# Multidimensional Inequality in Vietnam[1]

## ABSTRACT

Vietnam has achieved great economic development over the past 30 years. However, there is growing concern over increasing inequalities in other aspects of life, in particular opportunities and voice for certain population subgroups. Meanwhile, there is still a sizeable and significant lacuna in multidimensional analysis to provide a comprehensive and in-depth view of inequality.

This study is a first attempt to **examine multidimensional inequality in those key domains of inequality in the country: life and health, education and learning, and participation, influence, and voice**.

The research findings point at **large gaps between subpopulation groups across spatial, socio-economic, and ethnic axes of inequalities** in their capability to enjoy the right to a proper, quality education and to experience a life free of illness and access to quality healthcare facilities. **People belonging to ethnic minorities (EM), women, and inhabitants from rural provinces are more affected by inequalities in health and education** than the Kinh, men, and higher-income households living in predominantly urban areas. Furthermore, **inequality in the capability to participate, raise one's voice, and influence public matters** is extremely acute between men and **women and the poorest households and with a lower level of education**, compared to the richest, urban, highly educated households.

## METHODOLOGY

The study uses the **Multidimensional Inequality Framework** (MIF) developed by the CASE/LSE, SOAS/University of London and Oxfam. The MIF draws on Sen's capability approach to assess inequalities in individual well-being. In addition to income and asset inequality, this paper analyses inequality in key domains of life, including life and health, education and learning, and participation, influence, and voice.

The study follows a **mixed-methods approach**, with quantitative and qualitative methods carried out in sequence. For the quantitative phase, the two main datasets used are the Vietnam **Household Living Standard Surveys** (VHLSS) and the Vietnam **Governance and Public Administration Performance Index surveys** (PAPI). Based on those datasets, the study calculates key indicators in the three domains of the MIF.

The qualitative research phase was accomplished in 3 provinces (**Tuyen Quang, Dak Lak and Soc Trang**), were 6 Focus Group Discussions and 25 in-depth interviews were carried out to collect data on local human stories to shed light on perceptions of inequality and identify its main drivers.

## CONTEXT

### Growing economic inequalities from a multidimensional perspective

Research on economic inequality has not properly analysed intersectional and intergenerational inequalities in citizens' wellbeing.

On an economic aspect, a large gap persists between the majority (Kinh) and EM groups' living standards. Although both groups have seen their poverty rates decrease, EM still face much higher poverty rates than the Kinh. **EM, who made up only 15% of the country's population, constituted 73% of the poor in 2016**. The poverty rate for the whole country in 2016 remained at 9.8%, while that of the Kinh was slightly below the average, at 3.1%. In contrast, **EM's poverty rate was 15 times higher than that of Kinh groups: 45% of people belonging EM still lived in poverty in 2016.** Among ethnic groups as well as across geographic areas, there is also a striking difference in well-being standards, a gap that is in fact growing. When looking at **poverty rate of ethnic groups in rural areas**

[1] This research has been carried out by the Mekong Development Research Institute (MDRI) and Oxfam. This report summary has been written by Cristina Rovira (Oxfam Intermón).

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**for 2016, groups such as the Mong, La Hu, Mang, and Lo Lo attained the highest poverty rates at around 80%.** To understand the drivers or sources of economic inequality, a decomposition analysis of inequality by population subgroup was conducted. **Inequality** measured by household expenditures **between provinces/cities was proven to account for nearly 22% of total inequality**, while **inequality between ethnic groups makes up 15% of total inequality**. **Inequality in wages accounts for the largest share, at 46.2%, in total income inequality in 2016**. **Inequality in household non-farm business income and other non-farm income accounts respectively for 30.1% and 13.2% of total income inequality**, while farm income contributes very little to total income inequality.

To conclude, based on our analysis of income and asset inequalities, the poorest, EM from rural areas suffer while the richest and the groups with the highest education level benefit from economic inequality.

## THREE PILOTED MIF DOMAINS

Compared with previous work, this study attempts to explore in depth the main inequality trends in three domains of life: life and health, education and learning, and influence and voice, through both quantitative and qualitative analysis.

As it will be shown in the following sections, the study tries to shed some light on which groups suffer most from inequalities in these life domains, intimately linked to people's wellbeing.

## Inequalities in life and health

The first domain analysed comprises the **capability to be alive, enjoy longevity, and avoid premature death**, as well as it covers **health inequalities across physical and mental health outcomes** between diverse population groups. A systematic review of indicators across the domain reveals wide, persistent gaps between the higher-income households from urban areas, and highly-educated people belonging to majority ethnic groups, when compared to people belonging to EM, women, and people living in rural provinces.

For instance, people not achieving a degree at all face the highest chance to live with a disability (25%), this is, more than 7 times the chance of those who have earned a high-school, college/university or higher level diploma. Likewise, **within the poorest 20%, the proportion of people living with a disability is nearly 4 times as high as that of the richest 20%.** The disability rate within EM groups is also slightly higher than that of the Kinh (17% and 13% respectively).

Likewise, persistent gaps on mortality rates and life expectancy remain across spatial and ethnic axes of inequality**.** Although the country's infant mortality rate (IMR) is low and tends to decrease, there are still wide gaps between regions. In fact, t**he IMR of the Central Highlands is nearly 3 times higher than the IMR of the Southeast**. Likewise, under-five mortality rate (U5MR) remains 2 times higher in the rural areas than in urban areas, and the **Northern Midlands and Mountains and Central Highlands have and U5MR nearly 3 times higher than the Southeast**. Likewise, if we take a look to life expectancy, we find out that **an inhabitant of the Central Highlands lives on average 3 years less than the average Vietnamese and almost 6 years less than an inhabitant from the Southeast region**. When comparing ethnic groups, we find that the mortality rate of the Kinh (3.72 ‰) is lower than the average of EM, specially from the Tay, Nung, and H'Mong, who have death rates of 4.86 ‰, 4.79 ‰, and 4.76 ‰ respectively. These observed gaps are not a fatality but reflect **certain inequality drivers**

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**linked to policy choices**. Concerning the impact of living conditions on the reported health status**, the lack of access to clean water and improved latrines remains a major challenge for people belonging to EM groups and households in rural, remote areas.** About half of Kinh households have piped water, while only about 13% of EM households have access to it.

Furthermore, **access to higher quality health facilities remains highly unequal.** The **average number of annual visits by the Kinh can be up to 18 times that of someone from the H'Mong minority group**. The access to higher quality facilities also remains very uneven between different socio-economic groups. The number of annual visits by the richest 20% to quality health centres is up to 1,6 times that of someone from the poorest 20%. The major difference remains related to perception, affordability, and factors related to the accessibility and physical location of hospitals. The Kinh often live close to health facilities, while EM groups live further from health facilities. Finally, **annual out-of-pocket (OPP) health spending varies remarkably across ethnic groups and living standards.** The annual OPP spending on health by someone from the Kinh group can be up to 15 times that of someone from the H'Mong group.

## Inequalities in education and learning

The second domain analysed tackles the **capability to be knowledgeable, to understand and reason, and to have the skills to participate in society, covering inequalities in education over the course of life.**

Although Vietnam has achieved education universalization at primary and lower secondary school levels, **access to early education, lower secondary school, and higher education remains disparate across ethnic groups and regions, as well as across households with different economic backgrounds.** For instance, Khmer children have the lowest enrolment rates at kindergarten, at less than 50%, a rate of enrolment doubled by other groups such as the Thai. Moreover, the percentage of out-of-school children among under-five Khmer children in urban areas is significantly larger than in rural areas (at 33.5% compared with 19.8%). Additionally, Khmer, Nung and H'Mong groups still show slightly lower enrolment rates at primary and secondary, if compared to Kinh, Tai and Tay groups.

Observed inequalities widen further as we move to higher educational levels. **Access to college is still far from being universal for those young people belonging to EM groups, from rural areas and from the poorest households, especially for women**. Kinh young people show the highest rate, with approximately 46% of them attending college. Meanwhile, less than 10% of young Khmer, H'Mong, and Dao people have the chance to attend college. Additionally, the average number of years of schooling of Kinh and Tay groups is 8.6, this is, **5 years more than Dao and Khmer groups and more than 6 years of difference with H'Mong groups.**

At all four levels, women's enrolment rate is larger than men's, yet **women attend school, on average, one year less than their male peers** (the effective number of years of schooling of women was 7.7 against 8.7 for men). Furthermore, inhabitants from urban areas attended school, on average, for slightly more than 10 years, which is up to 1.5 times that of rural inhabitants. Finally, an individual **from the richest 20% of the population will attend school almost +6 years than someone from the poorest 20%**. Furthermore, inequalities further entrench generation after generation: people whose household head has post-secondary education are more likely to have post-secondary education, with an average number of years of schooling equal to 14.3 years.

**The experienced quality of education is also diverse between geographic areas and ethnic groups.** EM children, children living in the Northern Mountains, the Midlands, Mekong River Delta and Central Highlands and children belonging to the poorest households have significantly lower academic performance than Kinh children, children living in Red River Delta and Southeast regions, and children in rich households. Furthermore, the research found that **there is a positive correlation between students' scores and households' economic status**. In addition, fieldwork conducted revealed that **low performance of Khmer and H'Mong students** could be explained by **language barriers, social norms and parents' awareness** of the importance of education.

In this sense, beyond the role of social norms, the research identified a set of drivers that can explain the observed gaps. First, the unequal access to education and learning. **The investment in education, as measured by household spending**, also widely varies across population subgroups**. Expenditure on education for one student from a Kinh household is about 4 times as**

**high as that for an EM student.** The qualitative study also shows the disparity in the learning environment, **in particular the quality of infrastructure, facilities, equipment and teaching activities between the main site and the satellite site of the same school**. Furthermore, additional factors found were the lack of provision for special educational needs, especially for those students living with a disability, and the unequal access to early childhood development opportunities and career guidance, vocational and technical training.

Finally, inequalities in education are paramount, as they are deeply interconnected with inequalities in other life domains. They drive and **reinforce inequalities in other life domains, creating further barriers for certain subpopulation groups to enjoy equal opportunities to access the labour market and to enjoy quality, dignified work**.

## Inequalities in participation, influence and voice

The third and final domain analysed addresses inequalities **in the capability to participate, raise one's voice, and have influence on public matters.** The quantitative analysis and qualitative evidence gathered show that there exists a **critical gap between men and women, and among the poorest households, with weaker levels of education, when compared to the richest, urban, highly educated households.**

When asked about the current Prime Minister (PM), there were significant differences in the degree of awareness between men and women, Kinh/EM groups, education levels and income. In 2018, **more than 50% of people belonging to Kinh group knew the PM's name, while this proportion for EM groups was below 34%.** Likewise, only **32% of women could tell PM's name, while more than 70% of men could do so.** In addition, 76% of the people with upper secondary studies and above knew the name of the PM, this is, 3.5 times the proportion of the below-primary education group who could do so (22%).

**Compared to men, women have lower levels of engagement with political issues and lower voting turnout.** The proportion of individuals who tend to participate in elections is proportional to the level of education. **The higher the education level is, the greater the proportion of people participating in elections.** High-income households and urban households also have a higher level of political knowledge and participate more in elections than low-income households and rural households.

Beyond voting, participating in meetings with representatives of the public administration or local leaders helps people realise their influence and motivates people to actively contribute with their ideas to local and national policy formulation. **The proportion of men attending these meetings is almost twice that of women.** While the poorest groups tend to be more involved in meetings with People's Councils at the commune level, the richest were more involved in provincial meetings. Furthermore, **the percentage of women proactively expressing opinions and submitting them to People's Committees at all levels is only half that of men.**

Inequality in participation, influence, and voice is driven by imbalances in power between population subgroups. In this sense, four key categories of drivers were identified. First of all, the **prevalence of social and cultural norms that obstruct women's participation**, secondly, the ineffectiveness in encouraging the democratic participation of all population groups and thirdly, the inefficiency in enforcing laws that ensure transparency and prevent corruption. Finally, **income and education inequalities were identified as the key structural cause of inequality in participation**. A critical Gordian knot of compounding inequalities can be identified in the interaction between **inequality in participation, influence, and voice, which goes hand in hand with income inequality, education inequality, and gender inequality in society.** In fact, inequality in participation could potentially perpetuate the cycle of inequality, as disadvantaged or vulnerable groups are not granted meaningful opportunities to have a say in key decision-making process in their locality, leading to intergenerational inequality that could otherwise be avoided.

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# CONCLUSIONS AND POLICY RECOMMENDATIONS

The multi-dimensional approach to poverty reduction has been recognized as the focus for analysing and identifying beneficiaries of social assistance programs and policies. As a result, Vietnam has achieved many remarkable achievements in poverty reduction. On the other hand, Vietnam has implemented specific plans on inequality reduction to achieve SDG 10. However, there exists a need for a holistic analysis of multi-dimensional inequality in Vietnam which can provide a comprehensive understanding of intersectional and intergenerational complexities of inequality, and to suggest solutions for reducing inequality and ensuring inclusive development for all.

Due to limitations on available secondary dataset for calculating indicators in the MIF and the research's resources, the study focuses on three important domains out of seven ones in the MIF. After conducting quantitative and qualitative analysis, the research identifies **critical, persisting gaps between subpopulation groups across spatial, socio-economic, and ethnic axes of inequality** in their capability to enjoy the right to a proper, quality education, to experience a life free of illness and access to quality healthcare facilities and to participate and influence public matters. To reduce multidimensional inequalities, it is necessary that public stakeholders in the country take a **human-centred approach to policy design, implementation, monitoring and evaluation.** Such an approach focuses not only on promoting economic growth in an inclusive manner, but also on the diverse dimensions of **populations' well-being.** Besides this overarching approach to inequality reduction, it is recommended that the following sectorial policy proposals are taken into consideration:

- **To put in place income redistribution policies and pro-poor policies.** To reverse current economic inequality trends, the poorest groups should not only increase their income levels, but also achieve a higher income growth rate than the richest, while attaining similar levels of well-being. The Vietnamese government should commit to making national taxation more progressive, as it is one of the main instruments to promote income redistribution, and fund essential public services to make sure no one is left behind. The government should increase budget spending on public health and education to meet current international standards.

- **To design specific policies and programs for the disadvantaged groups especially impacted by inequalities, such as people belonging to ethnic minorities (EM), women and small-scale farmers from remote areas.** To reduce inequalities, it is not enough to target poor regions, but also **to consider the specific needs and demands of these groups** (for instance, by including providing information in ethnic minority languages). The government should also implement appropriate policies to promote the private sector to attract the labour force from rural areas and from EM, to increase non-farm employment opportunities for them, as well as to improve agricultural productivity and ensure living wages and dignified working conditions.

- **To put in place policies that ensure equal access and quality healthcare in disadvantaged areas, in particular areas mostly populated by EM.**

- **To implement policies to promote education in disadvantaged areas, in particular areas mostly populated by EM**. The **quality of teaching and education in disadvantaged areas** should also be given priority and receive adequate investment. **Lunch programmes and scholarships** for poor and EM students are important. **Communicating information** to parents about the value of education in languages they can understand will be crucial to increase and maintain school enrolment,

particularly for EM. **Vocational training** to meet the labour market demand also improves professional skills and job opportunities for disadvantaged groups.

- **To improve access to safe drinking water infrastructure in schools and homes** could greatly contribute to improving people's health. In addition to the **provision of infrastructure for sanitation and safe water,** the **awareness** of how to maintain it properly should be taken into consideration.

- **To put in place critical thinking, active-citizenship education and awareness-raising programmes** to support and strengthen the abilities of women, the poorest households, and less educated people to be equipped with key critical tools and to become fully aware of the potential of public participation and voice raising.

- **To improve data, research and knowledge on inequalities, in particular by collecting disaggregated data**. To effectively address growing multiple inequalities, it is necessary **to understand them**, **to better measure them, to better comprehend their causes and determinants,** to find the best action levers to counter them in all areas, and to support the development and implementation of effective strategies and actions in the field. The government should make a systematic compilation of inequality-related data from surveys such as PAPI, DHS and VHLSS, as well as data relating to the implementation and impact of SDG 10, and **to make this information accessible to citizens and civil society and integrate this indicators into national development policies**. The MIF indicators, which rely on a capability and human-rights based approach, could be included as well in the list of National Statistical Indicators and collected in the National Survey Programme.