one hand, promotes production capacity, increases competitiveness, increases productivity and economic efficiency; but on the other hand, it creates social risks. The divide between rich and poor, inequality are inevitable inherent sides of the market economy. It creates social instability, social conflicts. To overcome this situation, countries need to focus on developing the social security system as a tool to minimize, limit and overcome social risks and inequalities.

State management of social security in Vietnam is one of the macro-policy means that regulate Vietnam's economy. The socialist-oriented market economy in our country develops inevitably following the general rules of cyclical mobilization. From other countries' experiences, to regulate the economic cycle, the State must use macroeconomic tools such as government spending, taxes, interest rates, wages, insurance, subsidies,...to adaptively effect in each period to shorten the economy crisis period, prolong the economy recovery and flourishing period.

During the economic crisis, a series of businesses are shut down, workers lose their jobs with no income. Then, the State needs to increase the payments from social security funds such as insurance, allowances for employees so that they can lead a normal life, self-retraining professionals to prepare for opportunities to participate in the labor market. In the economic recovery and prosperity period, the businesses expand widely, the workers get more jobs, higher income, so in this period, the state should reduce the payments deducting from social security funds. Thus, the adjustment of payment from the social security fund becomes a tool in the system of other economic policies and tools for the State to regulate macro-economy, overcome the cycle in development of market economy.

3.3 State Management of Social Security in Vietnam should be Appropriate to the Socio-economic Situation in each Specific Period

Vietnam is moving towards a socialist-oriented market economy, but only at a pre-market, incomplete level of market economy, with many primitive developed and at low level markets such as the capital market, financial market, real estate market, labor market, science and technology market ... This leads to an imbalance between supply and demand; In the real estate market, the virtual demand is larger than the real demand, so the price does not reflect the real value of real estate. Annual inflation still bears a high risk of rising. All of these things cause disadvantages for the poor, social protection beneficiaries in finding jobs and housing, seeking capital for production and business activities, leading to people spending more than their earning.

The labor market is unevenly developed and still at a low level. Wage policy is not equal among types

of businesses, between the business sectors and the administrative and public service sectors, the wages of a low proportion of labor are not enough to regenerate labor. Therefore, the number of people participating in the official social insurance system of the State is also very low and the accumulation capacity for old age is also very small.

The volatility of the current market economy causes economic shocks for ethnic minority groups that are difficult to adapt immediately to market economies or to farmers whose land is withdrawn in the process of country urbanization.

Migration also raises many social problems where people move to. Migrant workers moving from rural to urban areas also make it difficult to implement social policies from the perspective of equality and fairness.

Although the war has gone for over a third of the century, the economic consequences may be overcome, but the social consequences are still severe and cannot be solved completely. The war claimed the lives of millions of people, leaving millions of disabled and millions of people contaminated with dioxin in the years 1964 - 1975. Because of war injuries and illnesses at a young age, nowadays, these old people need to have special preferential policies of the State. People having parts contaminated with toxic chemicals, dioxins, now turn sick, or have babies with deformities, making them facing many difficulties in their lives.

Although the economy has continued to grow at a high rate during the renovation period, the living standards of the majority of the population have been significantly improved, the poor communes have changed, especially in basic economic conditions for life and production. Economic growth has had a great impact on the development of the social security system, but Vietnam still has a low level of development. Vietnam has made great achievements in poverty reduction but it has not been sustainable and there is a situation of falling back into poverty.

Currently our country is still an agricultural country with large proportion accounted by the agricultural and rural population. Social psychology of “children relying on the father, the old trusting the children” is still having strong effect; Insights and awareness of compliance with laws on social insurance are often not well established. On the other hand, agricultural activities often have low income, so the economic ability to participate in social security faces difficulties. This requires raising awareness and building appropriate social security models which are crucial to the success of social security programs in our country.

Population aging and migration trends are strongly taking place. Due to the significant decline in fertility while the increasing average life expectancy has made the population of our country tend to age with the proportion of the young population declining and the proportion of the elderly increasing. Aging society will be a challenge for the social insurance system. The number of people paying social insurance premiums for entitlement in pensions decreases while pensioners increase. With more and more elderly people, the ability of the state budget to spend on social relief must also increase, not only for lonely elderly people but also for those living above 85 years old.

3.4 State Management of Social Security should Conform to the Requirements of the Industrial Revolution 4.0

With the development of 4.0 era technologies, according to forecasts by the Association of ASEAN Welfare countries, in the next two decades, 56% of workers in 5 ASEAN countries, including Vietnam will face the risk of losing their jobs. 86% of Vietnam's textile and footwear workers are at risk of losing their jobs due to automation in the Industrial Revolution 4.0 ... The redesign of appropriate social security policies in the new context is being put on the table for discuss. The risk of job loss will affect social security. Without keeping pace with the overall pace of development, this revolution could cause many countries to face challenges and negative impacts, especially the undesirable impacts on the labor market, affecting the goal of social security. Industry 4.0 has a large scale and rapid growth, creating opportunities to promote social security, such as expanding social insurance coverage ... but, the industrial revolution 4.0 also generates lots of works, impacting on traditional labors, creating gaps in social security coverage, as well as data security and network security.

The change of the labor market is of interest to forecast, but it is not yet confirmed which jobs are lost and which ones exist. This requires workers to greatly enhance their skills to respond to changes.

The World Bank predicts that traditional social security based on tax deductions or wages of workers will gradually lose the pace with the aging population. Therefore, quickly taking advantage of opportunities, overcoming challenges requires acumen. With the right direction and catching the right rhythm, Industry 4.0 will create opportunities for Vietnam to shorten the development gap. Vietnam currently has about 18 million informal and non-agricultural workers, of which only 23% have legal labor relations. However, only 0.2% of them participate in social insurance.

3.5 State Management of Social Security Needs to Ensure Consistency, Openness, Accessibility, Reliability and Predictability

One requirement of consistency is that the documents guiding the implementation of social security laws must not conflict with the laws on which they are based, the provisions in the same document must not be contradictory or cancel each other out. Especially in the context of international integration, to well implement the international commitments in the international treaties that we have been and will be members of, the consistency of the law must be ensured. On the one hand, it is necessary to gradually unify the contents of national legislation, on the other hand, the contents of international commitments on social security into national laws must be transformed.

The formulation, promulgation and implementation of social security laws must be conducted publicly and transparently, creating conditions for all forces in society to protect and balance their interests. After being enacted, national laws must be published in the Official Gazette, administrative documents of law enforcement agencies must be published in media for easy access of the people.

One characteristic of the law is fairness, so the law must be reliable, they must become the quantities representing the right. Legal security is what people expect in the State and in the law. Unreliable laws create dangerous situations. In order to avoid such situations, the formulation, promulgation and

enforcement of social security laws must not cause shocks, surprises to the object of application. The predictability of the law also includes the issue that in legal proceedings, law enforcement agencies must take equity as a principle for their activities. If people ask the court to settle disputes related to social security that the law has not prescribed, then the judge must judge it fairly, rather than return the application simply because of lack of legal documents specified. In order to do this, the law has to return to the court the rights it should not have been allowed to lose by times, which is the “right to interpret the law”, especially in the field of social security legislation.

4. Discussion

With the political determination of the Party, the State and the people of Vietnam is to continue to integrate the country more and more deeply and comprehensively in all fields of social life through the social security system. Regardless of the conditions and circumstances, the Vietnamese State always promotes the state management role in social security in the process of international integration in Vietnam through organizing the construction of a legal system and stable law aims to create favorable conditions for members of society to feel secure and actively participate in all activities of social life; On the other hand, mastering and well implementing the Party’s viewpoint is to ensure social security for all people, resolutely maintain independence and autonomy along with expanding international cooperation, multilateralization and diversification to convert foreign relations, firmly advance to socialism, for the purpose of not leaving anyone behind, ensuring wealthy people, strong country, justice civilized society.

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