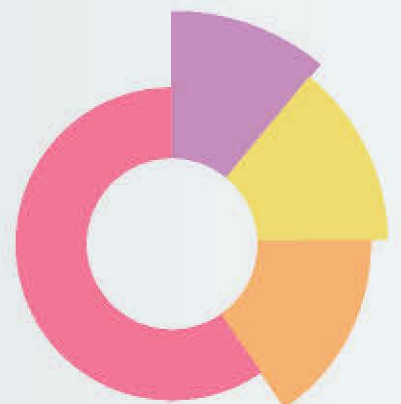




# Human Development Indices and Indicators

**Viet Nam's 2018** Statistical Update



# Human Development Indices and Indicators: Viet Nam's 2018 Statistical updates

## Introduction

*Human Development Indices and Indicators: 2018 Statistical update*, released by UNDP Human Development Report Office on 14 September 2018, aims to ensure consistency in reporting on key human development indices and statistics. It includes an analysis of the state of human development—snapshots of current conditions as well as long-term trends in human development indicators.

With a comprehensive statistical annex, the data gives an overview of the state of development across the world, looking at long-term trends in human development indicators across multiple dimensions and for every nation, the 2018 Update highlights the considerable progress, but also the persistent deprivations and disparities.

*2018 Global Multidimensional Poverty Index (MPI)* was launched in New York on 20 September 2018 MPI, jointly by the Oxford Poverty and Human Development Initiative (OPHI) at the University of Oxford and UNDP. The data casts light on who is multidimensionally poor, where do they live and how they are deprived across 104 developing countries, covering almost three-quarters of the global population. MPI was used as one among measurements of human development (to replace the Human Poverty Index) in Global Human Development Report 2010. Since the adoption of the 2030 Sustainable Development Agenda in 2015, MPI became an important measurement for monitoring (the indicator 1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions) the progress in achieving SGD1 End poverty in all its forms everywhere, target 1.2 “By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions”

This note, *Human Development Indices and Indicators: Viet Nam's 2018 Statistical updates*, aims to share data and deeper analyses on key human development and multidimensional poverty current conditions and trends in Viet Nam in comparison with some selected countries.

More details on the *Human Development Indices and Indicators: 2018 Statistical update* can be found in: ([http://hdr.undp.org/sites/default/files/2018\\_human\\_development\\_statistical\\_update.pdf](http://hdr.undp.org/sites/default/files/2018_human_development_statistical_update.pdf)); <http://hdr.undp.org/en/2018-update>; Data on Human Development Indices and Indicators - from: <http://hdr.undp.org/en/data> and the calculation methods and data sources – from HDR 2018 technical notes: [http://dev-hdr.pantheonsite.io/sites/default/files/hdr2018\\_technical\\_notes.pdf](http://dev-hdr.pantheonsite.io/sites/default/files/hdr2018_technical_notes.pdf); and on *2018 Global MPI* can be found in: <https://ophi.org.uk/>; <http://hdr.undp.org/>; [https://ophi.org.uk/wp-content/uploads/CB\\_VNM-2.pdf](https://ophi.org.uk/wp-content/uploads/CB_VNM-2.pdf) and <https://ophi.org.uk/research/multidimensional-poverty/alkire-foster-method/>

## Key Human Development Trends in Viet Nam

All data sources are from UNDP Human Development Indices and Indicators, 2018 Statistical Update-  
<http://hdr.undp.org/en/data>

### ***Viet Nam's HDI value is only 0.006 points below the threshold of the High Human Development Group***

Viet Nam's HDI has risen continuously over the past 27 years. In 2017, the country ranked 116<sup>th</sup> out of 189 countries (the same rank as in 2016); it is at the upper end (among the highest fourth countries) of the medium human development category (Figure 1). Viet Nam's HDI value of 0.694 is only 0.006 points below the threshold (0.700) of the *High Human Development* group.

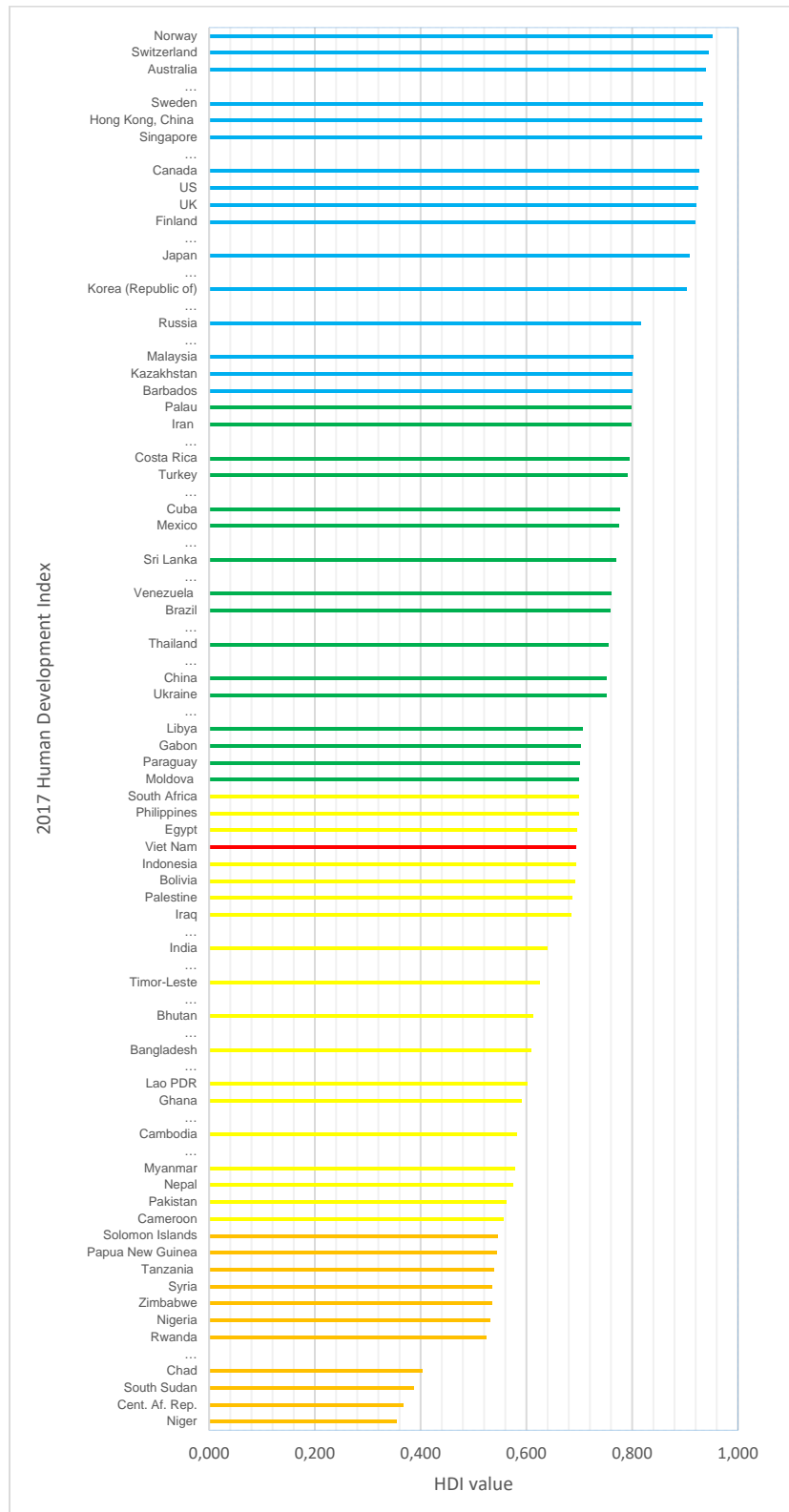
### ***Once Rapid, Viet Nam's Rate of Human Development Progress Slows Down***

Improvement has been uneven, however. Between 1980 and 1990, the HDI rose on average a weak 0.26 percent per year, then accelerated to 2.00 percent per year between 1990 and 2000, before slowing to 1.35 percent per year between 2000-2008 and further to 0.94 percent per year since 2008 (Figure 2). The rate of Viet Nam's HDI improvement was an annualized 1.41 percent between 1990 and 2017, higher than the medium human development average of 1.24 percent, and the East Asia-Pacific average of 1.30 percent. Viet Nam's HDI slowing progress in the last decade pulled its formerly rapid human development advancements behind those of many other countries in comparison such as China and Philippines.

In 1990, Viet Nam's HDI value was lagging behind the East Asia-Pacific region average, by 8.1 percent. The difference narrowed to 4.7 percent in 2008, but by 2017, had slightly widened again to 5.3 percent. While this is partly a result of China's exceptional performance—rising from an HDI value of 0.43 (below Viet Nam) in 1980 to 0.752 (just below the Republic of Korea and Malaysia) by 2017—it is also a result of the better performance of other countries in comparison.

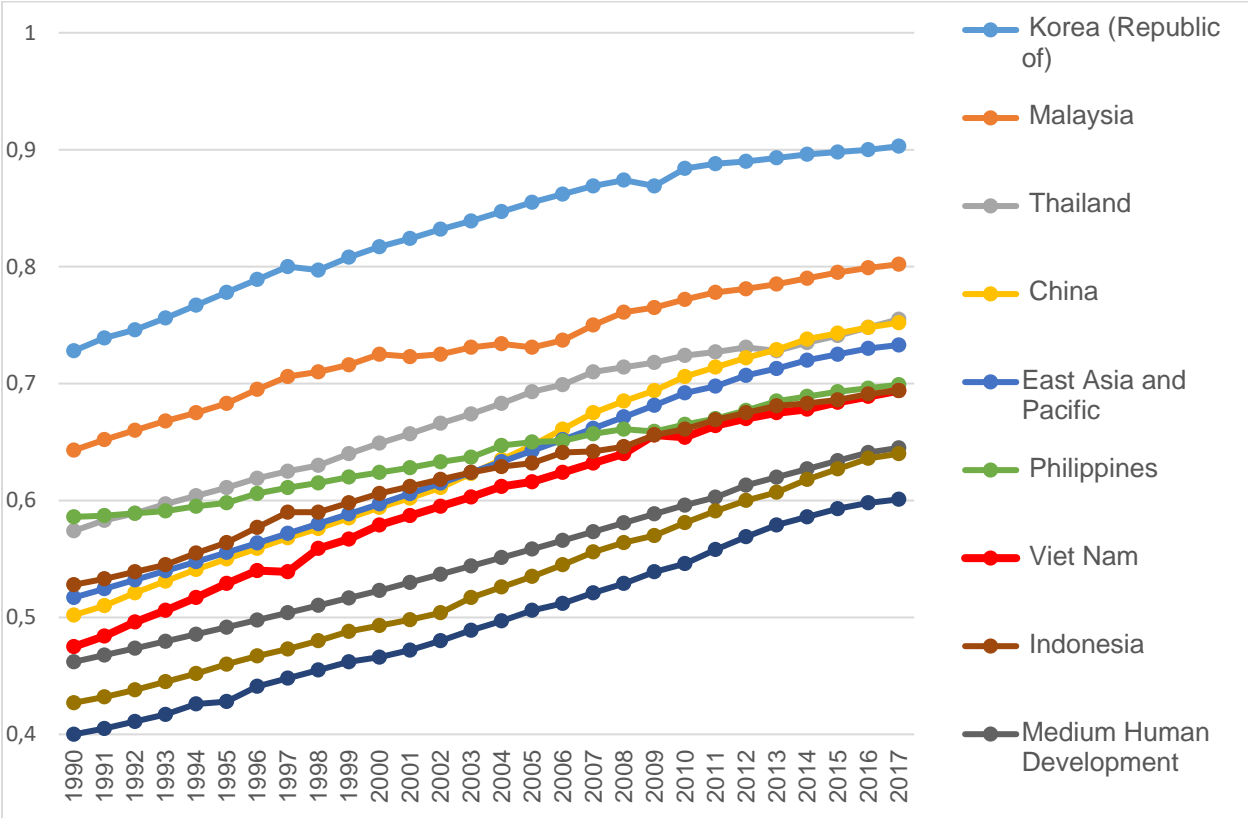
A feature of global and regional human development trends has been a levelling off since the financial crisis in 2008. Yet Viet Nam's relative progress has been weaker, and its rate of improvement has slowed more than in comparator countries. This suggests that the post-crisis effect, combined with internal economic weaknesses, has been more powerful in Viet Nam.

**Figure 1: HDI values of countries in 2017**



Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

**Figure 2: HDI increases have levelled off since the 2008 crisis**



Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

Table 1 compares Viet Nam's HDI value, ranking and component data to those of some other countries in East Asia- Pacific region. The selection of countries for comparison, while putting Viet Nam's HDI rank in the middle, allows the examination of major variations in Viet Nam's performance on HDI component data.

**Table 1 - Where does Viet Nam stand compared to other Asian countries?**

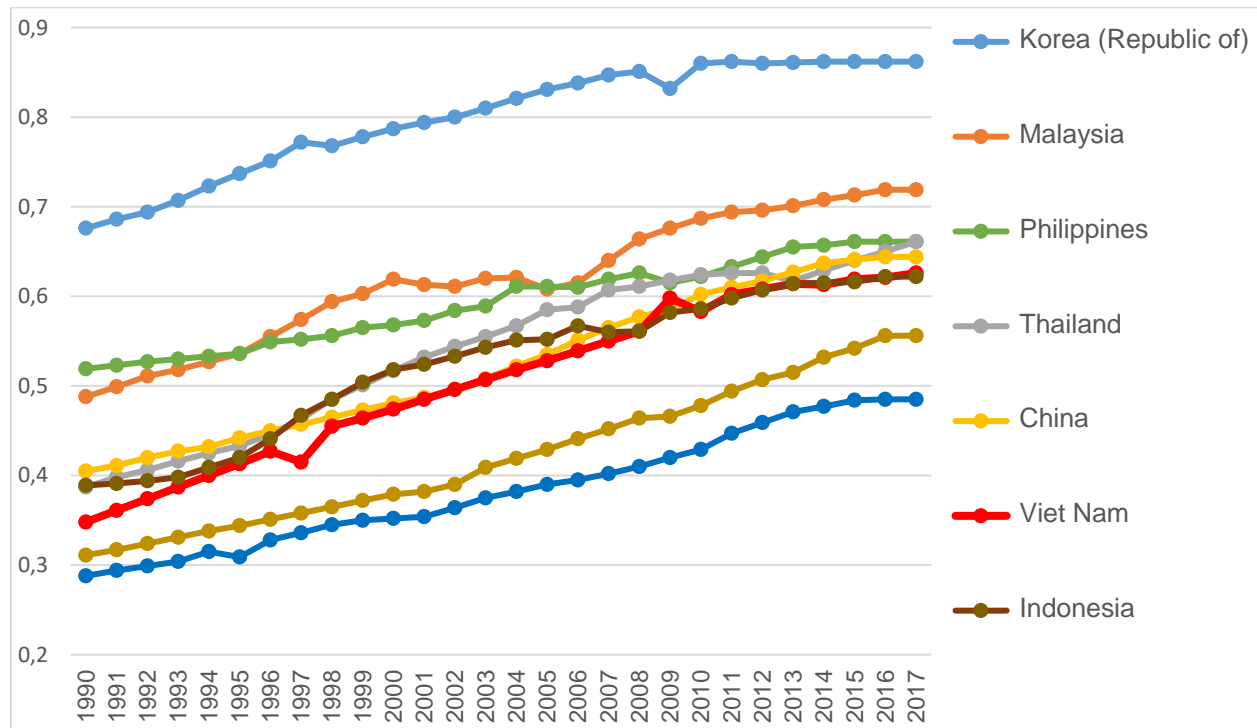
Country	HDI country ranking	HDI	Life expectancy at birth (years)	Mean years of schooling	Expected years of schooling	GNI per capita (2011 PPP \$)
		<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
China	86	.0.752	76.4	7.8	13.8	15,270
India	130	0.640	68.8	6.4	12.3	6,353
Indonesia	116	0.694	69.4	8.0	12.8	10,846
Lao People's Democratic Republic	139	0.601	67.0	5.2	11.2	6,070
Malaysia	57	0.802	75.5	10.2	13.7	26,107
Philippines	113	0.699	69.2	9.3	12.6	9,154
Republic of Korea	22	0.903	82.4	12.1	16.5	35,945
Thailand	83	0.755	75.5	7.6	14.7	15,516
<b>Viet Nam</b>	<b>116</b>	<b>0.694</b>	<b>76.5</b>	<b>8.2</b>	<b>12.7</b>	<b>5,859</b>
Very High human development		0.894	79.5	12.2	16.4	40,041
High human development		0.757	76.0	8.2	14.1	14,499
Medium human development		0.645	69.1	6.7	12.0	6,849
Low human development		0.504	60.8	4.7	9.4	2,521
East Asia and the Pacific		0.733	74.7	7.9	13.3	13,688
<b>World</b>		0.728	72.7	8.4	12.7	15,295

Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

### *Education: progress picking up but not fast enough to close the gaps*

As Figure 3 reveals, Viet Nam's education index value in 1990, during its initial transition from central planning, was among the lowest, just above the values of India and Lao PDR. Although picking up again since then, Viet Nam has never been able to close the gap in education index value with comparator countries, including China, Philippines, Malaysia and Thailand.

**Figure 3: Progress on education in Viet Nam has picked up, but not fast enough to close the gaps with comparator countries**



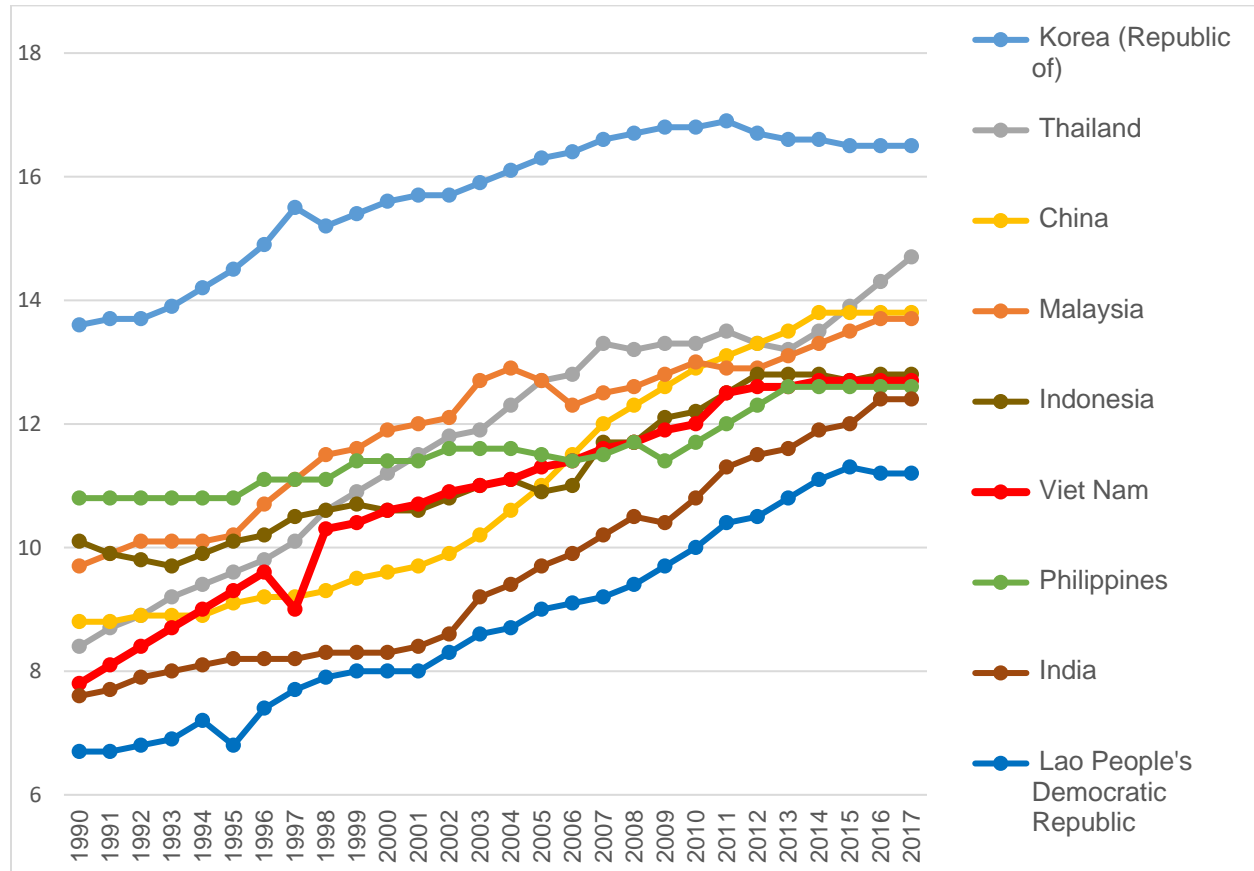
Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

### Viet Nam's *expected years of schooling* below and *mean years of schooling* equal the average of high human development group

Referring first to the education component of the HDI, Viet Nam's *expected years of schooling*<sup>1</sup>, increased from 7.8 years in 1990 to 12.7 years in 2017, which is comparable to the average of the medium human development countries (12.0) and the world's average (12.7), but below the average of high human development group (14.1) and similar to the value of 12.6 of the Philippines, 12.4 of India and 12.8 of Indonesia; below the East Asia-Pacific average (13.3), Republic of Korea's 16.5, Thailand's 14.7, China's 13.8 and Malaysia's 13.7 (Figure 4 and Table 1). The recent slowing down progress on this component resulted in Viet Nam's inability to close the gap in education index with the comparator countries.

<sup>1</sup> Expected years of schooling: number of years of schooling that a child of school entrance age can expect to receive if prevailing patterns of age-specific enrolment rates persist throughout the child's life.

**Figure 4: Progress on Expected Years of Schooling (years) has slowed down since 2010**



Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

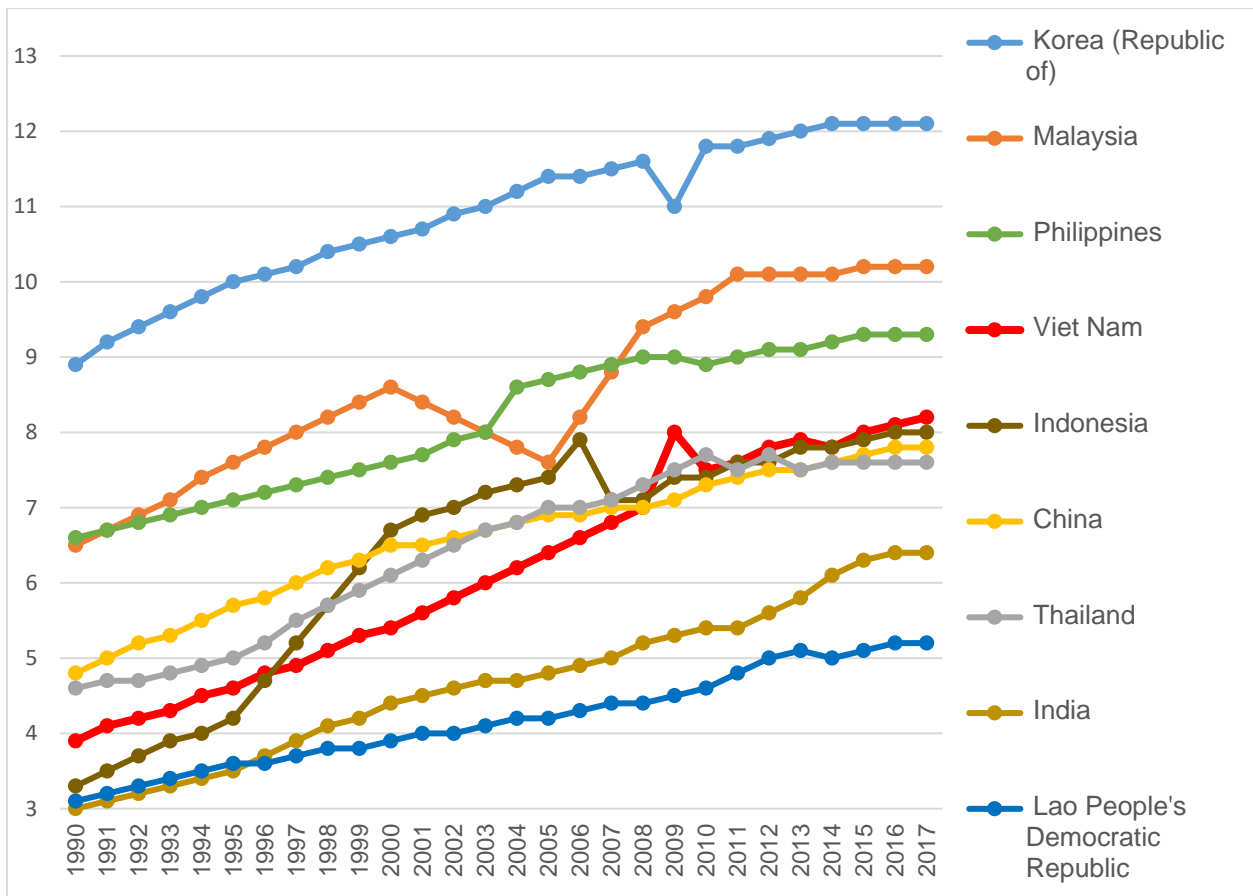
### *Viet Nam's mean years of average schooling equal the average of high human development countries*

Second education component of HDI - *mean years of schooling* - of Viet Nam is 8.2 years, slightly higher than the average (7.9) of East Asia and the Pacific, 6.7 of the medium human development countries, China's 7.8, Thailand's 7.6, India's 6.4 and Laos' 5.2 and equal to the average of the high human development countries; but slightly lower than the world average (8.4), RoK's 12.1, Malaysia's 10.2 and Philippines' 9.3.<sup>2</sup> (Figure 5 and Table 1). The progress in this component is better than the progress in the education composite index (consisting of the above two components).

<sup>2</sup> Mean years of schooling: average number of years of education received by people aged 25 and older, converted from education attainment levels using official durations of each level.



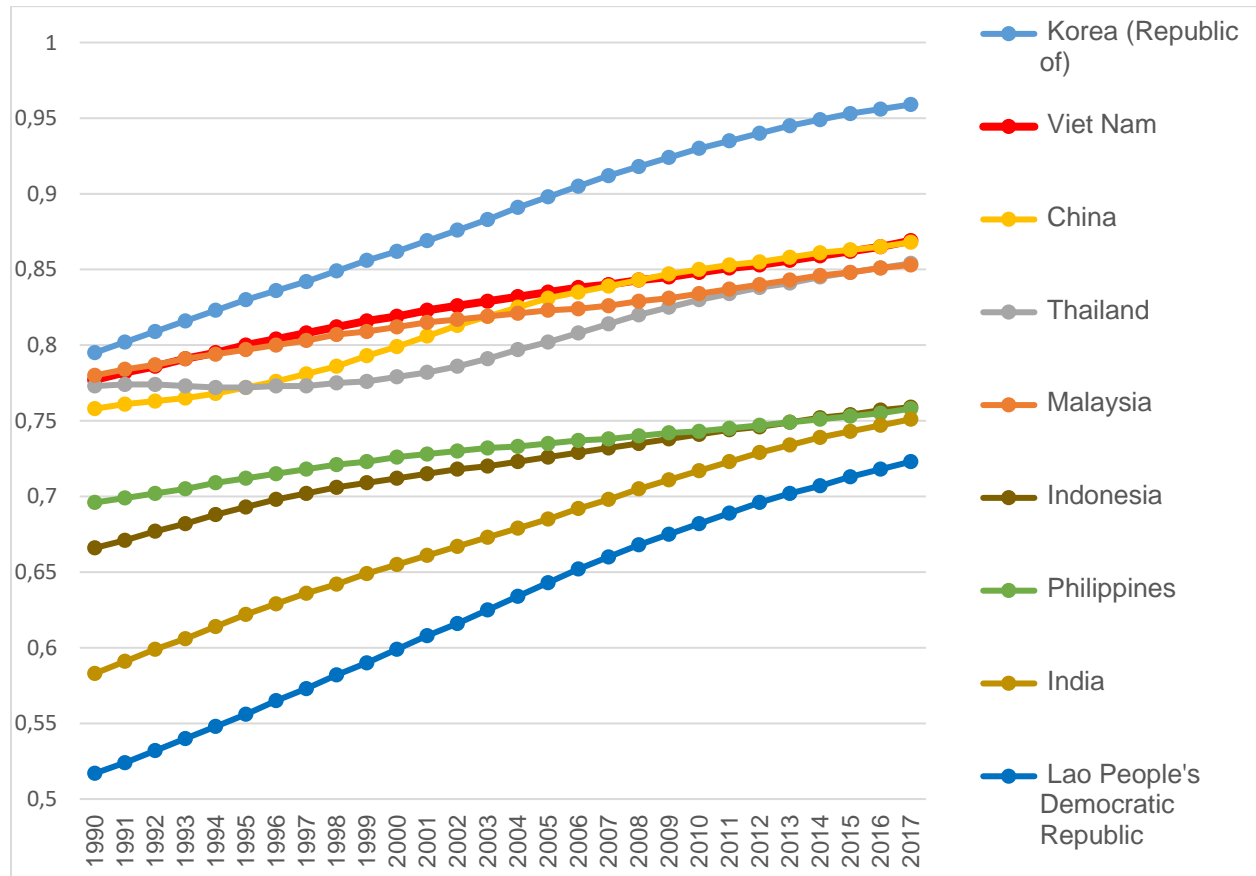
**Figure 5: Progress on Mean Years of Schooling (years) has been steady**



Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

*Health: Viet Nam's life expectancy at birth (76.5) is higher than the average (76.0) of high human development group*

**Figure 6: On health, Viet Nam outperforms many of its neighbours**

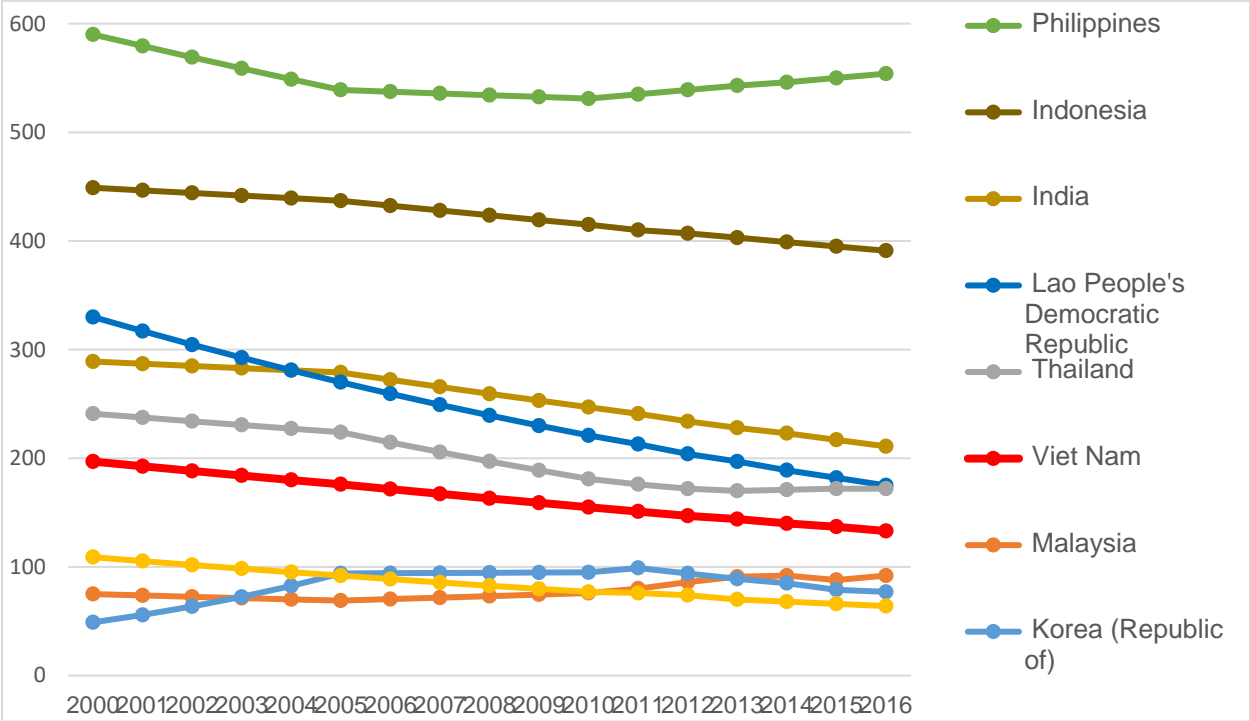


Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

Viet Nam generally outperforms comparator countries on the health component of the HDI, which is based on life expectancy data, even compared to countries with far higher per capita national incomes (Figure 6 and Table 1). Viet Nam's life expectancy at birth (76.5) is higher than the average (76.0) of high human development group. The only country in Asia Pacific to outperform Viet Nam is the Republic of Korea, life expectancy of which accelerated away from Viet Nam's since 1990 to converge on the maximum health index value. While it may appear that the scope for further improvements is limited (as Viet Nam's life expectancy is rather high), RoK's experience shows that better performance on key contributory factors, such as child mortality and deaths from poor road safety, could bring major gains for Viet Nam.

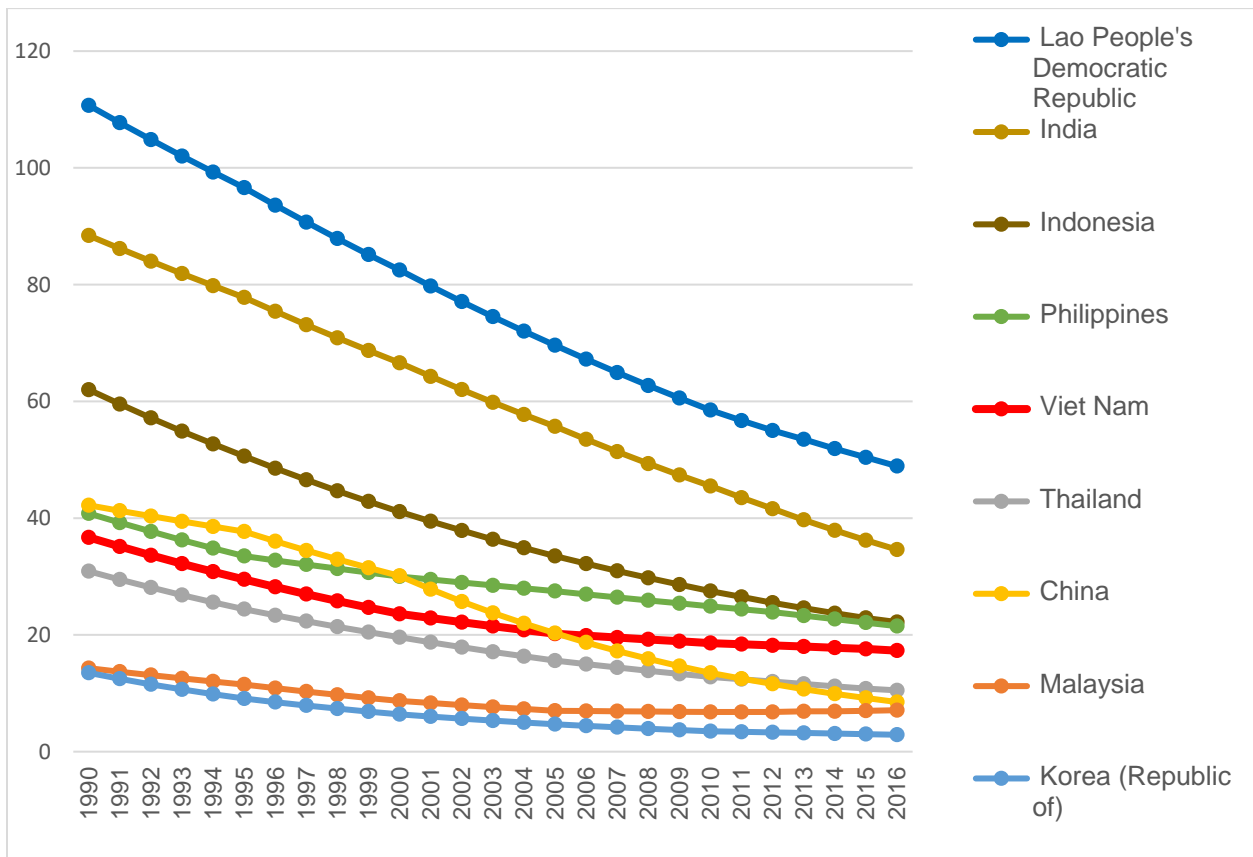
Viet Nam’s performance is at the average level among comparator countries on health related indicators such as Tuberculosis Incidence, Infant Mortality and Under 5 Mortality Rates: Viet Nam’s rates are lower than many comparator countries and only higher than the rates in China, Malaysia and RoK in Tuberculosis Incidence and China, Malaysia, RoK and Thailand in IMR and U5MR (Figure 7, 8 and 9).

**Figure 7: Tuberculosis Incidence (per 100,000 people)**



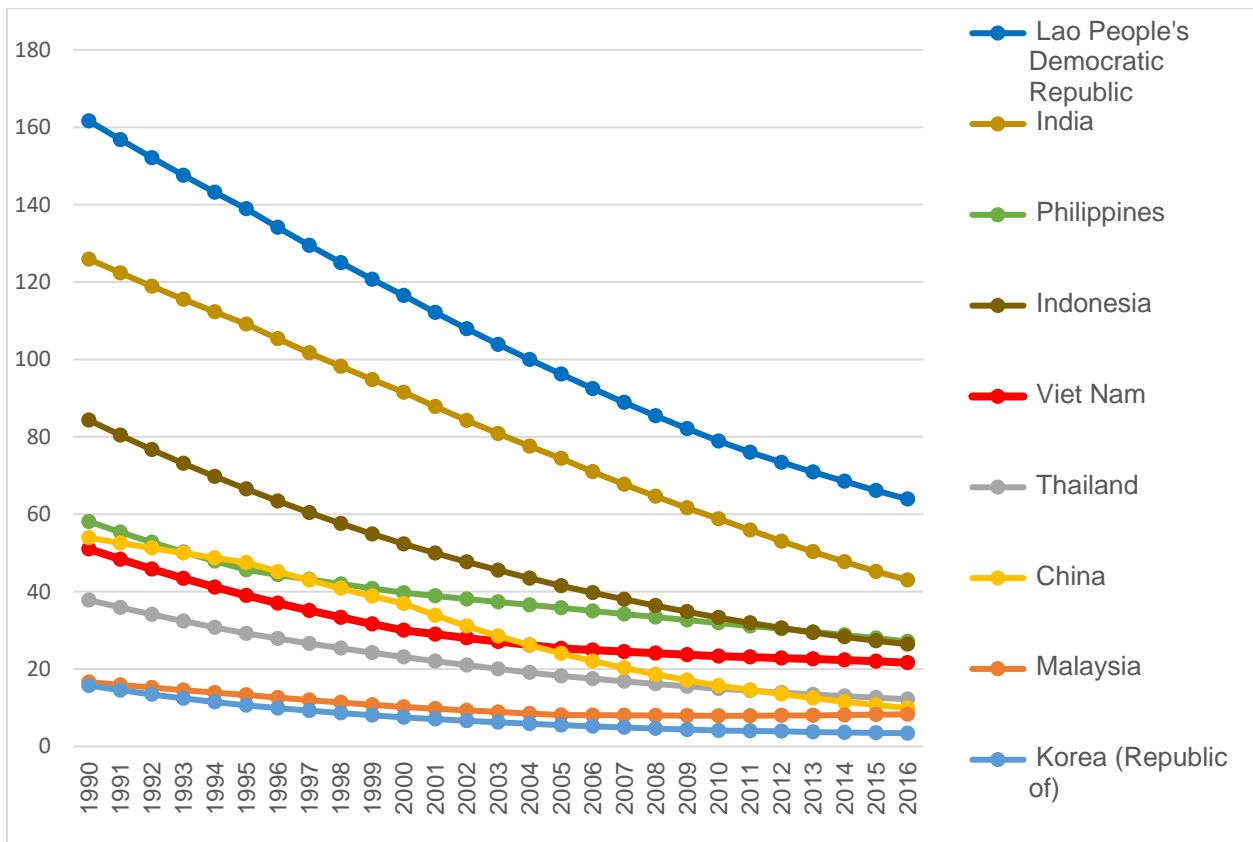
Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

**Figure 8: Infant Mortality Rate (per 1,000 live births)**



Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

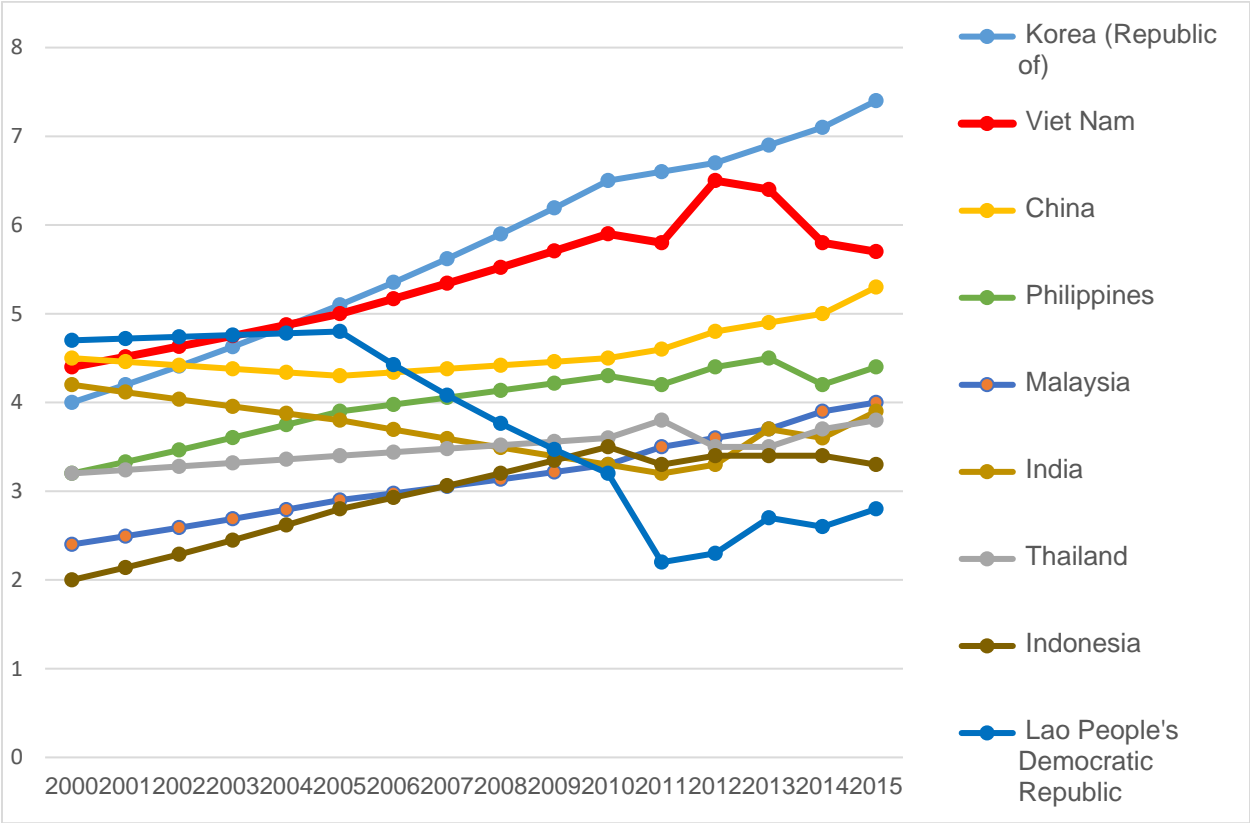
**Figure 9: Under-five Mortality Rate (per 1,000 live births)**



Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

Figure 10 shows that despite recent downward trend, Viet Nam's Health Expenditure - as percentage of GDP is much higher than in comparator countries, only lower than in RoK (Figure 9). This corresponds with Viet Nam's sound performance in health component of HDI (life expectancy). However, Viet Nam's average performance in Tuberculosis Incidence, Infant Mortality and Under 5 Mortality Rates suggests rooms for improvement, i.e. in ensuring more spending and higher efficiency of spending for improvements in these areas, which, in their turn will contribute to even better progress in Viet Nam's health component of HDI.

**Figure 10: Current Health Expenditure (% of GDP)**



Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

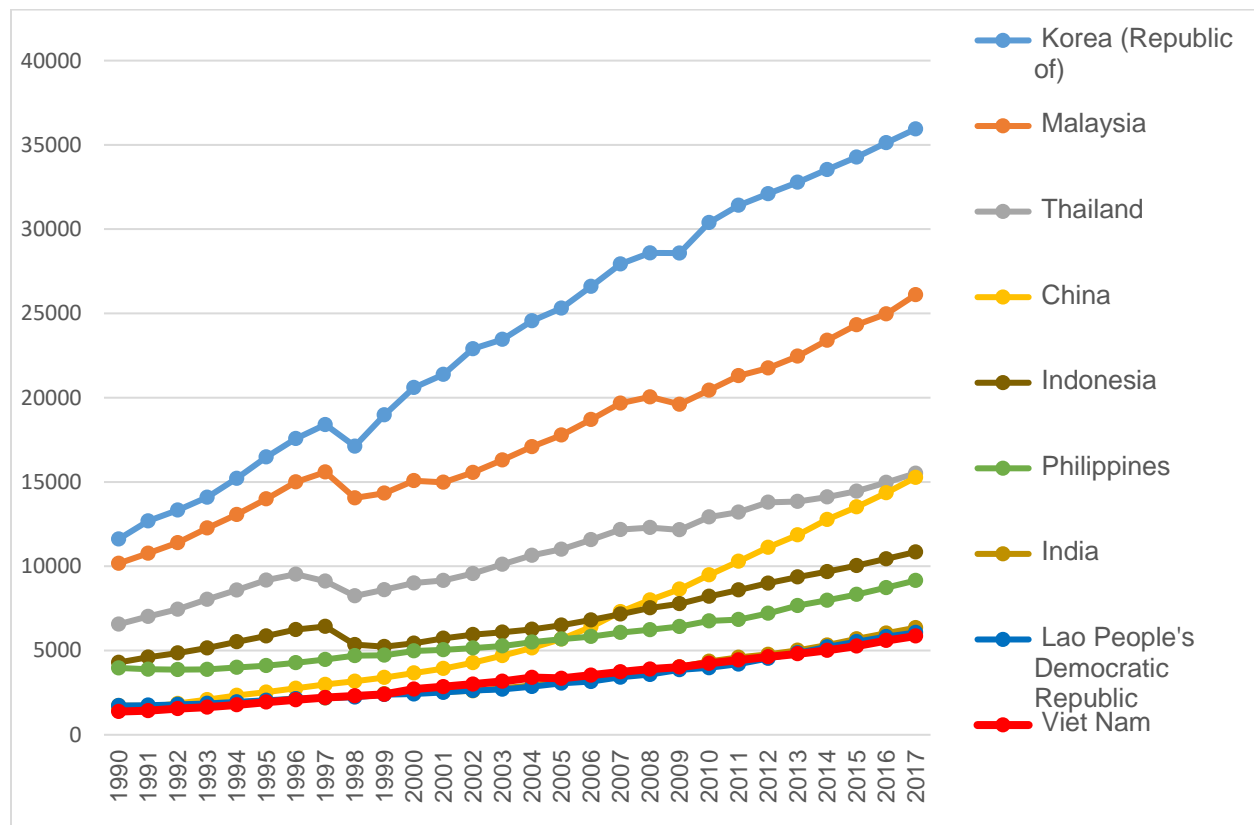
*Income component: Viet Nam's GNI Index improved, gaps with comparator-countries narrowed but Viet Nam continues lagging behind Comparator Countries*

With regard to the income component of the HDI, Viet Nam's annual per capita GNI grew on average by 7.0 percent between 1990 and 2000, faster than other countries in the region, except China (9.1 percent); growth remained at 5.5 percent from 2000 to 2008. This solid progress contributed to Viet Nam becoming a lower middle-income country in 2010. From 2008 onwards, growth has declined to 4.6 percent, but it increased by 6.2 and 4.8 percent in 2016 and 2017-higher than the average growth

rate of last decade. Per capita GNI in Viet Nam remains generally lower than in the comparator group such as Indonesia, Malaysia, Thailand.

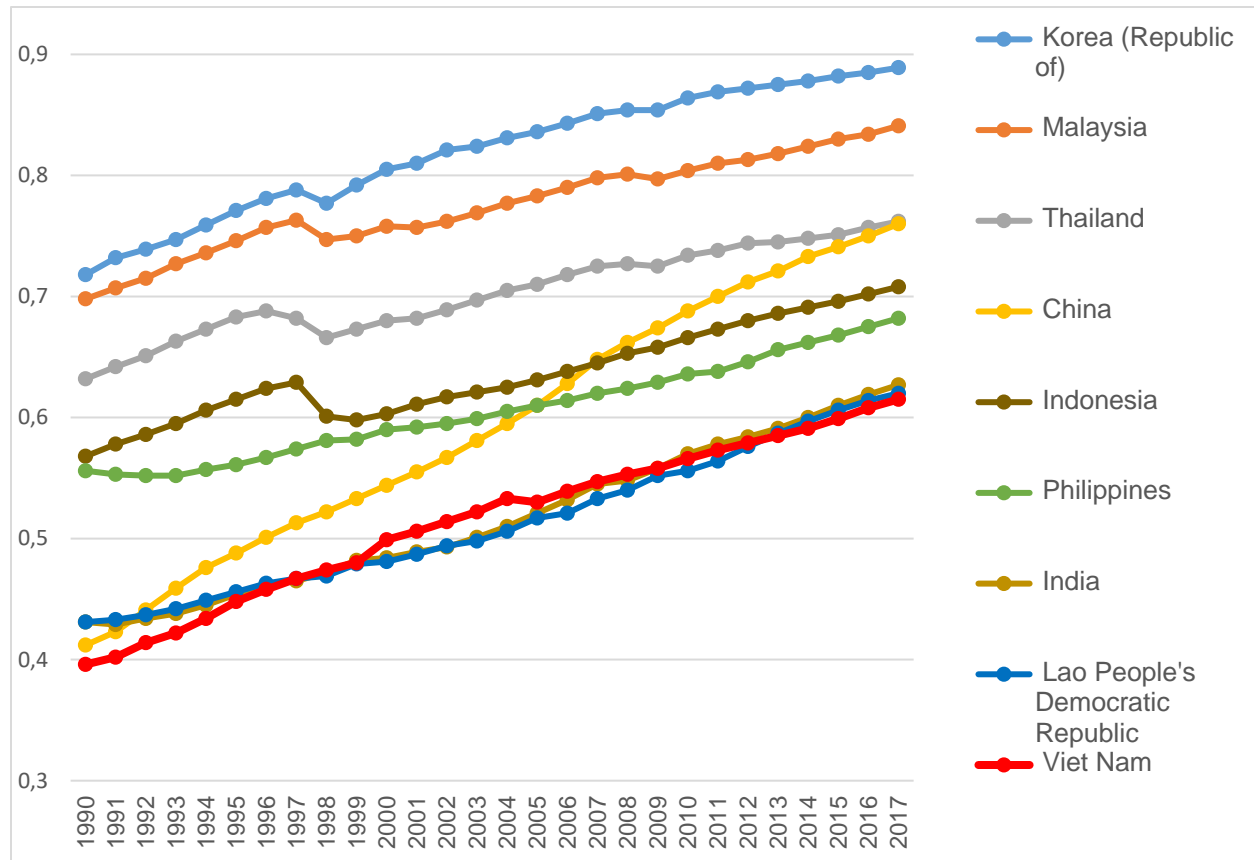
Among countries with a similar starting point, only China clearly outperforms Viet Nam. Starting at the similar GNI per capita level in 1990, China's fast progress resulted in its GNI per capita (US \$15,270 PPP) being almost triple Viet Nam's (US \$5,859 PPP) in 2017. India and Lao People's Democratic People, also with the similar starting points, experienced comparable progress that match Viet Nam's post-1990 performance; other countries within the comparator group have also seen a slight GNI levelling off following the 2008 financial crisis (Figure 11).

**Figure 11: Viet Nam's per capita income performance (adjusted for purchasing power) now lags the regional average**



Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

**Figure 12: GNI index of Viet Nam and comparator – countries**



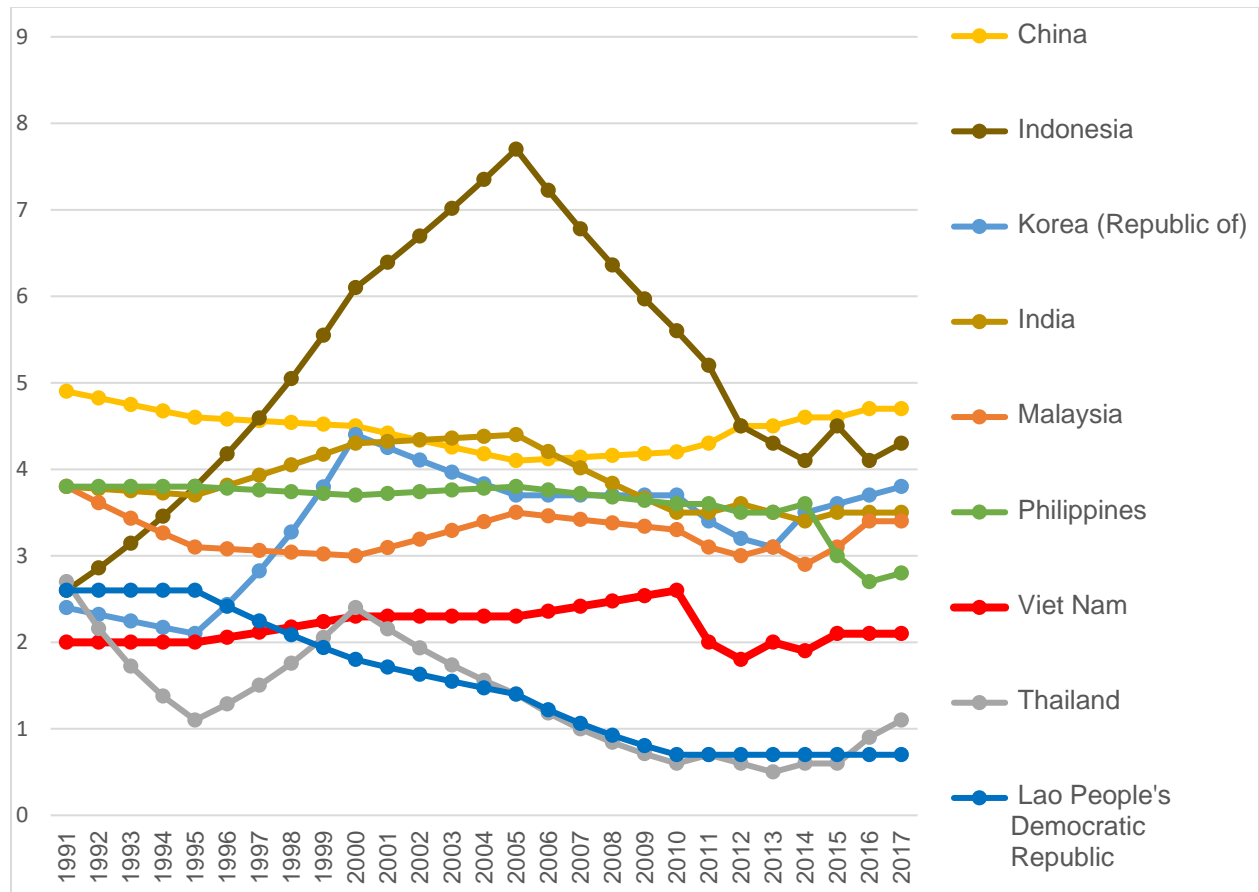
Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

The impact of GNI per capita on HDI performance (illustrated in Figure 2 on HDI trends) is rather technical. The calculation of the GNI index for generating the HDI is made using a logarithmic transformation applied to GNI data within the formula—adopted to reflect the declining welfare value of income at higher levels of development (see HDR 2018 technical notes). The effect is to compress the results, particularly for higher income countries. Figure 12 charts the GNI Index and clearly shows that Viet Nam’s has improved over time. Its performance gap against comparator countries is therefore reduced but still lower in the region.

Figure 13 shows that Viet Nam outperformed many comparators (China, India, Malaysia, RoK, Indonesia) in indicator to monitor the level of people’s participation in the total unemployment rate (which is only higher than Republic of Korea’s and Thailand’s). This indicates that majority of Vietnamese participate (contribute to and benefit from) the country’s progress in GNI and helps explain the relatively higher inclusivity of Viet Nam’s economic growth vis a vis comparator countries.



Figure 13: Total unemployment rate



Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

**Box 2: What drives rising HDI scores?**

In Viet Nam, improvements in education have contributed most to HDI growth in recent years, with an overall contribution of around 49.1 percent between 2000 and 2017. This is followed by income at 40.6 percent and life expectancy at 10.3 percent. The table below shows that this was almost opposite to the case in China, and somewhat out of synch with other countries. Income's relative contribution to HDI should be higher, considering Viet Nam's stage of development. The HDI uses a logarithmic transformation that accentuates income changes at lower levels of development and compresses them for more developed countries.

<b>Education contributes most to human development in Viet Nam</b>			
	Life expectancy share, percentage	Education share, percentage	Income (GNI) share, percentage
Viet Nam	10.26	49.14	40.61
China	11.90	40.95	47.14
India	17.92	49.69	32.39
Republic of Korea	34.26	30.90	34.84
Japan	23.86	63.27	12.87

Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update and UNDP Viet Nam calculation

Life expectancy is already high, and, as expected, its contribution to HDI change is now relatively low. Life expectancy in Viet Nam has increased over the past decade from 68.2 to 76.5 years in 2017. This is partly a reflection of falling child mortality rates and increasing access to health care. The infant mortality rate fell from 36.7 per 1,000 live births in 1990 to 17.3 in 2016, and the under-five mortality rate from 51 per 1,000 live births in 1990 to 21.6 in 2016 (UNDP, Human Development Indices and Indicators, 2018 Statistical Update). Nevertheless, further improvements are possible, as data for the Republic of Korea (which leapfrogged Viet Nam in the mid-1980s) show, even on a high base.

Source: Contributions are calculated by using UNDP Human Development Indices and Indicators, 2018 Statistical Update

## Viet Nam rapid progressing in economic growth with modest increases in inequality

Many countries in East Asia and the Pacific have achieved remarkable economic growth and poverty reduction, but often accompanied by rising inequalities. On the basis of aggregate data, Viet Nam has managed to achieve relatively rapid progress in economic growth without significant increases in inequality. This is confirmed by data applying several standard inequality measures, including the IHDI (Table 2). Calculated for 2017, Viet Nam's IHDI yields a value of 0.547—equivalent to a loss of 17.3 percent on the HDI due to inequality. The loss is less than the average of medium human development group (25.1%) and countries such as Indonesia (18.8%), Philippines (17.9%) and India (26.8%), but lower than the average of high human development group (16.0%) and countries such as China (14.5%), RoK (14.3%) and Thailand (15.7%). While the loss due to inequality in life expectancy at birth is relatively low at 12.7 percent, the loss due to inequalities in education and income are 17.6 percent and 21.4 percent, respectively. The difference between Viet Nam's (higher) rank on the IHDI from its HDI rank in 2017 is eight places, a slight improvement from 2015/16.

The pattern of a relatively low increase in inequality in Viet Nam is also seen in other standard inequality measures. Table 2 shows inequality level in Viet Nam measured by quintile and Palma ratios and GINI coefficient is second lowest, after RoK, among the comparator countries. These may present an incomplete account, however. Aggregate measures tend to mask subnational disparities, notably between rural and urban areas, and ethnic groups (as shown in the National Human Development Report 2015).

**Table 2. Inequality in Viet Nam remains relatively low in the region**

Country	HDI	IHDI			Other income inequality measures		
		Value	Overall loss (percent age)	Difference from HDI rank	Quintile ratio (2010-2017)	Palma ratio (2010-2017)	Gini coefficient (2010-2017)
China	0.752	0.643	14.5	5	9.2	2.1	42.2
India	0.640	0.468	26.8	-1	5.3	1.5	35.1
Indonesia	0.694	0.563	18.8	4	6.6	1.4	34.8
Lao People's Democratic Republic	0.601	0.445	26.1	-2	5.9	1.6	36.4
Malaysia	0.802	..	..	..	11.2	2.6	46.3
Philippines	0.699	0.574	17.9	5	7.2	1.9	40.1
Republic of Korea	0.903	0.773	14.3	-8	5.3	1.2	31.6
Thailand	0.755	0.636	15.7	0	6.5	1.7	37.8
<b>Viet Nam</b>	<b>0.694</b>	<b>0.574</b>	<b>17.3</b>	<b>8</b>	<b>5.9</b>	<b>1.4</b>	<b>34.8</b>
Very High human development	0.894	0.799	10.7	—			
High human development	0.757	0.636	16.0	—			
Medium human development	0.645	0.483	25.1	—			
Low human development	0.504	0.347	31.1	—			
East Asia and the Pacific	0.733	0.619	15.6	—			
<b>World</b>	0.728	0.582	20.0	—			

Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

**Quintile ratio:** ratio of the average income of the richest 20 percent of the population to the average income of the poorest 20 percent of the population.

**Palma ratio:** ratio of the richest 10 percent of the population's share of GNI divided by the poorest 40 percent's share. Palma (2011), who developed the Palma ratio, found that the middle class generally accounts for about half of GNI in a country with the other half split between the richest 10 percent and the poorest 40 percent, though their respective shares vary considerably across countries.

**Gini coefficient:** measure of deviation of the distribution of income among individuals or households within a country from a perfectly equal distribution. A value of 0 represents absolute equality, a value of 100 absolute inequality.

## Gender Equality: Good Progress but some concerns remain

On gender equality, as measured by the GII, Viet Nam also performs well. With a GII value of 0.304 (here a lower value reflects lower gender inequality), it ranked 67 out of 160 countries in 2017. Vietnam's GII value (0.304) is comparatively better than the average of medium human development countries (0.489) and close to high human development group's average (0.289). Data for a group of comparator countries are provided in Table 3.

The GII components are based on a number of indicators, and the value derives from variations between the performance of men and women (for further details, see the HDR 2018 technical notes). Viet Nam performs relatively well on the reproductive health component, with a better than average maternal mortality rate and lower adolescent birth rate. In maternal mortality rate, Viet Nam (54 per 100,000 births) is comparatively better than average of medium human development group (176) and close to high human development group (38). Similarly, Vietnam's adolescent birth rate (27.3 per 1,000 women aged 15-19) is better than medium human development group's average (41.3) and very close to high human development group's average (26.6).

On empowerment, 26.7 percent of parliamentary seats are held by women, equal to very high human development group's average, and higher than the average of medium (21.8) and high human development (22.3) groups and East Asia and Pacific region's average (19.8), but lower than shares in Lao People's Democratic Republic and the Philippines. In education, only 66.2 percent of adult women have reached at least a secondary level, higher than average of medium human development group (42.9) and very close to average of high human development group (69.5). In case of adult male, 77.7 percent of them have reached at least a secondary level, higher than average of medium (59.4) and high human development (75.7) groups. However, there are still some gaps (11.5 percentage points) between adult women and adult men in Viet Nam in terms of reaching at a secondary level. In labor market, labor force participation for female is high at 73.2 percent compared to 83.5 for men, while the East Asia-Pacific regional average for women is 60.1 percent and for men 77.3 percent. It is noted that Viet Nam's female and male participation rates are even higher than the average of very high human development group which is 52.9 percent for adult female and 68.9 percent for adult men.

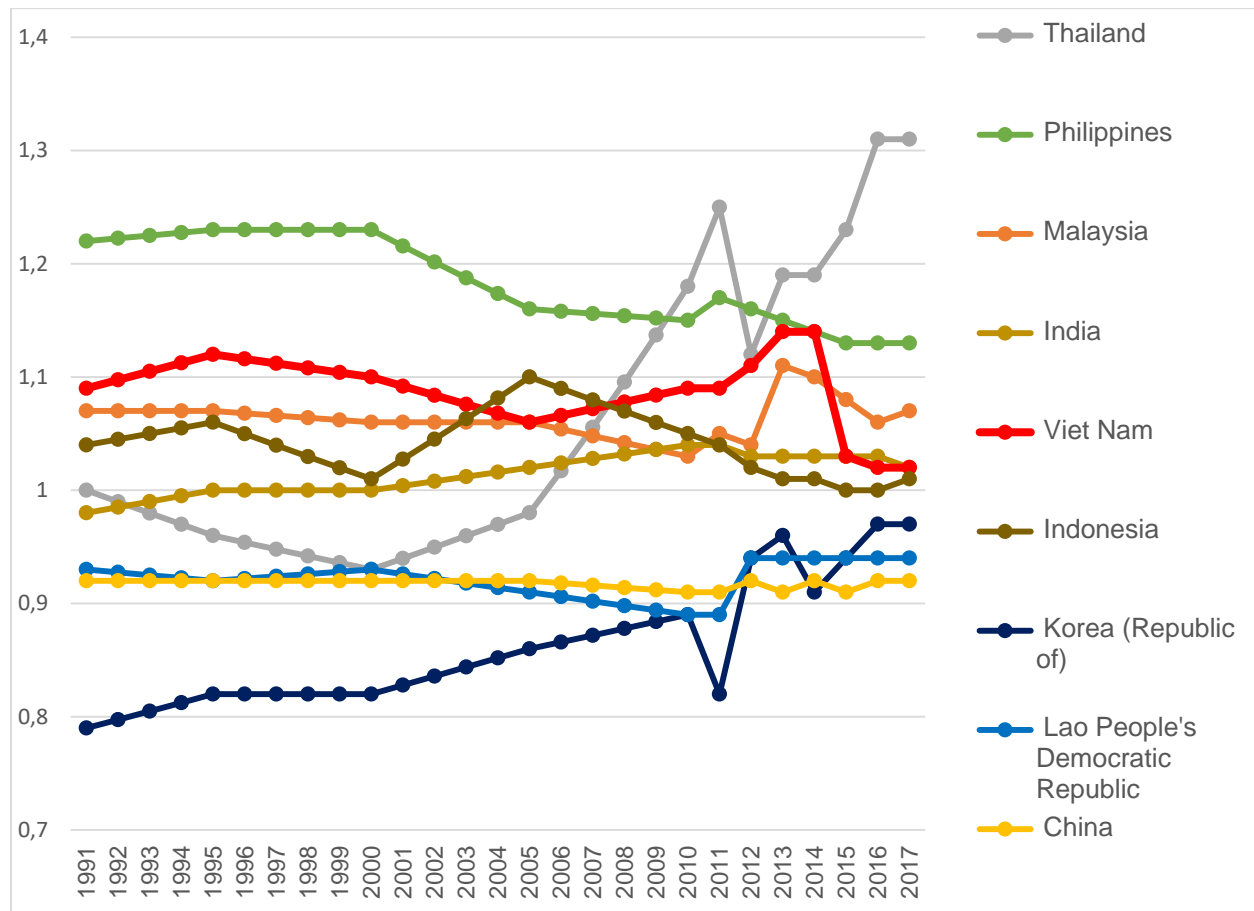
**Table 3: Vietnamese women are relatively healthy and educated, and active in the labour force**

Country	GII		Maternal mortality ratio (deaths per 100,000 live births)	Adolescent birth rate (births per 1,000 women aged 15-19)	Share of seats in parliament (percentage held by women)	Population with at least some secondary education (percentage aged 25 and above)		Labour force participation rate (percentage aged 15 and above)	
	Value	Rank				Female	Male	Female	Male
	2017	2017	2015	2015/2020	2014	2010-2017	2010-2017	2017	2017
China	0.152	36	27	6.4	24.2	74.0	82.0	61.5	76.1
India	0.524	127	174	23.1	11.6	39.0	63.5	27.2	78.8
Indonesia	0.453	104	126	47.4	19.8	44.5	53.2	50.7	81.8
Lao PDR	0.461	109	197	62.6	27.5	33.6	45.2	76.9	79.7
Malaysia	0.287	62	40	13.4	13.1	78.9	81.3	50.8	77.4
Philippines	0.427	97	114	60.5	29.1	76.6	72.4	49.6	75.1
Republic of Korea	0.063	10	11	1.6	17.0	89.8	95.6	52.2	73.2
Thailand	0.393	93	20	51.9	4.8	42.4	47.5	60.5	77.3
<b>Viet Nam</b>	<b>0.304</b>	<b>67</b>	<b>54</b>	<b>27.3</b>	<b>26.7</b>	<b>66.2</b>	<b>77.7</b>	<b>73.2</b>	<b>83.5</b>
Very High human development	0.170		15	15.9	26.7	88.8	89.5	52.9	68.9
High human development	0.289		38	26.6	22.3	69.5	75.7	55.0	75.5
Medium human development	0.489	—	176	41.3	21.8	42.9	59.4	36.8	78.9
Low human development	0.586	—	554	98.4	21.7	18.5	30.7	59.3	74.7
East Asia and the Pacific	0.312	—	62	22.4	19.8	67.8	75.5	60.1	77.3
World	0.441	—	216	44.0	23.5	62.5	70.9	48.7	75.3

Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

While Viet Nam's performance on gender equality and labour force participation of women are relatively better than many comparator countries, the gender gaps remain: more than 10 percentage points gap between the rates of women's and men's (of 15 year of age and above) participation in the labor force and the female-to-male youth unemployment ratio slightly higher than 1 (Figure 14).

Figure 14: Youth Unemployment Rate (female to male ratio)



Source: UNDP Human Development Indices and Indicators, 2018 Statistical Update

A more nuanced analysis shows that there are still some concerns. Women’s career paths are often interrupted due to care burdens, and few accesses advanced training or more senior level positions in the economy or government. The national data over time are also less positive showing several sub-components of the GII have deteriorated between 2010 and 2012. The GII increased from 0.337 to 0.348, reflecting a higher loss in achievement due to gender inequality across its dimensions. Other global measures also suggest Viet Nam’s progress on gender equality has slowed compared to other countries. According to the Global Gender Gap Index of the World Economic Forum, Viet Nam ranked 42 out of 128 countries in 2007 but dropped to 69 out of 144 countries in 2017. Viet Nam scores well in some areas, ranking 33<sup>rd</sup> in economic participation and opportunity, but 97<sup>th</sup> in political empowerment and educational attainment and 138<sup>th</sup> in health and survival. In the Global Gender Gap Index of WEF, the very low health ranking is due to the striking differential in the female to male ratio at birth—0.91. Even in some areas where Viet Nam ranks relatively high, rooms for improvement exist. For example, Viet Nam’s *female share of graduates in science, mathematics, engineering, manufacturing and construction at tertiary level* is 15.4% (sharing 35<sup>th</sup> rank with Republic of Korea), outperforming many industrialized and

science-technology advanced countries in *very high human development* group such as Australia, Austria, Denmark, Finland, France, Norway, Sweden, Switzerland and the US, is lower than Myanmar's 47.3%, Oman's 39.8%, Tunisia's 37.2%, Malaysia's 23.2% and Philippines' 17.8%. Further improvement in this may contribute to Viet Nam's catching up in Industrial Revolution 4.0.

## Multidimensional Poverty

***The Global Multidimensional Poverty Index (MPI) reflects the share of people in poverty and degree to which they are deprived***

The MPI was created using the multidimensional poverty measurement method of Alkire and Foster. The global MPI is an index of acute multidimensional poverty that covers over 100 countries. The MPI has three dimensions and 10 indicators: (i) Health (indicators: nutrition and child mortality, each is weighted 1/6), (ii) Education (indicators: years of schooling and school attendance each is weighted 1/6) and (iii) Living standard (indicator: cooking fuel, sanitation, drinking water, electricity, housing and assets, each is weighted 1/18). Each dimension is equally weighted (1/3) and each indicator within a dimension is also equally weighted. Each person who fails to meet the deprivation cutoff is identified as deprived in that indicator.

In the global MPI, a person is identified as multidimensional (MPI) poor if they are deprived in at least one of the third weighted MPI indicators. In other words, a person is MPI poor if the person's weighted deprivation score is equal to or higher than the poverty cutoff of 33.33%. Following Alkire-Foster methodology, the  $MPI = H \times A$ , (H – incidence of poverty - is the proportion of the population that is multi-dimensionally poor and A – average intensity of poverty - is the average proportion of dimensions in which poor people are deprived). The MPI reflects both the share of people in poverty and the degree to which they are deprived.

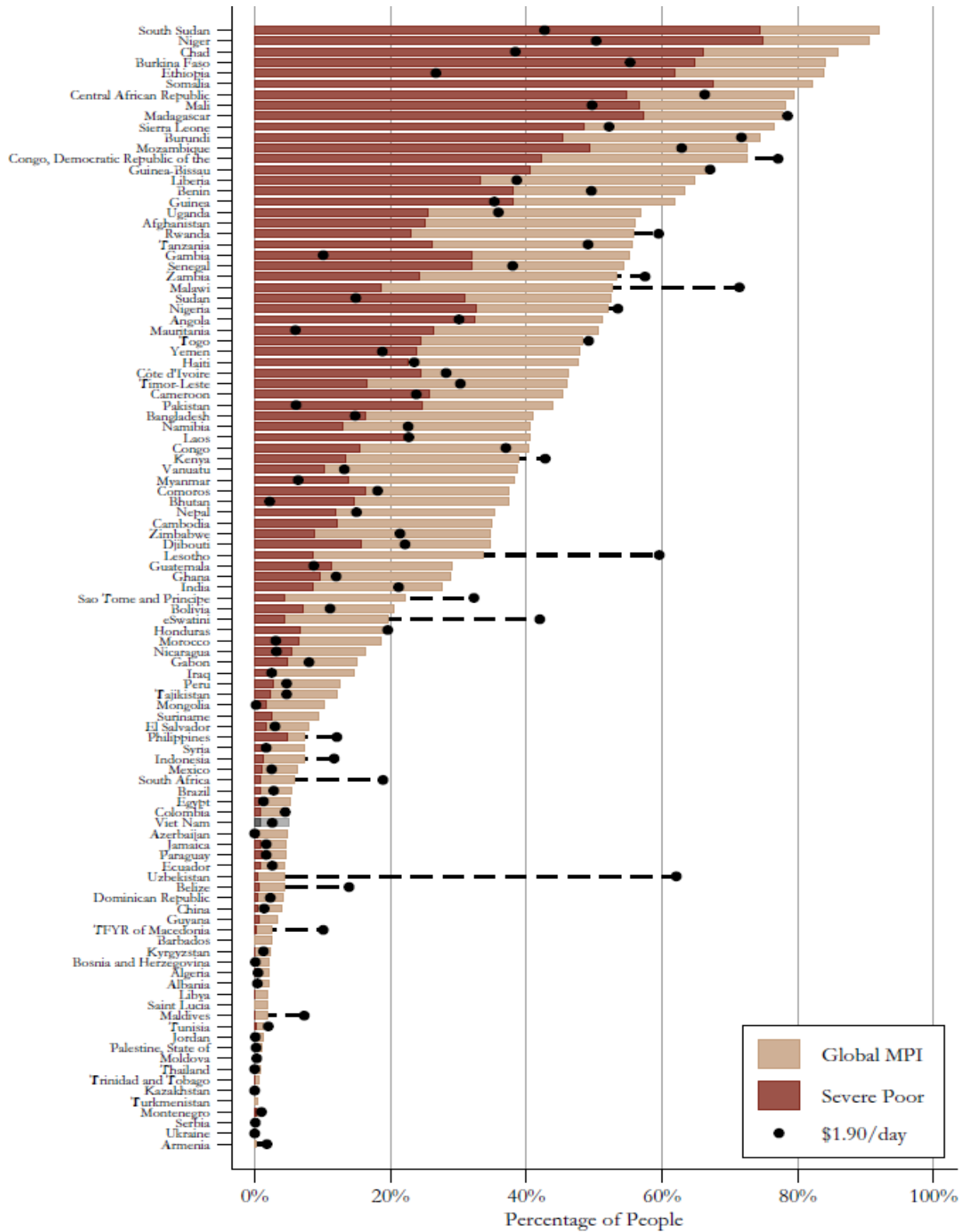
The MPI for Viet Nam is calculated using the 2014 Multiple Indicator Cluster Survey (MICS). As MICS does not collect data on nutrition, the health dimension has only one indicator (child mortality) with the weight of 1/3.

***The Global MPI data shows Viet Nam's remarkable achievement in eradicating multidimensional poverty, while much more efforts needed to ensure no one leave behind***

*Viet Nam ranks 31 among 105 countries on Global MPI database* (figure 15). With the MPI value of 0.0197, Viet Nam's multidimensional poverty incidence of 5% is lower than, for example Columbia (5.02%), Egypt (5.22%), Laos PDR (40.49%), Myanmar (38.35%), Cambodia (34.89%), India (27.51%), Philippines (7.41%) and Indonesia (7.25%) but higher than Thailand (0.79%).

***Beyond national average, disparities exist:*** The 2018 Global Multidimensional Poverty Index shows that while multidimensional poverty incidence is 2.1% in urban area, it is 6.4% in rural area and highest (9.6%) in Northern Uplands and Mekong River Delta followed by Central Highlands (9.4%) - Figure 16, and 7% and 6.1% respectively among the children and elderly (0-9 and over 60 age groups) – Figure 17.

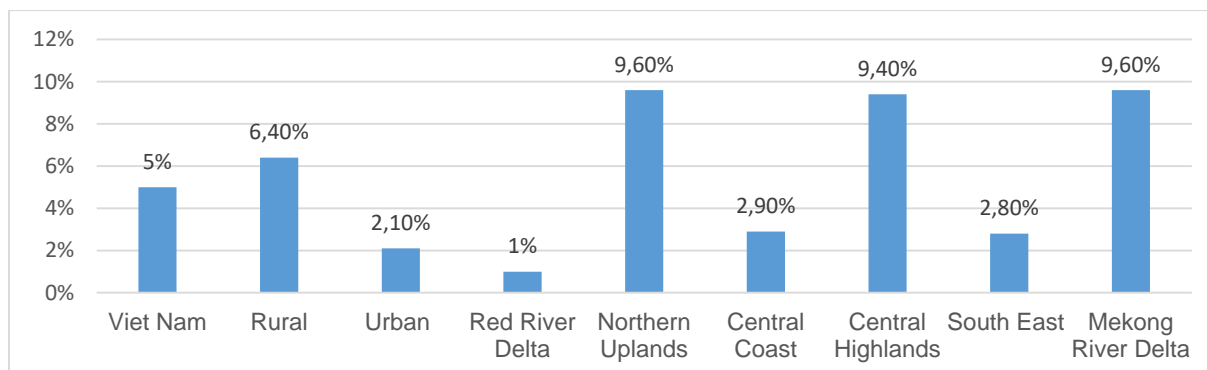
Figure 15: Headcount Ratios for Global MPI, Severe Poverty and \$1.90/day



Source: Global MPI Country Briefing, Viet Nam.

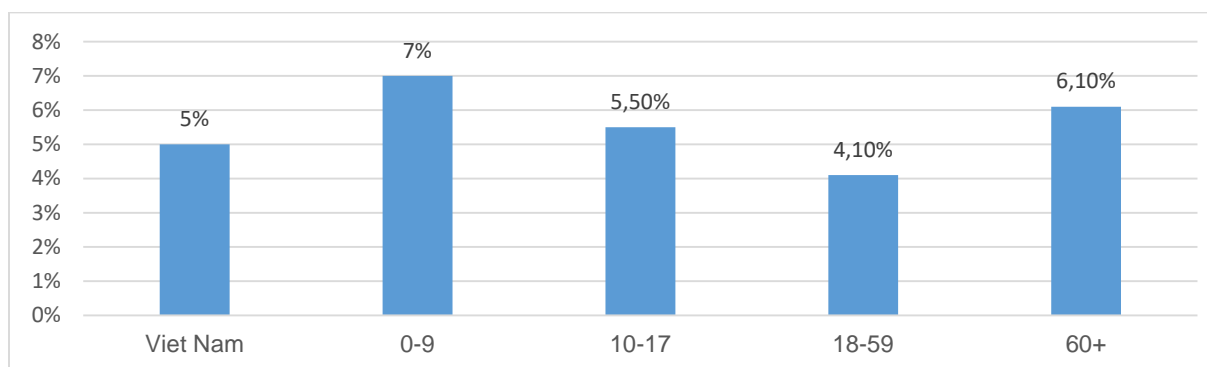


**Figure 16: Multidimensional Poverty Incidence of Viet Nam, by areas and regions**



Source: 2018 Global Multidimensional Poverty Index

**Figure 17: Multidimensional Poverty Incidence of Viet Nam and by age groups**



Source: 2018 Global Multidimensional Poverty Index

***National MPI specifications and data confirm the remarkable achievements at national average, the disparities at subnational levels and among population groups***

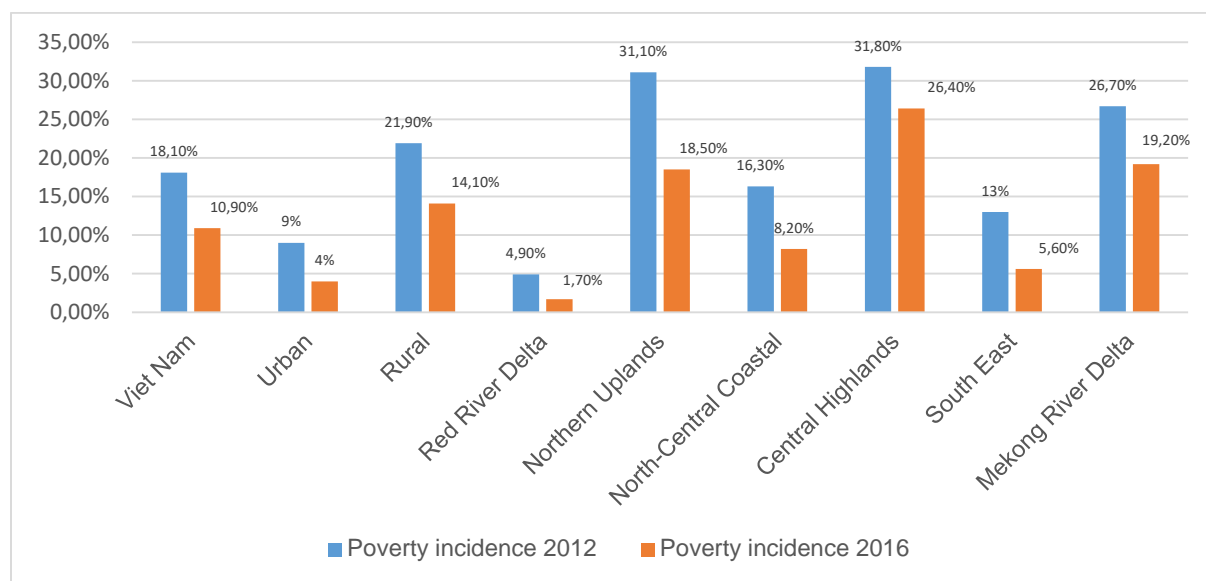
The National Multidimensional Poverty (MDP) measurement has five dimensions and 10 indicators: (i) Health (indicators: nutrition and child mortality, each is weighted 1/6), (ii) Education (indicators: adult education and children education, each is weighted 1/10), (iii) housing (indicators: per person housing area and housing quality, each is weighted 1/10), (iv) Living standard (indicators: water and sanitation, each is weighted 1/10) and (v) access information (indicators: usage of telecom services and assets for accessing information, each is weighted 1/10). Each dimension is equally weighted (1/5) and each indicator within a dimension is also equally weighted. Each person who fails to meet the deprivation cutoff is identified as deprived in that indicator. A person is identified (by Alkire-Foster methodology) as multi-dimensionally poor if the person’s weighted deprivation score is equal to or higher than the poverty cutoff of 33.33%.

The source of data for calculating multidimensional poverty statistics is Viet Nam Household Living Standard Surveys which have been conducted regularly every two years since 2000 allowing monitoring the trends of both monetary and multidimensional poverty.

**Multidimensional Poverty has been reducing rather fast in Viet Nam and all regions.** The figure 18 shows that on average Viet Nam’s multidimensional poverty incidence reduced from 18.1% in 2012 to 10.9% in 2016, by almost 1.7 percentage point per year.

**However, the MDP incidence level and the speed of reduction vary across regions.** While MDP incidence is low (1.7%) in Red River Delta in 2016, it is high in Central Highlands (26.4%), Mekong River Delta (19.2%) and Northern Uplands (18.5%). While MDP incidence in Northern Uplands was the second highest in 2012, the fastest average annual reduction rate of 3.15 percentage point has helped the region pass Mekong River Delta in 2016. Mekong River Delta’s MDP incidence was the third highest in 2012 but in 2016 it was second highest, as the result of a lower reduction (average of 1.875 percentage points per year). MDP incidence in Central Highlands was the highest in both 2012 and 2016 and the reduction rate is also very low (1.35 percentage points per year, significantly lower than national average of 1.7) - Figure 18.

**Figure 18: Multidimensional Poverty Incidence of Viet Nam, by areas and regions in 2012 and 2016**



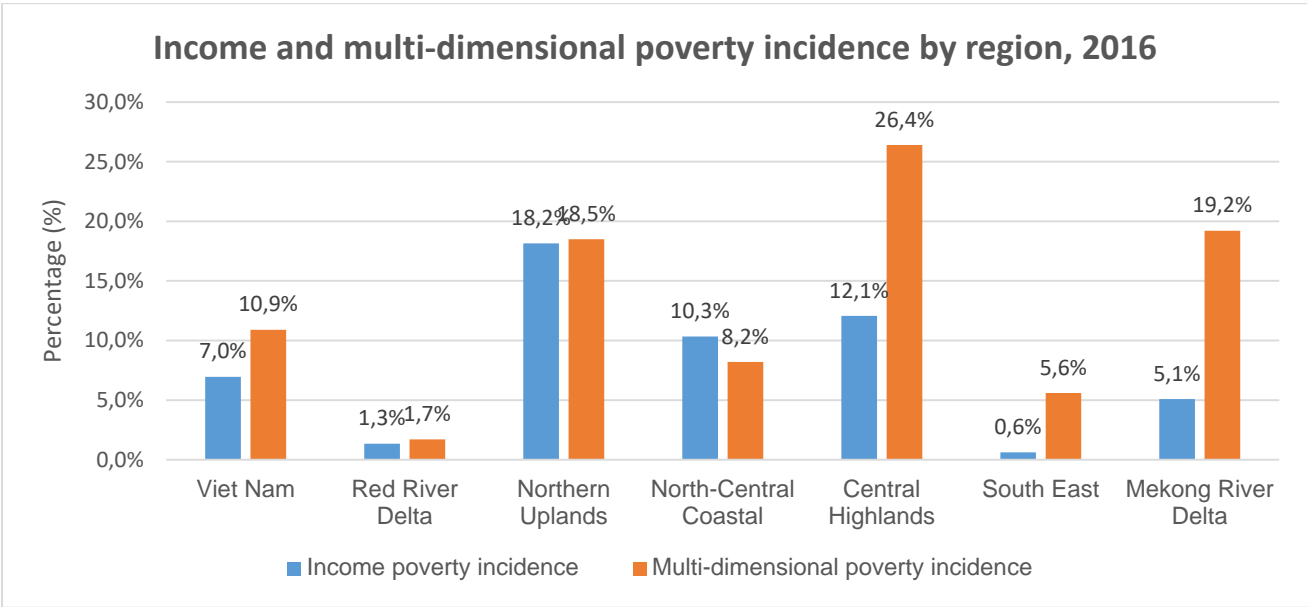
Source: GSO for 2012 and VHLSS for 2016.

**Clear differences in regional income and multidimensional poverty rates reveal deprivations beyond income**

Figure 19 shows major differences between multidimensional and income poverty across regions. While having an income poverty headcount higher than that of the South East, the Red River Delta’s multidimensional poverty incidence is considerably lower. The multidimensional incidence in the Central Highlands is much higher than in the Northern Uplands regions, while its income poverty rate is much lower.

Clear differences in regional income and multidimensional poverty rates reveal deprivations beyond income, often rooted in factors like geography, supply constraints and institutional barriers. Multi-dimensionally poor households in the Mekong River Delta were more likely to be deprived in aspects of education, health insurance, housing and sanitation that may be caused by the limited social service provision and access. The Central Highlands region had high levels of deprivation in most of dimensions and income, perhaps due to geographical, linguistic and cultural barriers. In the Northern Uplands, while the income poverty rate is the highest, the progress in other non-monetary dimensions are fast as the results of improvements of social service provision and access, which, if combined with improvements in income generation opportunities and support, will certainly help the development of the region.

**Figure 19: Differences between multidimensional and income poverty varied widely by regions in 2016**

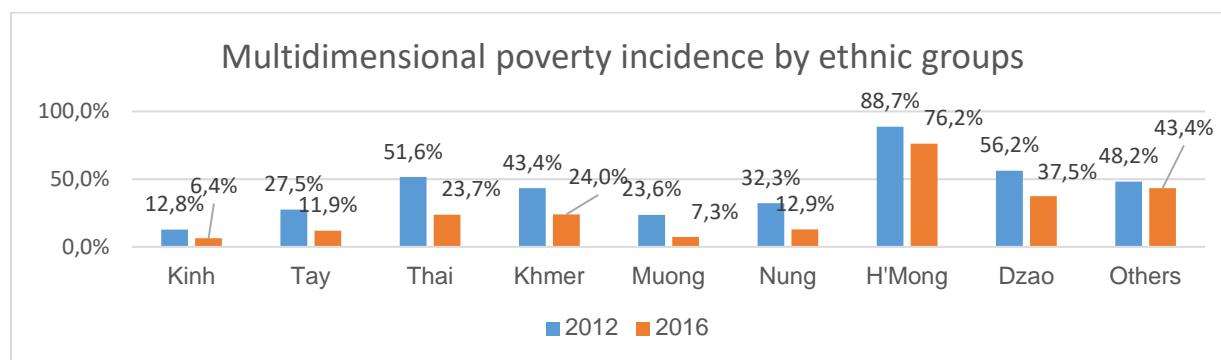


Source: GSO for 2012 and VHLSS for 2016.

**MDP disparities among ethnic groups are striking, suggesting greater efforts in “leaving no one behind”.**

While MDP incidence among Kinh majority is only 6.4% in 2016, the rates are very high among some ethnic groups: 76.2% among H’Mong, 37.5% - Dzaio, 24% - Khmer, 23.7% - Thai and 43.4% - other ethnic groups. Figure 20 (source: GSO 2012 and 2016 VHLSS). This suggest great challenges for Viet Nam to achieve its commitment “leaving no one behind” in 2030 Sustainable Development Agenda and calls for accelerated and innovative actions. Such actions, as recommended by the Ethnic Minority Poverty Working Group, need to be targeting and tailored to meets the specific conditions and needs, taking into account the culture and traditions of the lagging behind Ethnic Groups, and aiming at tackling the geographical, economic, cultural and linguistic isolations that these groups are facing.

**Figure 20: Multidimensional Poverty Incidence of Viet Nam, by Ethnic Groups in 2012 and 2016**



Source: GSO for 2012 and VHLSS for 2016.

## Much greater efforts needed to enhance Environmental Sustainability and address Environmental Threats<sup>3</sup>

***The environmental statistics in 2018 HDI Statistical Update contains a selection of 9 indicators that cover environmental sustainability and environmental threats.***

Table 4 shows Viet Nam's performance for environmental sustainability and threats indicators with their corresponding SDG targets. Among these indicators, Viet Nam has the highest performance in the forest area indicator and ranked 7<sup>th</sup> out of 181 countries-in the top group. Vietnam increased its forest area in total land area by 65.6 percent in the period 1990-2015 and reached to 47.6 percent as of 2015. At the same time, national research and data show concerns remain in quality of forest and significant rooms for further improvement in forestation.

In energy consumption indicators, Viet Nam is only in the middle third group. Viet Nam's *share of fossil fuel energy consumption in total consumption* is 69.8 percent and Viet Nam ranked 57<sup>th</sup> out of 137 countries in this indicator. Viet Nam's *share of renewable energy consumption in total consumption* is 35 percent in 2015 and Viet Nam ranked 71<sup>st</sup> out of 189 countries. In *carbon dioxide emissions*, Viet Nam's *1.8 tones per capita* put it among the middle third group (with the rank of 80<sup>th</sup> out of 189 countries) and Viet Nam's *0.34 kg per 2011 PPP \$ of GDP* put the country in the bottom group (with the rank of 151<sup>st</sup> out of 185 countries) in 2014.

In *environmental threats*, Viet Nam's performance is in the middle third group. Viet Nam's *mortality rates (per 100,000 population) related to air pollution* is 64.5 (ranking 90<sup>th</sup> out of 181 countries) and the country's *mortality rates (per 100,000 population) related to unsafe water, sanitation and hygiene services* is 1.6 (ranking 97<sup>th</sup> out of 181 countries) as of 2016. The worst performance of Viet Nam in 2017 among nine environmental indicators is in *Red List Index*, with the score of 0.740, it ranked 165<sup>th</sup> out of 189 countries.

<sup>3</sup> According to the 2018 HDI Statistical Update, Viet Nam has data for all indicators except fresh water withdrawals. Environmental sustainability indicators include energy consumption, carbon-dioxide emissions, forest area and fresh water withdrawals. Environmental threats indicators are mortality rates and the International Union for Conservation of Nature Red List Index value, which measures change in aggregate extinction risk across groups of species (Table 4). Countries are grouped by their performance in each indicator into three groups of equal size (terciles), namely top third (green colour), middle third (yellow colour) and bottom third (red colour). This grouping aimed to assess country performances in relative terms.

**Table 4. Viet Nam's performance on environmental sustainability and threats**

<b>Thematic Area</b>	<b>Indicator Name</b>	<b>SDG Target</b>	<b>Value</b>	<b>Rank</b>
Energy Consumption	Fossil fuel energy consumption (% of total energy consumption) (2010-2015 period)	SDG 12.c	69.8	57 (137)
	Renewable energy consumption (% of total energy consumption) (in 2015)	SDG 7.2	35.0	71 (189)
Carbon-dioxide emissions	Carbon dioxide emissions Per capita (tonnes) (in 2014)	SDG 9.4	1.8	80 (189)
	Carbon dioxide emissions kg per 2011 PPP \$ of GDP (in 2014)	SDG 9.4	0.34	151 (185)
Forest Area	Forest Area Change (%) (1990-2015 period)	SDG 15.1	65.6	7 (181)
Fresh Water withdrawals	Fresh Water withdrawals (% of total renewable water resources) (2006-2016 period)	SDG 6.4	NA	NA
Environmental Threats	Mortality rate attributed to Household and ambient air pollution (per 100,000 population) (in 2016)	SDG 3.9	64.5	90 (181)
	Mortality rate attributed to Unsafe water, sanitation and hygiene services (per 100,000 population) (in 2016)	SDG 3.9	1.6	97 (181)
	Red List Index (value) (in 2017)	SDG 15.5	0.740	165 (189)

Note: Parenthesis in the Rank column denotes the total number of countries.

Source: HDI 2018 Statistical Update.