

**SPEECH**

**SOCIO-ECONOMIC DEVELOPMENT INDICES AND  
APPLICATION TO VIET NAM**

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*Hà Nội, 16 November 2020*

# OUTLINE

- 1. Brief on advantages, disadvantages, results, limitations of economic statistics in the recent period**
  - 1.1. Advantages and disadvantages
  - 1.2. Some results, limitations of economic statistics in the recent period
- 2. Proposals to develop economic statistics in the coming period**
  - 2.1. Develop and apply socio-economic development indices to Viet Nam
  - 2.2. Review revision, complement of economic indicators to National Statistical Indicator System and Statistical Indicator System at provincial, district and commune level to fundamentally meet management requirements at each level

# ADVANTAGES, DISADVANTAGES, RESULTS, AND LIMITATIONS OF ECONOMIC STATISTICS IN 2000 - 2020

## Advantages:

1) Legal environment: Statistics Law was issued twice (in 2003 and 2015) as important legal documents to ensure efficiency and effectiveness for statistical activities in general and economic statistics in particular;

2) Organizational structure: Centralized statistics system (including units, organization within economic statistics domain) is basically remained stable and vertically managed from the Central to district level.

3) Material facilities: Much attention of the Party, the State has been paid to the Statistics System from the Central to district level to strengthen investments in material facilities and modern equipments ever before.

4) Indicator system: Relatively full of economic indicators have been issued: accounting for 64.5% in National Statistical Indicator System (NSIS) and 46.4% - 47.5% - 31.3% in Statistical Indicator System (SIS) at provincial, district and commune level respectively.

# ADVANTAGES, DISADVANTAGES, RESULTS, AND LIMITATIONS OF ECONOMIC STATISTICS IN 2000 - 2020

## Disadvantages:

- 1) Viet Nam is a developing country, its economy is changing, operating, developing. Therefore, timely reflection of situation and changes of the economy are always challenges for our economic statistics;
- 2) A large number of statistical units, diversity in forms and disparity in accounting level, frequent change;
- 3) Political system, State organization structure at 4 administrative levels, leading to increase in the workload of economic statistics in reality and meeting diversity requirements of leaders at all levels;
- 4) Merit disease in society in the recent years causes certain difficulties for economic statistics in ensuring independence, objectivity and accuracy of the economic statistics.

# ADVANTAGES, DISADVANTAGES, RESULTS, AND LIMITATIONS OF ECONOMIC STATISTICS IN 2000 - 2020

## Results

- 1) Most of 254 economic statistical indicators (of which 120 indicators in the NSIS and 110 indicators in the provincial SIS, 19 indicators in the SIS at district level and 5 indicators in the commune-level SIS) have been implemented to basically meet the management requirements of all authority levels;
- 2) Initiate and finalize the re-evaluation of national GDP size, GRDP of each province in 2010 – 2019, timely response to statistical information requirements to serve for the formation of documents of the Party Congress at all levels in the tenure 2020 – 2025 and the coming Party Congress XIII;
- 3) Since 2000: 4 Economic Censuses, 4 Agriculture Censuses and hundreds of regular surveys have been successfully conducted to collect information reflecting economic situation and operation results;
- 4) IT application has been promoted from preparation stage to collection, processing, dissemination and storing economic statistical information.

# ADVANTAGES, DISADVANTAGES, RESULTS, AND LIMITATIONS OF ECONOMIC STATISTICS IN 2000 - 2020

## Limitations

- 1) Integrated economic index: Integrated economic indices have not been developed to meet the requirements of assessing the implementation results of overall objectives mentioned by the Central and provinces in the Party congresses at all levels
- 2) List of economic indicators: Not active in reviewing, assessing, studying and proposing high quality economic statistical indicators to better meet the requirements of: National Program on the development of new rural, afforestation and forest protection, and indicators for commune-level management

# PROPOSALS FOR ECONOMIC STATISTICS DEVELOPMENT

## 1. Research on applying socio-economic development index (SEDI) to Viet Nam

### Brief introduction to SEDI in the world

Socio - Economic Development Index (SEDI) is an integrated index calculated on the basis of the results of the implementation of component criteria. SEDI is used to evaluate, compare, rank socio-economic development level among localities, regions within an economy or among economies. SEDI of Turkey and European Central Bank (ECB) are typical cases in the world.

### *SEDI of Turkey*

- SEDI has been studied, developed and applied in Turkey since 1996 to evaluate and overcome the gap among localities.
- Turkish SEDI consists of 58 component criteria under 9 domains.  
Demographic domain comprises 6 criteria; Employment: 7; Education: 6; Health: 5; Industry: 7; Agriculture 2; Construction 2; Finance 15; Infrastructure 3; other domain: 5.
- Turkish SEDI is identified on the basis of scoring component criteria and weighted for each criteria; enables ranking provinces, regions, districts by 5 types from low to high level.
- Limitations: Lack of environmental criteria; some criteria are not so integrated and generalized; the workload and calculation are large.

# PROPOSALS FOR ECONOMIC STATISTICS DEVELOPMENT

## *SEDI of ECB*

- *SEDI has been studied, developed and applied in Turkey since April 2005 to consider relationship between socio-economic development and fiscal policies, particularly evaluates the impact of fiscal policies on socio-economic development of new member states which have joined EU since 01/5/2004.*
- SEDI of ECB consists of 9 criteria under 4 domains: infrastructure 3 criteria, Environment 2, Education 2, Health: 2.
- SEDI of ECB is determined by mean of component criteria; enables evaluating development level, impact of fiscal policies on socio-economic development of new member states, predict necessary time for new member states to catch up with old member states such as: Slovenia needs 8.5 years, Romania needs 24 years.
- Limitation: Lack of economic criteria.



# PROPOSALS FOR ECONOMIC STATISTICS DEVELOPMENT

## Necessity of studying and applying SEDI in Viet Nam

To meet requirement of implementation result assessment: National development objectives mentioned by the Party Congress 10 tenure XII: By 2045, Viet Nam becomes socialism-oriented developed country; development targets stated by Provincial Party Congress the term 2020 – 2025: to become average/good/top developed province in the region/country; to become industrialized province, etc.

## Orientation for studying and applying SEDI in Viet Nam:

- 1) Steering organization: GSO acts as leading agency in research and application of SEDI in Viet Nam.
- 2) Requirements for research and application of SEDI in Viet Nam:
  - In light with outlook of the Party on sustainable development, on modern industrialization criteria and national development objectives to 2045;
  - Enabling to apply for the whole country, each province and each region;
  - Component criteria must be key integrated and generalized with enough quantity to reflect comprehensively the results, development level of economy, society and environment of the country, each province and each region;

Being scientific, objective, feasible and highly reliable

# PROPOSALS FOR ECONOMIC STATISTICS DEVELOPMENT

## 2. Review revision, complement of economic indicators to National Statistical Indicator System and Statistical Indicator System at all level to fundamentally meet management requirements at provincial, district and commune level

Based on the needs of economic information of all authority levels and development trend of the world statistics to review, evaluate and revise, complement statistical indicator systems. Particularly it is proposed to early supplement the following indicators:

- National target program on new rural development: it is suggested that the indicator *Percentage of new rural communes* should be replaced by the indicator *Percentage of new rural* applying for the whole country, province and districts, overcome the gap in population among communes in reality;
- Forestry: For 3 tier of province/district/commune, it is recommended to supplement the indicator *Percentage of current forest* to be conformity with land area for forestry in each locality;
- For commune level: it is recommended to supplement the following indicators: Average income per capita of household; Number of living quarters meeting standards of new rural area; Percentage of permanent/semi-permanent/simple houses/shelters (ownership); Percentage of permanent road managed by commune; Percentage of permanent irrigation canals managed by commune./.

**Thank you so much!**