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# SUMMARY REPORT

## COVID-19 Socio-economic Impact on Vulnerable Households and Enterprises in Viet Nam: A Gender-sensitive Assessment

June 2020

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**Disclaimer:** *This report, funded and commissioned by UNDP and UN Women in Viet Nam, is conducted by the Center for Analysis and Forecast, Vietnam Academy of Social Sciences. The opinions, analyses and recommendations contained in this document do not necessarily reflect the official opinions of the partner organizations. The report is an independent publication.*

# FOREWORD

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With the aim of helping to inform the Government of Viet Nam's response and recovery to COVID-19, UNDP and UN Women in Viet Nam commissioned a report "*COVID-19 Impact on Vulnerable Households and Enterprises in Viet Nam: A Gender-sensitive Assessment*" (RIM-2020). The report is evidence-based and captures the voices of vulnerable population groups and businesses. A telephone survey, with the purposive sampling of 930 vulnerable households and 935 vulnerable household businesses (HBs), micro, small and medium enterprises (MSMEs) in 58 (out of 63) provinces across Viet Nam, including sex-disaggregated data, was conducted over the course of April and May 2020. This enabled collection of the quantitative and qualitative information on both the COVID-19 impact at the peak of the pandemic in April 2020 and in the early stage of recovery in May 2020. Notably, as much as the overall survey sample size allows, the purposive sampling facilitated RIM-2020 to include a gender perspective to understand the experiences, challenges and opportunities of female-headed households and women-led MSMEs vis-a-vis those led by men.

The report findings include: (i) substantial income reduction of vulnerable households, especially households of Ethnic Minority people, migrant and informal workers; (ii) as a result, a surge in transient income poverty, especially among Ethnic Minority households; (iii) substantial reduction of revenue for both HBs and MSMEs forcing most MSMEs to cut back business operations in terms of reducing numbers of workers, due to the serious decrease in their output demand and supply disruptions; (iv) significant gender differentiated impacts exacerbated the vulnerability of female-headed households of informal workers and EMs, and showed particular resilience and social solidarity of women-led MSMEs; (v) increased burden of care and domestic work on women and higher risk of gender-based violence based on existing gender roles and gender stereotypes and the additional stress generated by COVID-19 on households and (vi) despite the intended results of preventing vulnerable people from falling into poverty and protecting those already poor from descending deeper into poverty, the Government's social protection support policy faced several issues in its design and implementation. The report also provides information on the coping strategies of vulnerable households and enterprises and their feedback on the design and implementation of the Government's policies responding to COVID-19 impact.

We offer the report's findings and recommendations as inputs to the Government's efforts in refining actions and their implementation to protect livelihoods of vulnerable households, support MSMEs in recovering their operations and ensuring continued employment for workers, and eventually to achieve the Sustainable Development Goals (SDGs) in the 'new normal' of living safely with COVID-19.



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# INTRODUCTION

Since the coronavirus (COVID-19) pandemic was first recorded in Viet Nam on January 23, 2020 the Vietnamese authorities took swift action through testing, contact tracing, quarantine and social distancing measures to curtail the spread and limit community transmission. Viet Nam has been widely recognized as one of the most efficient and effective countries in combating and containing the virus. Nevertheless, the COVID-19 pandemic has substantially affected the economy and most vulnerable people and enterprises. To this day, only limited data has been available on the socio-economic impacts of the pandemic on the vulnerable households and businesses and their coping strategies to the inter-linked health and economic shocks.

**The UNDP-UN Women commissioned “COVID-19 Impact on Vulnerable Households and Enterprises in Viet Nam: A Gender-sensitive Assessment “ (RIM 2020, from now on)** helps fill the above-mentioned information gap and provides evidence on the COVID-19 socio-economic impact on affected populations and enterprises. Through the voices of vulnerable population groups and businesses the report aims to help inform the Government of Viet Nam’s response and recovery to COVID-19, hereunder on facilitating actions to protect livelihoods, supporting MSMEs in recovering their operations and ensuring continued employment for workers, as well as achieving the SDGs and agenda 2030 in the ‘new normal’ of living safely with COVID-19.

The RIM-2020 survey applied **purposive sampling**, focusing on:

- (i) **Vulnerable households:** households of ethnic minority people, informal and migrant workers, households with small children, elderly and People with Disabilities (PWD), female-headed households, poor, near poor and transient poor households.
- (ii) **Vulnerable businesses:** informal household businesses (HBs), micro, small and medium enterprises (MSMEs), women-led enterprises in the ten severely affected sectors (see the map)

As much as the overall survey sample size allows, the purposive sampling facilitates RIM-2020 to include a gender perspective to understand the experiences, challenges and opportunities of female-headed households and women-led MSMEs vis-a-vis those led by men.

**Map of survey sites and sectors**



The RIM-2020 was based on a **telephone survey<sup>1</sup> of 930 vulnerable households and 935 businesses in 58 (out of 63) provinces across Viet Nam**. The proportion of surveyed HBs, MSMEs in the tourism and related services, i.e. hotels and restaurants were 24%, retail, transportation and other services 35%, manufacturing 12%, food-processing 10%, construction 6%, and the remaining 13% were from the agricultural and aquaculture sectors. 33.6% of surveyed firms were women-led and 18% of surveyed households are female-led. Other key characteristics of enterprise and household samples are presented in below Figures 1 to 3.

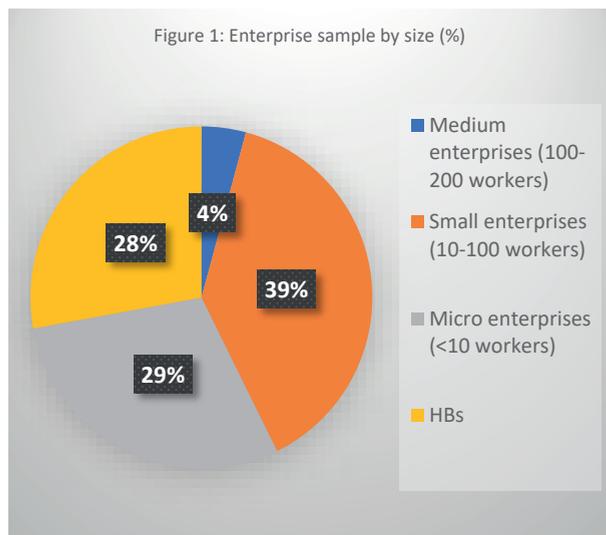


Figure 2: Enterprise sample distribution by area and gender of managers (% of the total sample)

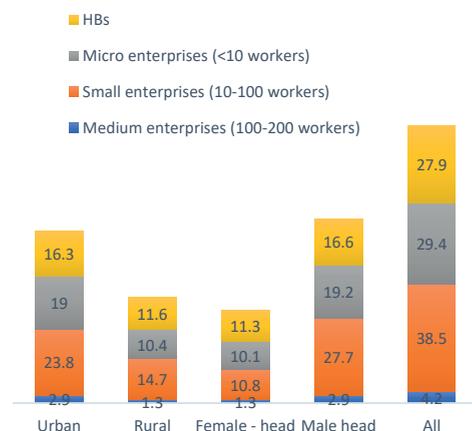
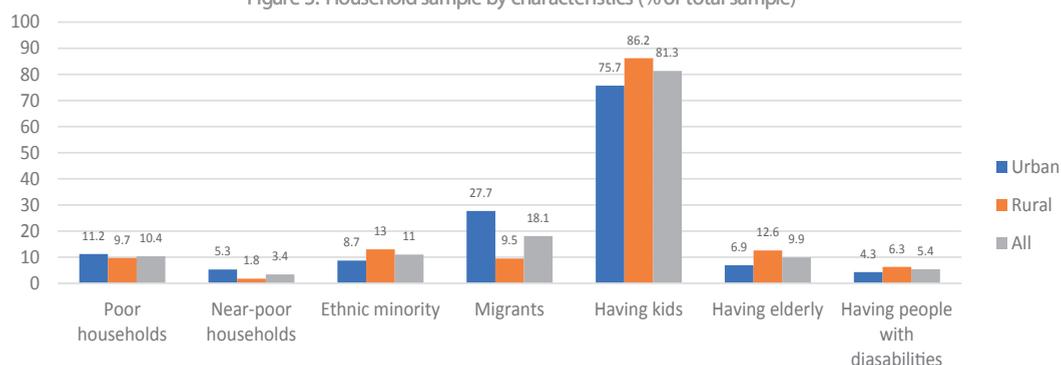


Figure 3: Household sample by characteristics (% of total sample)



The RIM-2020 survey was conducted over the course of **April and May 2020** to enable collection of the quantitative and qualitative information on both the COVID-19 impact at the peak of the pandemic in April 2020 and in the early stage of recovery in May 2020. It also enabled interviewers to assess the coping strategies of households and enterprises as well as their feedback on the design and implementation of the Government's policies responding to COVID-19 impact.

<sup>1</sup> As face to face interviews were not possible during the times of lockdowns and social distancing, telephone interview was applied. To ensure the accuracy of information (recollection of the respondents) collected through telephone interviews the December 2019 information was used as the baseline for comparisons on the changes in on income, employment, revenue and poverty situation, etc. between April/May and December 2019. Such comparisons, therefore, ignore the possible changes related to seasonality (which normally is taken into account by month-on-month or quarter-on-quarter comparisons).

# MAIN FINDINGS

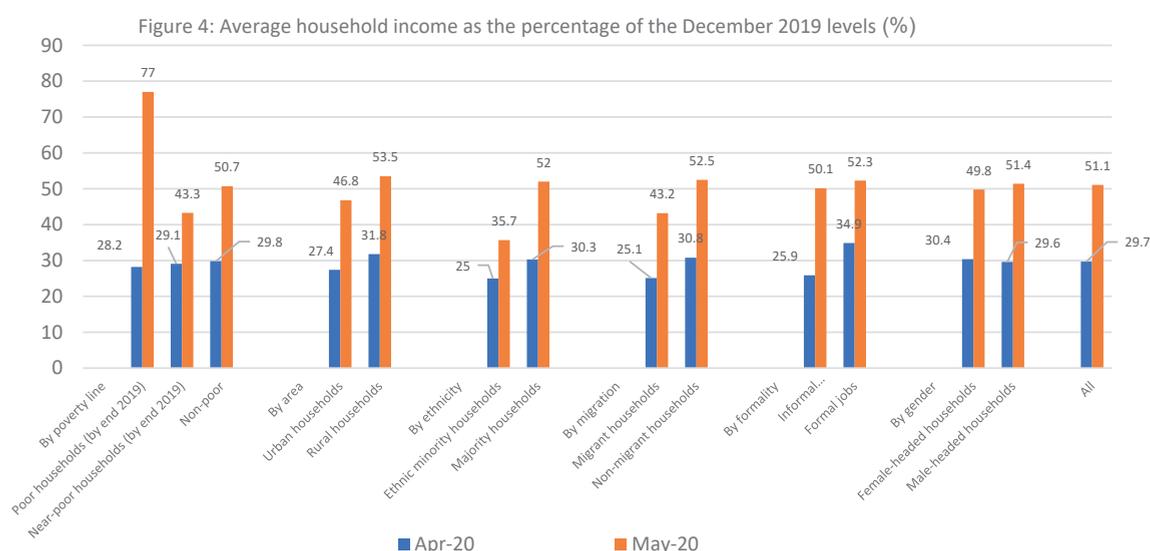
## COVID-19 IMPACT ON HOUSEHOLDS



**COVID-19 has caused income to decline substantially across vulnerable households and workers, resulting in a surge in transient income poverty and pushing chronically poor households further into income poverty.<sup>2</sup>**

*Different to the chronic poverty related to per capita income persistently below the poverty line during a long period, transient poverty is associated with a fluctuation of income around the poverty line, resulting in people falling into and moving out of poverty during shorter periods of time. While not easily observed during good times, transient poverty causes great concern in crises such as that caused by COVID-19. Without proper and timely interventions, transient poverty may change structural characteristics of a household or person, so they become chronically poor.*

The highest decline in household income due to COVID-19 was recorded in April 2020. The average income of surveyed households in April 2020 was only around 29.7% (in May 2020 this number increased to 51.1%) of the December 2019 level. See Figure 4. In other words, the average income of surveyed households declined by over 70% in April 2020 and 49% in May 2020, compared to December 2019.



**While the pandemic caused incomes to reduce and thus increased in transient income poverty across all surveyed household groups, the ethnic minority households and households of informal and migrant workers were disproportionately impacted.**

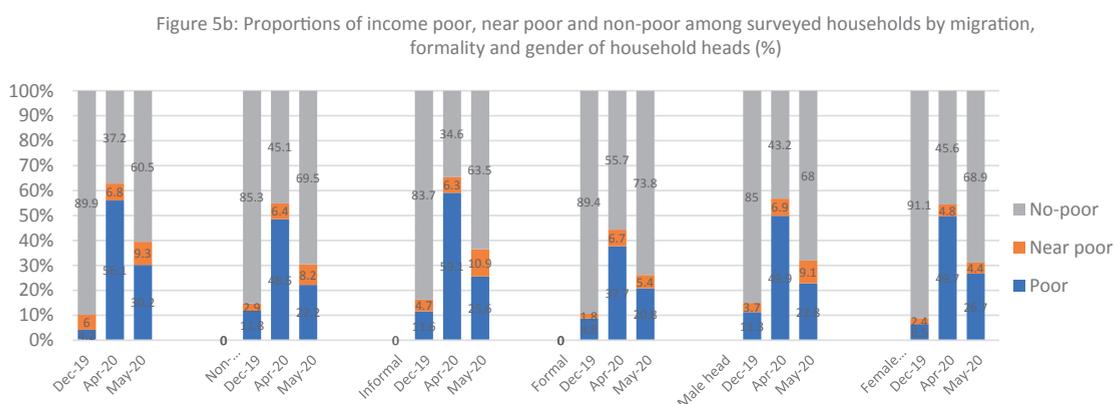
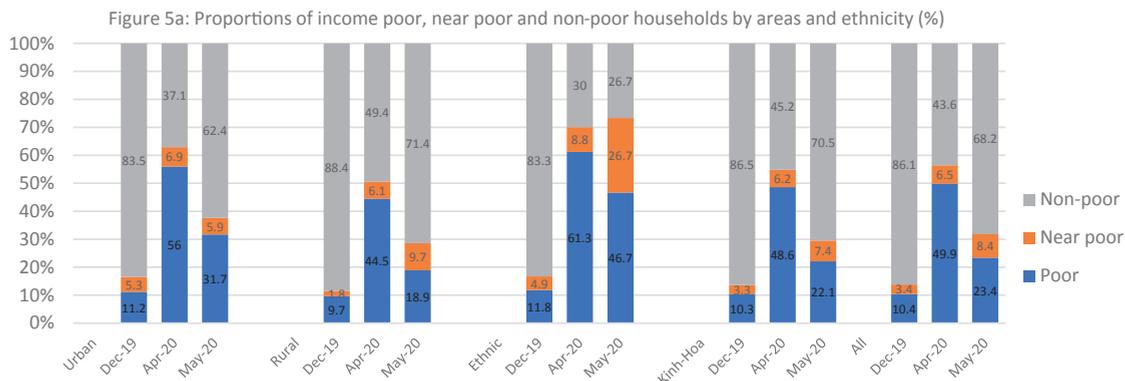
<sup>2</sup> In this Report, loss of income is counted in assessing the change of households' income poverty status, while the households using their savings to sustain the livelihoods is not considered (such as in poverty measured by household expenditures). As indicated in the below section, most of the surveyed households (around 70%) used their savings to smooth the expenditures, though many households reported that their savings will be exhausted in 2-4 months.



COVID-19 disproportionately affected the ethnic minority households and households of informal and migrant workers, resulting in a sharp reduction of their incomes as compared to the pre-pandemic levels (Figure 4):

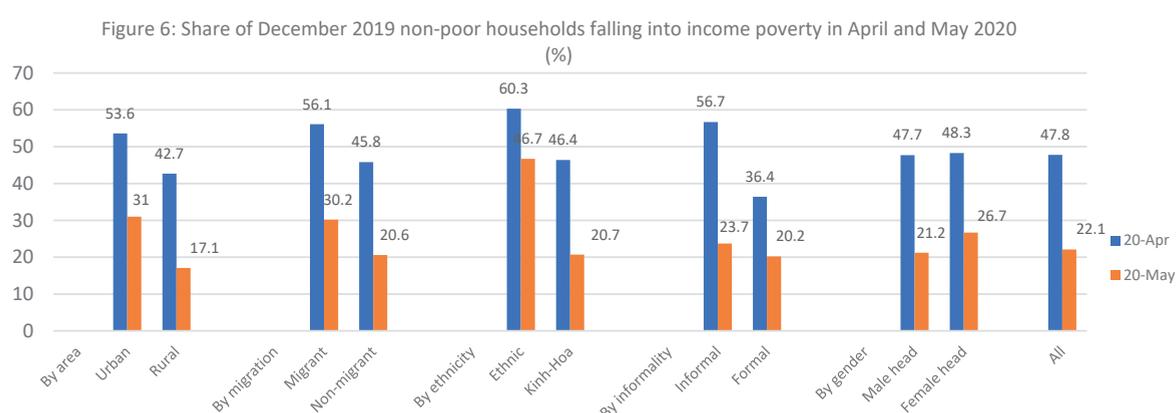
- (i) Average incomes of ethnic minority households in April and May 2020 were only 25.0% and 35.7% of the December 2019 level, while these figures were higher, estimated at 30.3% and 52% for the Kinh-Hoa majority.<sup>3</sup>
- (ii) Migrant households' average incomes in April and May 2020 were estimated to be equivalent to only 25.1% and 43.2% of the December 2019 level, while these figures were 30.8% and 52.5% for non-migrant households. Among migrant households, the COVID-19 income impact recorded in April 2020 was similar between female-headed and male-headed households: their incomes were estimated at 25.6% and 24.9% of the December 2019 level. However, female-headed migrant households showed better recovery than male-headed counterparts: The May 2020 income of the former rose to 58.6% of the pre-pandemic level, while this figure for the latter was considerably lower, estimated at 37.9%.

The decrease in income resulted in a surge in the proportion of income poor and near poor households among the surveyed households in April 2020. *In December 2019, the proportion of income poor was 11.3% on average, and it increased to 50.7% in April 2020. The proportion of near poor households rose from 3.8% in December 2019 to 6.5% in April 2020* (see Figure 5a). In April 2020, the proportion of income poor among the surveyed EM households was 61.3% (Kinh-Hoa: 48.6%), migrant households 56.1% (non-migrant: 48.5%), informal worker households 59.1% (formal worker: 37.7%), and 49.9% and 49.7% for male-headed and female-headed households respectively. Figure 5a and 5b.



<sup>3</sup> The survey's number of samples does not allow statistically significant analysis disaggregated by female- and male-headed HHs within the EM group.

The decline in income temporarily pushed 47.8% of the surveyed income-non-poor households (as of December 2019) below the income poverty line (VND 700 thousand for rural and VND 900 thousand for urban areas). Among the surveyed groups, (i) 60.3% of non-poor EM households (compared to 46.4% among non-poor Kinh-Hoa group), (ii) 56.7% of households of informal workers (compared to 36.4% among households of formal workers); (iii) 56.1% of households of migrant workers (compared to 45.8% among households of non-migrant workers); (iv) 48.3% of female-headed households (compared to 47.7% of male-headed ones) fell into income poverty in April 2020. Within the group of households with migrant workers, the poverty impact of the pandemic was smaller for female-led households than for male-led counterparts, with respective figures estimated at 46.7% and 60.2%. Within the group of households with informal workers, the poverty impact was similar across female-headed and male-headed households, with figures at 58.7% and 56.4% respectively. See Figure 6.

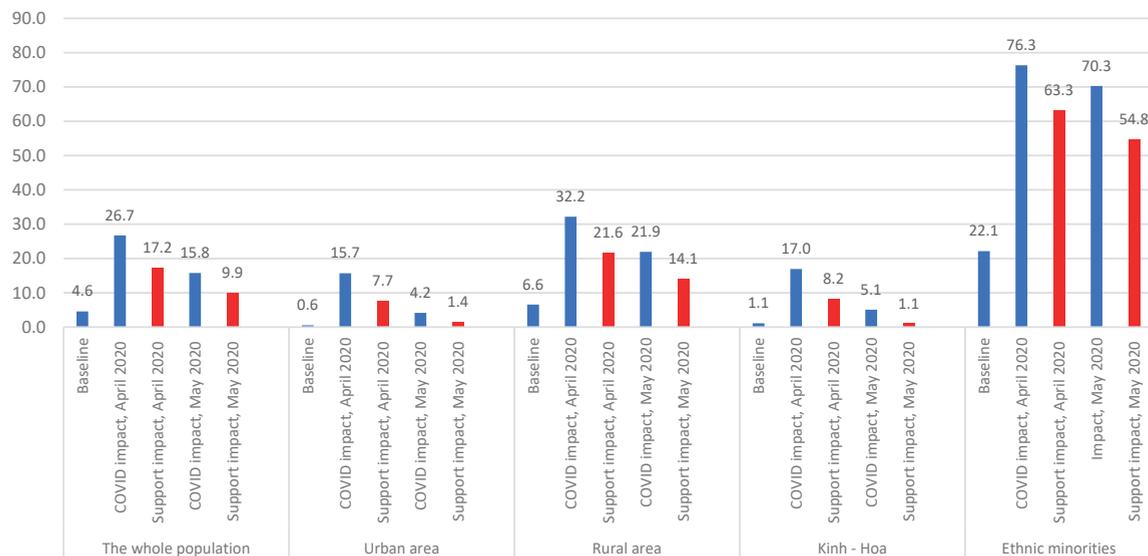


### Simulation of COVID-19 impact on poverty.

To complement these findings from the survey, which applied a sampling strategy purposively targeting vulnerable households, the RIM-2020 included a simulation of the COVID-19 impact on income poverty at the national level. Using the income poverty line of 3.2 USD, 2011 Purchasing Power Parity (PPP), which is commonly applicable to lower middle income countries, the dataset of the Viet Nam Household Living Standard Survey (2018), and the income reduction as derived from the RIM 2020 survey data, *it is estimated that the pre-pandemic national poverty rate of 4.6% may have jumped to 26.7% in April 2020 and reduced to 15.8% in May 2020.* The respective numbers would be 0.6%, 15.7% and 4.2% for urban areas. *Most striking, the pre-pandemic poverty rate of 22.1% among EM households could have jumped to 76.3% in April 2020 and then dropped slightly to 70.3% in May 2020.* See Figure 7.



Figure 7 - Simulated income poverty rate with impact of COVID-19 and GoV SP Support (%)



### Signals of Early Recovery

Following the lifting of social distancing restrictions, in May 2020, incomes of surveyed households were significantly higher than the April 2020 levels. For all surveyed households, the average income in May 2020 recovered significantly, reaching 51% of the December 2019 level compared to only 30% in April 2020. See Figure 4.

The proportion of income poor among all surveyed household groups reduced substantially in May 2020 as compared to numbers recorded in April 2020. However, the income improvements varied across the surveyed groups. Figure 5 (a and b) shows that the proportion of income poor among the surveyed rural households reduced faster (from 44.5% in April to 18.9% in May 2020) than among the urban households (from 56% in April to 31.7% in May). The smallest improvements with regard to income poverty were observed among the EM households. The reductions in the proportion of income poor households among these groups between April and May 2020 were estimated, respectively, at 14.6 percentage points (as compared to the reduction of 26.5 percentage points of Kinh-Hoa households). The share of income poor among surveyed female-headed households reduced by 23 percentage points (from around 49.7% in April to 26.7% in May 2020), as opposed to a 27 percentage point reduction (from 49.9% in April and 22.8% in May) recorded among the surveyed male-headed households. This may be explained by the domination of female workers in trading, agriculture, garment, footwear, tourism and restaurant sectors, which showed weak recovery in May 2020<sup>4</sup>.

### While transient income poverty reduced in May 2020, the least improvements were observed among informal worker and women headed households

<sup>4</sup> However, it is noted that the modest number of female-headed households in the survey sample does not allow analysis at this level of detail with reasonable levels of statistical significance.

Recovery in May as compared to April 2020 also indicated a significant reduction in the proportion of the December 2019 non-poor households falling into income poverty amongst all household groups. The proportion in May 2020, however, remains higher amongst (i) households with informal workers as compared to households with formal workers, (ii) female-headed as compared to male-headed households and significantly higher amongst urban than rural, amongst EM than Kinh-Hoa households and migrants than amongst non-migrant households (see Figure 6). Within the group of households with informal workers, female-headed households recovered slower from the poverty impact than male-headed ones. However, the opposite was observed with the group of migrant households, with female-headed households recovering faster from the poverty impact than male-headed ones. Various explanations for the latter observation may apply.

First, following the April 2020 lockdown, contact-intensive, urban-based services bounced back more strongly in May 2020. These are also sectors with a majority proportion of female migrant workers.

Second, anecdotal evidence suggests that female workers are more proactive in searching and taking additional income opportunities. It was reported from a group of beneficiaries of UN Women's livelihood model<sup>5</sup> in Lao Cai that after the COVID-19 outbreak in Wuhan, many returned male migrant workers only stayed at home, spent their time drinking and waiting to return back to China. In the meantime, the burden of filling income gaps fell onto women's shoulders.

There are also other factors to be taken into account such as the concentration of different groups of households around the poverty line before the shock. However, this cannot be analyzed in detail with currently available datasets.

Overall, the picture on gendered poverty impact is mixed. The simulation of the COVID-19 impact on poverty at the national level also reaffirmed these recovery trends (see Figure 7).



***Vulnerable households and workers are struggling to sustain their livelihoods with the lowest ability to shift employment amongst workers in agriculture, aquaculture and construction sectors.***

The higher level and expected longer periods of income reduction of workers in tourism and related activities may explain the higher number of these workers moving to other jobs, compared to workers in agriculture, aquaculture, and construction. The ratio of moving to other jobs in the pandemic was generally low, i.e. 2.1 for agriculture and aquaculture, 2.2% as for construction, and 2.7% for trade and services, while this figure was 10.8% amongst the workers in tourism and related activities<sup>6</sup>. Within each sector, higher age is also documented in this survey as an impeding factor to the job mobility of respondents. Moving to other jobs during a pandemic may often mean workers accepting higher health risks and lower income (also taking on multiple jobs, as reported by the media), especially in the city where

<sup>5</sup> UN Women's livelihood model supports the H'Mong ethnic minority women in Coc Ly commune, Bac Ha district, Lao Cai province to grow and enhance market for native groundnut to improve livelihood resilience and earning capacity.

<sup>6</sup> Relatively low shares of switching workers did not allow the research team to conduct sex-disaggregated data analysis.



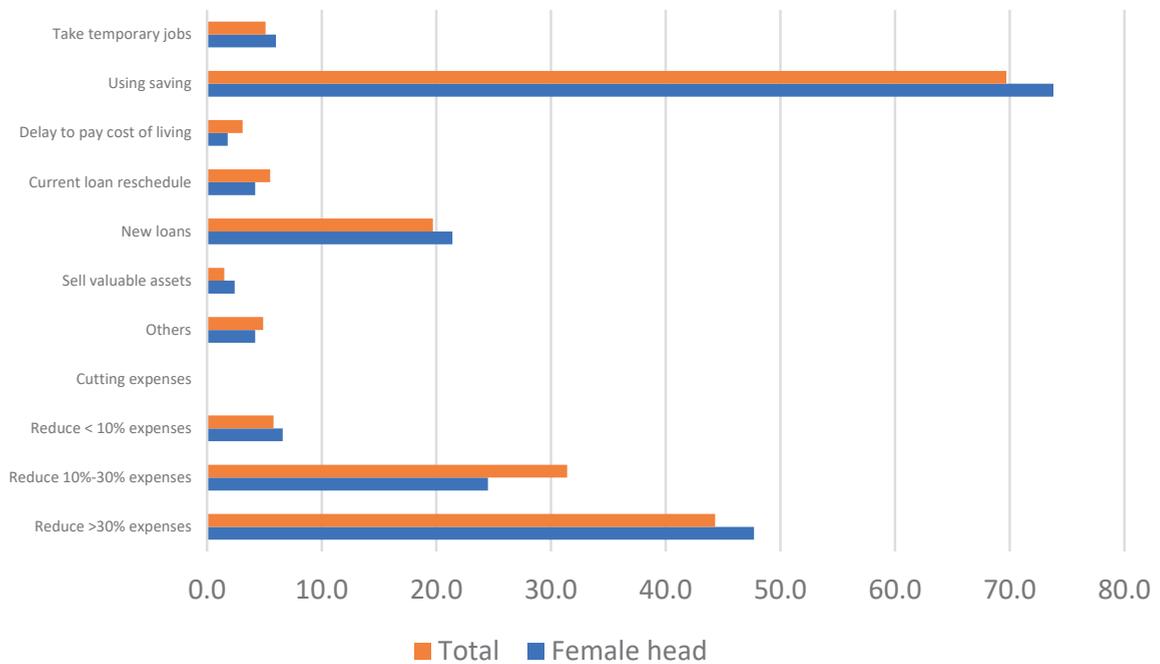
there is a higher risk of infection due to frequent contacts with a lot of customers, e.g. drivers, cashiers etc. Vulnerable workers facing hardship may have no other choice but accepting the risks (see Table 1).

Table 1: The percentage of workers capable of finding new jobs by sector

	<b>Ability to take other jobs (% observations)</b>	<b>An example of taking temporary jobs with higher risk of infection</b>
Manufacture garment and footwear	5.3	<p>As in the place of my temporary job, I work in an enclosed space with a small area, so the customers can stand in clusters. At first, the owner did not employ any safety measures, but then we asked the owner to provide facemasks and hand-sanitizers. For a group of 20-30 people with the air conditioner turned “on” continuously, the risk of infection is very high. Currently, when the disease is still there, work still has to be done, so I can only wear a mask, wash hands, disinfect hands, spray clothes, spray all furniture even before going to work or returning home from work. I am always very careful before entering my house. I had to accept that high-risk job because I didn’t have any money left. It was difficult to find another job, I didn’t have any professional qualifications.</p> <p><i>Waitress in a diner of 12 employees, Ho Chi Minh City</i></p>
Manufacture agricultural processing	6.3	
Constructions	2.2	
Agriculture	0.0	
Aquaculture	2.1	
Tourism, hotel, restaurant	10.8	
Trade, other services	2.7	

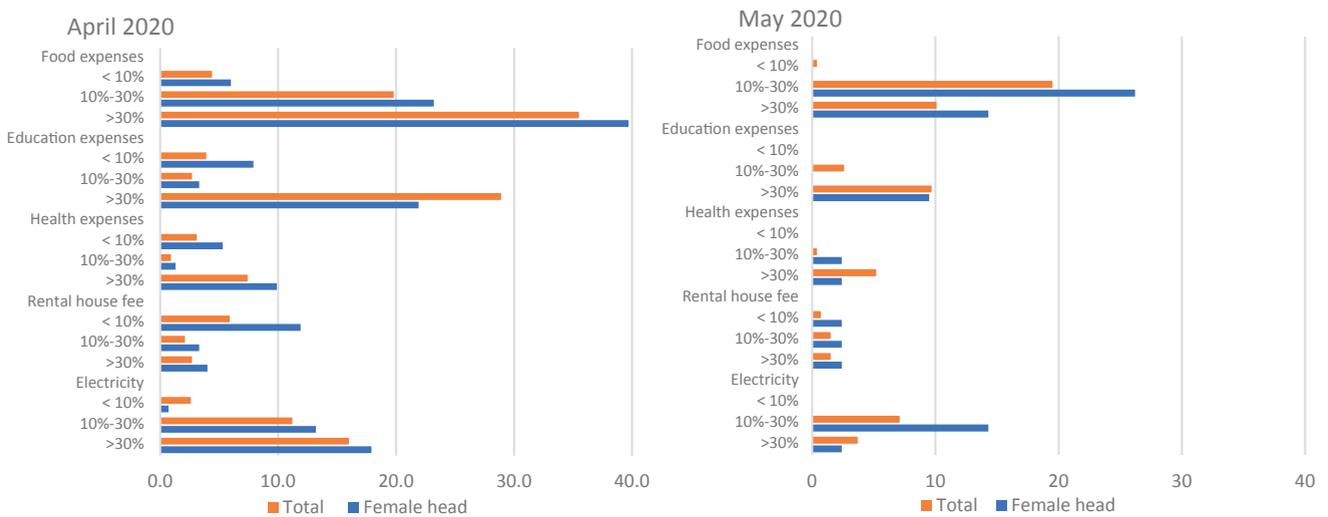
Most households used their savings and cut expenses to cope with reduced income. Approximately 74 % of households used savings (while many reported that savings could last for 2-4 months) and 70 % reported to have cut household expenses (among them 44.3% of all households and 47.7% of female-headed households reported cutting more than 30% of household expenses) (see Figure 8). Notably, female-headed households tended to use more savings and cut more expenditures than the male-headed ones. Only a miniscule number of households sold valuable assets to cope, which may suggest that they either did not have much to sell or were not forced into such a situation. The survey showed that female-headed households cut more food and electricity expenses, while they cut less in education spending than male-headed households (see Figure 9). Using savings could help the vulnerable households better maintain their regular consumption. Cutting essential expenses such as on food and education may on the other hand have lasting negative impacts on households.

Figure 8: Coping mechanism (% of households who reported coping measures)



Note: spending cuts in April and May 2020 are compared to the December 2019 level.

Figure 9 – Expenditure cutting in April and May 2020 (% of households reported cutting)



COVID-19 also exacerbated women’s burden on childcare (especially during school closure) and care of family members with serious illnesses, especially those in need of special in-patient hospital care treatment. In more than 70% of the surveyed households, women were responsible for purchasing daily necessities (with associated risk of getting infection), only 11% of households in which men undertook the responsibility, while in 18% surveyed households the responsibility was shared equally. Among the surveyed households that reported non-economic problems, several interviewed households experienced increases in stress and domestic violence. According to external sources, during the social distancing and lockdowns in April 2020 domestic violence was on rise. The Call Center (1900969680)<sup>7</sup> for

7 Of the Centre for Women and Development (CWD) of Viet Nam Women’s Union



responding to gender-based violence received around 350 calls from women who needed support, an increase by 7 times compared to the same period in 2019<sup>8</sup>. The CWD's Peace House Shelter data shows an increase of 48% of women received face-to-face counselling related to domestic violence, and 80% of children and women made use of temporary shelter services as compared to the pre-COVID-19 period. The Shelter's personnel also suggested that staying-home requirements and fear of getting infected meant the actual number of women in need of counselling and temporary shelter (related to domestic violence) could be much higher. Households that are poor and of migrants and ethnic minorities reported difficulties in having their children participate in online learning (and fear of their children falling behind) and in accessing online information and services to meet their needs.

### Examples of care pressure on women

During two weeks of lockdown, my company arranged work from home for all staff. The company's workload was two times higher than the pre-COVID-19 period. I have 2 kids of 3 and 5 years of age who had to stay home as their kindergartens were closed. As our kids don't play with my husband and my mother-in-law was of not much help, I was torn between taking care of them, housework and the company's work. I could not go to bed before 2 a.m. If this would last for another month, I could go crazy. *Female, 32 year of age, white collar worker, Ha Noi.*

My father has a spinal cord injury, so my mother and I had to take turn to go to the hospital to take care of him. When Bach Mai hospital was quarantined, we were literally isolated by neighbors. There was a rumor that I was infected, many people phoned and cursed us. Despite being identified not having any infection risk, my mother and I had to ask the local authority for a COVID-19 test. We could not go out. Luckily some close relatives helped purchase food and put it at our door for picking up. *Female 28 year of age, white collar worker, Ha Noi.*

### Surveyed households received more support from local governments and mass organizations than other sources.

Within the generally low percentage of households reported receiving support, 5.4% households received support from local authorities and mass organizations. Notably higher percentages of female-headed households (8.9%), households of informal (7.1%) and migrant (6.0%) workers received this form of support than other types of households. The proportions of households receiving support from commercial banks, business organizations, informal personal networks and charity were rather small. The local people reported high appreciation of the local government and mass organization support, which, despite of limited monetary value, was good for moral and the relationship between vulnerable groups and the local authorities and mass organizations.

### How does the Government's social protection support package help protect the livelihoods of workers and households affected by COVID-19 pandemic?

<sup>8</sup> Source: <http://baokiemtoannhanuoc.vn/giao-duc/phong-chong-bao-luc-gia-dinh-can-su-chung-tay-cua-toan-xa-hoi-145010>

Among the policies by the Government of Vietnam (GoV) supporting affected people and enterprises to respond to COVID19 impact (see the table 2), the GoV social protection package under Resolution No. 42 and Decision 15<sup>9</sup> presents an important (and unprecedented – as the GoV recognized) vehicle to support the workers and households affected by COVID-19 pandemic.

Table 2: GoV policy supporting affected people and enterprises to respond to COVID19 impact

Support policy	Budget (VND)	Type of support and eligible groups
Fiscal package to support enterprises	180,000 billion	Tax deferece and delay the payment of land use tax and rent, etc. Affected enterprises in more than 30 manufacturing and service subsectors
Loans with zero interest rate to pay workers' salary	236-1,000 billion	Loans with zero interest; - Enterprises with more than 100 workers, at least 30% workers take staggered work arrangement with the accumulated of 30 days off. - Dissolved and bankrupted enterprises needing loans for paying workers' salary - Enterprises, with more than 50 workers and laid out at least 10% or without financial resources to pay salaries for workers and have to lay out workers
Social protection package	61,580 billion	Cash transfer for 3 months (April, May and June 2020); People with merits, poor and near poor HHs, formal workers lost jobs but not eligible for unemployment insurance, informal workers (of several types of non-agriculture employment) lost jobs; Household businesses with annual revenue of less than VND100million, stopped operating, etc.
Electricity price reduction	11,000 billion	10% reduction of electricity price (April - June 2020) for all households and businesses
Banks reduce interest rates	NA	Banks reduced interested, exempted, reduced fees for making transactions. Enterprises that provide essential goods and services are eligible for loan with the interest of 4.5-5%/year ( <i>lower than mobilization rates</i> )
Credit package of Commercial banks	285,000 billion	Loans; less/least affected enterprises but need capital to grow after COVID-19, including in sectors: agriculture, aquaculture, healthcare services and electricity, etc. Heavily affected enterprises also can borrow if ability to repay can be proved

The GoV social protection (SP) support package recognizes the disproportional negative impacts on and rightly targets the poor and near-poor, as well as vulnerable workers, including laid off formal workers that are not eligible for unemployment insurance benefits, and informal workers who lost their jobs and incomes but are not covered by the current social assistance system.

9 <http://www.molisa.gov.vn/Pages/vanban/chitiet.aspx?id=39397>; [http://www.chinhphu.vn/portal/page/portal/chinhphu/hethongvanban?class\\_id=509&\\_page=1&mode=detail&document\\_id=199759](http://www.chinhphu.vn/portal/page/portal/chinhphu/hethongvanban?class_id=509&_page=1&mode=detail&document_id=199759); the Decision 15 was issued 24 April 2020 and the implementation started in late May 2020





***Rapid, timely social protection payments could have significantly reduced the impact on poverty.***

The report, based on a simulation exercise, estimates that, if the GoV SP package was delivered in a timely manner (i.e. monthly cash transfers were made in April and May 2020) and reached all originally intended groups, the national income poverty rate could have been as little as 17.2% and 9.9% - red bars in Figure 7 - (instead of 26.7% and 15.8% if no cash transfers were made) respectively in April and May 2020. While the GoV SP package support could substantially bring down May 2020 income poverty rates in urban areas and among Kinh-Hoa households, the simulated impact of the Gov SP support on rural and EM households appeared to be less: the simulated “with GoV SP support” income poverty rates among rural and EM households in May 2020 were, respectively 14.1% and 54.8% (as compared to “without GoV SP support” rates 21.9% and 70.3%).

Despite the intended results of preventing vulnerable people from falling into poverty and protecting those already poor from descending deeper into poverty, the GoV social protection support policy faced several issues in its design and implementation.

First, the above-mentioned transient poverty was a challenge for poverty-targeting of social protection support to lessen the negative impact of the pandemic. Particularly, the rapid change in the poverty situation resulted in the social protection support package (that was based on the list of the poor and near-poor approved in December 2019) missing many households and people that became poor and near poor since the pandemic outbreak, notably the vulnerable (lower middle income) households in rural areas. This may be a main factor in explaining the results of the above-mentioned simulation of the impact on income poverty of the GoV SP support package.



***Vulnerable groups missed or under-served by GoV social protection packages.***

While indicating serious negative impacts on employment and income of the groups of households with vulnerable employment, the report identifies several specific groups that are left out of or under-served by the GoV social protection support package, both by policy design and implementation. These groups include: (i) families of young workers, especially those with small children, single mothers and/or single bread-winners, without savings and with house rent burdens; (ii) families with members suffering from serious illnesses and under treatment in specialized hospitals, with PWDs and elderly; (iii) households in rural areas (especially at a lower middle income level) that are engaged in both agriculture and non-agriculture activities (such as handicraft and other tourism related services in EM areas and families of cross-border migrant-workers). These families by design were not eligible for the GoV SP support package even though many of them lost jobs and income and became poor/near poor.



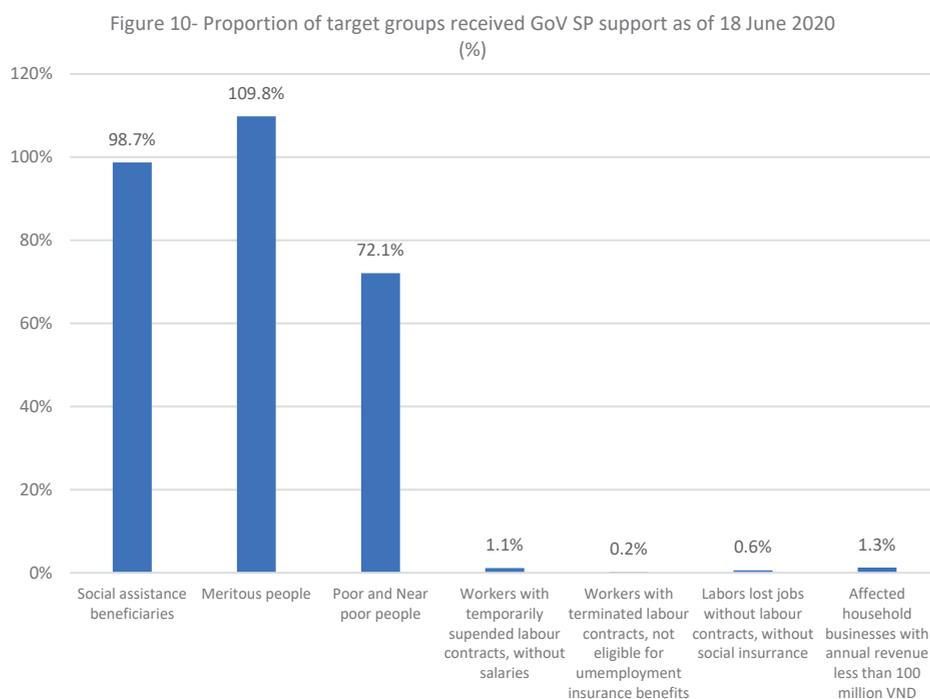
***Complicated rules and procedures in identifying and verifying eligibility prevented several targeted groups from accessing GoV SP package.***

These targeted groups include (i) formal workers that lost jobs or reduced work hour/income (income less than the poverty line) but not eligible for unemployment insurance benefits, (ii) informal workers that lost their job / experienced income reductions (less than poverty line) and (iii) affected enterprises that had insufficient resources (e.g. to borrow zero-interest loans from social policy bank) to pay salary to workers. It is noted that these groups were not targets of the pre-existing SP system and thus mechanisms for targeting/delivering cash transfers were not

developed and tested before (the GoV acknowledged that the SP package supporting the COVID-19 affected groups was the first-ever that was designed and implemented in Viet Nam).

This together with the requirements for (i) applications for support for laid-off workers to be submitted by the enterprise, not the employee, (ii) applications for support for migrant workers to be certified at both original and destination places of migrant workers and (iii) local governments using their own budgets to cover the costs of the Decision 15, implementation resulted in very low level of actual coverage of these targeted groups.

According to an 18 June 2020 report of MOLISA, while the short-term cash transfers have been made to 98.7% regular social assistance beneficiaries, 109.8% people with merits, 72.1% poor and near poor households, the proportions of other intended target groups that have received the cash transfer remain very low. Only 1.14% amongst workers with temporarily suspended labour contracts, 0.24% amongst workers with terminated labour contracts but not eligible for unemployment insurance benefits, 0.6% amongst workers without labour contracts and social insurance that have lost jobs, and 1.28% amongst household businesses with annual revenues of less than 100 million VND that had suspended business as the result of COVID-19 have received the cash transfer (see Figure 10).



### An example of not having access to the GoV SP Support:

In April, I called and asked the Chairman of the Commune Women’s Union but they said they had not seen any support, had not seen any policy announcements, and a few people who were cooperative owners said that no one had supported them yet. Now, the village head said that the application procedure was clear, and we cannot apply because we are farmers, despite the fact that we face income loss.

*36-year-old female farmer, Ha Giang*



## People with disabilities amongst the hardest hit by COVID-19

*"I'm blind since I was born. I have a weak immune system and I am in poor health condition. I have been regularly sick since I was little. I am having unpaid leave during the COVID-19 outbreak, so I have no money for medicine and treatment."* The type of difficulties described here were found to be rather common in the *Rapid Assessment of the Socio-Economic Impact of COVID-19 on persons with disabilities in Viet Nam*.

The Rapid Assessment revealed that 82% of respondents expressed concerns about protecting their health in the pandemic in Viet Nam. In particular, 70% of respondents found it challenging to access medical care, including for check-ups, medicines, assistive devices and rehabilitation services. 30% of respondents became unemployed due to COVID-19. Another 49% saw their working hours reduced and among those who work, 59% were subject to a pay cut. As a result, almost all respondents (96%) expressed concern for their financial security. Alarming, 72% of surveyed PWDs had an income of less than 1 million VND in March 2020, which is 21% increase in this income range compared to the previous period (February 2019 to February 2020). 28% of respondents started using their savings to sustain their livelihoods during this difficult time. Among respondents, however, 71% were working in the informal sector, which might entail complicated paperwork to prove their eligibility for the Government's social protection support.

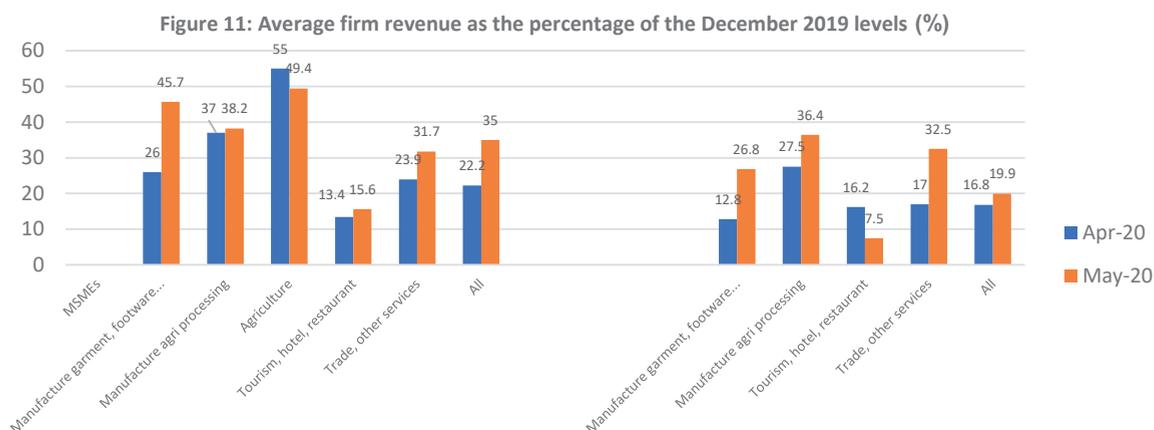
*Source: Rapid Assessment of the Socio-Economic Impact of COVID-19 on persons with disabilities in Viet Nam (UNDP Viet Nam, May 2020)*

## COVID-19 IMPACT ON ENTERPRISES

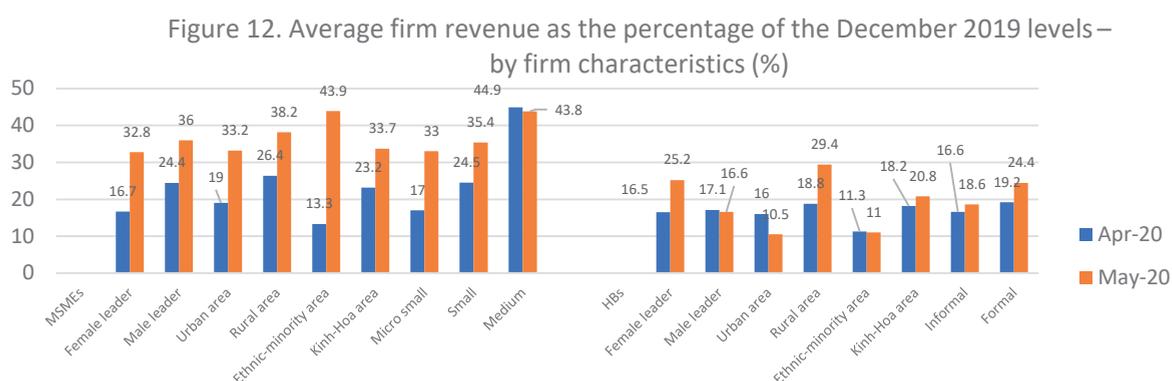


**COVID-19 has had substantial impacts on vulnerable enterprises, with significant variations between enterprises with different characteristics and of different sub sectors.**

The surveyed HBs and MSMEs suffered from a sharp reduction of revenues as COVID-19 caused a scaling-down of their business activities. The revenue reduction was uneven across different types of enterprises. On the average, revenue in April 2020 of MSMEs and HBs as the proportion of December 2019 level were at 22% and 17% respectively. In other words, in comparison to the December 2019 level, MSMEs suffered a 78% reduction in revenue, while HBs faced a deeper decrease by 83%. Enterprise revenue in April 2020 as a proportion of December 2019 income was the lowest (13%) among MSMEs in the tourism and related services such as hotels, restaurants, and amongst HBs in the garment manufacturing and footwear sector. HBs in the tourism sector and related services recorded April 2020 revenue of 16% (suffered 84% reduction in revenue). See Figure 11. Notably these sectors employ much more female workers than male.

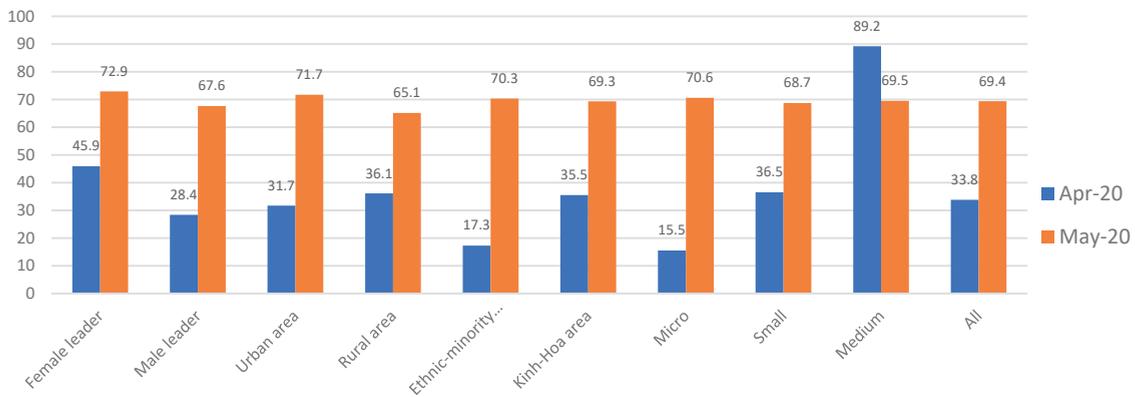


In April 2020, at the peak of the pandemic, SMEs and HBs operating in ethnic minority areas suffered an 87% and 89% decline in income, respectively. Urban MSMEs experience a more severe revenue drop than rural-based ones. This can be explained by the fact that high-contact and international trade intensive activities are overwhelmingly concentrated in urban and Kinh-Hoa living areas. The average April 2020 revenue of surveyed MSMEs and HBs remained at a low proportion (13% and 11%, respectively) of their December 2019 level. During this peak period, the revenue of women-led MSMEs was as 17% of their December 2019 level, which is lower than the rate (24%) for men-led units, while women-led and men-led HBs suffered the same level of revenue reduction (April 2020 average revenue of both groups was at 17% of the December 2019 level). See Figure 12.



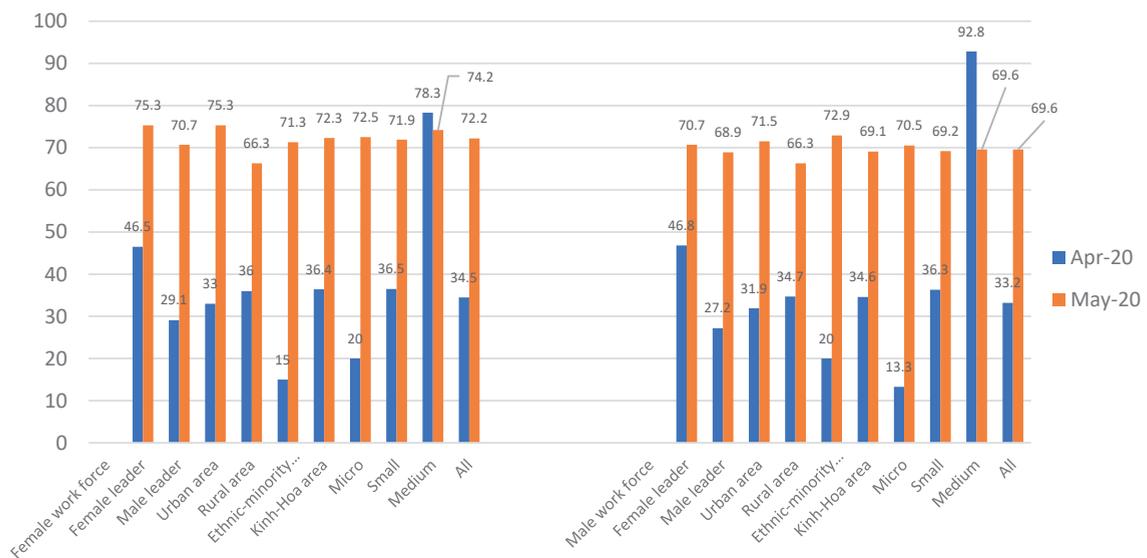
Most MSMEs cut down business operations in terms of reducing numbers of workers, due to the serious decrease in production orders and output demand. At the peak of the pandemic, 23.8% of MSMEs reported a workforce reduction in April and May 2020 by more than 50% of the December 2019 level. Specifically, at the peak of the pandemic in April 2020, on average, the workforce of MSMEs was 33.8% of the December 2019 level. Notably, the average workforce of women-led MSMEs in April 2020 was 45.9% of the December 2019 level, while this rate was only 28.4% in men-led firms. Those operating in ethnic minority areas, and those of micro size, experienced the highest impact, as they reported their work force in April 2020 at 17.3% and 15.5% respectively of the December 2019 levels. The larger the size of the business, the lesser the impact COVID-19 had on the work force in April 2020. See Figure 13.

Figure 13. Average work force as the percentage of the December 2019 levels (%)



The gender difference is modest concerning the proportion of work force in April and May 2020 as compared to the Dec 2019 level. A difference is, however, more pronounced during the peak period on the medium-size firms' work force: these firms kept their female work force in April 2020 at 78% of the Dec 2019 level while they kept their male work force close to the same level (93% of the Dec 2019 level). The average level of both female and male workforce in medium-size firms was down to the same level (around 70% of December 2019 level) in May 2020. Large gaps in employment impacts were also noted between MSMEs operating in the ethnic minority and Kinh-Hoa living areas. Figure 14.

Figure 14: Average work force by gender - as the percentage of the December 2019 levels (%)



Notably, the interviews revealed a sense of social responsibility and solidarity on the part of business owners, mainly women-led, owners of MSMEs also helped to keep their workers, especially female, during challenging times.

### **Example of using contingency fund to ensure female workers have enough income to spend for kids**

Since February, all activities and events have been canceled or postponed till June or the end of the year. Revenue is zero. 70% of our labor is married women who have children. Therefore, the company is still trying to manage from the contingency fund, mobilizing more from shareholders to pay salaries and benefits for employees like there was no disease outbreak. The company sees this policy as part of its responsibility to its employees. Taking advantage of this time, the company focused on improving the organization, building processes, and training to improve the capacity of employees, accepting difficulties for 3-4 months.

*Female business event organizer, 15 employees, Hanoi*

**GSO Labor Force Survey (Q2 and first six month of 2020)** estimates that by June 2020, 30.8 million workers were negatively affected by COVID-19 in Viet Nam, among them 897,500 became unemployed and majority experienced reduced working hours. 72% of the service sector workers' jobs were negatively affected. The labor force (from 15 year of age) shrank by 2.4 million in the first half of 2020 compared to the same period of 2019 - the highest reduction recorded over the past ten years. The female workforce was reduced more substantially: in Q2 2020, the reduction was 5.4% as compared to Q2 2019, compared to a 3.2% male workforce reduction. The Q2 2020 reduction (compared to Q2 2019) of within-labor-age (15-55 for women and 15-60 for men) female and male workforce was 5.5% and 3.6% respectively, while the Q2 2020 outside-labor-age female workforce reduced by 4.9% the outside-labor-age male workforce increased by 1.4% as compared to Q2 2019. The highest labor force reduction was recorded in April 2020. Sectors that experienced a steep reduction of workforce include: manufacturing, hotels and restaurants, education and training, whole sales and retail. As a result, 57.3% of workers reduced their income. The monthly average workers' income in Q2 2020 reduced for first time over the past 10 years, by around 5% compared to Q2 2019. GSO anticipates that a scenario of 5 million workers losing their jobs by the end of 2020 is not impossible amongst people of working age.

*Source: GSO report on the COVID-19 Impact on Labor and Employment in Viet Nam, 10 July 2020.*

### **Early signals of recovery varied across enterprises with different characteristics and within different subsectors.**

The revenue decline of surveyed enterprises eased in May 2020. A partial recovery of revenues was recorded for all types of firms, as evident by smaller revenue reduction in May than in April. In May 2020 MSMEs reported a higher-level revenue as compared to the April level, though the May 2020 revenues were still much lower than the December 2019 level. Revenue in May 2020 of MSMEs and HBs, as compared to the April 2020 level, were 35% and 20% respectively. It should be noted that recovery was uneven: in May 2020, some groups of enterprises suffered further revenue reduction. HBs in the tourism and related services

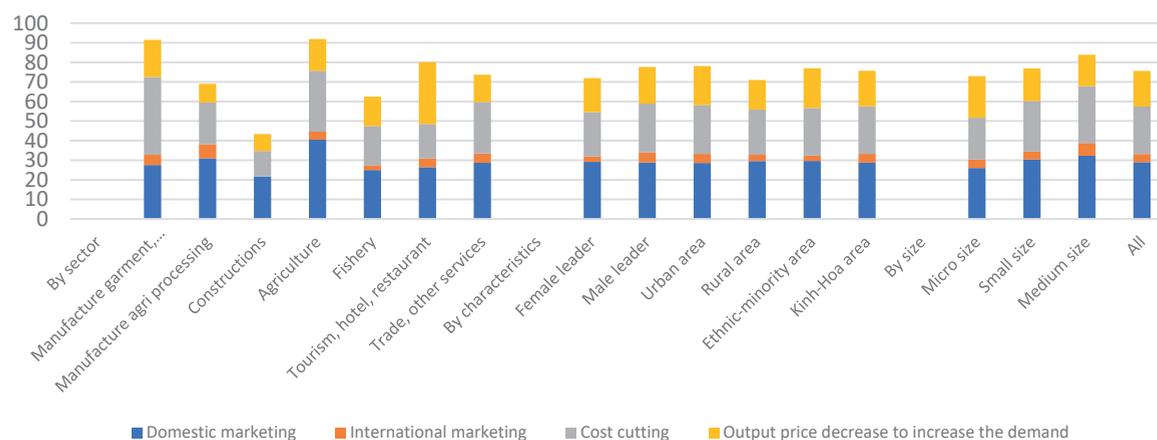


for instance recorded a further revenue reduction to 8% of December 2019 level. Notably, those MSMEs working in the agricultural sector did not experience a similar improvement to others, but instead a further decrease in revenue. While in May 2020, average revenue of MSMEs in EM areas increased substantially to 44% of their December 2019 level, the HBs in the same area suffered a proportionally slight revenue reduction. In May 2020, women-led HBs recovered better than men-led. The average May 2020 revenue of the women-led HBs was 25% of the December 2019 level. The average revenue of men-led HBs was subject to a slight reduction. The majority of firms perceived that the situation was still difficult, and no firms reported a full recovery back to the pre-epidemic level of December 2019.

### **Coping strategies of enterprises**

In terms of strategies to cope with the double inter-linked health and economic shocks, the picture is mixed. In response to the health shock, most firms complied well with requirements on social distancing and other basic safety measures against health risks. The use of masks and hand sanitizers was commonly applied in more than 80% of MSMEs and HBs. Only few firms employed more costly measures, such as shifting to e-commerce, online operations and restructuring production lines/areas to meet the social distancing requirements. In response to the economic shock, exploring niches in the domestic market was done by 29% of surveyed MSMEs, followed by cost cutting (24%). See figure 15. A quarter of surveyed MSMEs did not report any measures to the economic shock.

Figure 15: Business coping strategy (% of MSMEs)



Most MSMEs did not report severe financial difficulties, possibly because of their low financial leverage. This may in turn partially be explained by their limited access to formal loans due to the nature of their business. Meanwhile, only few firms could access support packages, due to its design that is preferential towards existing clients of the banking system while most MSMEs lack a credit history with banks.

### **Good connectivity via e-commerce platforms and online marketing tools help the recovery of MSMEs and HBs in mountainous areas:**

Ethnic Minority enterprises have their own strength in business development of indigenous specialties. Good connections to the market, including transportation and infrastructure, as well as e-commerce platforms and online marketing tools such as Facebook and Zalo, have provided good conditions for MSMEs and HBs in the mountainous area to link to markets. The survey showed that:

(1) At the peak of the pandemic, April 2020, transportation services were interrupted due to social distancing implementation and thus affecting majority of EM women HBs and cooperatives, however, in May 2020, transportation went more smoothly the businesses experienced recovery;

(2) Cooperatives and HBs in the mountainous areas providing tourism services and goods such as handicrafts or special foods/goods for tourists experienced much less recovery of revenue due to the shock in demand; for those providing agricultural and specialized products serving the domestic market, the recovery was better thanks to the transportation services being back to normal and the stability/recovery of the domestic demand;

(3) Cooperatives and HBs that use e-commerce platforms and online tools for marketing tended to suffer less of a revenue reduction in April and recovered faster in May thanks to having more diversified markets and better experience in meeting the changes of demands.

*Source: This survey and UNDP's survey among 49 women-led cooperatives in Bac Can and Dac Nong provinces*



### **Firms' feedbacks on the GoV support**

Surveyed, both men- and women-led, enterprises identified three main difficulties in accessing government support:

- **Difficulties in access to specific information about the application procedure.** The government should provide concrete guidelines of the beneficiary definition and requirements and allow digital technology to be used for applications. In this way, the affected firms can identify whether they fit in the beneficiary list and register for support.
- **Difficulties in filling applications for support.** Application forms and requirements for certification are currently considered as being cumbersome, and time-consuming. It is necessary to use digital technology in this process to reduce the paperwork for firms. Most of the information on the application should be imported automatically from authorities' database system.
- **Difficulty in verification process for support approval.** Unclear waiting time for the support was reported by some firms. It is necessary to use technology in this process, to inform firms of the process, requirements and appointments needed.





***Economically, COVID-19 has shown significant gender differentiated impacts closely linked with existing gender relations and roles that exacerbated the vulnerability of female-headed households of informal workers and EMs, and showed particular resilience and social solidarity in the case of women-led MSMEs.***

- While EM households, migrant households, and informal households are among the groups most economically affected by COVID-19, female-headed households of informal workers and of EM households showed the least recovery. Yet, it is noteworthy that female-headed migrant households recovered better than their male-headed counterparts: the May 2020 income of the former rose to 58.6% of the pre-pandemic level, while this figure for the latter was considerably lower, estimated at 37.9%. Women's willingness to take any jobs including lower-paid or riskier jobs and their pro-activeness in responding to income gaps might be the considerable reason.
- While women-led MSMEs suffered the greater reduction in term of revenue compared to men-led units (the revenue of women-led MSMEs was as 17% of their December 2019 level, the number for men-led units was 24% in April 2020), women-led and men-led HBs suffered the same level of revenue reduction. Yet, thanks to strong sense of social responsibility and solidarity, women-led MSMEs tended to keep their workers, especially female, during challenging times.
- At this time, from a gender perspective, the most notable gender-differentiated impacts of COVID-19 recorded in this study have been the emphasis of gender roles and gender stereotypes manifested in the increased burden for women on care responsibilities and domestic work - with an associated higher risk of infection from purchasing daily necessities, as well as an enhanced risk of gender-based violence as expressed in the respondents' sharing about higher tension and stress at home.



***The situation has changed fast and the immediate future has many unknowns***

In the first half of 2020, Vietnamese households and enterprises faced a big COVID-19 storm with the direction of the wind changing in unpredictable ways. Manufacturing was hit the hardest in the first four months because of input supply disruptions along global value chains. Then numerous contact-intensive services were almost paralyzed during nationwide lockdowns in April 2020. Since May 2020, services have started to recover while export-oriented manufacturing has faced rising challenges because of weakened global demand. If numerous big manufacturing firms weathered the shock well in the first quarter of 2020, they have recently had to substantially downsize their business activities and workforce as they are running out of existing orders, while new orders become rarer. The business outlooks for many export-oriented manufacturing and service firms for the rest of the year are bleak as the global political and economic environment still has many unknowns.

The second round of RIM2020 is planned to be conducted in late 2020 to monitor the fast-changing situation as well as provide information on the impact of both COVID-19 and the GoV policies supporting the affected people and enterprises.

## **Towards a bold, sustainable and resilient recovery – recommendations:**

- 1. Consistently implement the COVID-19 containment strategy and prepare for various scenarios as the pandemic evolves.* Viet Nam's initial success in containing the virus has saved lives and limited its socio-economic impact, thereby laying the groundwork for recovery. Economic prospects for MSMEs and households hinge on the continued success in containing COVID-19. The risk of resurgence of the pandemic will remain high until an effective vaccine and/or treatments are available. The Government, firms, households and people must remain vigilant and prioritize human safety, including: (i) employing social distancing and basic preventive measures in the new normal as per MOH guidelines; (ii) preparing contingency plans to ensure that the supply of essential goods (such as food, drugs, personal protective equipment (PPE), and medical equipment and fuel) is not interrupted and not add the burden to women in purchasing these items; (iii) developing scenarios for keeping essential markets functioning; (iv) devising measures to prevent additional care burden falling on women and gender based violence caused by social distancing requirements, including behavior-change communication, counselling services and safehouses.
- 2. The top priority is to assist people and communities vulnerable to extreme poverty because of the pandemic.* The impact of lost employment and earnings is felt most deeply by the poor. Government action should help those people who have the smallest margin of safety, for whom loss of income for a few months is catastrophic. Many of these people are migrant wage workers, work in the informal sector, female-head households or run their own micro-enterprises. Closure of small and micro businesses can create long-term problems as owners lay off workers, sell-off equipment and possessions or migrate in search of income, and this in turn would delay recovery in the new normal. Key policy actions include:

  - *Public work programs* provide immediate employment and income to the most vulnerable because they are self-targeting. Programs can be organized by local government agencies that have a backlog of maintenance or small infrastructure work as well as environment restoration that could be started and completed quickly. Such programs need to be designed and implemented in a gender-sensitive manner to meet the differentiated needs of female and male workers;
  - *Cash transfers to protect livelihoods of vulnerable people and boost domestic demand.* The 'GoV Social Protection Support to the Affected by COVID-19' was designed with this in mind, but reached a limited number of formal and informal workers. The experience of the pandemic has reinforced the need to revisit the design of cash transfer programs (as recommended in the UNDP NHDR2015), including: (i) accelerating the implementation of the Master Plan for Social Assistance Reform and Development (MPSARD) approved in 2017, and expanding *regular social assistance (cash transfer) targeting categories such as PWDs and their careers (most of them are women), young (under 3 or 6) children and elderly (60-79 years of age), pregnant women or considering the expansion to single-parents working in informal sectors*; (ii) developing contingency plans for cash transfer programs to respond quickly to large-scale shocks such as natural disasters, economic crisis and health emergencies like the COVID-19 pandemic; and (iii) transforming *existing emergency cash transfer schemes based on idiosyncratic risks into programs that address risks affecting large numbers of people, for example natural disasters, pandemics and economic crises*;

- *Move from a residence-based system of social protection, which excludes Vietnamese migrant workers, to one based on national citizenship*, for example through digitalization of registration and verification of eligibility to application of digital payment tools. Actions on this will need to take place soonest in line with the GoV plan to abolish the resident registration (Ho Khau) in 2021;
  - *Consider central government matching grants to provinces with limited financial resources to increase coverage and accelerate implementation.*
3. *Support enterprises to drive the recovery and create alternative income earning opportunities for workers in the informal sector.* Some job losses are temporary, and employment will start up again once inputs are available and markets return to normal. Fiscal policy can play an important countercyclical role. The priority for the government should be to: (i) support healthy companies to drive the recovery, (ii) prevent job losses to the extent possible and, (iii) create alternative income earning opportunities for workers in the informal sector or who normally work in small and micro enterprises affected by the slowdown in normal business activity. Key measures include:
- *Support enterprises to drive the recovery* - Some industries may require direct support. Airlines, tourism and tourism-related companies will need loans to keep them afloat during the pandemic. Among the industries affected, travel and tourism may suffer longer than most. Holidays cancelled now will not be rescheduled soon; international travel will recover slowly, and holiday-makers will remain risk averse for many months to come. Manufacturing, for example footwear and garments, will also suffer from weak demand (noting that these sectors and tourism and tourism-related services tend to employ more female workers). But it is not in the government's interest to allow these companies and service providers, especially household businesses and SMEs, to fail. GoV's decision to reduce and defer taxes, and defer payment of social and health insurance premiums for effected firms, will help, but procedures need simplification to speed up implementation. Deferment of social and health insurance premiums should not result in workers' loss of health insurance and reductions in their future pensions.
  - *Expand access to credit which is critical for household businesses, micro and small enterprises working in informal sector* – especially provide key jobs for many vulnerable people that have been hit hard by the pandemic. Innovative solutions, such as supporting financial service providers that serve these enterprises and accelerating the issuance of banking agent regulations by the State Bank of Viet Nam (SBV) to enable intermediaries to bring digital financial services to underserved groups, especially in rural and ethnic minority area, are needed. Such solutions should be designed and implemented with gender sensitive approaches to address the chronic issue of women-led enterprises having less access to credit.
  - *Extend agricultural credit* - Government credits can help some agricultural and agriculture processing producers remain solvent during a prolonged period of contracting global demand. This could take the form of purchasing/storing unsold production or extended working capital credits to enable them to continue to function during the downturn.
  - To help Vietnamese companies ramp up production of goods and services as conditions improve, *monetary policy should focus on tiding over otherwise healthy companies during the pandemic.* The government does not have full information

on which companies are in good condition, but the banks do have this information. Therefore, SBV can work closely with commercial banks to enable them to extend existing credit lines for several months to enable good companies to survive during the prolonged pandemic. SBV can show some lenience in loan classifications to prevent a situation in which banks are penalized for rolling over loans for their valued clients. But the government must be careful to avoid a situation in which saving companies means undermining the financial stability of the commercial banks. New lending should be carefully targeted (prioritizing women-led enterprises which, as noted above, have less access to credit) and tied to employment guarantees for workers. SBV must also ensure that the credit market remains liquid so that normal transactions are not impeded.

- *Seek opportunities to develop domestic markets.* As it will take time for global demand to recover, Vietnamese firms in general, and MSMEs in particular, should explore niches in the domestic market of over 96 million people. *MSMEs also need to explore transition and fast track e-commerce opportunities, including online platforms and digital transactions* as a way to participate in the “contactless economy” that is expected to grow fast in the new normal. The Government should raise awareness and proactively provide MSMEs with low cost technical support for online trading, bearing in mind the risk of “digital divide” between men and women. This is critical for expanding reach in both domestic and international markets.
- *Strengthen domestic supply chains.* Better linkages of MSMEs to domestic supply chains could help limit the impact of international supply chain disruptions and help MSMEs recover faster. Recent experience of UNDP-supported EM women-led cooperatives and household businesses shows that expanding to new markets in other provinces and big cities through e-commerce platforms and online marketing tools, using more diverse supply sources and logistics services, and better experience in meeting the changes of domestic demands, were key for the businesses to suffer less revenue reduction in April and recover faster in May 2020.
- *Help Vietnamese firms attain international standards to improve access to global markets.* A key challenge is for the Vietnamese firms to enhance their productivity and quality to be able to provide goods and services at international standards and at competitive prices. At the first step, targeted support is needed to build capacity of Vietnamese firms with potential to become reliable suppliers to FDI firms that (are based in or will be moving to Viet Nam) lead the global value chains in several specific sectors. The challenge however is significant. For example, Vietnamese firms were engaged in production of protective gowns and masks, but few could obtain international certification required to penetrate export markets. Aligning Viet Nam’s standards internationally and enhancing the ability of firms to get their products tested in Viet Nam and obtain the necessary certifications would improve protection for Viet Nam’s frontline health workers and also initiate a race to the top among Vietnamese PPE producing firms. The “race to the top” will not only help the enterprises become reliable suppliers in the global supply chains but also maintain more employment for female workers.
- *Enhance labor mobility through reskilling and job matching services to smooth the employment across unevenly recovering sectors.* As firms working in different sectors will recover at different rates (with sectors employing more female workers such as tourism and related services, garment and footwear are recovering more slowly) adjustment across firms and sectors is inevitable. The GoV can facilitate labor



mobility through reskilling, labor market information and job matching services, simplification of procedures including to ensure the continuity of the workers' participation in the social and unemployment insurances as well as their eligibility for the benefits (including cash transfer that would be based on the citizenship rather than residence registration). The special attention will be necessary to address the barriers to mobility that female workers face such as child/elderly care responsibility and lower retirement age.

- *Focus on preventing lay-offs and bankruptcy of the otherwise healthy enterprises.* An integrated set of policies could include deferment of tax and social and unemployment insurance and low-interest loans to pay workers' salaries, support for reskilling, diversifying supply chains and markets and digitalizing enterprise operations.

## **Conclusion**

The RIM-2020 report provides a gender-sensitive assessment of COVID-19 Socio-economic Impact on over 900 Vulnerable Households and 900 Enterprises in Viet Nam. The evidence-based findings, the voices of vulnerable people, HBs and MSMEs, together with policy recommendations set out in the report aim to serve as inputs to the GoV efforts in refining policy actions and their implementation to protect the livelihoods of vulnerable households and support HBs and MSMEs in recovering their operations and ensuring continued employment for workers.

The report, recognizing the fast-changing situation, suggests the need for further, more in-depth, assessments of the changing impacts of COVID-19 and the GoV response policies to inform the design and delivery of an effective, sustainable and gender sensitive recovery plan.

Anticipatory, Adaptive and Agile governance approaches and innovations of the GoV and the Vietnamese people have been key to Viet Nam's initial success in containing the COVID-19 pandemic and limiting its negative socio-economic impacts - a success that is widely acknowledged by the domestic population and the international community. Such approaches are vital in helping Vietnamese enterprises and people achieve a bold, sustainable, resilient and gender sensitive recovery. This, in turn, is foundational to achieving the Sustainable Development Goals and Leaving No One Behind in the context of the new living with COVID-19 normal.



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