

Vietnam's Aging Population: Challenges and Policy Responses

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Reframing How We Think and Act about Ageing"*
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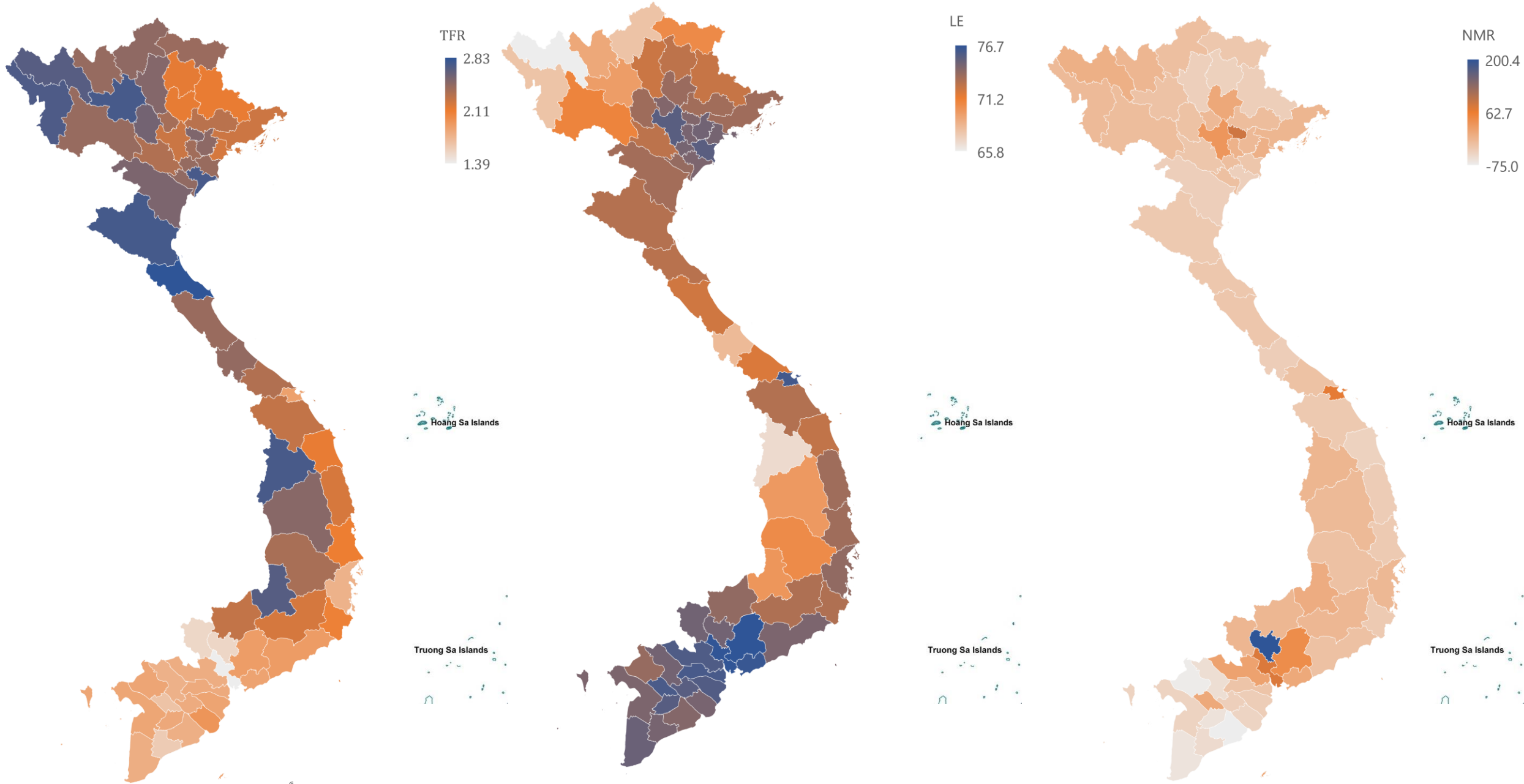
PRESENTATION CONTENT

- 1. Vietnam's demographic aging**
- 2. Key challenges**
- 3. Reframing policy mindsets and responses**

1. Vietnam's demographic aging

- Demographic aging in Vietnam has been resulted from two key drivers: i) declining total fertility rate (TFR); and ii) improving life expectancies (LE) for both men and women.
- At provincial level, however, aging is *uneven* due to differences in TFR, LE, and net migration rate (NMR).

Figure 1: TFR (left), LE (middle) and NMR (right) at provincial level, 2019



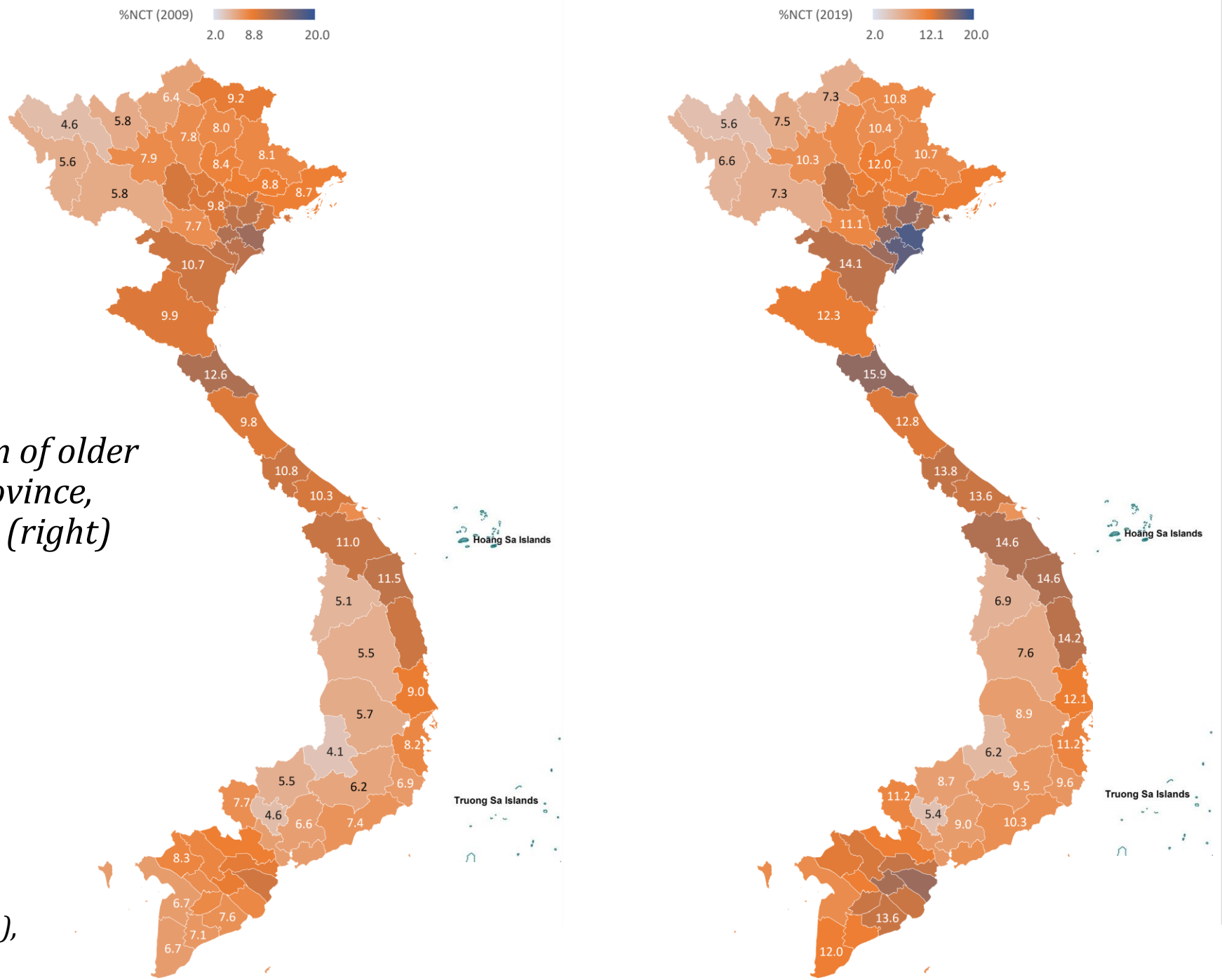
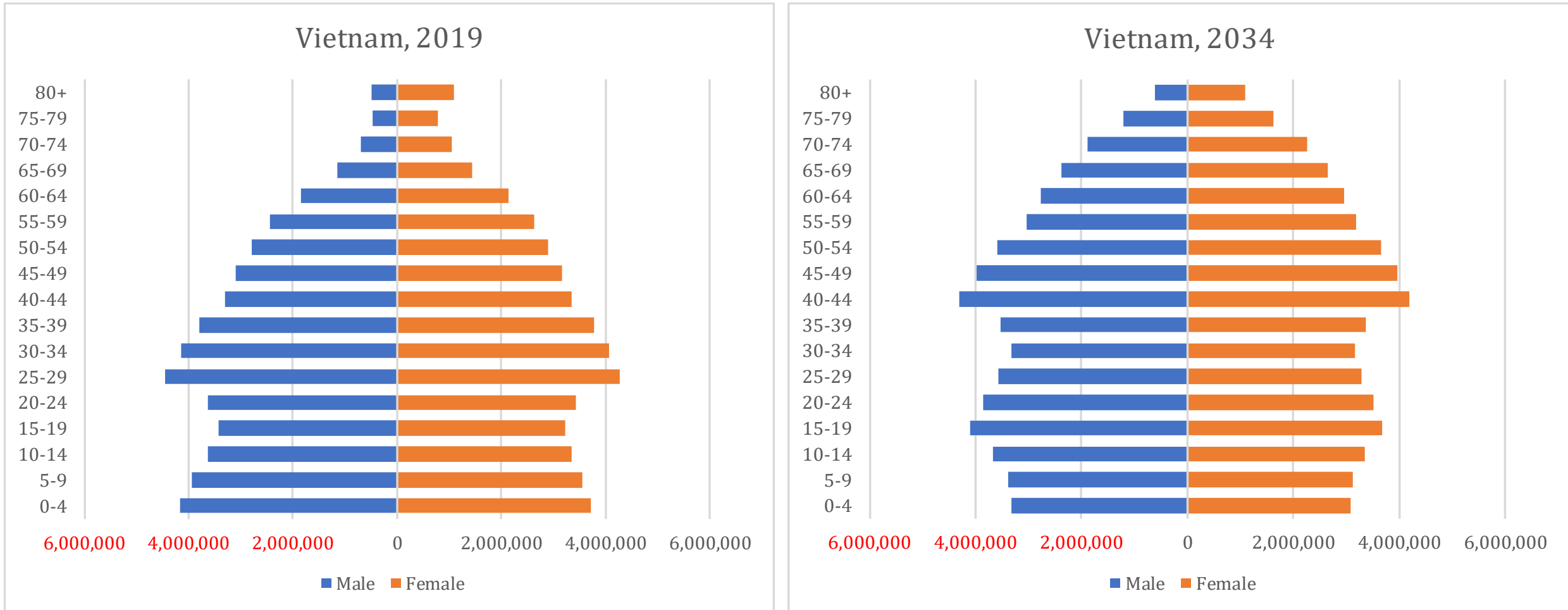


Figure 2. Proportion of older population by province, 2009 (left) & 2019 (right)

Source: UNFPA et al. (2021), using PHC 2009 & 2019

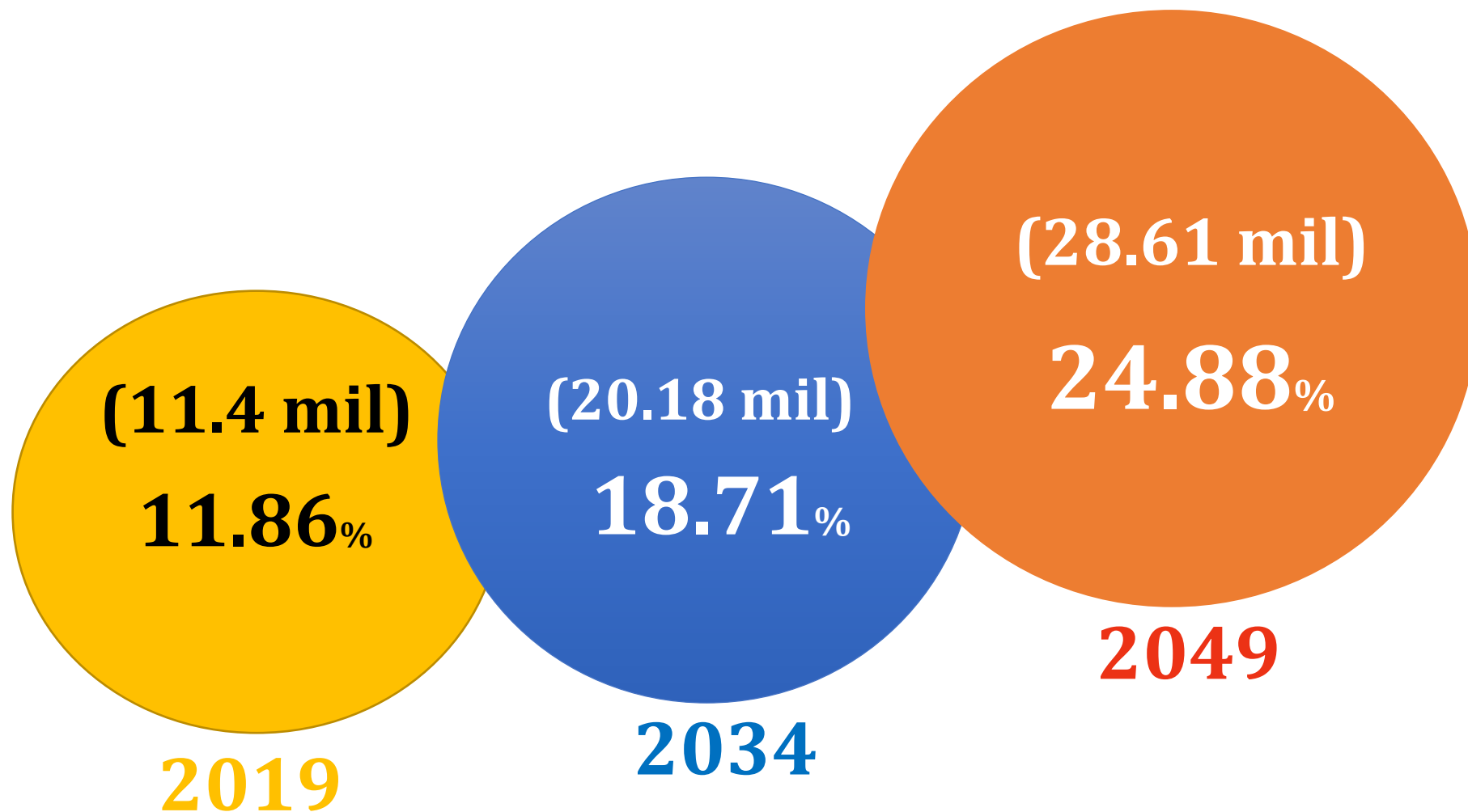
How will Vietnam be aging in the coming decades?

Figure 3: Vietnam's population pyramids, 2019 & 2034



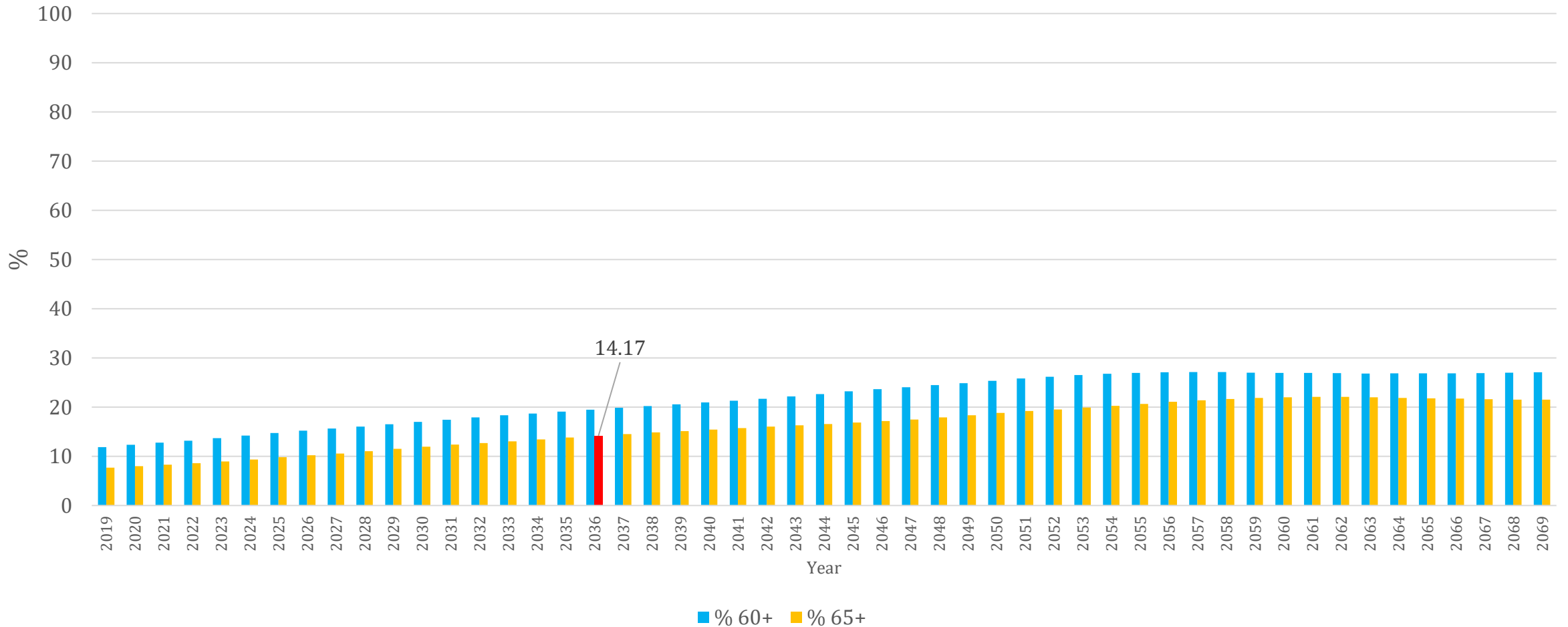
Source: Own illustrations, using data from PHC 2019 & population projections by GSO (2021) for 2019-2069

Figure 4: Older population (60+) in Vietnam – number of persons and as % of total population



Source: Own compilations, using data from PHC 2019 & population projections by GSO (2021) for 2019-2069

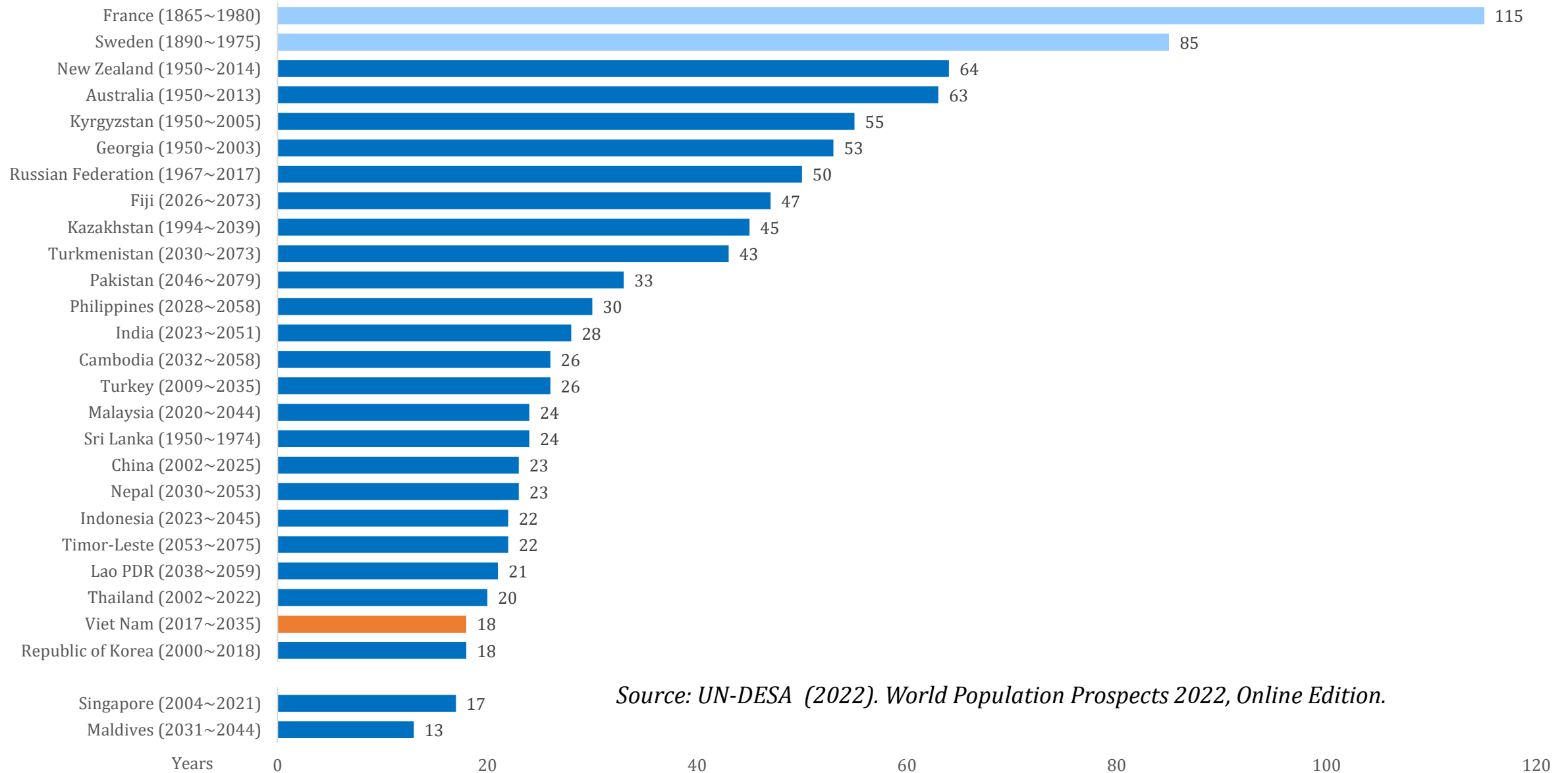
Figure 5: Older population aged 60+ or 65+ as % of total population, 2019-2069



Source: UNFPA et al. (2021), using data from GSO (2021)

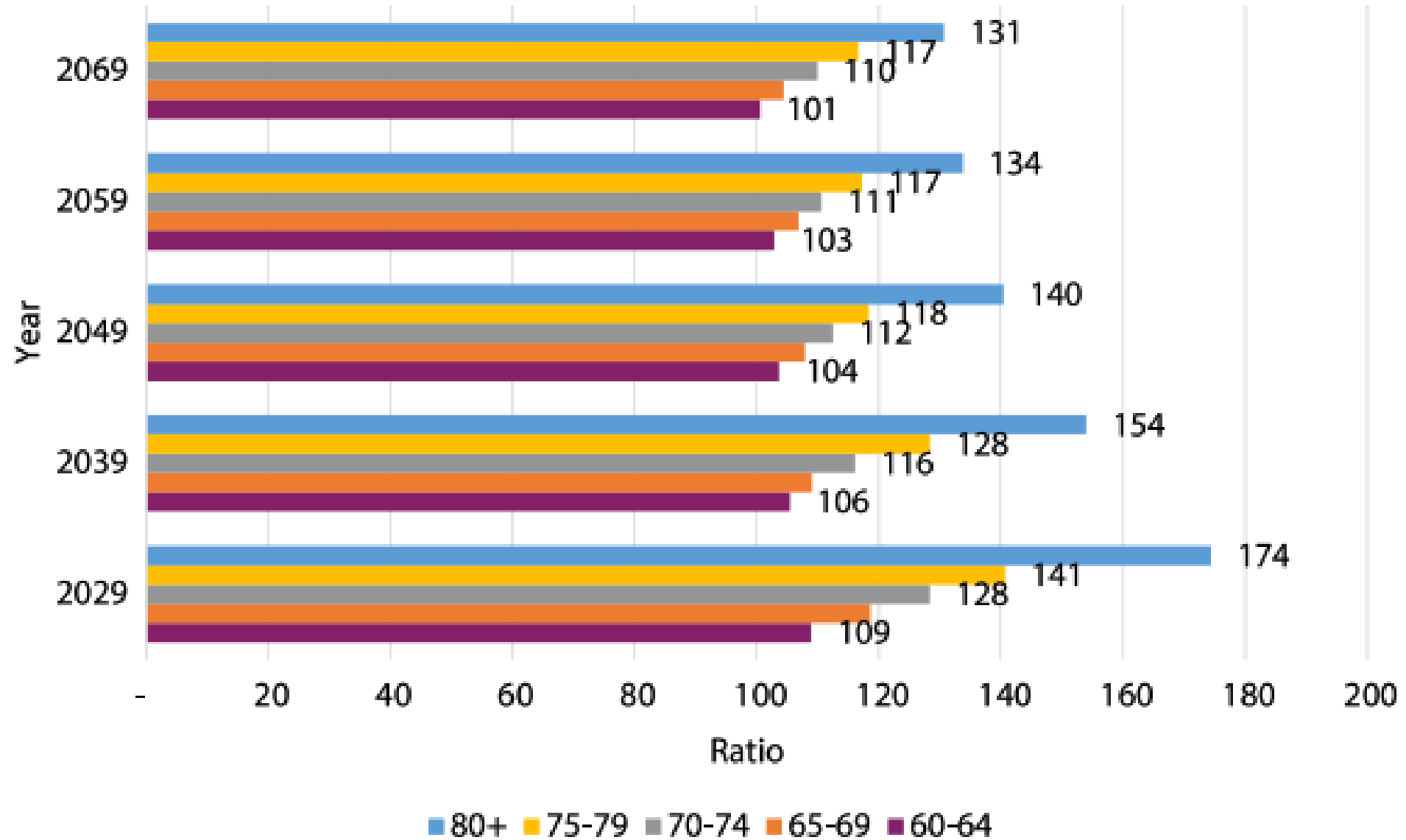
The current “aging” population will become “aged” population in 2036 when 65+ population will reach more than 14% of the total population. ***Time to move from “aging” to “aged” population will be only 18 years!***

Figure 6. Vietnam is one of the fastest aging populations in the world
(Number of years it takes for a population to continuously increase the share of the population 65+ from 7% to 14%)



Source: UN-DESA (2022). World Population Prospects 2022, Online Edition.

Figure 7: Feminization of aging – number of women per 100 men, 2029-2069



Source: UNFPA et al. (2021)

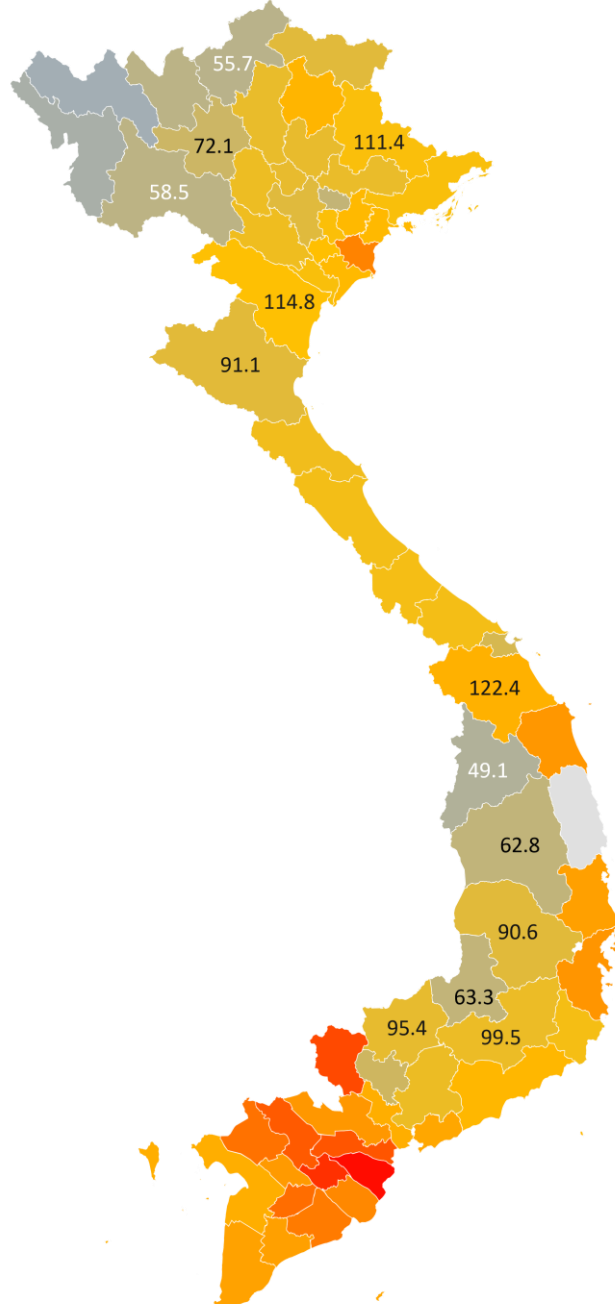
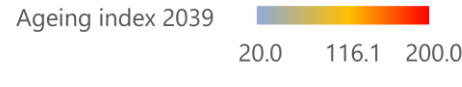
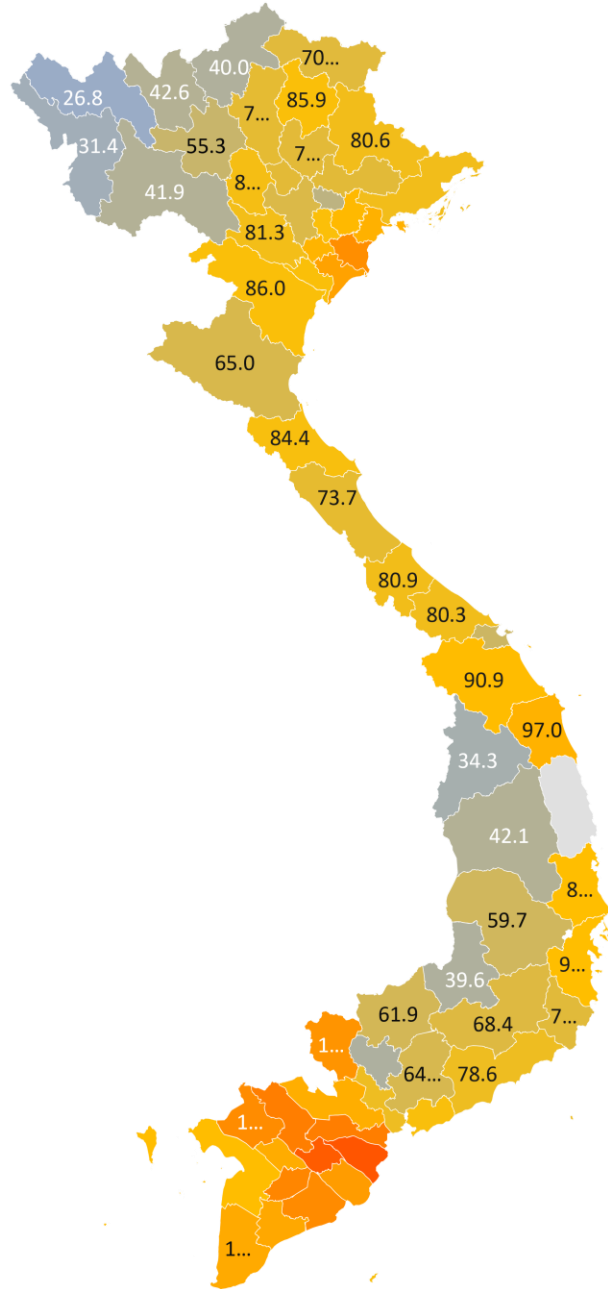


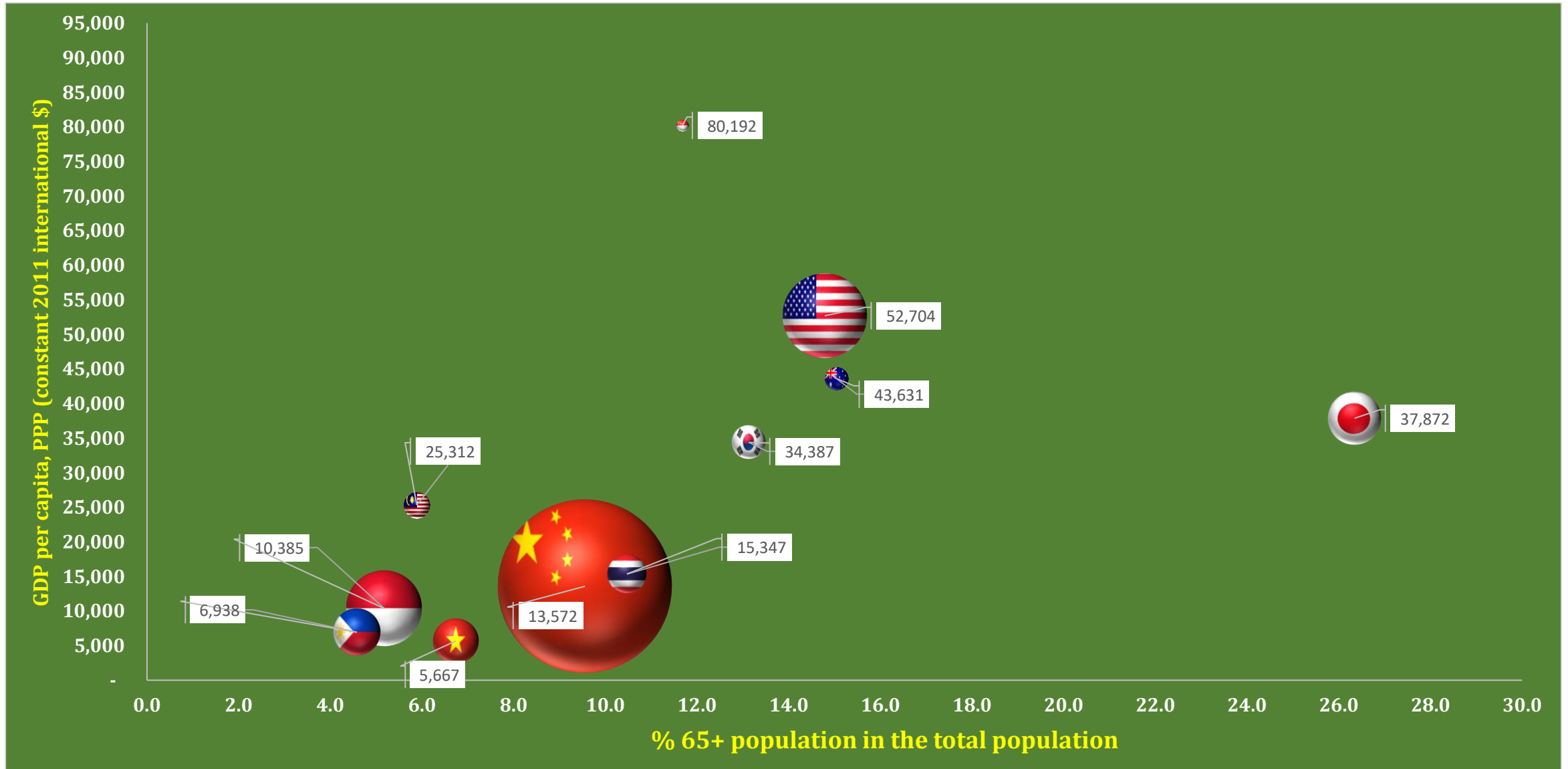
Figure 8. Aging index by province, 2029 & 2039

In 2029, there will be 14 provinces having aging index to be greater than 100, meaning that older population will be higher child population in these provinces. In 2039, this number will happen in 41 provinces!

2. Key challenges

Challenge 1 – “Getting old before getting rich”?

Figure 9: Vietnam - getting older before getting rich?

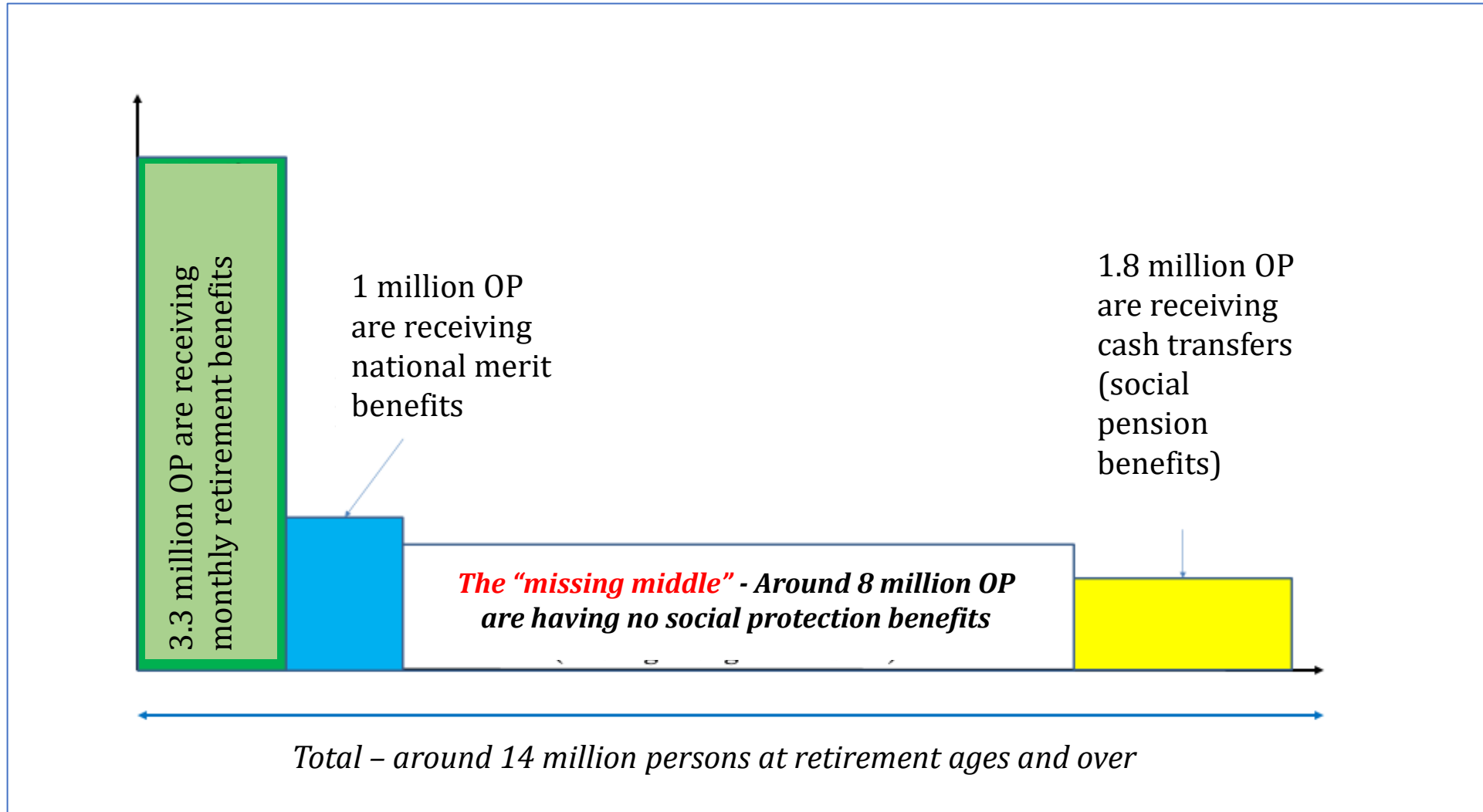


Source: Own illustration, using data from World Bank's WDI 2016

Challenge 2 – Two “missing middles” in social protection system

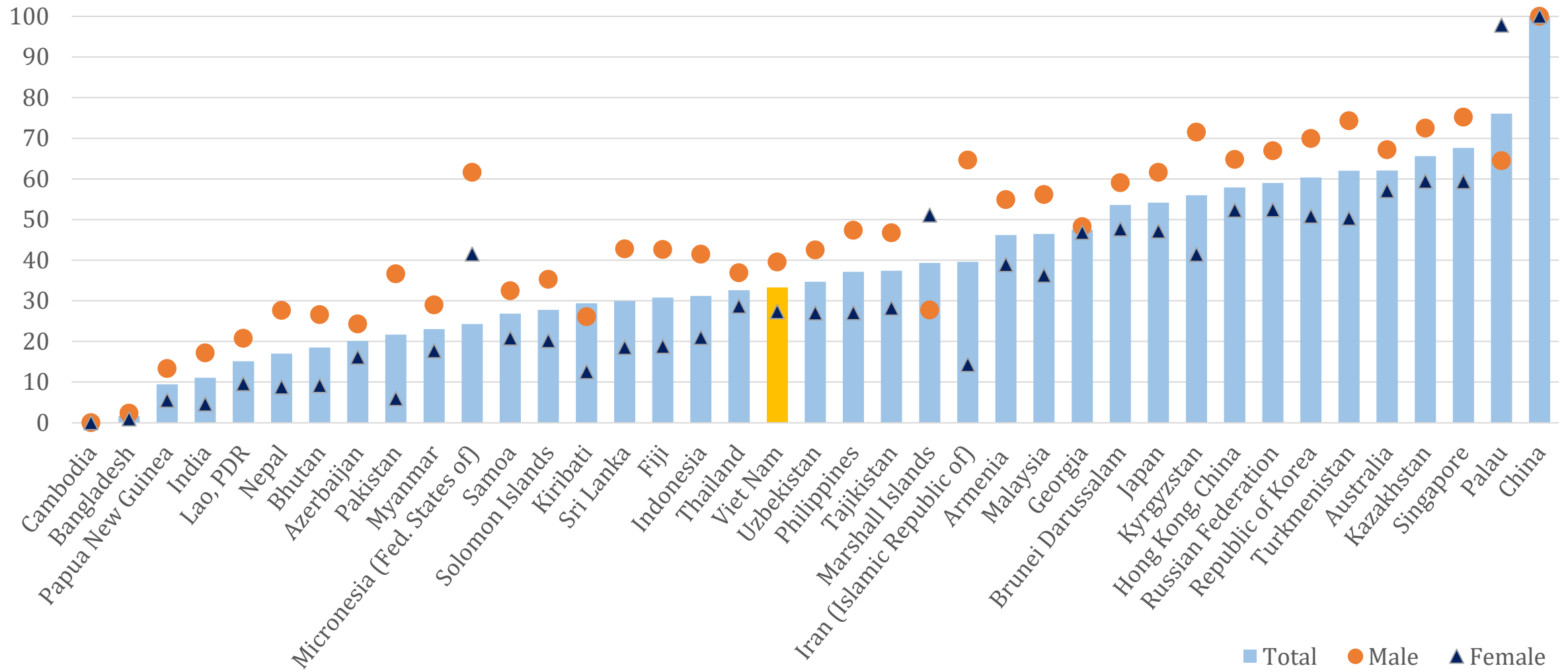
- Proportion of older people as the “missing middle” in the income security system is big!
- The “missing middle” of the younger generations will also be a great challenge for social insurance system
- ***Two “missing middles”*** will result in serious issues in social protection system

Figure 10. The “missing middle” among OP in the income security system, 2023



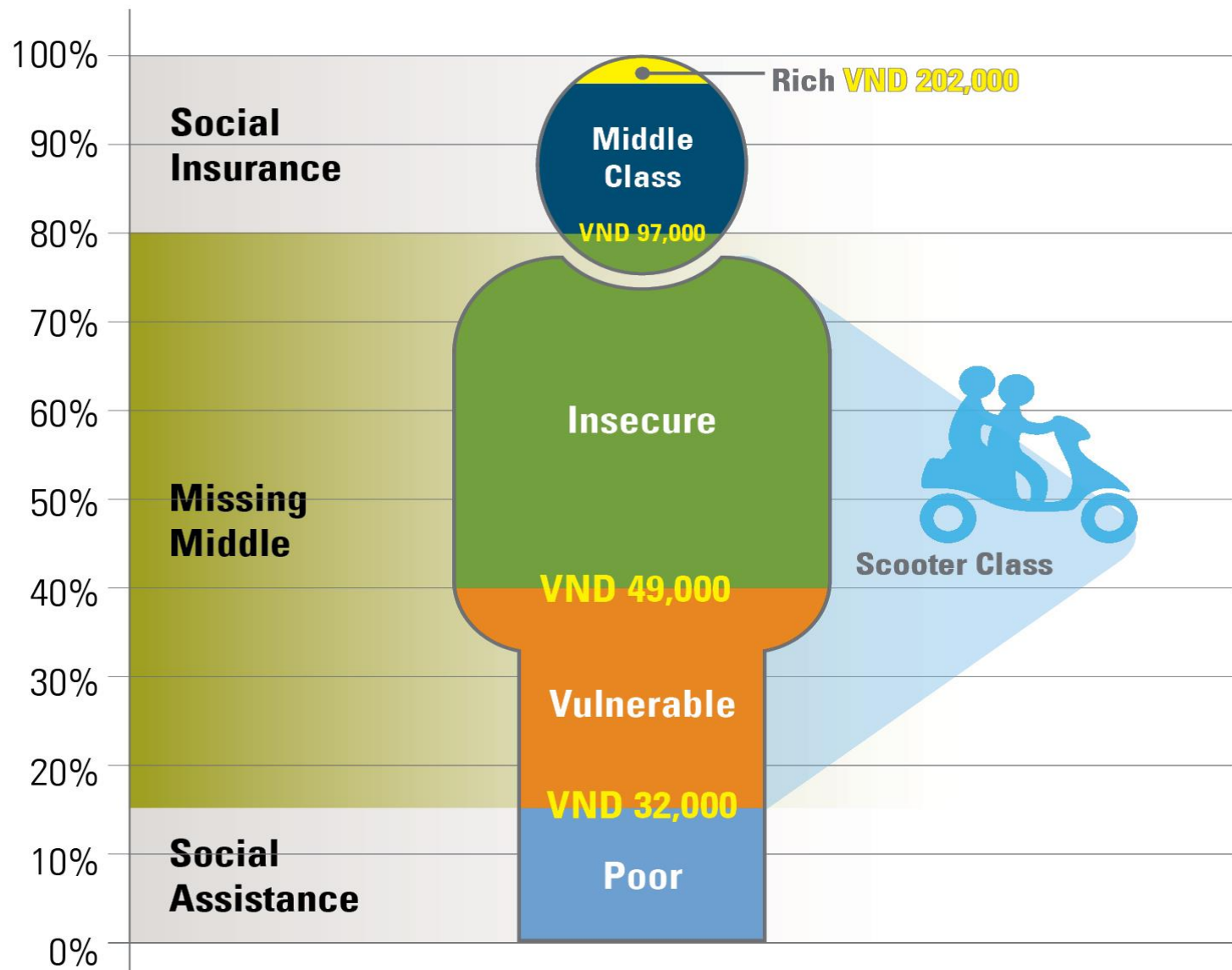
Source: MOLISA (2023)

Figure 11. Pension coverage is low in most countries in Asia and the Pacific – especially for women
Legal coverage of contributory pensions, percentage of the working-age population (15-64 years), selected countries in Asia and the Pacific, 2020 or latest available year



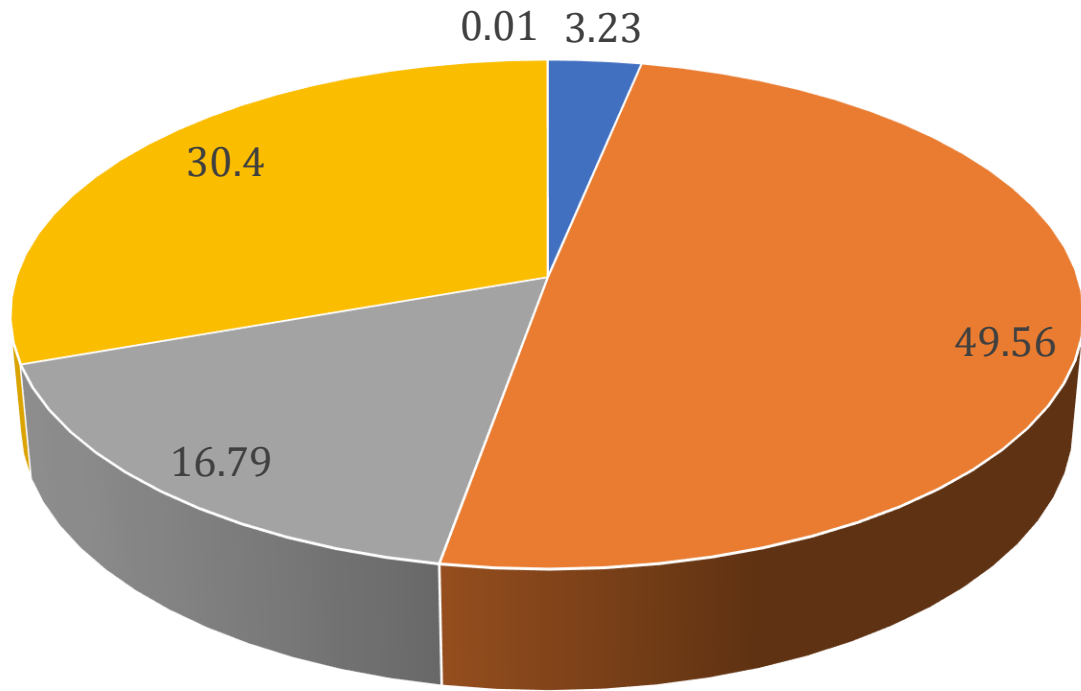
Source: International Labour Organization. 2022. World Social Protection Database (as cited by Marco Roncarati UNESCAP 2023)

Figure 12: The “missing middle” among workers in social protection

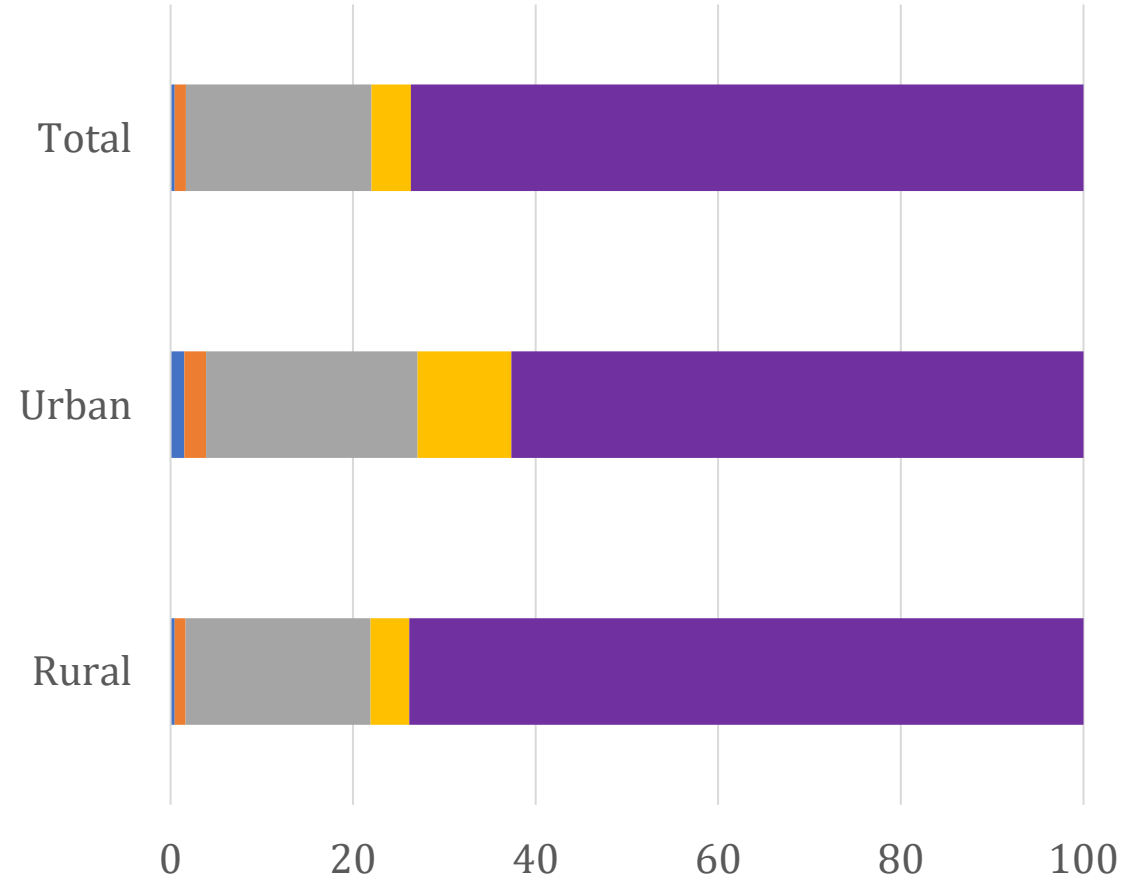


Source: Kidd et al. (2016)

Figure 13. Who are the “missing middle” workers?



- Owner
- Household business
- Cooperatives
- Self-employed
- Waged



- >=3m
- <3m
- Freelance contract
- Verbal agreement
- No contract

Source: Own calculations, using LFS 2020

Challenge 3 - Health & care issues

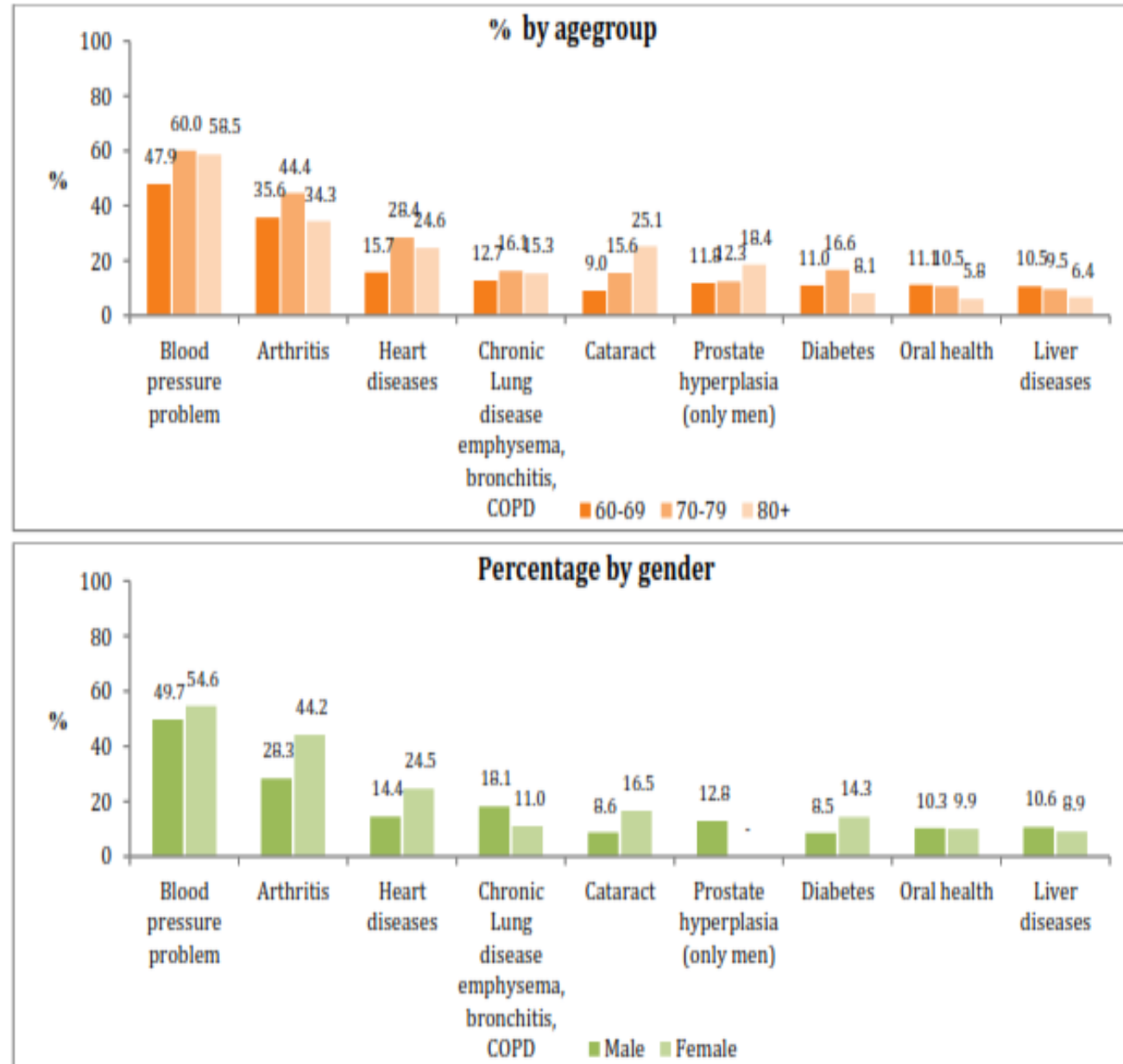
- Life expectancy of older population has been improved, but healthy life expectancies have remained quite the same in recent years
- Older persons are healthier, but non-communicable diseases are key challenges and different among older groups.
- Rate of older persons with at least a functional disability (e.g., hearing, visioning) is different among older groups, with disadvantages for more vulnerable persons.
- Unmet care needs are different among older groups, with disadvantages for more vulnerable persons.

Table 1: At age 60 – life expectancy vs. healthy life expectancy

Source: UNESCAP (2018)

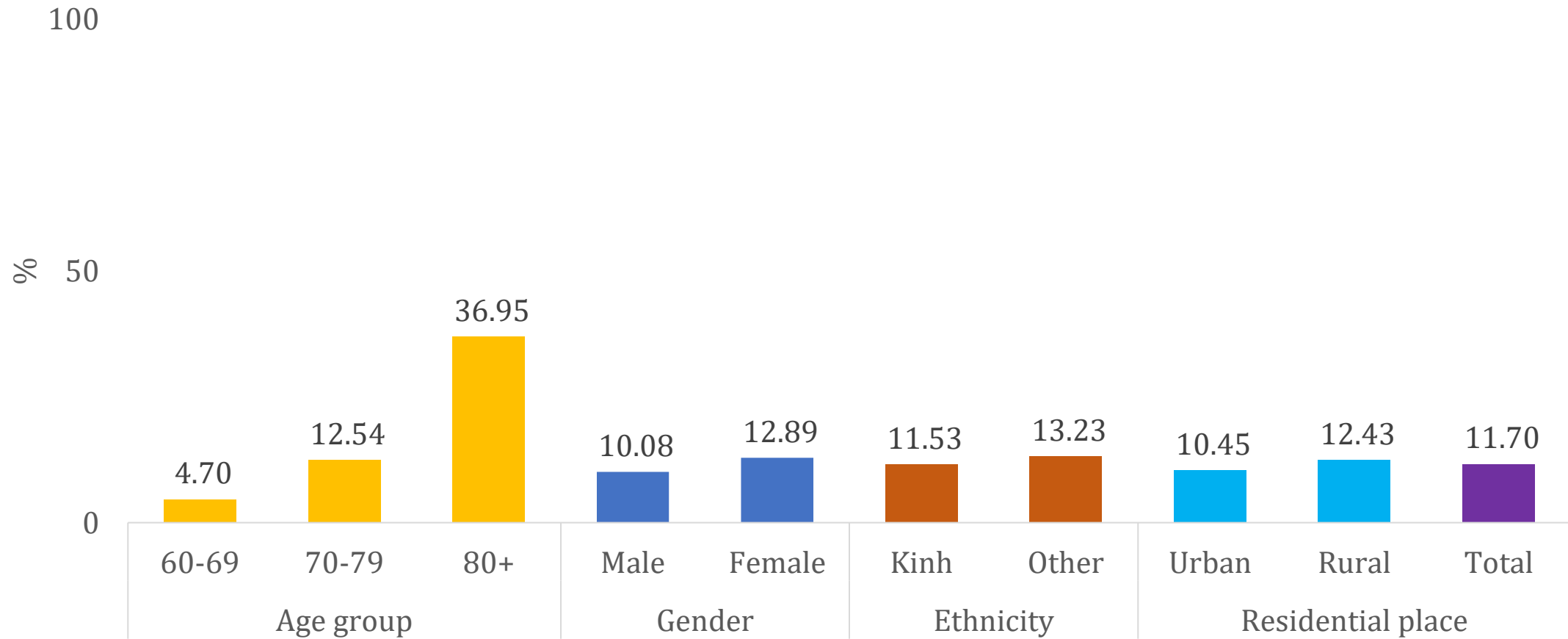
COUNTRY	HALE AT 60	LE AT 60	YEARS OF DISABILITY AFTER 60	PERCENTAGE YEARS LOST
Australia	18.7	25.1	6.4	25.5
Bhutan	14.6	19.5	4.9	25.1
Cambodia	13.5	23.8	10.3	43.3
China	16.8	19.5	2.7	13.8
Fiji	12.3	17	4.7	27.6
India	12.6	17	4.4	25.9
Indonesia	14.3	17.8	3.5	19.7
Iran (Islamic Republic of)	15.3	19.9	4.6	23.1
Japan	20.3	26.1	5.8	22.2
Kazakhstan	13.2	16.5	3.3	20.0
Mongolia	12.1	16.3	4.2	25.8
Myanmar	12.5	16.6	4.1	24.7
Nepal	14.3	17.0	2.7	15.9
Pakistan	13.8	17.5	3.7	21.1
Philippines	14.0	17.0	3.0	17.6
Republic of Korea	18.3	24.0	5.7	23.8
Russian Federation	13.8	17.5	3.7	21.1
Samoa	13.7	18.9	5.2	27.5
Sri Lanka	16.2	19.6	3.4	17.3
Thailand	16.7	21.4	4.7	22.0
Viet Nam	16.7	22.4	5.7	25.4

Figure 14: Non-communicable diseases (NCDs) are emerging health issues



Source: National survey on older persons 2019, MOH et al. (2021)

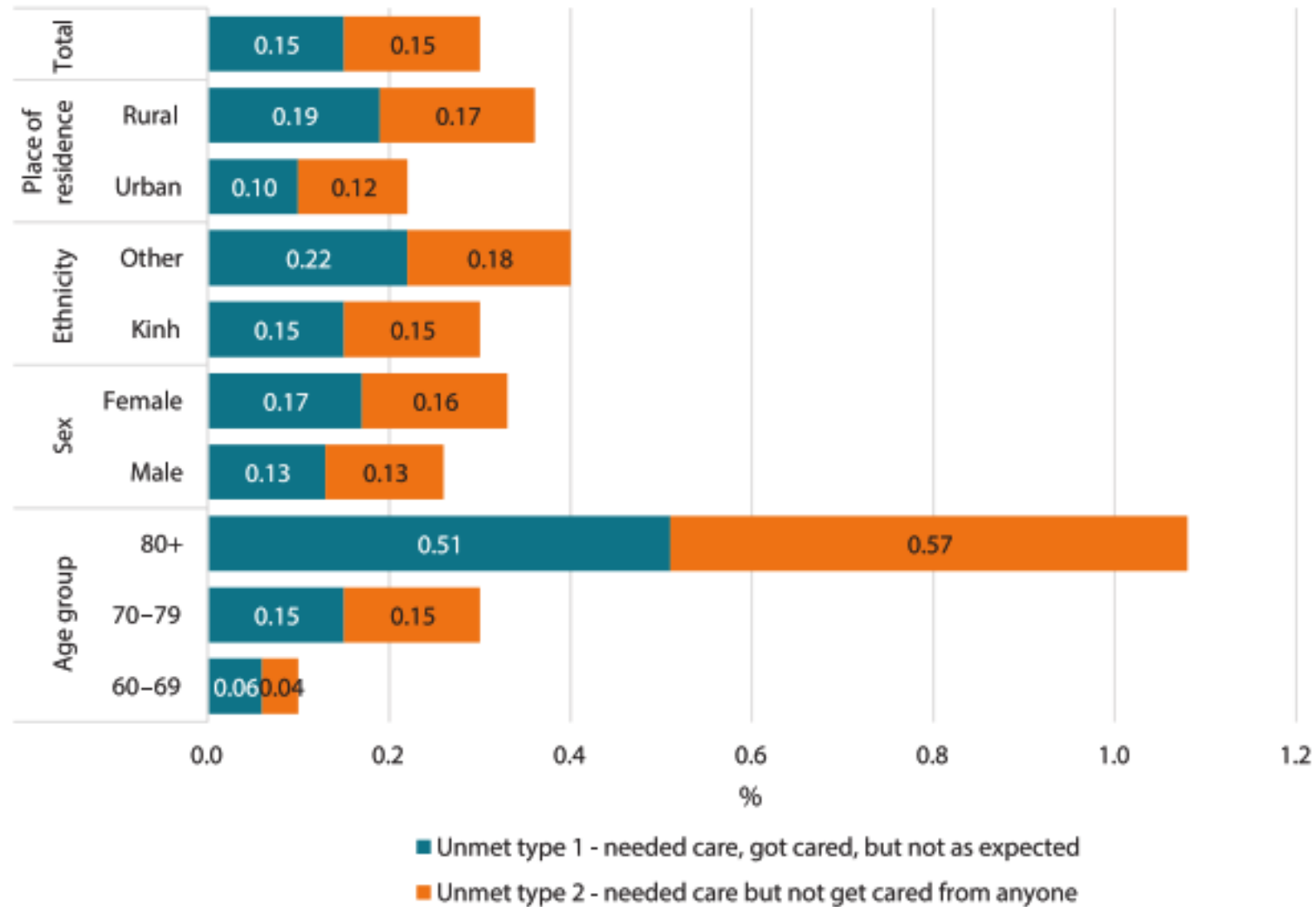
Figure 15: % older persons disabled with at least a function, 2021



*Note: To assess functional disability, PCS 2021 asked older persons about: i) vision (even with glasses); ii) hearing (even with a hearing aid); iii) mobility (walking or climbing steps); iv) cognition (remembering or concentrating); and v) communicating in a common language (understanding or being understood). Older respondents were asked to self-assess the difficulty of performing these functions by choosing one of the following: i) not difficult at all; ii) a bit difficult; iii) very difficult; and iv) could not perform. **An older person is considered to have at least one functional disability if he/she had either of these responses for at least one of the functions listed above***

Source: GSO et al. (2021), using data from Population Change and Family Planning Survey 2021

Figure 16: % OP had unmet care need, 2021



Note: The results were only for older persons who found it very difficult or impossible to perform at least one ADL (i.e. those who were considered to need care).

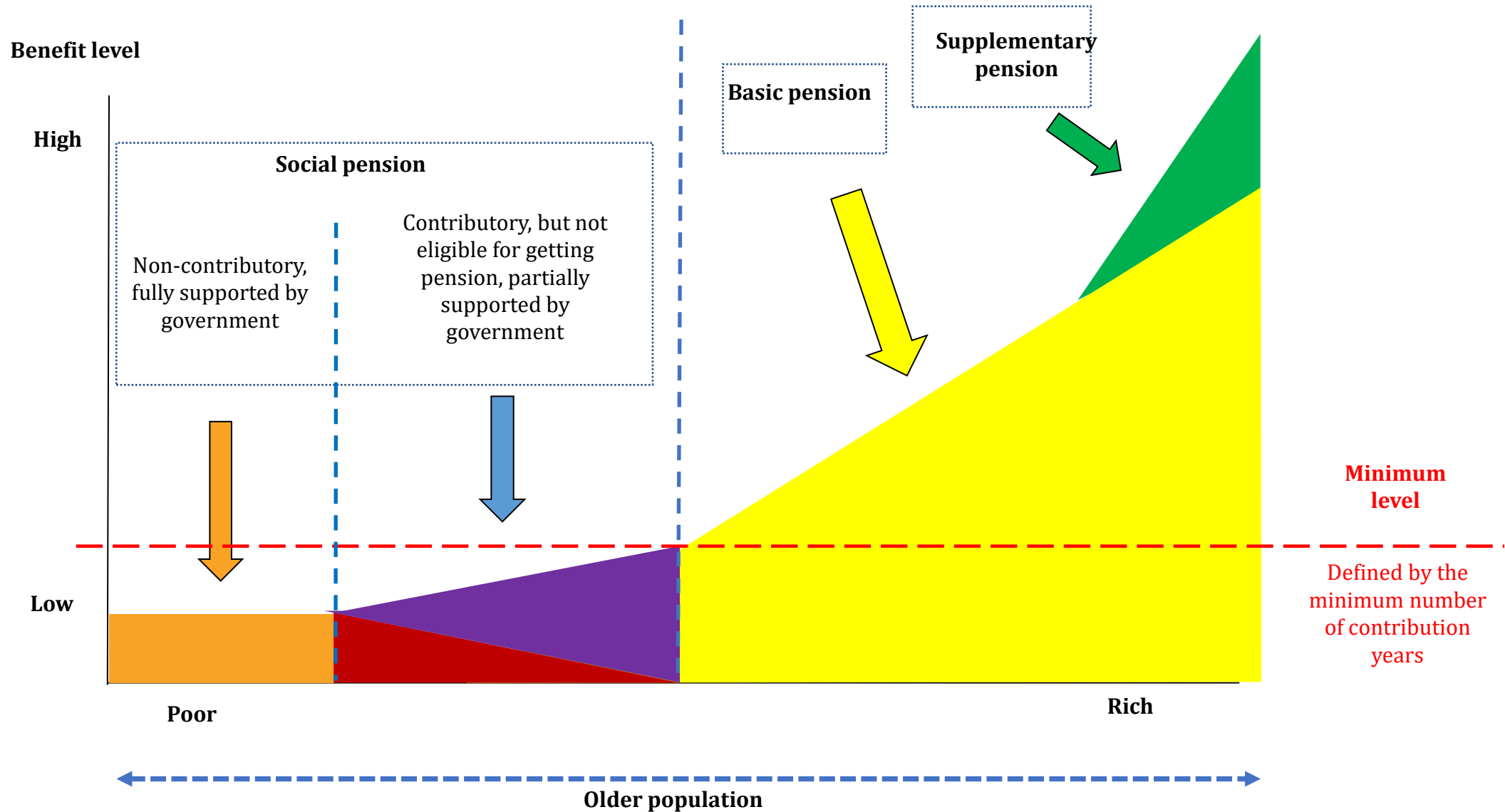
Source: GSO et al. (2021), using data from Population Change and Family Planning Survey 2021

3. Reframing policy mindsets and responses

Vietnam is currently having two important demographic trends which are “demographic dividend” and “demographic aging”. The former means an increasing number of working-age population, while the latter means an increasing number of older people. **THUS:**

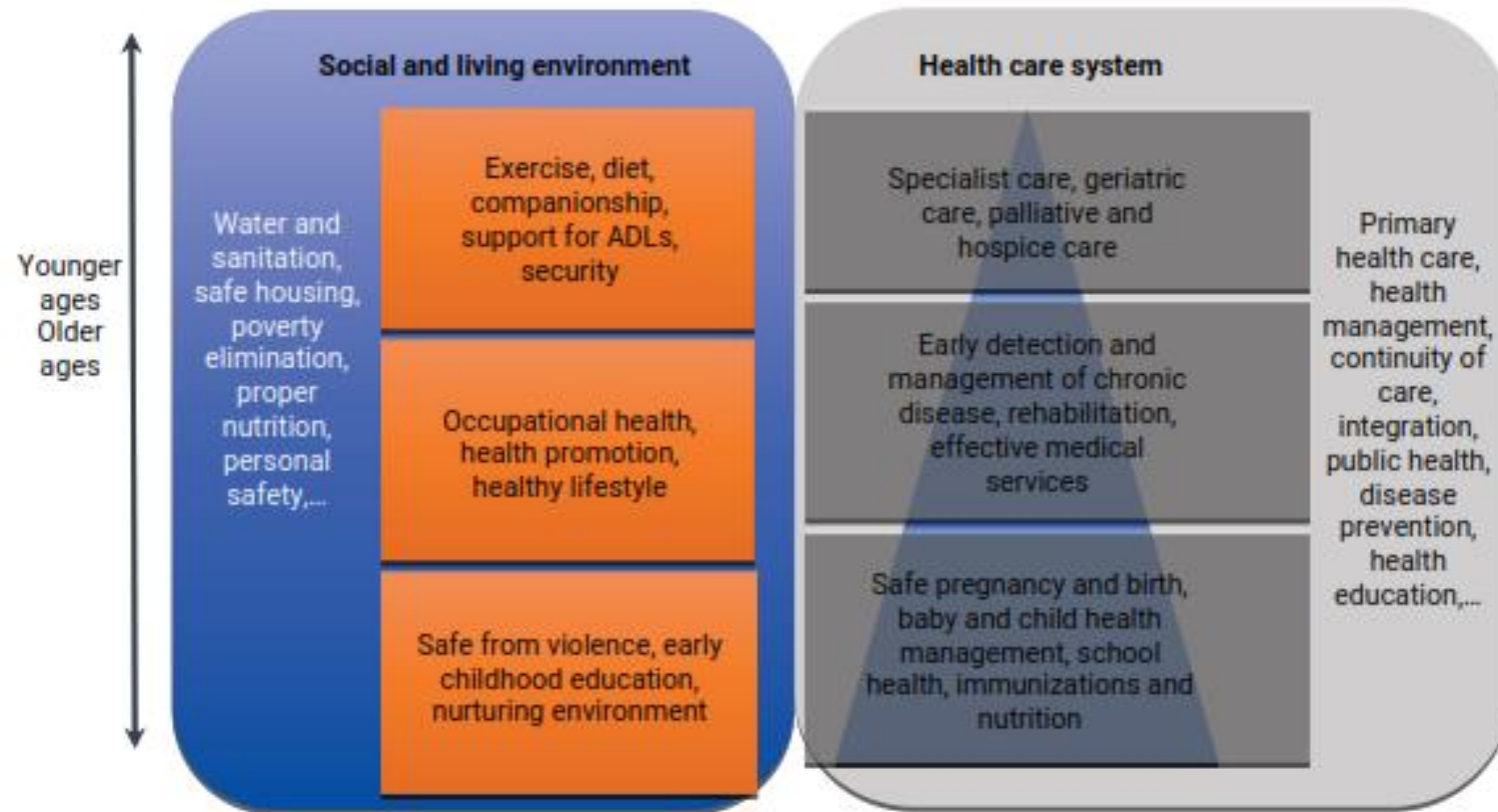
- Taking advantages of “demographic dividend” can help to prepare well for “demographic aging” – **BONUS or ONUS?**
- Dealing with aging population requires **INTRA- and INTER-GENERATIONAL VIEWS**, meaning that we need consider both challenges and opportunities of both current and future older persons
- Older persons are **ASSETS, not BURDENS!**

Figure 17. *Creating a multi-tier pension system to reach universal pension coverage and income security for all older persons*

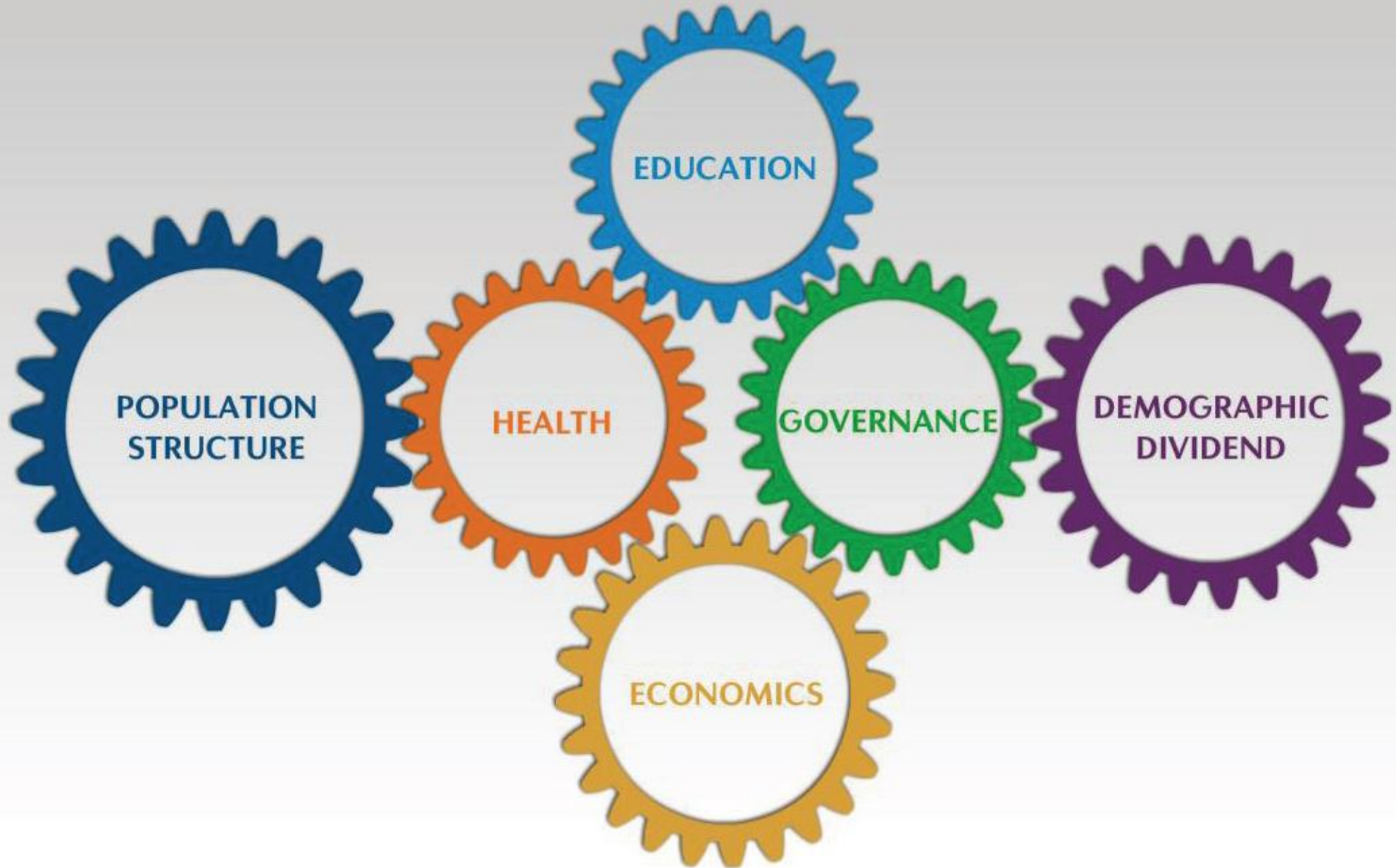


Source: MOLISA (2023)

Figure 18: Vision of people-centered integrated health care to support healthy aging



Source: World Bank (2021)

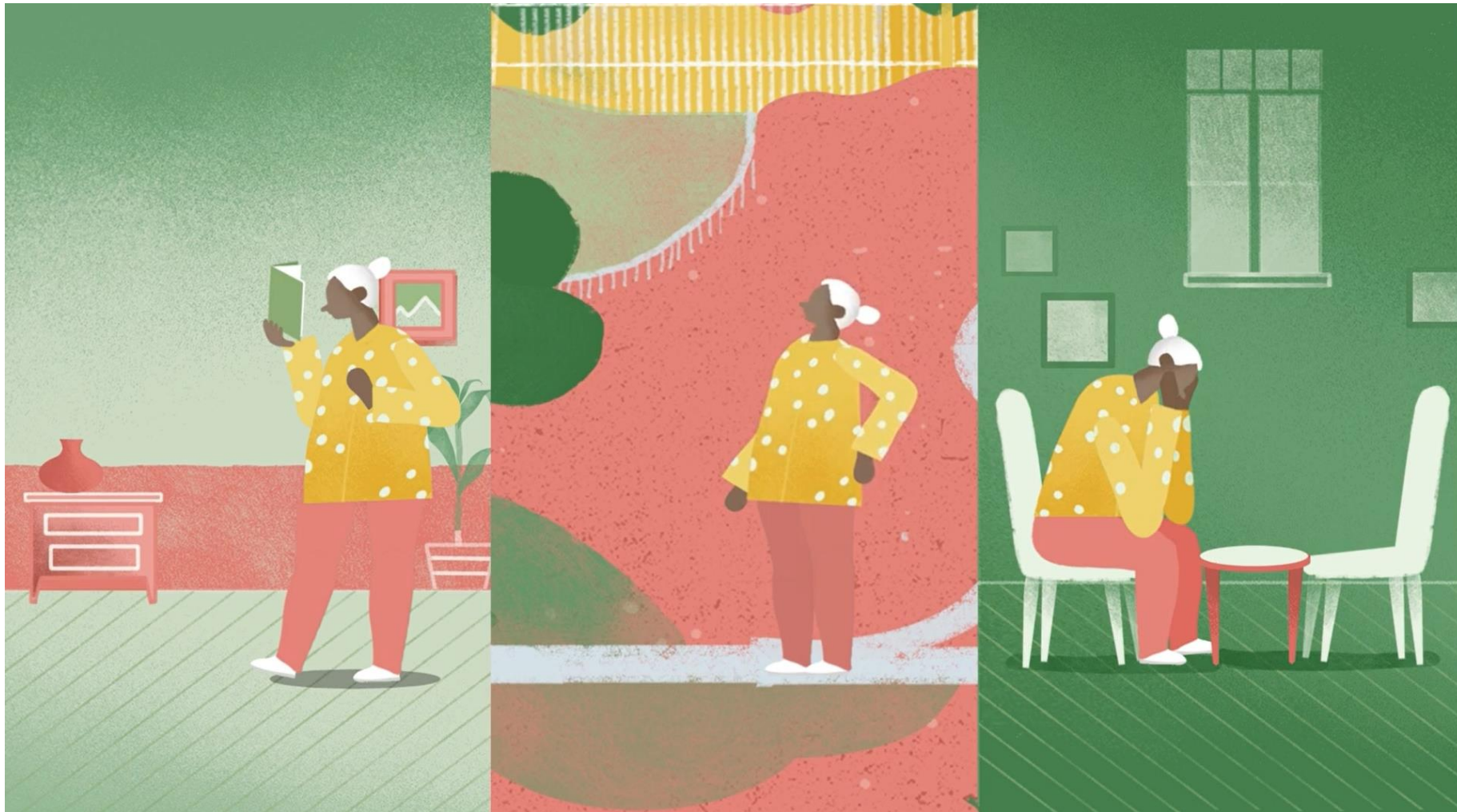


Source: Population Reference Bureau (2013)

Figures for thoughts...



Right ways, right time to right persons: older people-centered approach



Source: WHO (2015)

Thank you for your attention!



Source: ISMS 2022