

GIANG THANH LONG

Deputy Director, Institute of Public Policy and Management (IPPM),
National Economic University (NEU)

Enhancing the social security system to tackle old-aged poverty in rural Vietnam

This research, using the Vietnam Household Living Standard Survey (VHLSS) 2008, explores poverty status and access to social security services of the elderly in rural Vietnam with different categorical groups. Also, using micro-simulation techniques, the research calculates how much poverty rates and poverty gaps of the whole elderly population and rural elderly would have been reduced once the current cash transfer program was expanded to cover them in the past. The disaggregated data show that, in rural areas, the elderly who are more advanced age, female, illiterate, living alone and living as dependent are poorer and more vulnerable to poverty than their counterparts. The simulation results indicate that, even with limited funding, cash transfer program would have been influential in reducing poverty rates and poverty gap for rural elderly. In part due to a number of elderly living near the poverty line, the simulation results also show that, with the same fiscal costs, a program providing lower benefits to a higher number of beneficiaries would be more powerful in poverty reduction than a program providing higher benefits to a lower number of beneficiaries.