

APPLICATION OF MULTIDIMENSIONAL POVERTY APPROACH IN VIET NAM

Johannesburg, Oct 2018



PROGRESS

- Joins MPPN from 2013, attends from 2th annual meeting in Berlin
- 2 years (2013-2015) of Study on MDP application under supports of UNDP & OPHI
- Master Plan for Shifting from singular to multi dimensional poverty approach for application for 2016-2020, which is approval in September 2015, by this, Objectives of MDP approach in Viet Nam:
 - ✓ To measure and monitor changes in poverty and improvement in people's access to basic social services; (responsibility of General Statistic Office belong to Ministry of Planning and Investment)
 - ✓ To identify, categorize, and prioritize beneficiaries of the government's support assistance policies; (responsibility of Ministry of Labor, Invalids and Social Affairs)
 - ✓ To provide inputs for policy designs and solution formulations which are tailored to different geographical areas in order to reduce deprivations in accessing basic social services (responsibility of Ministry of Labor, Invalids and Social Affairs)

PROGRESS

- National Multi-dimensional Poverty Line for period 2016-2020 released on November 2015 follows up is 2015 Poverty Census to identify the poor household to receive the Government's support
- From 2017, under support of UNICEF, a set of MPI for child poverty (MDCP) is developing to harmonize MDCP with National MDP.
- Follow *2018 Global Multidimensional Poverty Index (MPI)* was launched in New York on 20 September, Vietnam's MPI was launched by global and national MPI on Oct 2018.

MDP measurement in Vietnam

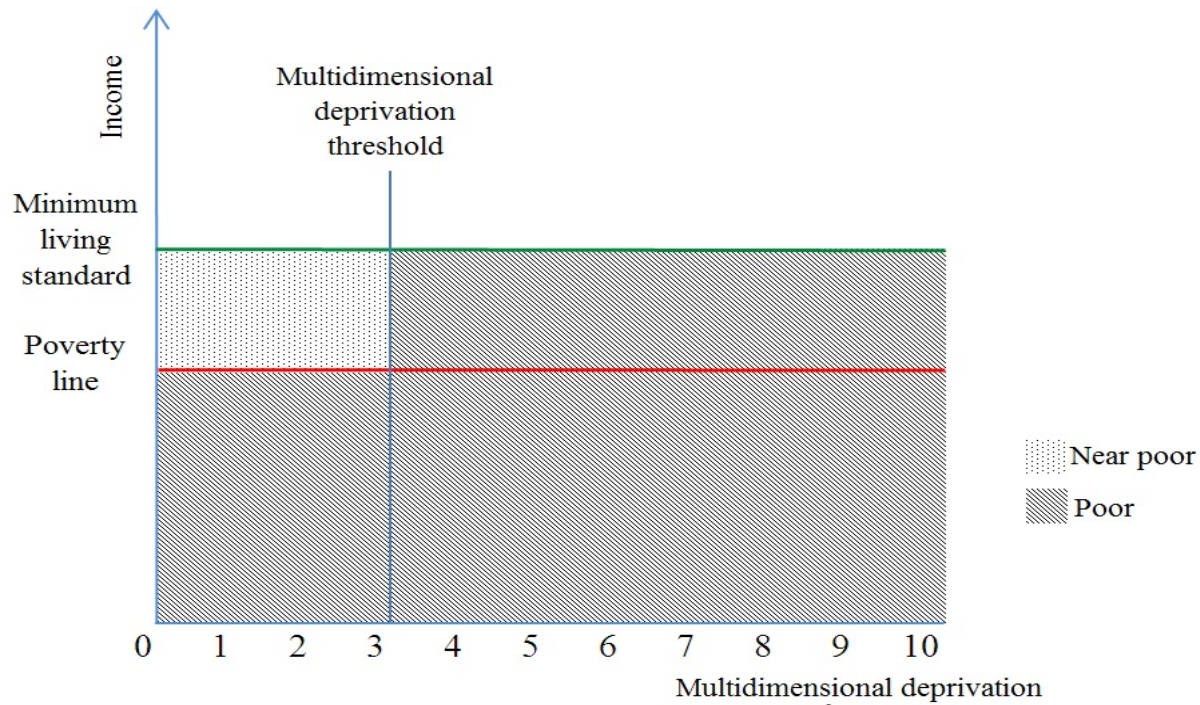
- Five dimensions: education, health care, housing, living condition (clean water- Hygienic toilet) and information accessibility.
- 10 indicators (2 for each of 5 dimensions)
- Cut-off: deprived of 3 or above indicators

MPI in Vietnam

- Viet Nam ranks 31 among 105 countries on Global MPI database. 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%).
- By National level, MPI reduced from 0.067 in 2012 to 0.040 in 2016. 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

Targeting using MDP approach in VN

- Poverty Line combined income with social service accessibility.



Targeting using MDP approach in VN

| | 2015 | 2016 | 2017 |
|---------------------------------|-----------|-----------|-----------|
| Number of poor household | 2,351,028 | 1,933,392 | 1,636,141 |
| Income poor | 1,777,758 | 1,583,764 | 1,423,912 |
| MDP poor | 573,270 | 349,628 | 212,229 |

Challenges in Policy Design

- How to adjust the policy by the trend of MPI, poverty rate and deprivation of each dimension
- How to make reduction poverty program to be more effective.