

Update NTA in Vietnam

Impact of Changes in Population Age Structure on Vietnam's Economic Growth

Vietnam Team

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Presentation Contents

1. Introduction
2. Research methods
3. NTA updating results
4. NTA updating results by gender
5. Concluding remarks

1. Introduction

Background

- Vietnam has entered the ‘demographic window of opportunity’ as well as ‘aging’ phase. Such demographic changes has clear impacts on economic growth.
- Taking advantage of ‘demographic window of opportunity’ will promote economic growth for Vietnam; otherwise, there will be various difficulties and challenges when ‘demographic window of opportunity’ ends and ‘demographic aged’ starts.
- Updating results of researches with table IO 2012 will analyze changes in age structure by gender. How this has impacted and will impact to economy growth in Vietnam?

2. Method and data(1)

Method:

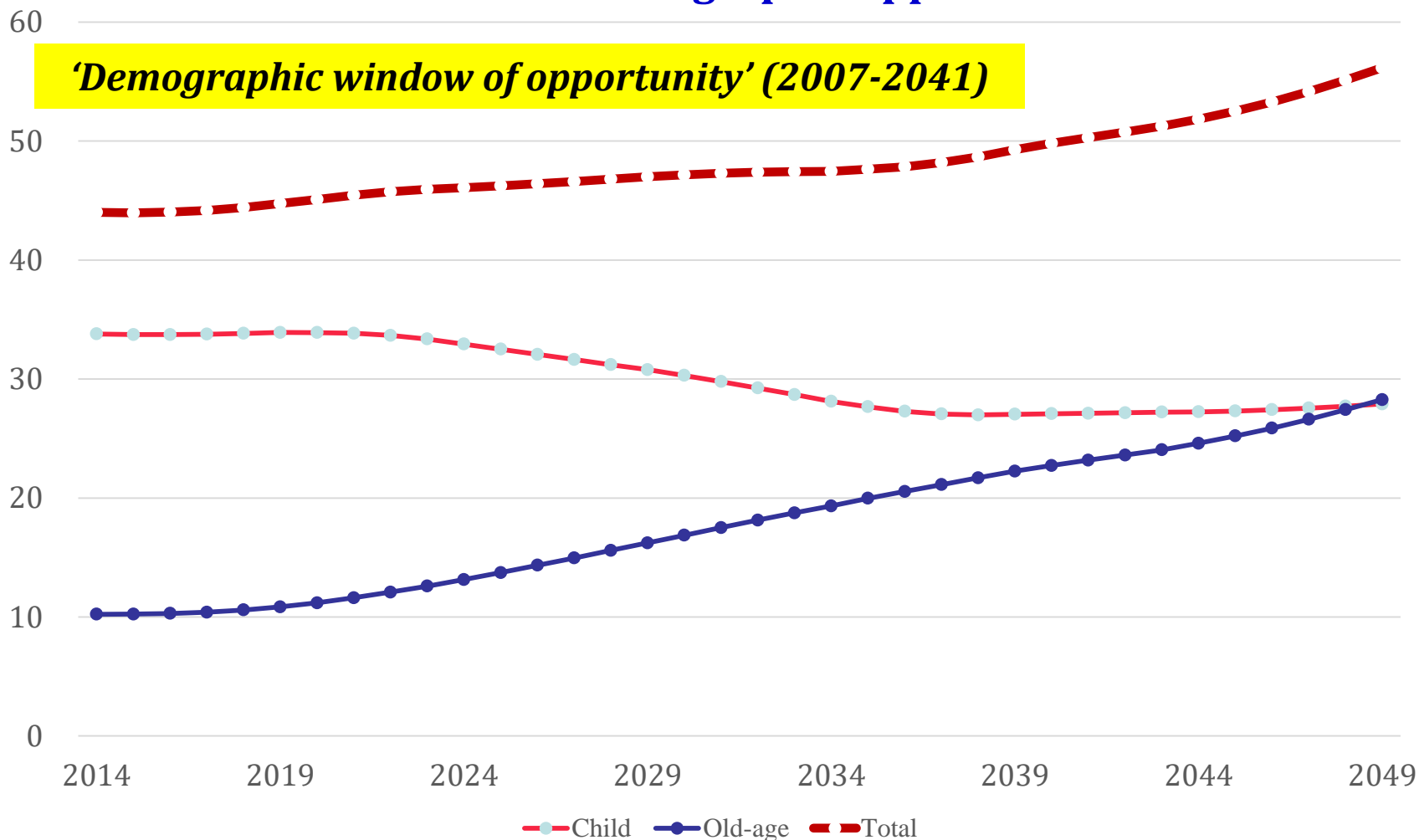
- NTA and NTA by gender
- **NTTA**

Data

- Vietnam Household Living Standard Survey (VHLSS 2012)
- Population projections for the 2014-2049 period by GSO
- Input-Output (IO) Table
- **Vietnam Time Use Survey (VTUS)**

3. NTA updating results (1)

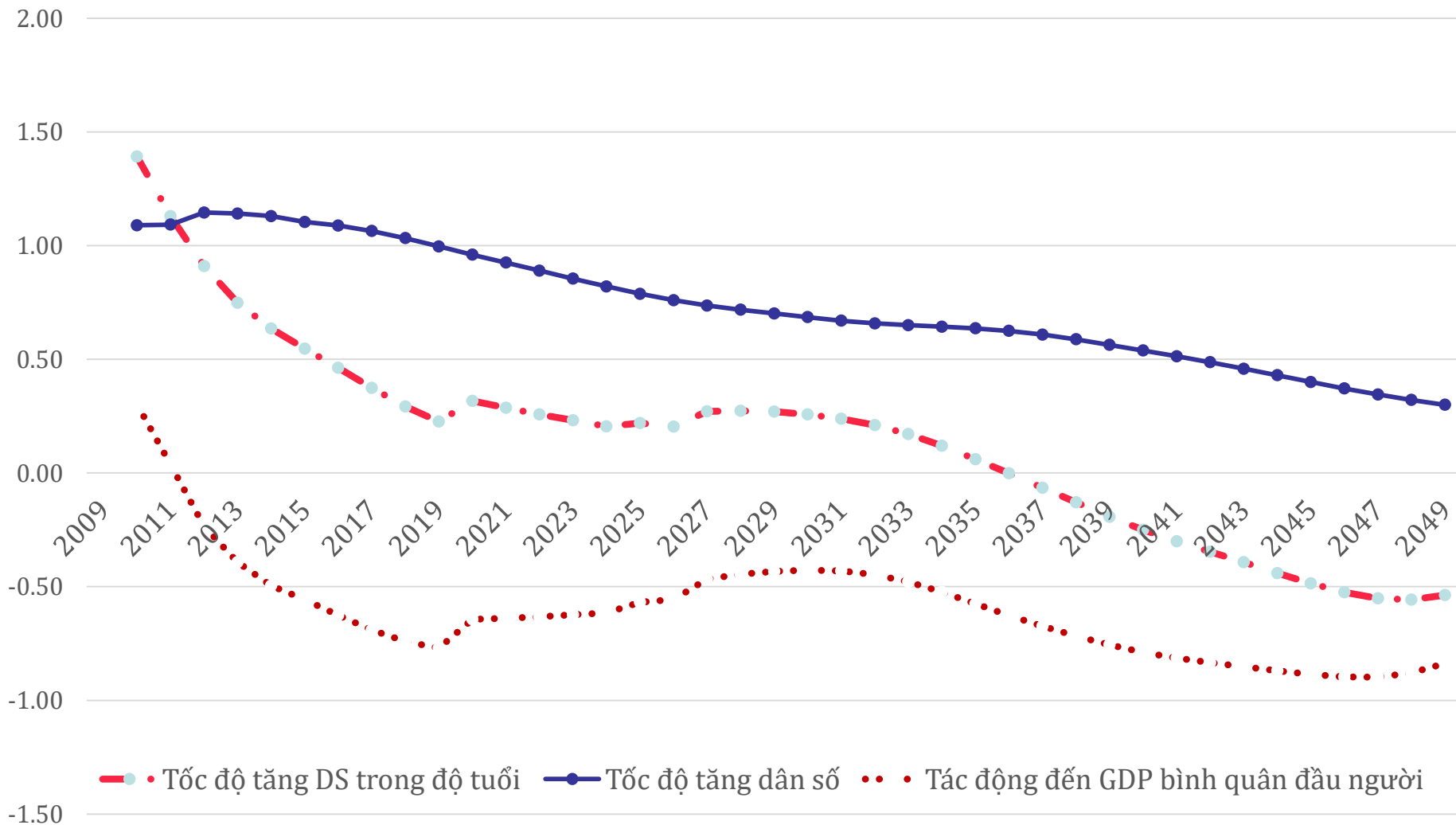
Fig 1. 'Demographic window of opportunity' for Vietnam as in demographic approach



Source: Population projections 2014-2049, GSO (2015)

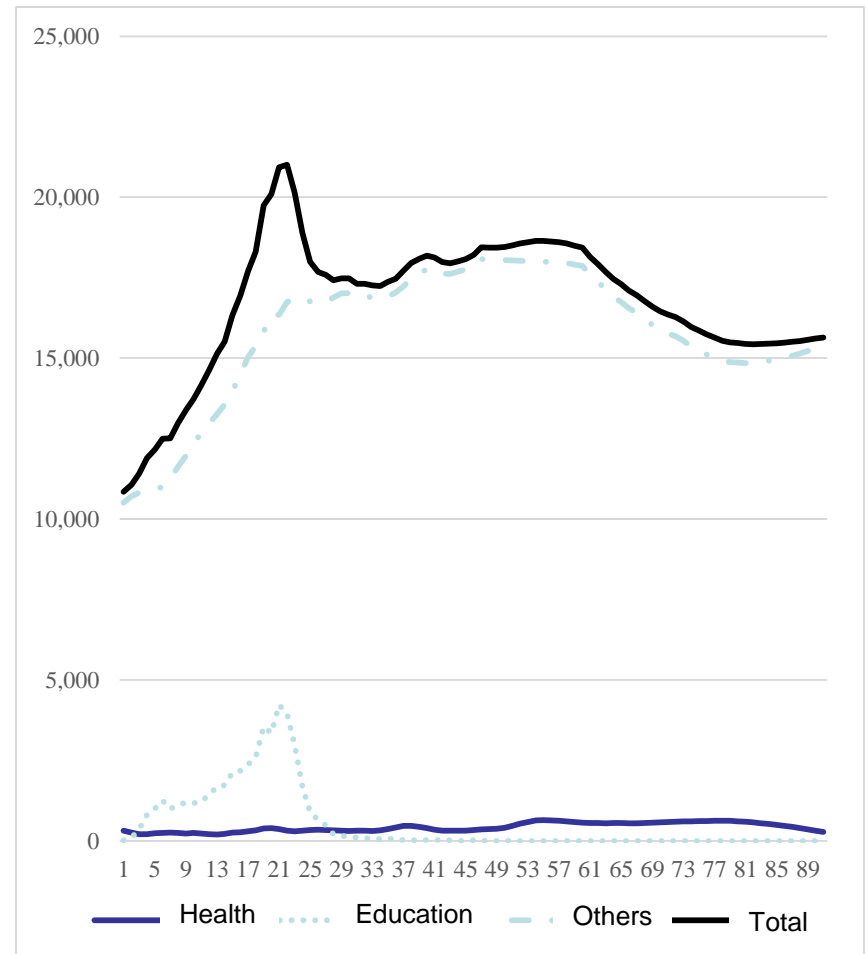
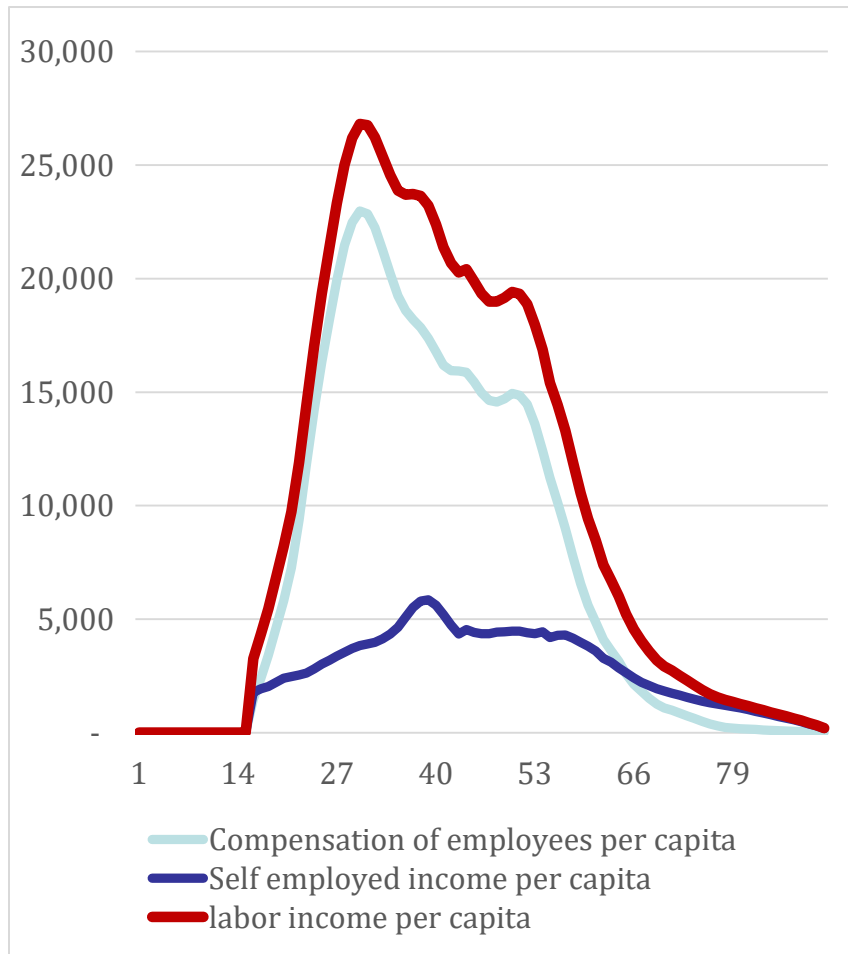
3. NTA updating results (2)

Fig 2 . Projected impact of changes in population's age structure on GDP per capita, 2010-2049



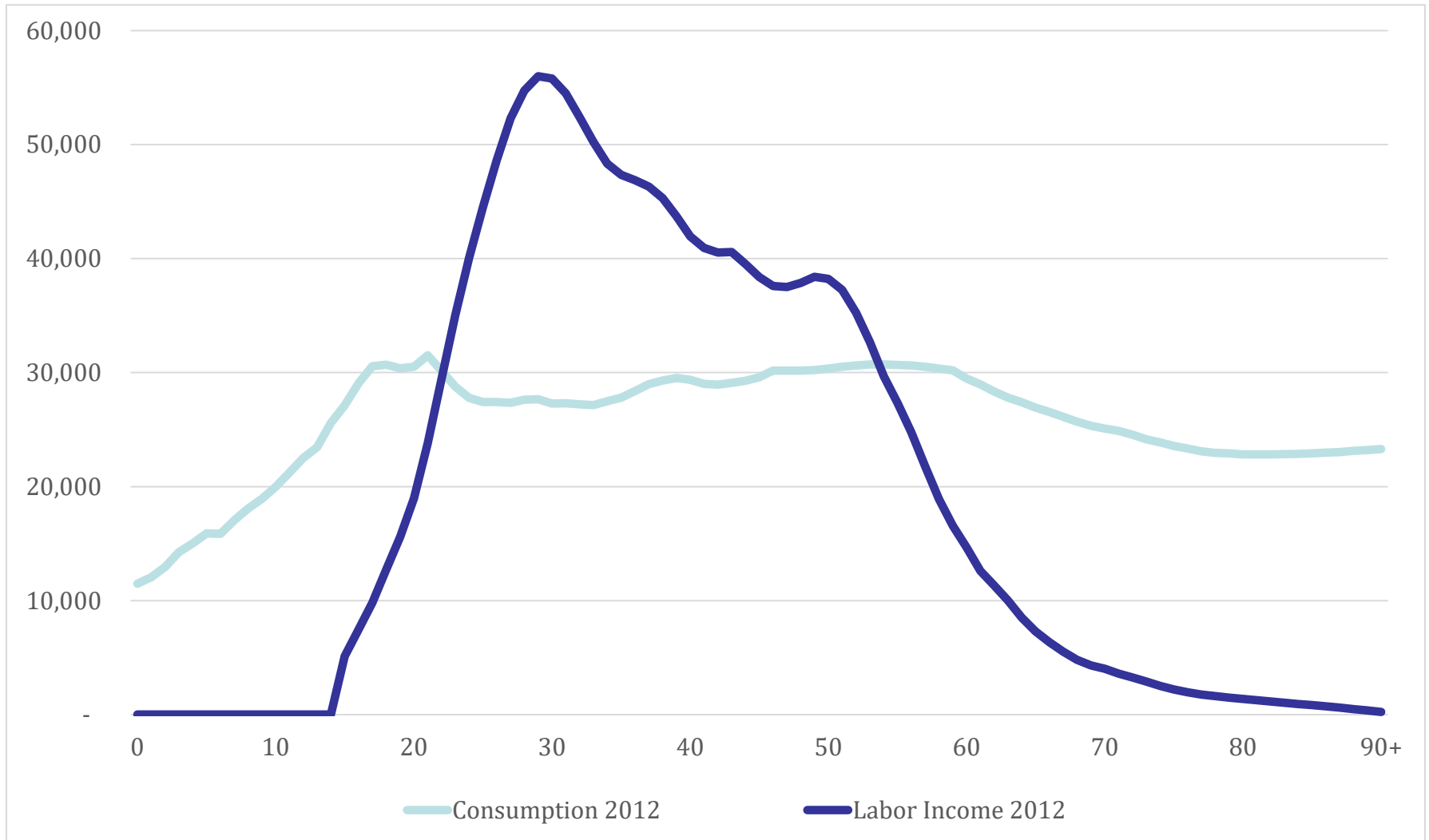
3. NTA updating results (3)

Fig 3. labor income and consumption per capita by age, 2012 (Unit: VND 1.000)



3. NTA updating results (4)

Fig 4. Income and consumption per capita in 2012 (Unit: VND 1.000)



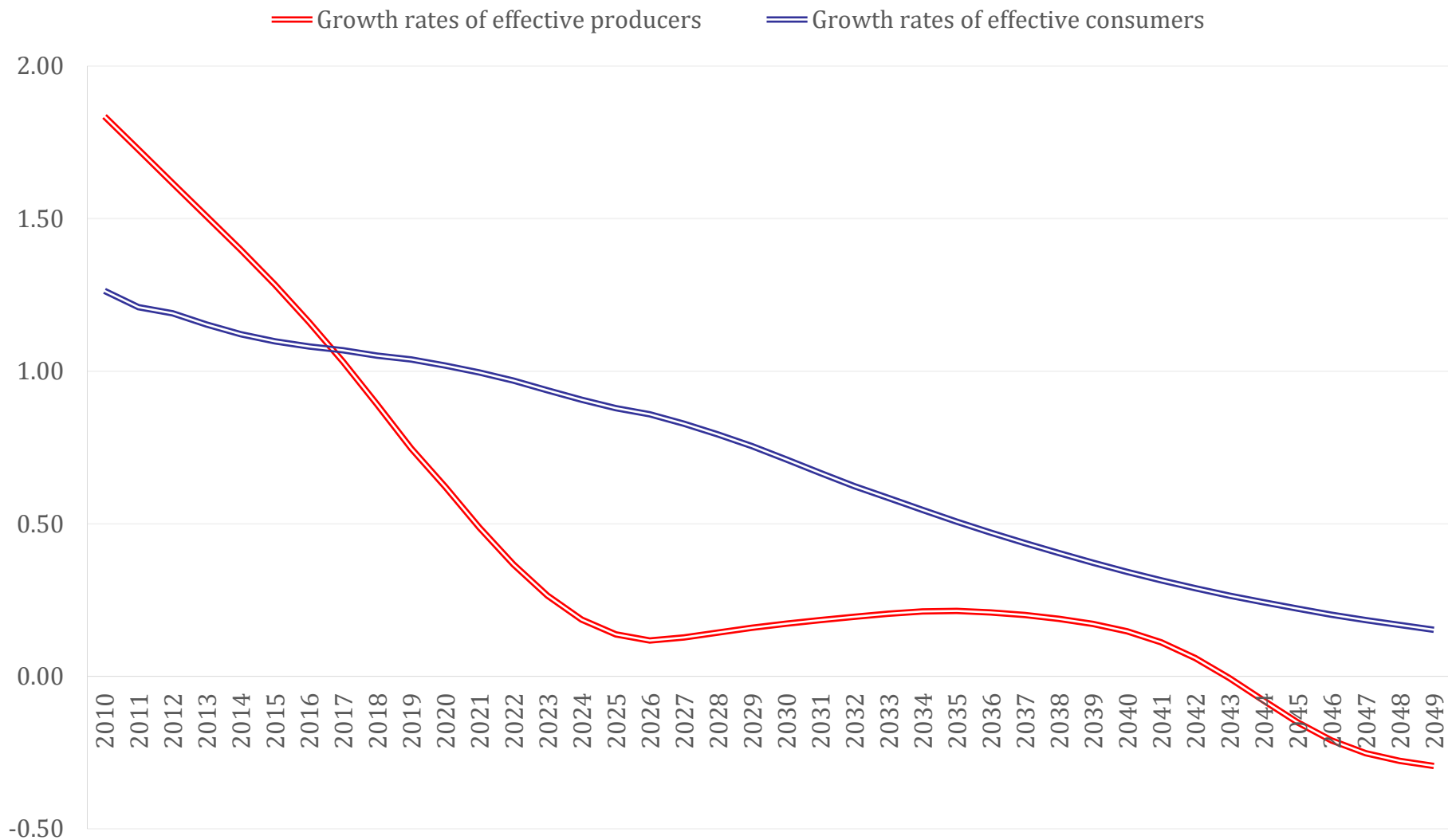
3. NTA updating results (5)

**Table . Projected life-cycle surplus and deficit
by age group (Unit: VND mil.)**

Year \ Age group	0-22	23-53	54+
2012	-539,504,455	657,582,940	-212,637,533
2015	-549,098,847	696,357,510	-266,296,185
2020	-561,169,282	661,811,226	-393,972,494
2030	-532,442,490	655,580,347	-507,929,160
2040	-529,294,382	657,726,637	-599,821,395
2049	-539,504,455	657,582,940	-212,637,533

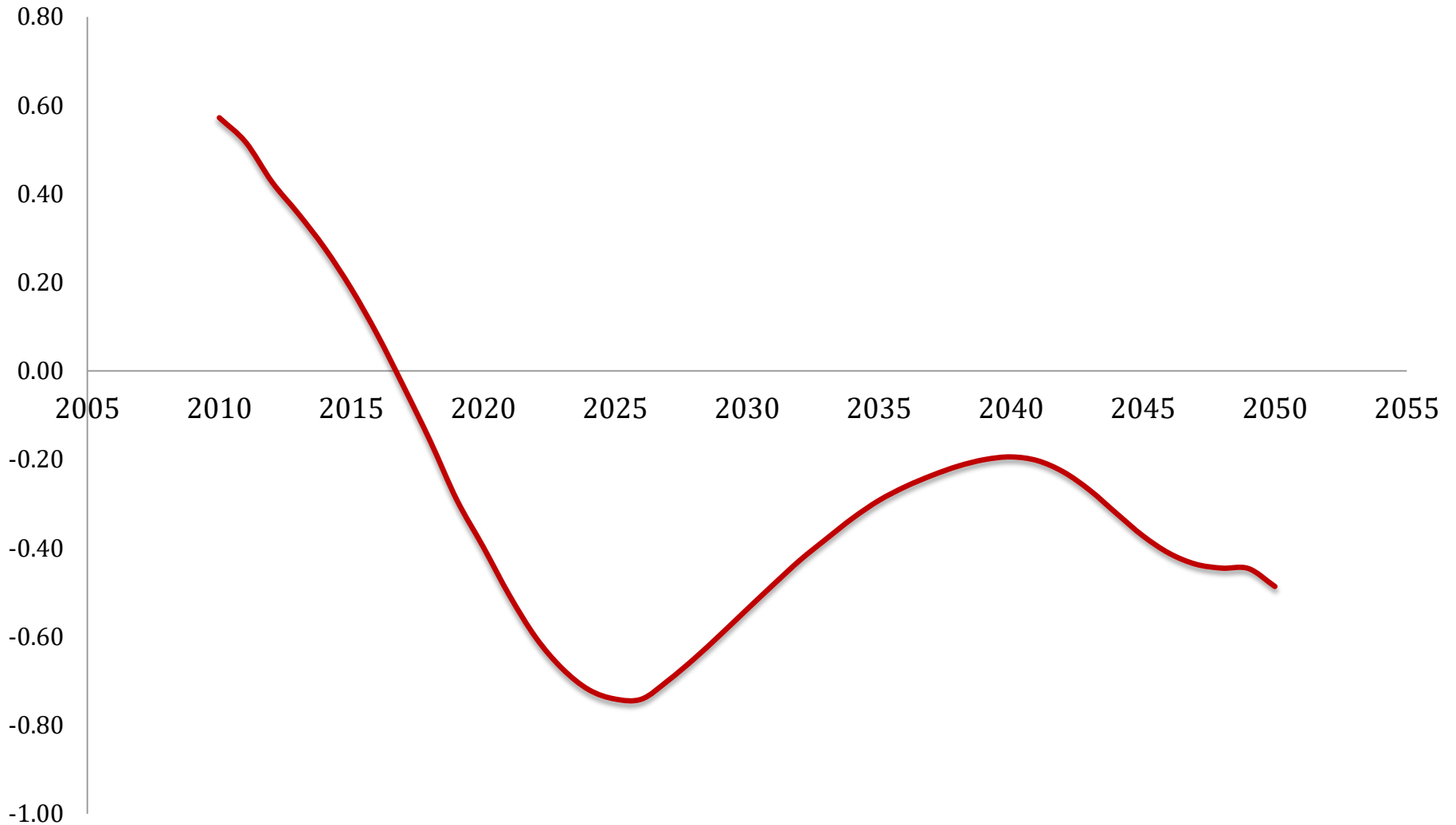
3. NTA updating results (6)

Fig 5. Projection of the growth rates of total income and total consumption up to 2049 (%)



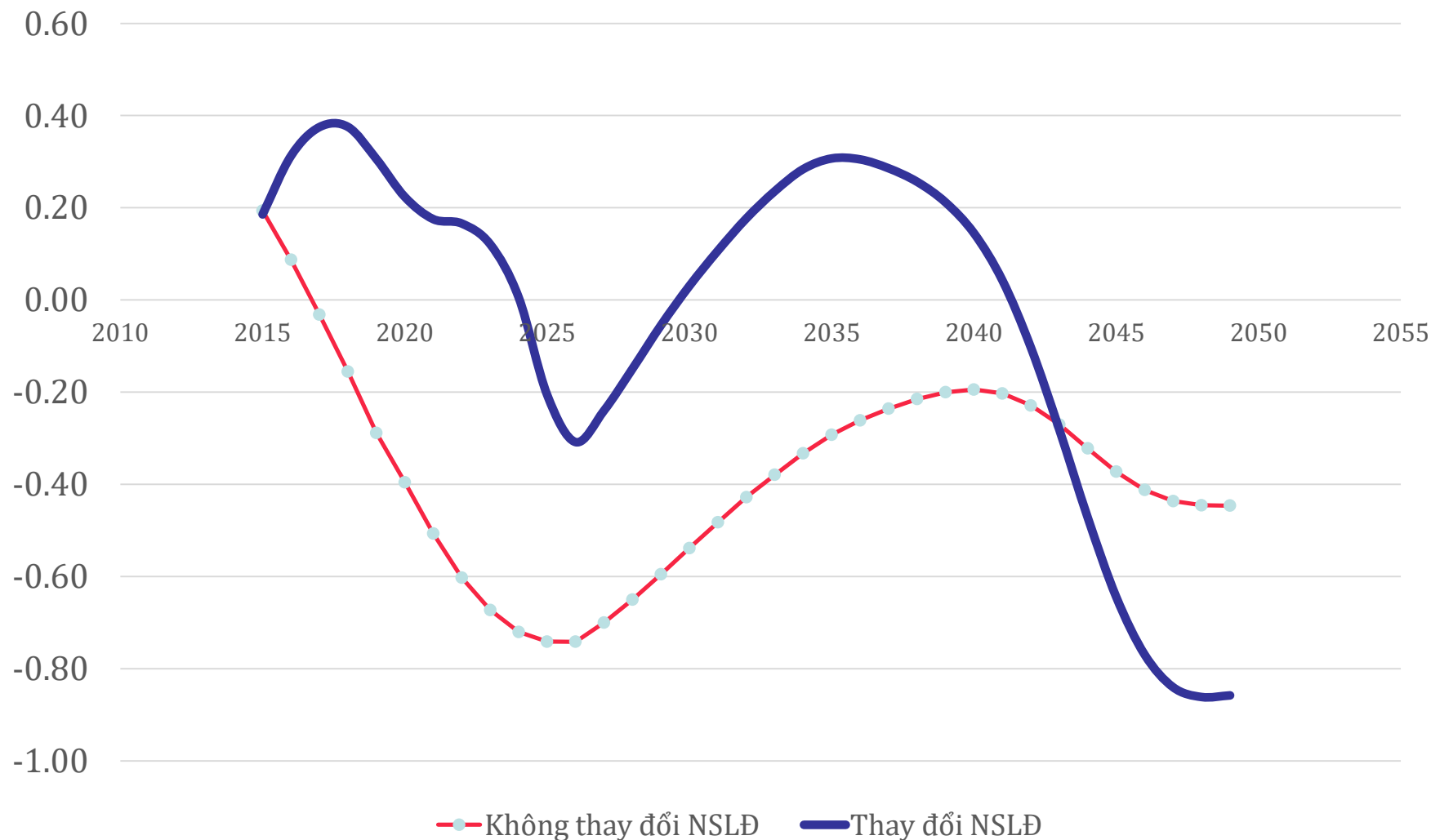
3. NTA updating results (7)

Fig 6. Projected growth of economic support ratio by 2049 (%)



3. NTA updating results (8)

Fig 7. Growth rate of economic support ratio when labor productivity remains unchanged and changed (%)

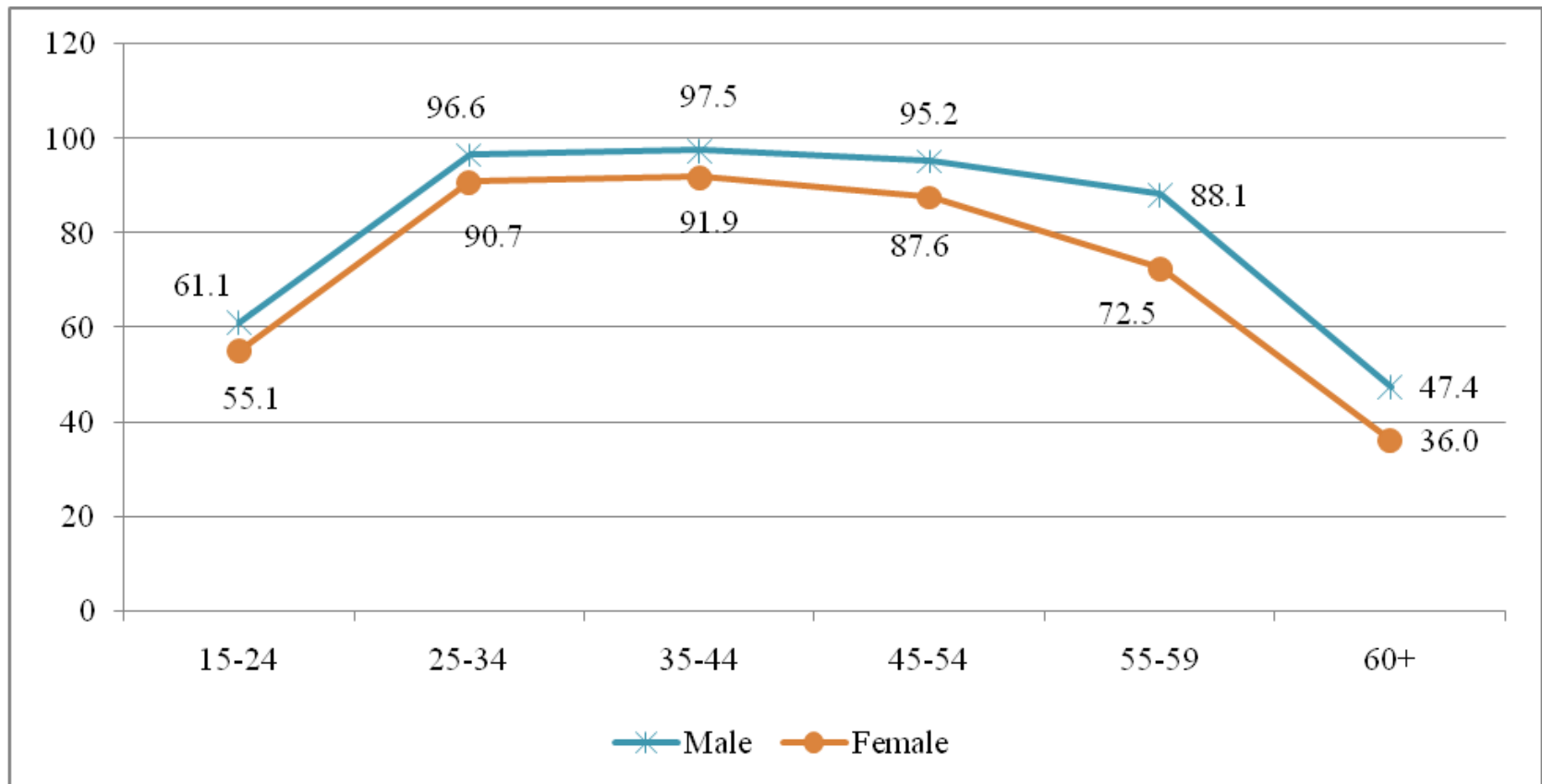


4. NTA updating results by gender (8)

The participation of women and men in labor market

The proportion of female workers participating in economic activities was lower than that of male workers throughout the lifecycle from entering to leaving labor market.

Fig 6. The percentage of labor force participation by age and gender in 2014

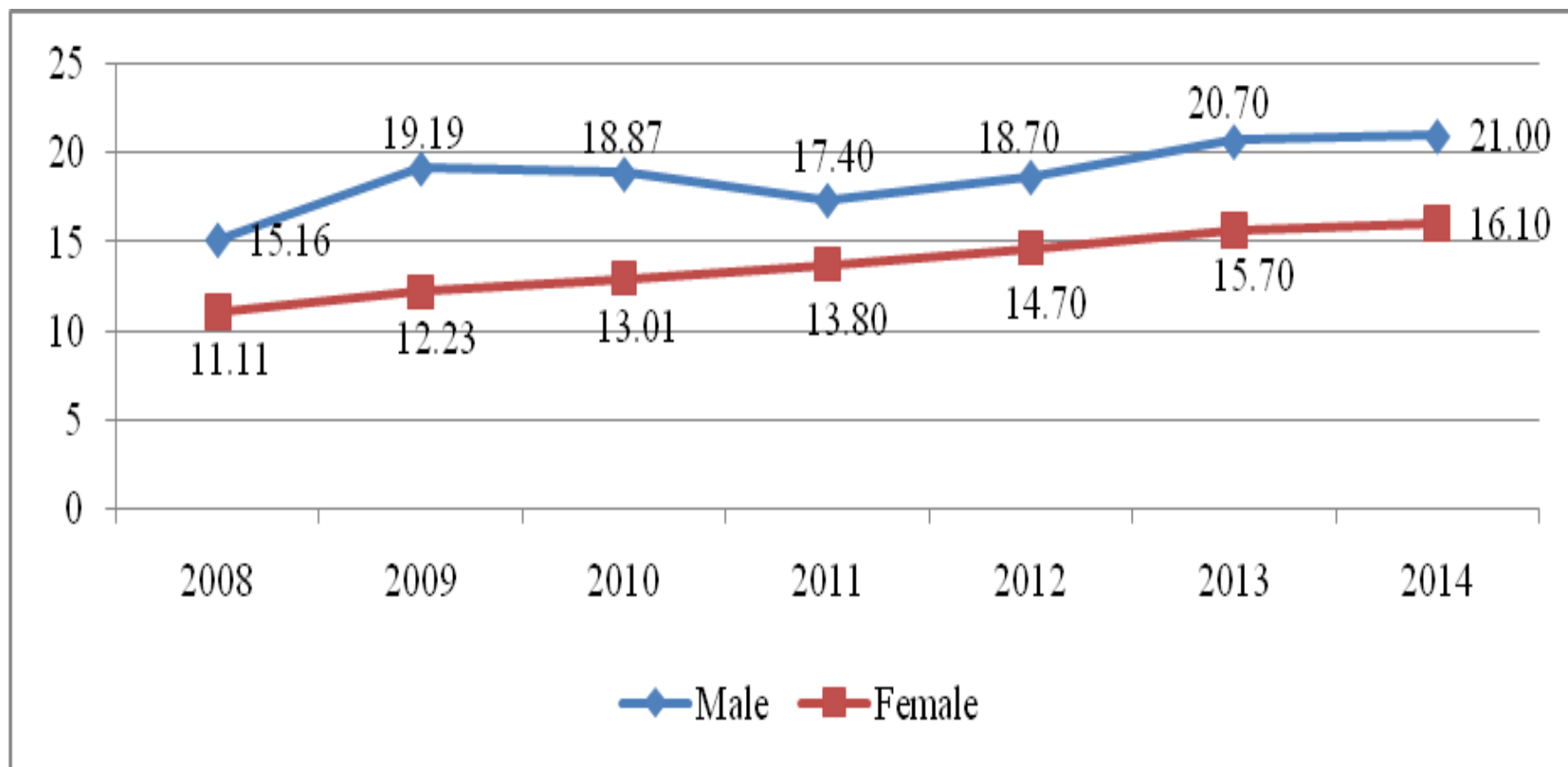


4. NTA updating results by gender (1)

Technical and professional qualifications of workforce

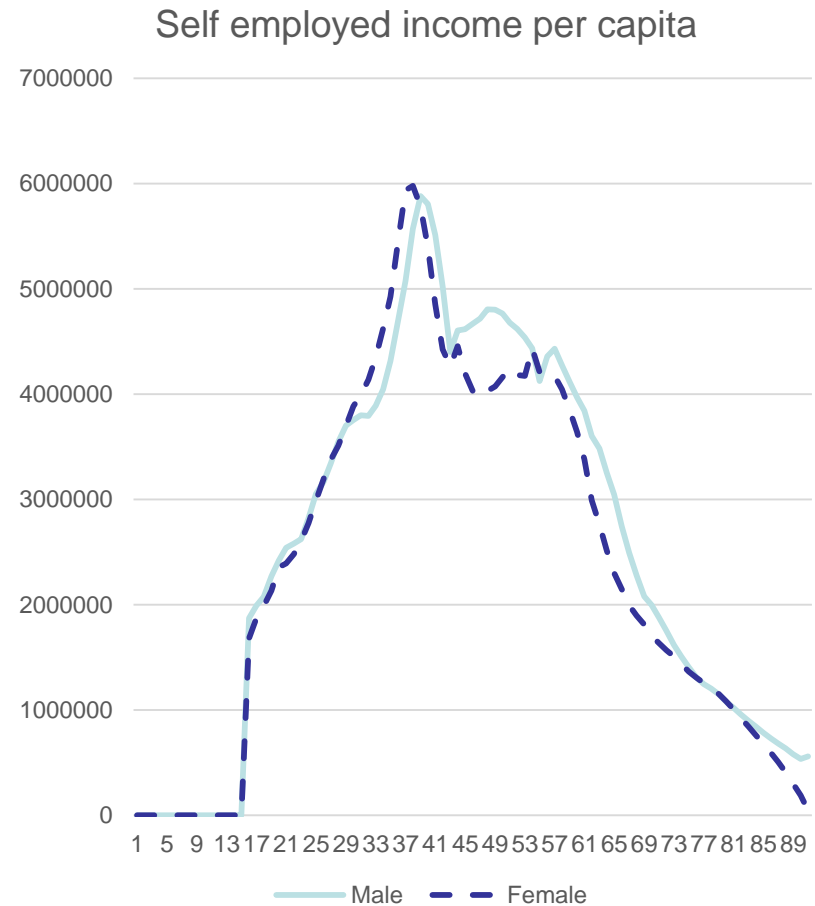
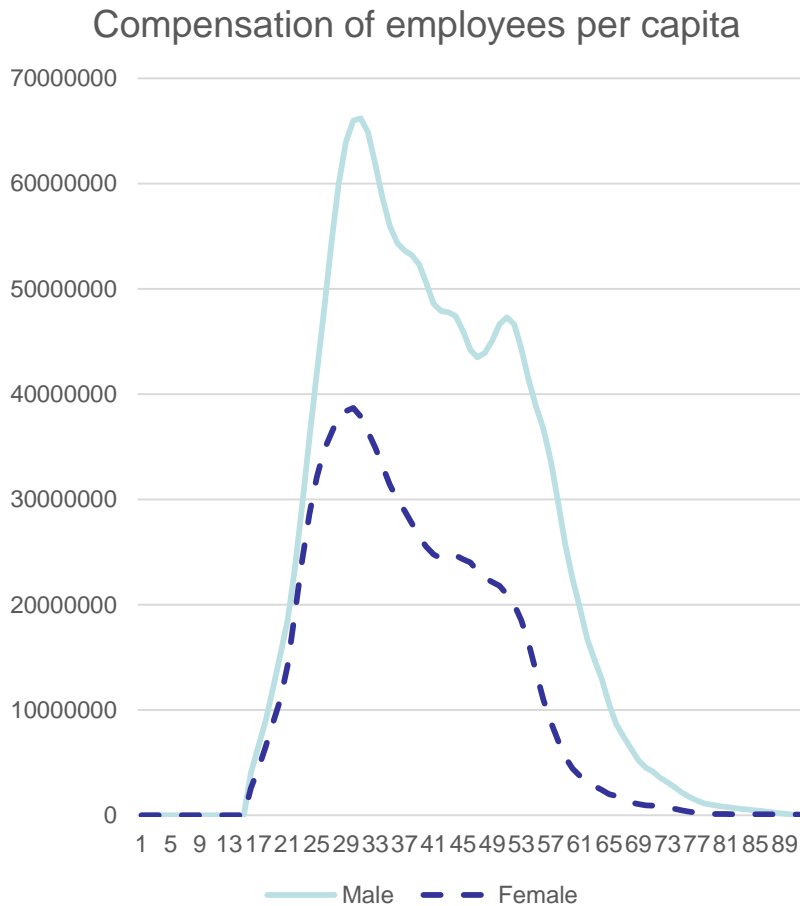
Technical and professional qualifications of female workers has been low, and lower than that of male workers.

The percentage of trained workforce by gender, 2008-2014



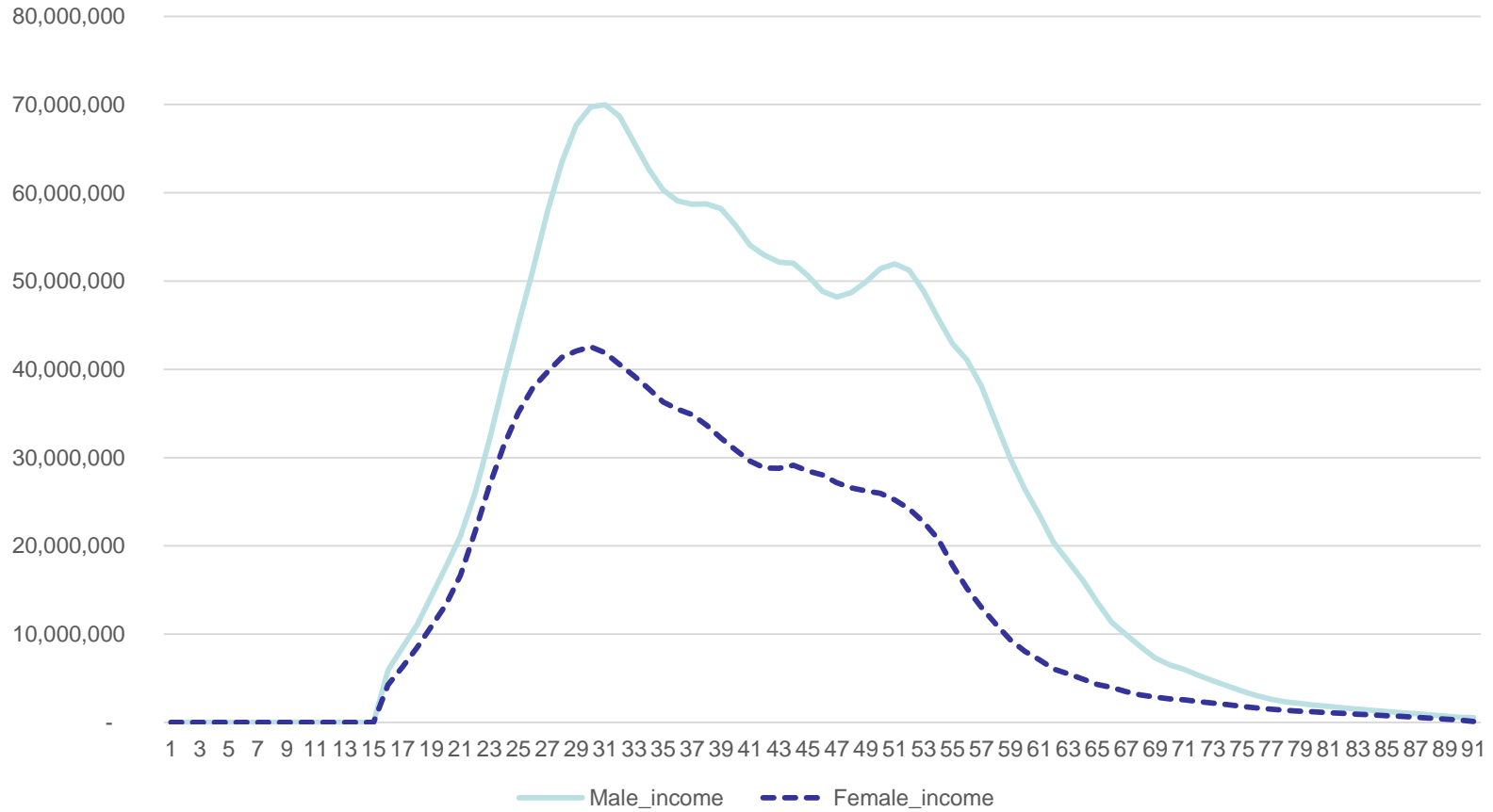
4. NTA updating results by gender (1)

Labor income by gender



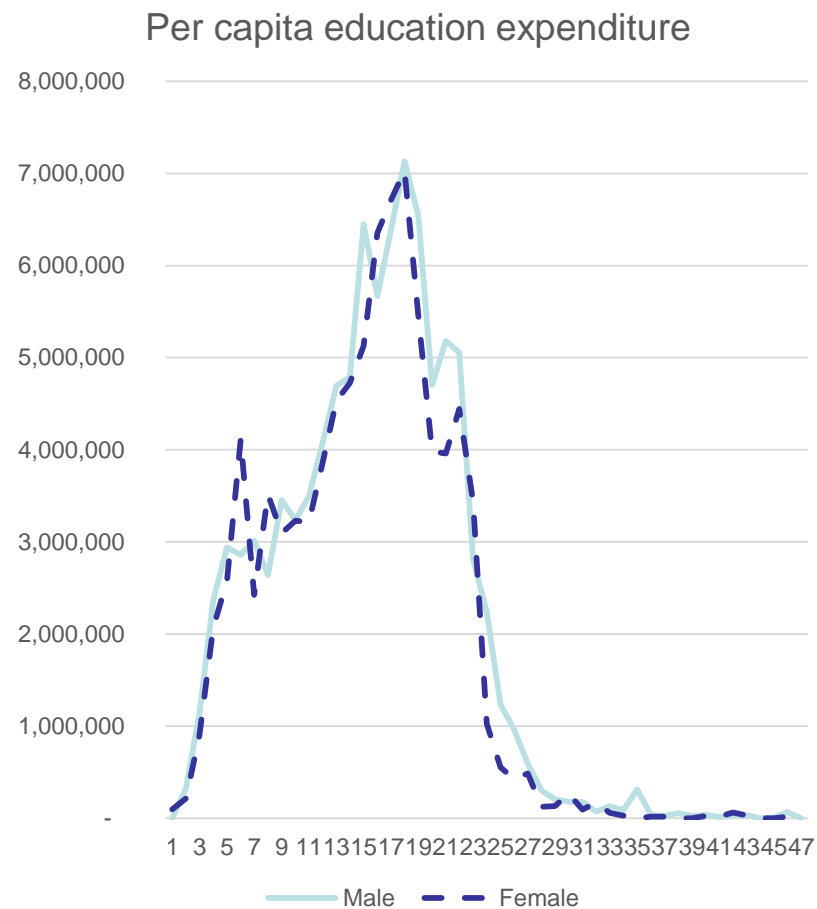
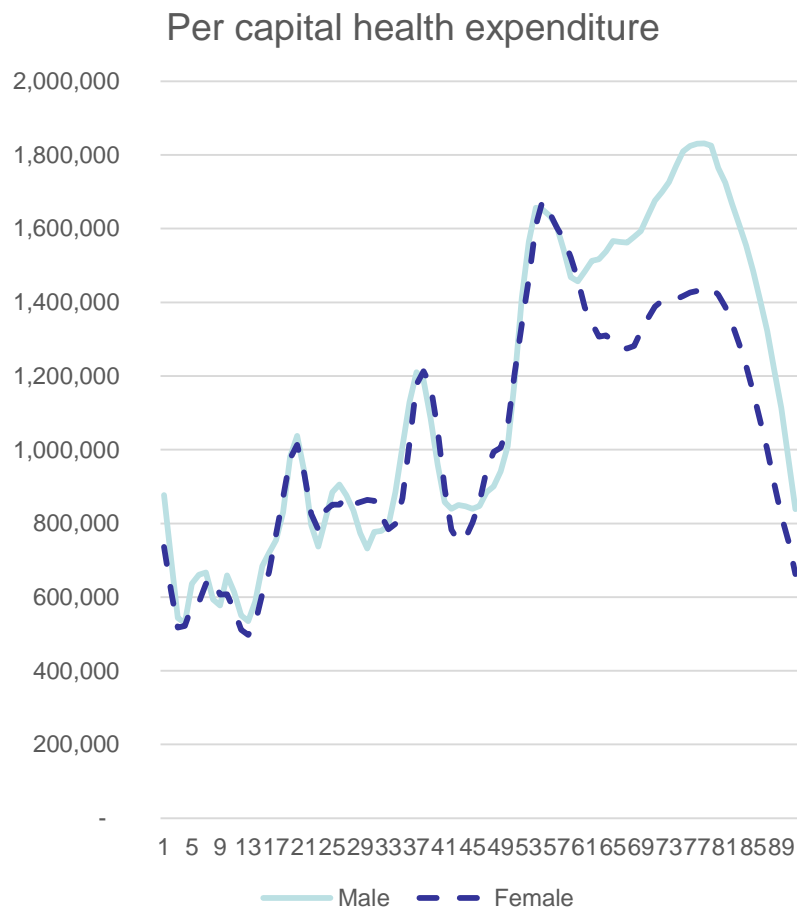
4. NTA updating results by gender (2)

Per capital labor income of women and men, 2012



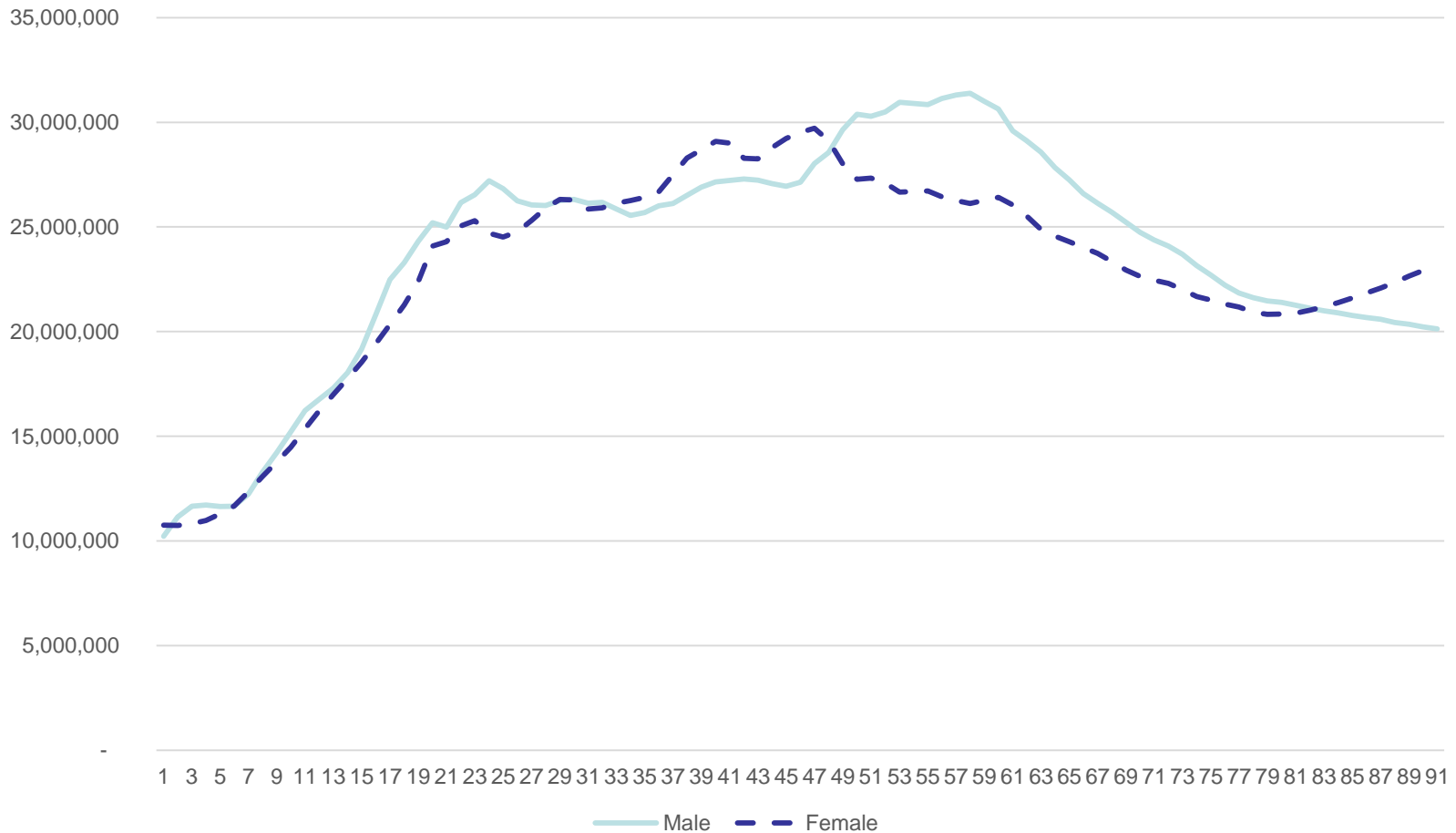
4. NTA updating results by gender (3)

Consumption of women and men



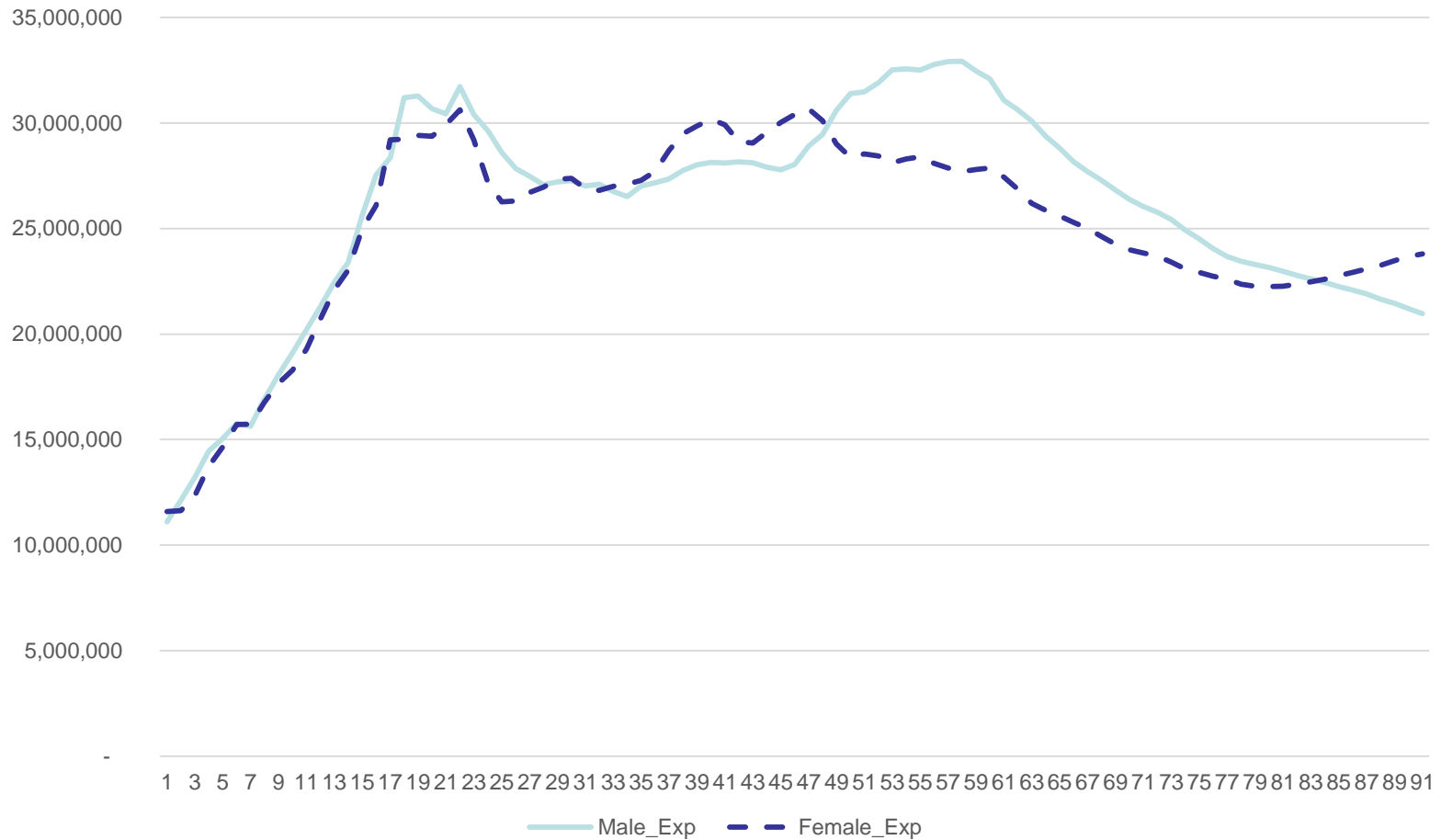
4. NTA updating results by gender (4)

Other consumption of women and men



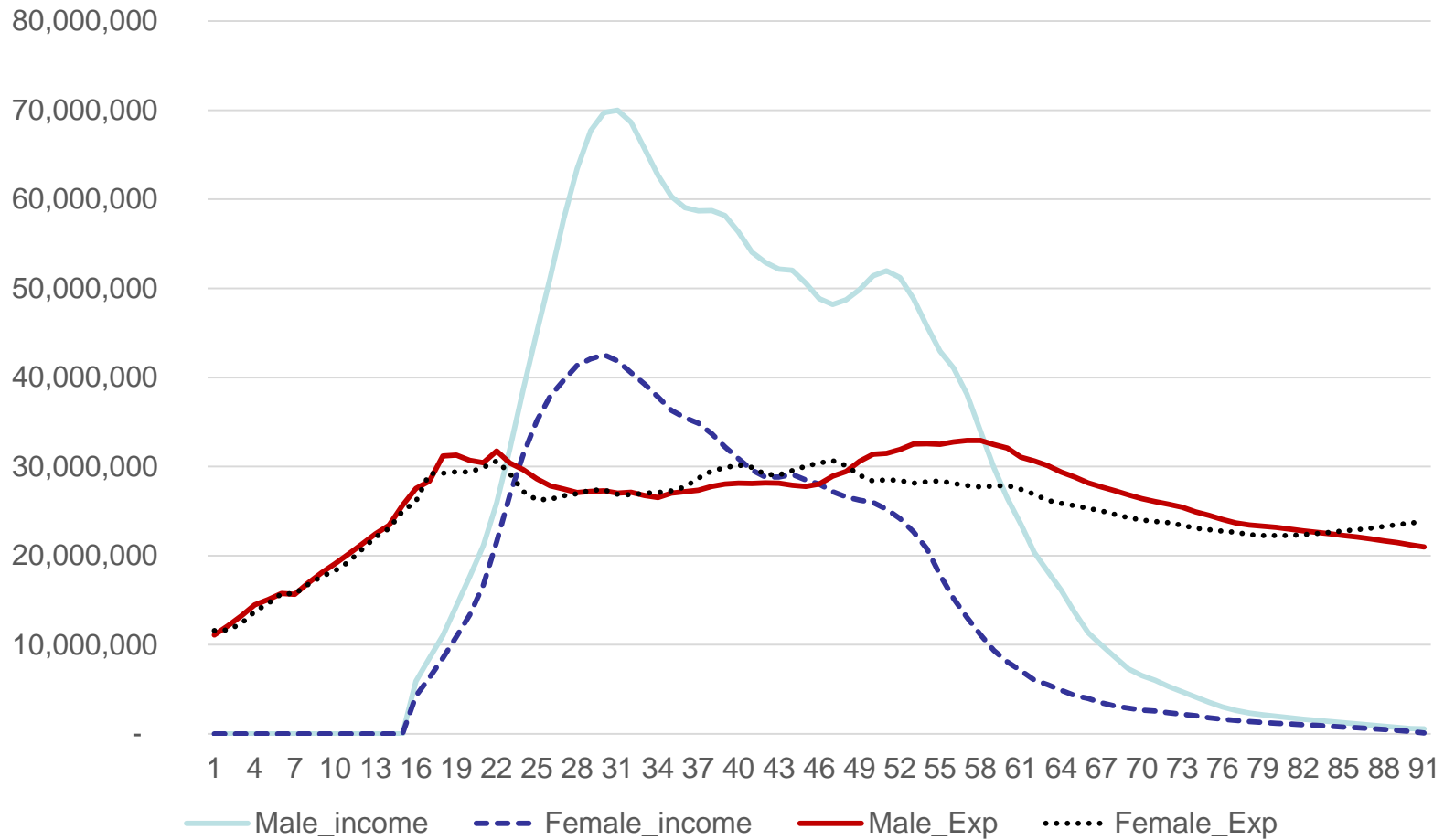
4. NTA updating results by gender (5)

Per consumption of women and men



4. NTA updating results by gender (6)

Income and consumption per capita by gender in 2012



4. NTA updating results by gender (7)

- VTUS is done
- Processing data
- Applying NTTA method,

4. Conclusion(1)

- Increasing labor productivity is extremely important when population is aging (since aging makes labor force older).
- The higher the share of young labor, the higher the labor productivity and growth
- With skilled and better qualifications, will help Vietnam to boost its growth under the context of increasingly intensive and extensive international integration.

4. Conclusion(2)

- In the national labor market, difference in the wages of male and female labor exists, the average wage of female workers remains significantly lower than that of male workers.
- Gender bias and stereotypes greatly contribute to the gender wage gap.
- Vietnam has developed a relatively comprehensive and advanced system of laws, policies and regulations on labor, employment and equal pay; however, a number of policies are still having certain negative impacts on creating gender wage gap; ...

THANK YOU FOR YOUR ATTENTION !