

SURVEY OF FACTORS AFFECTING THE DEVELOPMENT OF VOLUNTARY SOCIAL INSURANCE PARTICIPANTS IN THAI NGUYEN PROVINCE

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Abstract: Voluntary social insurance is a crucial component of the national social security system, aimed at providing stability for workers and their families in the face of potential risks. Building upon previous research on the factors influencing workers' participation in social insurance, this study surveyed 200 workers in Thai Nguyen province who have either never participated in voluntary social insurance or have temporarily stopped their contributions to compulsory social insurance. The findings indicate that awareness of the necessity of voluntary social insurance has a positive impact on the participation of individuals. However, factors such as understanding of the policy, satisfaction with the number of subsidy regimes, and conditions for receiving pensions through social insurance have a negative impact on participation. Based on these results, the study puts forth recommendations to address these negative impacts and promote the development of voluntary social insurance participants in Thai Nguyen province in the future.

Keywords: *Voluntary Social Insurance, Development of Voluntary Social Insurance participants, Participation in Voluntary Social Insurance in Thai Nguyen province*

1. Introduction

Voluntary social insurance is a crucial aspect of Vietnam's social insurance policy, operating on a non-profit basis and contributing to the achievement of national social security goals. By enrolling in voluntary social insurance, individuals not only receive support from the government in terms of contribution levels, but also gain access to various practical benefits. These include a monthly pension and a free Health Insurance card to ensure their well-being during retirement, as well as death benefits for their loved ones in the unfortunate event of their passing.

Thai Nguyen is a province located in the Northern Midlands and Mountains region of our country, where more than 60% of the workforce is employed in the informal sector [5]. Thanks to the support of the Party and the State, Thai Nguyen has made significant progress in terms of socio-economic development in recent years. According to data from the Foreign Investment Agency under the Ministry of Planning and Investment, Thai Nguyen ranked third among the top five localities in the

country in terms of attracting foreign investment capital in the first two months of 2024 [6]. The economic structure of the province has also undergone a positive shift, with a gradual increase in the proportion of industry and construction, and a decrease in the proportion of agriculture, forestry, and fisheries [5]. This has been made possible by the fact that the growth rate of the Gross Regional Domestic Product (GRDP) has consistently exceeded the population growth rate, resulting in a steady increase in the average GRDP per capita over the years. In 2022, Thai Nguyen is expected to have the highest average GRDP per capita in the Northern Midlands and Mountains region, and will rank among the top 12 provinces and cities in the country with the highest GRDP per capita [5].

In recent years, Thai Nguyen Provincial Social Insurance has implemented measures to develop voluntary social insurance participation, in accordance with Resolution No. 28-NQ/TW of the 12th Central Executive Committee on social insurance policy reform. Thai Nguyen Provincial Social Insurance has taken various steps to develop a flexible, diverse, and multi-layered social insurance system. These measures include diversifying forms of propaganda, such as workshops, informational campaigns, and social media outreach, to increase public understanding of voluntary social insurance; Ensuring timely and complete payment of social insurance benefits to participants. Additionally, participation procedures have been streamlined to make it easier for workers to enroll in social insurance programs. Furthermore, efforts have been made to provide workers with easy access to social insurance services. After more than five years of implementing Resolution No. 28-NQ/TW of the 12th Central Executive Committee of the Party on developing voluntary social insurance participants, the number of participants in Thai Nguyen province has significantly increased. By the end of 2023, it is projected that the number of voluntary social insurance participants in Thai Nguyen province will reach 14,645, which is double the number in 2018. Despite this growth, the coverage of voluntary social insurance remains low, accounting for only 1.5% of the workforce and 2.3% of the total number of participants [2]. This means that currently, 97.7% of the workforce in Thai Nguyen province is eligible for voluntary social insurance but has not yet participated. This article aims to clarify the factors that have influenced the development of social insurance participants in Thai Nguyen province and propose solutions to promote its growth in the future.

2. Overview of Studies on Factors Affecting the Development of Voluntary Social Insurance Participants

There have been numerous empirical studies conducted on social insurance both domestically and internationally. In 2011, Peng and Boivie conducted a comparative study on social insurance programs in six states in the United States. They identified the necessary conditions for a social insurance program to become a sustainable social security policy [11]. Li et al. (2012) studied the relationship between the labor contract status of immigrant workers and their participation in social insurance. Their findings showed that having a long-term labor contract increases the likelihood of immigrant workers participating in social insurance [9]. Brugnoli et al. (2017) examined the relationship between awareness and purchase intention in various contexts and found that awareness has a positive and significant impact on purchase intention [3]. However, Raza et al. (2019) found that awareness of the insurance system alone does not determine the intention to participate in family insurance. Other factors such as income and the benefits of social insurance compared to the needs of participants must also be considered [12]

According to Duong Xuan Trieu (2009), the ability of Vietnamese people to participate in social insurance, health insurance, and voluntary social insurance is influenced by factors such as income, education level, and employment status [13]. In a study by Nguyen Xuan Cuong and colleagues (2014) on small traders in Nghe An province, seven factors were identified as affecting participation in voluntary social insurance, including awareness of the policy, health awareness, and family attitudes [7]. Similarly, Hoang Thu Thuy and Bui Hoang Minh Thu (2018) found that understanding of social insurance policies, attitude towards participation, and risk perception were among the factors influencing the intention to participate in voluntary social insurance among farmers in Phu Yen province [14]. Bui Huy Nam (2019) developed a model based on consumer behavior theory, which showed that factors such as income, state support, and customer consultation have an impact on the decision to participate in voluntary social insurance [10]. Ho Phuong (2019) also created a model, which included factors such as attitude, social influence, and understanding of voluntary social insurance, to explain the intention to participate in voluntary social insurance among employees in Phu Yen province. In a study by Le Ngoc Hien and Le Thi Thanh Hoa (2023) on people in Ho Chi Minh City, factors such as attitude, subjective norms, and perceived behavioral control were found to positively influence the intention to purchase voluntary social insurance, while value barriers and financial risks were identified as negative factors [8]. However, there is a lack of research on the factors affecting the development of voluntary social insurance participants in Thai Nguyen province, as most studies have focused on identifying factors influencing the intention to participate.

3. Research method

Based on the current practical conditions in Thai Nguyen province, and taking into account common factors that have been found to affect employees' intention to participate in voluntary social insurance in previous studies (Duong Xuan Trieu, 2009; Nguyen Xuan Cuong et al., 2014; Hoang Thu Thuy & Bui Hoang Minh Thu, 2018; Bui Huy Nam, 2019; Ho Phuong, 2019; Le Ngoc Hien & Le Thi Thanh Hoa, 2023), the author proposes a set of three factors that influence the development of voluntary social insurance participants in the province. These factors include: (1) Employees' awareness of the necessity of voluntary social insurance, (2) Understanding of voluntary social insurance policies and laws, and (3) Satisfaction with the subsidy regimes of voluntary social insurance. To determine the impact of these factors, the author conducted a survey to identify which factors have a positive or negative effect on the development of voluntary social insurance participants in Thai Nguyen province. The research hypothesis is that these factors have a positive impact on the development of voluntary social insurance participants among workers in the province.

To achieve the research objectives, the author conducted a questionnaire survey of 200 farmers and workers in the informal sector in Thai Nguyen province. The survey aimed to gather information on the factors influencing participation in voluntary social insurance among those who have not yet participated or have temporarily stopped participating in compulsory social insurance. The survey utilized a 5-point Likert scale and was conducted both in person and online.

The data table below (Table 1) displays the characteristics of the survey sample, including gender, age, occupation, and income. The survey sample was selected using the stratified cluster method. Half of the workers were female and the other half were male. Age was divided into four groups: over 40 years old, 31-40 years old, 26-30 years old, and 15-25 years old, with each group representing 25% of the sample. The occupations of the sample included small traders (33%), farmers (33.5%), and self-employed individuals (33.5%). The average income per capita was divided into six levels, ranging from 1.5 million VND/month to 6.05 million VND/month.

Table 1: General characteristics of survey subjects

Numerical order	Criteria	Quantity	%
1	Gender		
1.1	Male	100	50
1.2	Female	100	50
2	Age of worker		
2.1	Above 40	50	25
2.2	From 31 to 40	50	25
2.3	From 26 to 30	50	25
2.4	From 15 to 25	50	25
3	Job		
3.1	Small business	66	33
3.2	Farmer	67	33.5
3.3	Freelance	67	33.5
4	Average income per capita (million VND/month)		
4.1	1.5-2.0	34	17
4.2	2.05-3.0	34	17
4.3	3.05-4.0	33	16.5
4.4	4.05-5.0	33	16.5
4.5	5.05-6.0	33	16.5
4.6	Above 6.05	33	16.5
	Total	200	100

(Source: Compiled from survey form)

4. Research Results

4.1. Survey on the Impact of Factors on the Development of Voluntary Social Insurance Participants

A survey was conducted to determine the level of influence of various factors on the development of voluntary social insurance participants in Thai Nguyen province. The survey utilized a scale ranging from 1 (very unaffected) to 5 (very affected).

The results presented in Table 2 below demonstrate that all three factors have an impact on the development of voluntary social insurance participants in Thai Nguyen province. However, the level of impact varies among the factors. It cannot be concluded that all three factors have little or no impact, as the majority of opinions suggest that these factors have a significant impact. The percentage of opinions indicating that these factors have an impact and are highly influential ranges from 61.4% (Workers' awareness of the need for voluntary social insurance) to 81.1% (Workers' understanding of voluntary social insurance policies and laws in Thai Nguyen province). This indicates that the surveyed workers generally believe that these factors play a crucial role in the development of voluntary social insurance participants in Thai Nguyen province. This is consistent with the findings in the studies of Duong Xuan Trieu (2009), Nguyen Xuan Cuong et al. (2014), Hoang Thu Thuy & Bui Hoang Minh Thu (2018), Bui Huy Nam (2019), Ho Phuong (2019), Le Ngoc Hien and Le Thi Thanh Hoa (2023).

Table 2. Survey on the level of influence of factors on the development of voluntary social insurance participants in Thai Nguyen province (Unit: %)

Numerical order	Contents	Degree Evaluation					Total
		(1)	(2)	(3)	(4)	(5)	
1	Awareness of the necessity of voluntary social insurance for workers' lives	0	8.4	30.2	25.8	35.6	100
2	Level of understanding of workers in Thai Nguyen province about voluntary social insurance policies and laws	0	0	18.9	40.9	40.2	100
3	Employee satisfaction with voluntary social insurance benefits	0	8.2	8.0	38.3	45.5	100

(Source: Compiled from survey form)

To gain a deeper understanding of the impact of these factors on the growth of voluntary social insurance in Thai Nguyen province, the author conducted a survey covering the following topics: workers' awareness of the importance of voluntary social insurance for their lives, their level of understanding of voluntary social insurance policies and laws in Thai Nguyen province, and their satisfaction with the provisions of these policies. Specifically, the survey focused on the number of subsidy regimes and the duration of participation in voluntary social insurance. The results of the survey are presented in the section below.

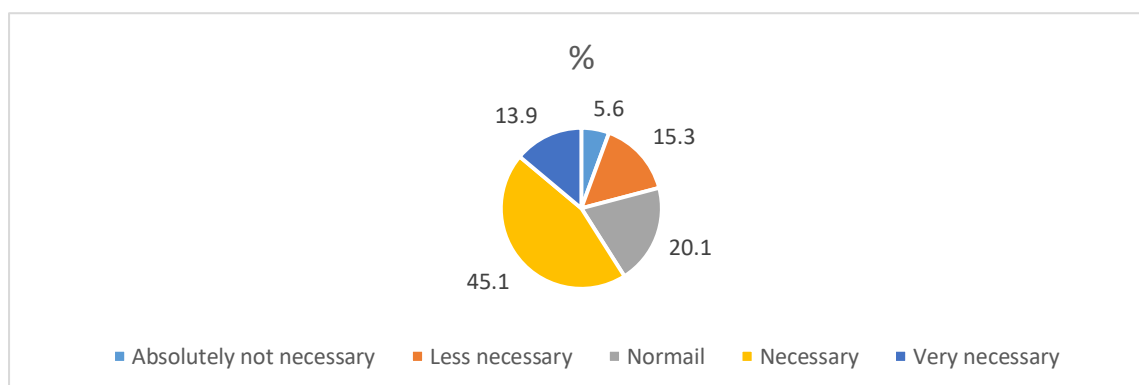
4.2. Survey of workers' awareness of the necessity of voluntary social insurance for workers' lives

To better understand how each factor affects the development of voluntary social insurance participants in Thai Nguyen province, the author continues to conduct a survey of workers' awareness of the necessity of voluntary social insurance. The survey results (Table 2) show that up to 45.1% of workers think that voluntary social insurance is necessary, 13.9% think that it is very necessary for the lives of workers and their families. This shows that the majority of workers have an understanding of voluntary social insurance and the benefits that this policy brings. This result is consistent with the studies of Nguyen Xuan Cuong et al. (2014), Hoang Thu Thuy & Bui Hoang Minh Thu (2018), Bui Huy Nam (2019), Ho Phuong (2019). Le Ngoc Hien and Le Thi Thanh Hoa (2023).

However, there is still a significant portion (15.3%) of survey respondents who believe that voluntary social insurance is not necessary, and an additional 5.6% who believe it is completely unnecessary for workers' lives. Through in-depth interviews, the author discovered that this belief stems from the fact that voluntary social insurance in Vietnam currently only offers two subsidy regimes: retirement and death. However, workers also require protection in other risky situations, such as illness, maternity, and work accidents, which are already covered by the compulsory social insurance policy. Unfortunately, voluntary social insurance has not yet implemented these subsidy regimes. [15]

Chart 1. Survey on the awareness of the necessity of voluntary social insurance for the lives of workers (Unit: %)

(1) Absolutely not necessary; (2) Less necessary; (3) Normal; (4) Necessary; (5) Very necessary



(Source: Compiled from survey form)

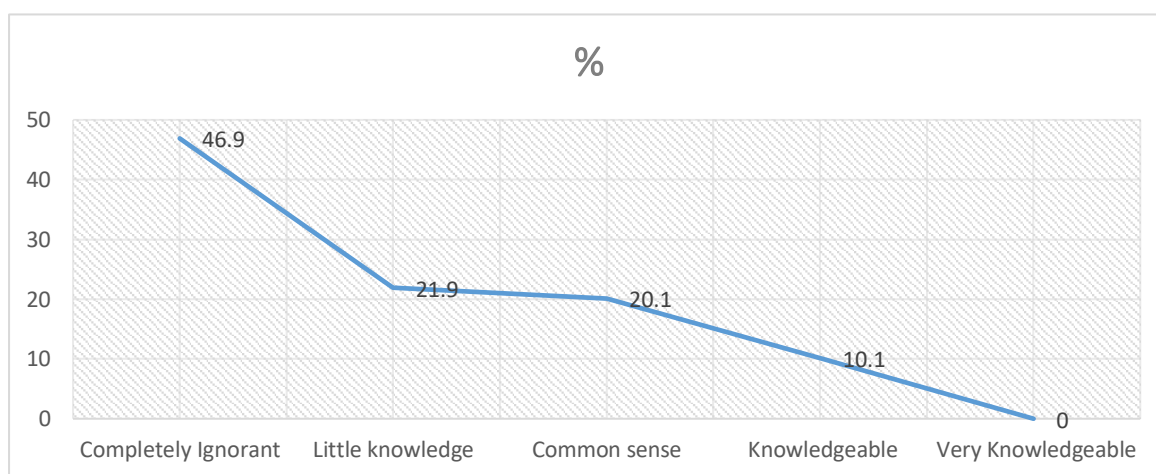
4.3. Survey on the Level of Understanding of Workers in Thai Nguyen Province about Voluntary Social Insurance Policies

The current voluntary social insurance policy stipulates that all participants must be aged 15 and over and not subject to compulsory social insurance. The amount used as the basis for calculating voluntary social insurance contributions is chosen by workers and must be at least 22% of the poverty line in rural areas. Payment can be made monthly, quarterly, or annually, providing flexibility for workers. The benefits of voluntary social insurance include retirement benefits, death benefits, and health insurance when receiving

pensions [15]. Therefore, understanding the provisions of the voluntary social insurance policy is crucial for workers to understand the benefits it brings and influence their intention to participate. The survey results in Table 2 show that 46.9% of respondents stated they had no understanding at all, and 21.9% had little understanding of voluntary social insurance policies. Only 10.1% reported understanding through news on television, radio, customer consultation conferences organized by Thai Nguyen Social Insurance, etc. No respondents claimed to have a very good understanding of voluntary social insurance policies. This indicates that the proportion of workers in Thai Nguyen province who have not participated in voluntary social insurance but have an understanding of its policies and laws is still quite low. This lack of understanding may be hindering workers' intention to participate in voluntary social insurance. While there are other factors that workers must consider before making a decision to participate, the survey results are consistent with the study by Brugnoli et al. (2017), which states that awareness of a product or service has a positive impact on its purchase. Therefore, in the future, it is crucial to continue strongly promoting the benefits of voluntary social insurance in Thai Nguyen province to increase understanding and encourage participation.

Chart 2: Survey on the Level of Understanding of Workers in Thai Nguyen Province Regarding Voluntary Social Insurance Policies (Unit: %)

1. Completely Ignorant 2. Uninformed 3. Common sense 4. Knowledgeable 5. Very Knowledgeable



(Source: Compiled from survey form)

4.4. Survey on Employee Satisfaction with Voluntary Social Insurance Regulations

Firstly, the survey examined the number of subsidy regimes available for voluntary social insurance. According to current regulations in Vietnam, participants must pay 100% of the fee but are only entitled to 2 subsidy regimes (retirement and death). In contrast, participants of compulsory social insurance are entitled to 5 subsidy regimes (sickness, maternity, work-related accidents, retirement, and death) [15]. However, the

market offers a wide range of life insurance products, including hospitalization insurance, accident insurance, and health care insurance. This discrepancy in the number of subsidy regimes for voluntary social insurance has created inequality among participants (Le Ngoc Hien and Le Thi Thanh Hoa, 2023). The survey results, shown in Table 3, indicate that 77.6% of respondents who understand the legal policies of voluntary social insurance are dissatisfied with the number of subsidy regimes. Only 10.1% expressed satisfaction, and none reported being very satisfied with the current number of subsidy regimes. This suggests that a significant number of individuals, despite understanding the benefits of voluntary social insurance, do not intend to participate due to the limited number of benefits outlined in current regulations. In other words, the restriction on benefits is negatively impacting people's willingness to participate in voluntary social insurance. This result is consistent with the research results of Le Ngoc Hien and Le Thi Thanh Hoa (2023).

Secondly, let's discuss the period of voluntary social insurance payment. According to international principles and practices, employees must meet two conditions to be eligible for pensions: reaching retirement age and having paid the minimum period of social insurance. Specifically, the current Law on Social Insurance states that the minimum period of social insurance payment is 20 years or more [15]. However, statistics from the General Statistics Office show that the implementation of this law in Vietnam has caused difficulties for a significant number of workers. In 2022, over 476,000 people who had participated in social insurance for over 10 years and were aged 40 or older received one-time social insurance payments. Additionally, over 53,000 people reached retirement age but did not have enough time to pay for the remaining years to receive pensions. This means that the current regulation of a minimum 20-year payment period for pensions has reduced the opportunity for many workers to receive pensions [4]. A survey on people's satisfaction with the period of participation in voluntary social insurance (Table 3) revealed that 30.6% of respondents were very dissatisfied and 25.8% were dissatisfied with this regulation. Only 13.4% expressed satisfaction and no one was very satisfied. Therefore, the 20-year payment period for pensions is having a negative impact on workers' intention to participate in voluntary social insurance

In recent times, the number of people participating in voluntary social insurance in Thai Nguyen province has increased. However, the overall rate of participation is still low. Many individuals have stopped participating, either by switching to compulsory social insurance or due to economic difficulties following the Covid-19 epidemic. This is concerning because people are primarily focused on their current salary and monthly income, rather than planning for their retirement. Additionally, the rate of illness and unemployment among workers in the informal sector is on the rise, likely due to the policy of increasing the retirement age to 62 for men and 60 for women. Without a policy that offers increased benefits and incentives for workers, it will be challenging to encourage them to participate in voluntary social insurance [2].

Table 3: Survey Results on Employee Satisfaction with Voluntary Social Insurance Policy Regulations (Unit: %)

(1) Very Dissatisfied; (2) Dissatisfied; (3) Normal; (4) Satisfied; (5) Very Satisfied

Numerical order	Contents	Degree evaluation					Total
		(1)	(2)	(3)	(4)	(5)	
1	Number of subsidy schemes	44.4	33.2	12.3	10.1	0	100
2	Regulations on social insurance participation period to receive pension for employees	30.6	25.8	30.2	13.4	0	100

(Source: Compiled from survey form)

5. Conclusion and Recommendations

5.1. Conclusion

This study aimed to investigate the factors influencing the development of voluntary social insurance participants in Thai Nguyen province. These factors were identified through a survey and were based on previous studies on the implementation of social insurance policies. The results of the study showed that workers' awareness of the importance of voluntary social insurance had a positive impact on the development of participants, which is consistent with previous research. The study also found that workers' understanding of voluntary social insurance policies and laws greatly influenced their participation. However, the lack of effective communication and education about these policies has resulted in a high number of workers who do not understand them, hindering the development of voluntary social insurance participants in Thai Nguyen province. Additionally, the study revealed that many workers are dissatisfied with the subsidies and conditions for participating in voluntary social insurance for pension benefits, which is negatively affecting their participation.

5.2. Recommendations

Based on the above research results, in order to increase participation in voluntary social insurance in Thai Nguyen province, the following measures should be implemented. Firstly, there should be a continued effort to strengthen coordination with various departments, branches, sectors, and media agencies such as Thai Nguyen Radio and Television Station, Thai Nguyen Newspaper, Propaganda and Associations, unions, and authorities at all levels. This will help to effectively communicate and promote the benefits of participating in voluntary social insurance through diverse and engaging methods. This will also ensure that people and workers have a clear understanding of their rights and benefits, based on a correct and comprehensive understanding of the Party's guidelines, policies, and laws regarding voluntary social insurance. This will ultimately encourage people to voluntarily participate in the program. Secondly, there should be a continued focus on directing social insurance in districts and strengthening coordination with the Post Office to identify potential participants. This can be achieved through organizing propaganda conferences and dialogues, once the restrictions on large gatherings are lifted. Additionally, there should be efforts to improve the system of collection agents in communes and wards, and provide them with proper training to effectively carry out their role in promoting participation in voluntary social insurance. This will help to achieve the target of increasing participation in the program. Thirdly, in order to make voluntary social insurance more attractive for workers, it is important to consider expanding the benefits

for participants and shortening the insurance payment period. However, this will require a well-planned approach with a clear roadmap and specific solutions. This is because the current participation rate in voluntary social insurance is low, which can have a negative impact on social security in the future. Additionally, there should be efforts to reduce administrative procedures and make it easier for people to access policies and participate in voluntary social insurance.

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