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Increase State Management on Employment Insurance in Vietnam

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Abstract

In Vietnam, the unemployment insurance policy was born and took effect from January 1, 2009. Although appearing quite late compared to the world (some countries have implemented it for nearly 100 years), unemployment insurance policy in Vietnam is widely accepted by domestic workers, employers, as well as the international community. highly appreciated with the goal of supporting unemployed workers to stabilize their lives early, creating favorable conditions for returning to the labor market. Unemployment insurance is considered as a "lifesaver" for workers when

facing difficulties in employment. However, in reality, the implementation and implementation of state management of unemployment insurance in Vietnam has not been as expected and there are still certain limitations.

The article analyzes the current state of state management of unemployment insurance in the current period, thereby proposing some solutions to strengthen the state management of unemployment insurance in Vietnam in the coming time.

Keywords: Unemployment Insurance, Unemployment Benefits, State Management

1. Introduction

Vietnam is in the process of developing a socialist-oriented market economy. In recent years, the market economy in our country has increasingly developed, the development of economic sectors has become stronger than ever. However, the strong, diverse and complex development of the market economy has posed many challenges such as: The selection and elimination of labor by the market leads to job loss and unemployment of workers. Complex fluctuations in the market and production and business lead to unemployed workers.

Along with the implementation of social insurance policies, unemployment insurance is a type of short-term insurance to compensate workers who lose their jobs, helping them stabilize their lives and quickly return to the labor market. Find a new job.

2. Theoretical Basis

According to the provisions of Clause 4, Article 3 of Employment Law No. 38/2013/QH13 ^[5], unemployment insurance is a regime intended to compensate part of an employee's income when losing a job, and to support the employee. Vocational training, job maintenance, job search on the basis of contributions to the unemployment insurance fund.

Unemployment insurance has been affirmed in Party documents and institutionalized by policies appropriate to each stage. Specifically, Article 140 of the Labor Code ^[3] was amended and supplemented in 2002 for the first time regulating the content of unemployment insurance.

On June 29, 2006, the National Assembly passed Social Insurance Law No. 71/2006/QH 11 ^[4]. Accordingly, the unemployment insurance policy will be implemented from January 1, 2009; with 4 regimes: Unemployment benefits, job consulting and introduction, vocational training support and health insurance. In particular, the unemployment insurance policy was implemented from January 1, 2015 along with the expansion of unemployment insurance participants. The unemployment insurance policy also adds support for training, fostering, and improving vocational skills to maintain jobs for workers and improve the process of organizing and implementing unemployment insurance. Based on the inheritance and development of unemployment insurance policy and experience in implementing unemployment insurance/employment insurance in countries around the world, with the redefinition of the purpose of unemployment insurance policy, only stop supporting workers with income and skills when unemployed to quickly find a new job, but more importantly, maintain jobs and prevent unemployment for workers, at the Meeting. On Friday, the 13th National Assembly passed the Employment Law.

The unemployment insurance fund is formed from contributions from employees and employers; State support from the central budget; profits from fund investment activities and other lawful sources of income. The Unemployment Insurance Fund pays unemployment benefits to workers when unemployed, helping them have an amount of money to support their lives when they are unemployed. The main goal of unemployment insurance policy is to help workers return to the labor market in the most effective way. The fund for people in the labor market is therefore located in the system of employment service centers across the country. The Unemployment Insurance Fund is a factor that reduces shock in the labor market, helps the labor market operate, and contributes to ensuring social security for workers.

3. Research Methods

The article uses qualitative research methods including two basic methods: data collection, synthesis and analysis and evaluation. Based on the synthesis of data related to state management of unemployment insurance, the article analyzes the main contents to highlight remaining issues in state management of insurance. Unemployment in Vietnam today, thereby proposing some solutions to strengthen state management of unemployment insurance in Vietnam in the coming time.

4. Status of State Management of Unemployment Insurance in Vietnam

4.1 Achievements in State Management of Unemployment Insurance in Vietnam

Unemployment insurance policy has been implemented for more than 14 years in Vietnam, affirming its role as a social security policy and a foundation for workers who have reduced income and lost their jobs.

During the Covid-19 period, the Government has continuously issued many resolutions on supporting employees and employers from the unemployment insurance fund on the basis of using the balance of the Unemployment Insurance Fund, such as Resolution No. Resolution 42/NQ - CP dated April 9, 2020 ^[1], Resolution 68/NQ - CP issued on July 1, 2021 ^[2], Resolution 03/NQ - CP issued on July 1, 2021 ^[6], Resolution 24/2022/UBTVQH 15 ^[7]. These unemployment insurance policies have effectively promoted their role in ensuring social security and helping workers stabilize their lives. In particular, in the context of the complicated COVID-19 epidemic, millions of workers have lost their jobs or stopped working, the unemployment insurance policy has truly become a "support" for workers, helping them have resources. overcome financial difficulties, maintain life, and relieve economic pressure during the epidemic season. In addition, the unemployment insurance policy also helps workers have the opportunity to receive vocational training support and career change, thereby finding new, better quality career opportunities for themselves.

Along with unemployment insurance coverage, the number of people eligible for unemployment benefits also increases. In 2009, out of more than 5 million participants, more than 180,000 people received benefits. By 2020, the number of participants will be approximately 13 million, with more than one million people receiving benefits. In 2020 alone, unemployment insurance spending has approached revenue. Cumulatively up to now, the whole country has had more

than 8 million people receiving unemployment benefits, more than 270,000 people receiving vocational training support and over 13 million people receiving job placement advice from this policy.

In 2021-2022, the Unemployment Insurance Fund has supported over 13 million workers, with an amount of over 31,000 billion VND, reducing contributions for over 446,000 employers with an amount of over 9,100 billion VND. The total amount of support through the Covid-19 package from the Unemployment Insurance Fund is over 41,000 billion, affirming the role of unemployment insurance policy in normal contexts and in abnormal contexts such as Covid-19.

By the end of 2022, there will be 14.3 million workers participating in unemployment insurance. The level of unemployment insurance coverage on the working-age workforce is about 31.18% - reaching the assigned target. The goal is that by 2025, this number will reach about 35% and 45% by 2030 ^[8].

4.2 Limitations in State Management of Unemployment Insurance in Vietnam

Besides the achievements, unemployment insurance management activities in Vietnam still have some basic limitations as follows:

First, the regulation of low unemployment insurance premiums creates loopholes for some profiteers

According to Article 57, Employment Law 2013, the unemployment insurance premium is regulated, employees pay 1% of monthly salary; the employer pays 1% of the monthly salary fund of the employees participating in unemployment insurance; The State shall support up to 1% of the monthly salary fund on which unemployment insurance premiums are based for employees participating in unemployment insurance and guaranteed by the state budget. Thus, employees only need to pay in full from 12 to 36 months to receive unemployment benefits for 3 months. In addition, the contribution rate is very low, so many workers who are not unemployed still register to receive unemployment benefits. And obviously, both businesses and workers benefit from an unemployment insurance policy.

Furthermore, in some cases, even though the employee has terminated his employment at this enterprise, a short time later he continues to return to that enterprise to work or work at another enterprise but still receives insurance payments. Unemployment. This approach has created a "loophole" for some workers and businesses to commit profiteering. The number of "virtual" unemployment also increases exponentially because of that. There are many cases where workers and businesses "shake hands" to make a decision to quit their job so that the worker can receive unemployment benefits, but in reality that person still works and receives a normal salary. Thus, businesses do not have to pay social insurance or unemployment insurance for employees, and employees still receive salaries and unemployment benefits. Meanwhile, people who are actually unemployed at bankrupt businesses and often have outstanding social insurance and unemployment insurance debt are not eligible for the policy due to insufficient documents.

Secondly, the unemployment insurance subsidy procedure creates loopholes for some profiteers

According to current regulations, people who are receiving unemployment benefits and have a job must notify and send

documents and labor contracts to the employment service center - where they are receiving unemployment benefits - to terminate and receive unemployment benefits. reserve the closing time within 3 days. But employers have up to 30 days to register to pay unemployment insurance for employees, counted from the time of entering into the labor contract. Therefore, there is still a certain delay between the time the employee gets a job and the time he declares to participate in unemployment insurance. This leads to some cases where workers have jobs but still receive unemployment benefits.

Third, the unemployment insurance management database is not yet unified

In fact, unemployment insurance participation data is scattered in different localities, leading to workers participating in benefits in one place, but working in another... Or workers who have just received benefits. unemployment benefits but works and pays social insurance in other provinces. When discovered, the employee has received unemployment benefits for the prescribed period.

5. Solutions to Strengthen State Management of Unemployment Insurance

First, amend the unemployment insurance fund fee level

The State needs to stipulate a roadmap for gradually increasing employer contributions to comply with regulations of countries around the world and gradually reduce State support. Specifically, in the coming time, it is necessary to set the employer's contribution rate to 2/3, and the employee's contribution rate to 1/3. The State will no longer contribute directly to the unemployment insurance fund, instead the State will only play the role of sponsoring the fund in terms of legality and support when the fund falls into a deficit state, leading to negative consequences. is no financial guarantee for the implementation of social security. Such regulations will ensure a fair relationship when considering the general relationship between the obligation to contribute to the financial fund and the social insurance regime and other types of insurance. This solution aims to reduce the burden on the state budget, limiting the reliance and expectation of employers and employees on State support. At the same time, this is also a solution to increase the responsibility of employees and employers against the risks of losing their jobs.

Second, simplify unemployment insurance benefit procedures

In the coming time, the State management agencies need to continue to review and simplify administrative procedures, ensuring the most convenient for employees; diversify forms of receiving documents and returning results of administrative procedures; innovate service methods, speed up the settlement of unemployment benefits through public service organizations. Along with that, it is necessary to continue to improve the infrastructure, connect and share data with departments and agencies, ensuring smooth, accurate, fast, secure, safe, and favorable conditions for customers. resolving administrative procedures in the network environment. In addition, it is necessary to promote research and implementation of new technical platforms and solutions in activities to best serve the interests of units, businesses and employees.

Third, unify the state management database on unemployment insurance

To make unemployment insurance management more effective, increasing the application of information technology in implementing unemployment insurance is urgent. State management agencies need to invest in information technology to ensure the synchronization of technological and technical elements associated with administrative reform and working methods in organizing unemployment insurance. In particular, it is necessary to complete and upgrade unemployment insurance software to create favorable conditions in organizing and implementing unemployment insurance as well as building a unified database from central to local levels on insurance. unemployment insurance.

6. Conclusion

Unemployment insurance is one of the important social policies in the social security system, contributing to progress, social justice and sustainable development of the country. This is an important tool of labor market policy to contribute to regulating supply and demand relationships in the labor market. Unemployment insurance not only ensures partial income compensation for workers who lose their jobs, but also actively supports job retraining, job introduction, etc. to help workers return to the market soon. labor. Therefore, in the coming time, it is necessary to strengthen the implementation of measures for State management of unemployment insurance.

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