

HUMAN DEVELOPMENT IN THE NEW ERA IN VIETNAM: STATUS AND PROSPECTS TO 2045

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Abstract: From a sociological perspective, this article examines the current state and evolving trends of human development in Vietnam within the context of a rapidly changing era. Drawing on the synthesis and analysis of secondary data sources, the study highlights Vietnam's notable achievements in improving healthcare, education, and living standards. Nevertheless, persistent challenges remain, particularly regarding inequalities in access to healthcare services, the quality of education and training, and their disparities. The article highlights the pressing need to boost investment in healthcare and education to meet the growing demands of an increasingly complex socio-economic landscape. Comprehensive human development is positioned as both a strategic objective and a vital driver of long-term sustainable and inclusive growth. The article ultimately argues that placing human beings at the center of development strategies is a fundamental condition for Vietnam to realize its aspiration of becoming a high-income, developed nation by 2045.

Keywords: *Education and training; Healthcare; Human development; Vietnam.*

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1. Introduction

Human development and improving the quality of human capital are becoming top priorities in Vietnam's development strategy, especially in the context of the country entering a new era - the era of national growth. In the journey towards realizing the goal of becoming a high-income developed country by 2045, effective investment in key sectors such as education, health and healthcare in the context of the application of science and technology, innovation and national digital transformation will play a decisive role in improving the quality of resources human resources, promoting the comprehensive development

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of Vietnamese people. In this context, it is necessary to assess and forecast the future of human development and human capital by 2045, becoming one of the top policy priorities. The major goals set at the 13th Party Congress, as well as in the Socio-Economic Development Plan for the period 2021 - 2025, all emphasized the importance of improving the quality of human resources, ensuring social security and promoting equitable access to healthcare services, education and development opportunities. At the same time, Vietnam faces the challenges of integration and globalization, climate change, natural disasters, and population aging. Therefore, this is the critical moment to reshape human development policies in a comprehensive, sustainable and adaptive for the new period .

Human capital theory is an important theoretical basis in human development research. According to Schultz (1961) and Becker (1994), human beings are considered a type of capital that can be accumulated through education, training, and health care. Investing in these sectors helps improve labor productivity, innovation capacity and resilience of human resources to socio-economic changes. Education and health, therefore, are not only basic social services but also drivers of economic growth and sustainable development. A healthy, highly educated workforce will create higher economic efficiency, reduce social burdens and promote economic restructuring towards modernization, especially for countries in the early stages of the development process such as Vietnam. Thus, human capital theory is a useful tool for analyzing and orienting human development policies in the long term, helping to better understand the nature, motivations, goals, and methods of promoting human development. Human development is not the means but the goal of development in which the human being occupies a central position.

From a sociological perspective, the paper analyzes the current state of human development in Vietnam by identifying prominent trends, opportunities and challenges in the context of profound social transformation. The focus of the analysis revolves around the questions: What is the current state of human development and human capital in Vietnam? How are the opportunities and challenges in the fields of education, health and health care affecting the prospects for human development and ensuring social justice? The article uses a synthetic and comparative analysis method, based on secondary data collected from official research and statistical reports of international organizations such as UNDP, UNESCO, WHO, World Bank and domestic agencies such as the

General Statistics Office, Ministry of Education and Training, Ministry of Health. The combination of comparative analysis over time and across countries helps to clearly identify the current situation and prospects for human development. The research results aim to provide scientific and practical arguments for the planning and adjustment of human development policies in line with the country's development goals by 2045.

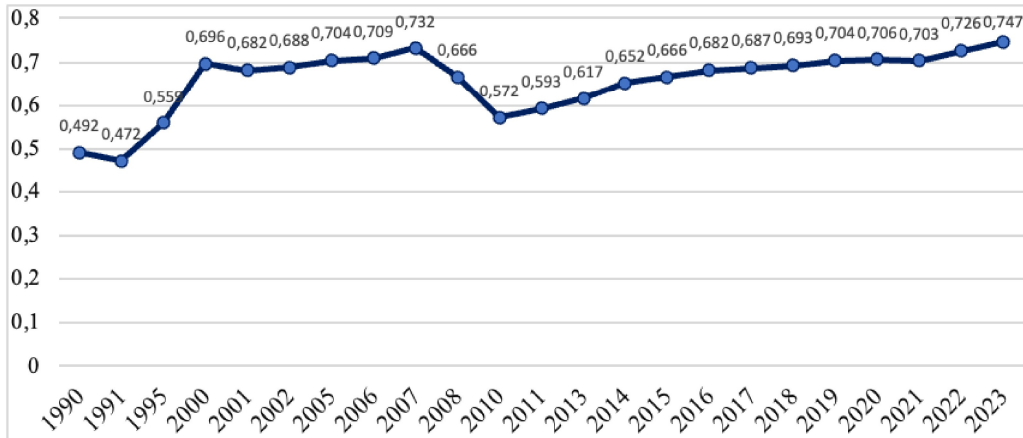
2. Human development in Vietnam

Human development is one of the top goals in sustainable development strategies in countries. Development is not just GDP income or economic growth, but needs to be expressed by the level of access to knowledge, health care and development opportunities of each individual. The quality of human beings is enhanced through better education, better health, and better lives. In its first report on human development, the United Nations Development Programme (UNDP, 1990) emphasized the human-centered philosophy through a striking message: *"The real wealth of a nation is its people. And the purpose of development is to create an enabling environment for people to enjoy long, healthy and creative lives. This simple but powerful truth is too often forgotten in the pursuit of material and financial wealth"*. According to UNDP, human development is the process of expanding people's choices, focusing on three core competencies: living long and healthy, having access to knowledge, and having a decent standard of living (UNDP, 2023). The Human Development Index (HDI) developed by UNDP, with three main components: life expectancy, education level and income, is used to synthesize three corresponding components: life expectancy, education level and gross national income per capita (GNI) measured by purchasing power parity (PPP). The HDI index has a value from 0 (lowest) to 1 (highest).

Vietnam has achieved many positive results in human development that have been recognized by the world. The HDI index tends to increase over the years, especially in the past 15 years (Chart 1). As of 2023, Vietnam's HDI reached 0.703, ranking 107th and in the high average group among 109 ranking countries (UNDP, 2023).¹

¹ The reason Vietnam is classified as "high average" is because the HDI = 0.703 level reaches the threshold of 0.700 or more according to UNDP's classification standards. The 107/109 ranking reflects Vietnam's relative position in the list of evaluating countries, rather than Vietnam's absolute HDI.

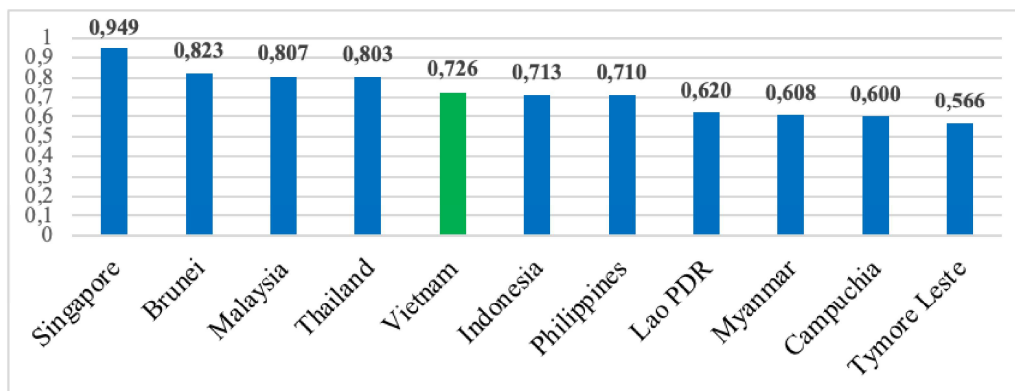
Figure 1: Vietnam's Human Development Index (HDI): 1990 - 2023



Source: UNDP data compilation.

Vietnam's HDI index has grown steadily over the years thanks to investment in education development, medical care, and economic growth. The adult literacy rate is over 95%, the education system is widely universal, and higher education and vocational training are increasingly concerned. The average life expectancy has increased continuously over the years, reaching 74.5 years (in 2023), much higher than countries with the same per capita income. GNI per capita reaches 4,300 USD and if calculated in PPP terms, it is about 8,500 USD (World Bank, 2024). In the ASEAN region, Vietnam's Human Development Index (HDI) is currently only behind Singapore, Brunei, Malaysia and Thailand, and higher than the rest of the region such as Indonesia, the Philippines, Laos, Cambodia and Myanmar (Figure 2). This achievement demonstrates Viet Nam's remarkable efforts to improve the quality of life, improve access to education, health, and reduce poverty sustainably.

Figure 2: HDI Vietnam and ASEAN countries, 2022



Source: Human Development Report (UNDP, 2023).

However, besides the progress made, Viet Nam is still facing many challenges in the process of human development. In particular, the development gap between regions, the overload of the public healthcare system, the limited quality of education, along with low labor productivity and environmental pollution are prominent problems. These factors not only affect the current quality of life but also hinder the realization of the country's goal of rapid and sustainable development in the long term.

The next part of the article will focus on analyzing the current situation and prospects, clarifying opportunities and challenges in the fields of medical/healthcare system and education, which are two important pillars of human development in Vietnam in the new era. The current situation shows that education and health care system in Vietnam still have many gaps compared to the requirements. The education system has not really promoted the creative capacity and critical thinking of learners; the quality of training is uneven among regions, educational levels and social groups. Meanwhile, the healthcare sector is under great pressure from shifting disease patterns, an aging population, excessive healthcare spending, and imbalances in resource allocation.

2.1. Medical and healthcare: The foundation for sustainable human and social development

Medical and healthcare are fundamental factors, playing a core role in the human development process in Vietnam. An effective healthcare system not only helps prevent and treat diseases, but also directly contributes to improving the quality of life, increasing labor productivity, reducing the burden of social costs and thereby facilitating comprehensive socio-economic development. From the perspective of human development, investment in health is a long-term investment in population quality and sustainable social progress.

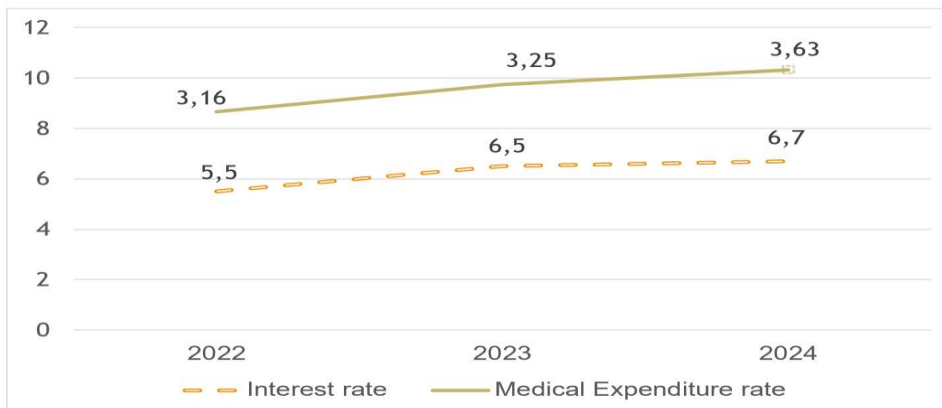
Currently, Vietnam's healthcare system is organized according to the public-private combination model, in which the public sector plays a leading role with a decentralized network at the following levels: central, provincial, regional and commune. The grassroots healthcare network, especially commune and ward healthcare stations, plays an important role in providing initial healthcare, preventing and controlling epidemics, and reducing the burden on higher-level hospitals. In addition, the private healthcare sector is growing strongly, supplementing resources for the whole system, contributing to the diversification of services, expanding accessibility and increasing the right of choice for people, especially in big cities.

Over the years, Viet Nam has achieved many remarkable achievements in the field of healthcare, as shown by the expansion of the network of medical

examination and treatment facilities, the increase of universal health insurance coverage, the significant reduction of infant mortality and maternal mortality, and at the same time improved average life expectancy. These results show the effectiveness of public healthcare policies, as well as the State's strong commitment to implementing the Sustainable Development Goals (SDGs), especially Goal 3: Ensuring healthy lives and improving the well-being of people of all ages. Some basic indicators reflect positive achievements achieved in the field of health and health care. As of 2023, more than 93% of Vietnam's population has participated in health insurance, which helps to reduce the financial burden and risk of medical examination and treatment, and allows for more equitable and efficient access to health services. Disease prevention and control have made a lot of progress, reflected in the effective control of infectious diseases such as malaria, tuberculosis, HIV/AIDS and especially the successful response to the COVID-19 pandemic in recent years.

However, besides the achievements, the healthcare system still has many shortcomings and limitations that need to be overcome. From a macro perspective, public spending on healthcare in Vietnam has only accounted for 3.7% of GDP, much lower than the average of 6.5% of OECD countries (WHO, 2022). Notably, the out-of-pocket spending rate of patients is 43%, much higher than other countries. The Global Medical Trend Rates (2024) report assessing global health trends through 2022, 2023, and 2024 shows that medical costs in Vietnam have continuously increased, respectively by 5.5%, 6.5% and 6.7% in the above years. On average, in the last 3 years, the growth rate of health costs in Vietnam is higher and 1.6 times higher than the inflation rate (Figure 3). Compared to affordability, medical expenditure is huge and becomes a financial burden on society.

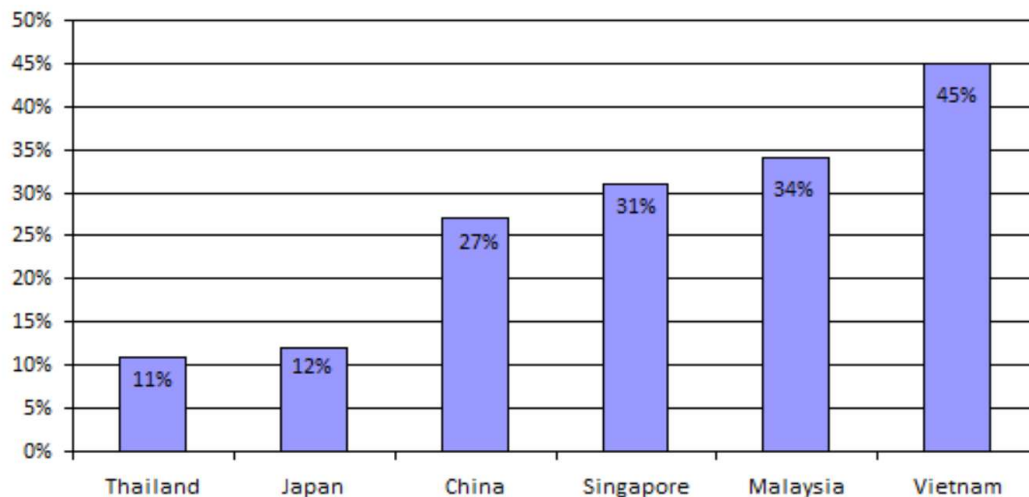
Figure 3: Growth rate of medical costs and economic inflation in Vietnam



Source: AON Global Medical Trend Rates, 2024.

According to Manulife's Asia Care 2023 survey,² medical costs in Vietnam are increasing rapidly, especially the cost of medicines, outpatient medical examinations, and healthcare services. Up to 72% of those surveyed said that escalating medical costs are a serious financial challenge. Despite being covered by health insurance, many patients still have to pay out of pocket to access high-quality services, especially in the case of chronic illness or long-term treatment with specialized drugs and services that are not covered by insurance. This is one of the reasons why the rate of direct out-of-pocket payments in Vietnam is high compared to other countries in the region (see Figure 4). In fact, medical costs are forecast to continue increasing in the coming years when the price of medical services is calculated correctly and adequately at the request of the Ministry of Health. Although the Government has a policy of exempting hospital fees for some groups, medical costs still tend to increase due to increasingly complex health risks. This leads to a change in people's perception of investing in health, while increasing their sense of insecurity about the risks of diseases in modern life.

Figure 4: Direct payment rate of patients



Source: World Bank, 2024.

² The Manulife Vietnam Asia Care Survey is an online survey conducted in: China, Indonesia, Malaysia, the Philippines and Vietnam. The survey was conducted from December 2022 to January 2023 with the participation of 7,224 people between the ages of 25 and 60, including 1,015 Vietnamese.

Although the budget for health care and the cost of medical examination and treatment has tended to increase in recent years, the overcrowding at hospitals is still a difficult challenge that has not been completely solved. This situation occurs frequently, especially in large cities, central-level hospitals and special-grade medical facilities, where the majority of high-quality human resources and modern equipment are concentrated. Overcrowding not only degrades the quality of medical services but also seriously affects the health and lives of patients due to long waiting times, slow access to services, and overload in post-treatment care. The root cause of this situation lies not only in the increasing demand for medical examination and treatment in urban areas but also reflects the imbalance in the national healthcare system. The disparity in medical infrastructure between urban and rural areas, as well as across regions, force people in less developed areas to travel to large healthcare centers for higher-quality medical examination and treatment. Meanwhile, many lower-level hospitals in remote areas have a serious shortage of medical human resources, especially highly qualified doctors, and lack adequate modern equipment for effective diagnose and treatment. The consequence of this inappropriate allocation of healthcare resources is to degrade the overall efficiency of universal healthcare, affect population quality, increase social healthcare costs, and hinder the country's human development goals.

Medical and healthcare work is not only an essential public service but also a strategic pillar in sustainable human and social development. Investment in health is a strategic investment, bringing long-term value to the comprehensive development of the country. In the context of the country entering a new era of development, it is especially important to improve and modernize the health system in a sustainable and human-centered direction. This not only contributes to improving the quality of the population, improving public health, but also promoting labor productivity, economic growth and ensuring sustainable social security. An equitable, effective, and inclusive healthcare system will help narrow regional inequalities, reduce the cost burden on people, and increase resilience to health risks.

2.2. Education and training: A strategic pillar for human and national development

Education and training is one of the fundamental pillars of human development, playing an essential role in promoting economic growth, ensuring social justice and sustainable development. In Vietnam, education is identified as the top national policy and a key factor in the strategy to improve the quality of human resources, serving the country's industrialization, modernization and international integration. Similar to the health sector, the expansion of access to education over the years has made an important contribution to improving the quality of life and enhancing national competitiveness.

Over the years, the promotion of universal education, the expansion of the school system, along with the innovation of teaching content and methods have contributed to improving the quality of life and creating learning conditions for all segment of the population, particularly disadvantaged groups. Vietnam has achieved many outstanding achievements, especially in the universalization of primary and lower secondary education. The literacy rate and the rate of children attending school are high compared to the general level of the ASEAN region (UIS, 2023). Vietnamese high school students perform well in international assessments such as PISA, especially in Math and Science, although their creative problem-solving skills are still low (OECD, 2019). Higher education and vocational education have also had many positive changes. Several universities have been named in regional and international rankings (QS World University Rankings, 2024).

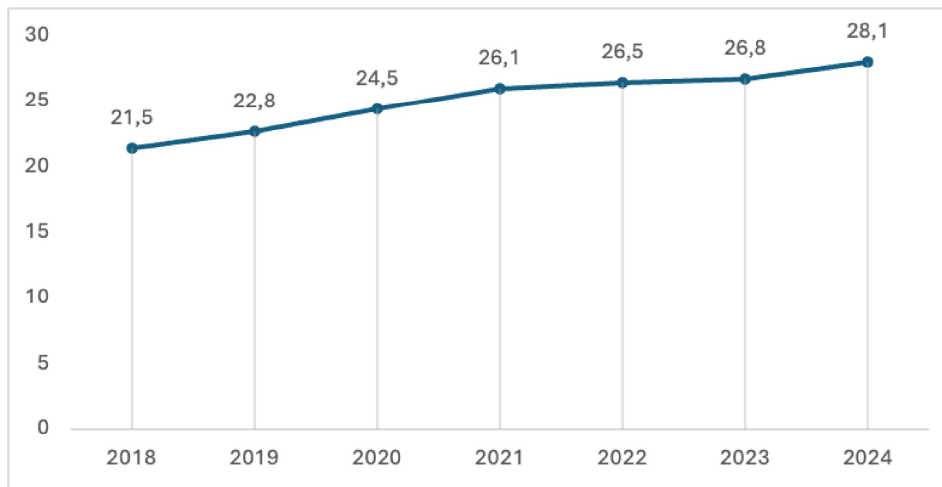
Despite many achievements, Vietnam's national education system still faces many challenges. The country's education system currently does not fully meet the requirements for training soft and creative skills, making many students incapable of competing in the context of digital transformation and international integration. The survey results of the Vietnam Institute of Educational Sciences show that about 35% of teachers still mainly apply traditional methods of imparting knowledge, 15% said that they have never or rarely applied technology in lectures (Institute of Educational Sciences, 2023). The results also reflect the lack of educational facilities in rural and mountainous areas with 18% of schools not meeting classroom and equipment standards. In the context of the industrial

revolution 4.0 and national digital transformation, STEM education is promoted to meet the demand for high-quality human resources. However, the proportion of STEM students only accounts for nearly 30%, which is not enough to meet the demand for high-skilled human resources (Ministry of Education and Training, 2023). For comprehensive development, Vietnam needs to continue to invest in teacher training, improve facilities, and promote school-business linkages.

According to UNESCO (UIS, 2023), education spending in Vietnam is still modest compared to the general level of developed countries in the region, accounting for only about 14.2% of the total national budget in 2022, significantly lower than Singapore (20%) and Japan (15.5%). This shows that financial resources for education, especially from the public and private sectors, are not strong enough to create incentives for program innovation, improve facilities as well as improve training quality. In addition, the foreign language proficiency, especially English, of the Vietnamese workforce is still limited. According to a report by ManpowerGroup (2022), only about 8% of workers in Vietnam are able to use English proficiently in the work environment, much lower than countries in the region such as Singapore (90%), the Philippines (70%) and Thailand (21%). Limitations on investment in education and foreign language skills are a major barrier to improving the quality of human resources, thereby affecting Vietnam's competitiveness and integration in the new era.

Vocational training has not been properly focused when the emphasis on academic degrees remains prevalent in society, leading to the situation of "excess teachers, shortage of workers". The state's recruitment assessment system still relies on academic degrees rather than practical skills and creative competencies. The link between schools and businesses is still loose, resulting in graduates lacking practical skills and need to be retrained. The percentage of trained workers with certificates and degrees (from elementary level or higher) is still low and increasing slowly over the years (Figure 5). Despite the improvement, this rate is still below 30%, indicating a large proportion of untrained workers in the economy (about 71%). Meanwhile, the remuneration regime is not attractive enough to retain domestic talents and attract high-quality human resources from abroad. Many qualified professionals and workers choose to work abroad due to better working conditions and income, leading to "brain drain".

Figure 5: Percentage of trained, certified and qualified workers in Vietnam



Source: Labor and Employment Survey 2018 - 2025.

From the above situation, it can be seen that our country's education and training system currently does not fully meet the requirements of training soft and creative skills, and human resources are not competitive in the context of digital transformation and international integration. It is important to prioritize changing the new educational philosophy from the model of imparting pure knowledge to the model of comprehensive human development. The modern education and training system must not only equip knowledge but also focus on training core competencies such as critical thinking, cooperation, teamwork and problem-solving. In the context of globalization and the fourth industrial revolution, encouraging innovation and improving human qualities has become an urgent requirement for comprehensive human development. This is not only the goal of the education sector, but also the central strategy of sustainable development, associated with the principle of "people are the center of development". Invest in people, through education, health, skills and qualities, to acquire people who are dynamic and well-adapted to the challenges of the era of globalization and digital transformation.

In today's era, creative capacity is considered a key factor determining not only the success of each individual but also the foundation for the sustainable development of society. The rapid development of science and technology in

the digital era is profoundly changing the employment structure, job content and skill requirements of the workforce. In this context, employees need to constantly learn, update knowledge and develop new skills, form a flexible mindset and a lifelong learning spirit - one of the important pillars of human development in the 21st century. This requires the education system to be redesigned to become more flexible, open, and adaptive, including both formal and non-formal forms of learning. It is necessary to create favorable conditions for all people to access diverse lifelong learning opportunities, aligned with their personal situation and labor market trends. In particular, the expansion of training in high-tech and digital fields is an inevitable direction, in which STEM disciplines play a key role. Developing creative capacity, critical thinking, problem-solving skills and foreign language proficiency is the foundation for effective integration and competition in the global labor market in the new era.

Vietnam is at a pivotal stage in the development process, towards transforming from a middle-income country to a developed, high-income and human-centered nation with deep international integration. In this roadmap, strong investment in healthcare, education and training, along with policies to develop and effectively utilized high-quality human resources, is a key prerequisite. Placing people at the center of development will enable Viet Nam maximize its human potential and achieve its development goals by 2045.

3. Conclusion

The 13th Congress of the Party has set out a specific strategic roadmap: by 2025, Vietnam will become a developing country with modern industry, overcoming the threshold of low middle income; by 2030, on the occasion of the 100th anniversary of the founding of the Party, reaching a high average income; and by 2045, the 100th anniversary of the founding of the country, becoming a developed and high-income country. This is a challenging goal, requiring the synchronous participation of the whole political system, the innovation of the growth model and consistency in the comprehensive and sustainable human development strategy, in order to improve the quality of human resources and national competitiveness.

To achieve the above goal, people need to be placed at the center of the national development strategy, with two core pillars being education and healthcare. Systematic, long-term and effective investment in these two sectors, combined with digital transformation and the promotion of innovation, will help Vietnam not only improve labor productivity but also improve quality of life, progress and equity. Economic growth is only truly sustainable when it benefits all people, narrows the development gap between regions and social groups, and creates equal access to basic services. Currently, Vietnam is facing a strategic choice: either to shift to a comprehensive, humane, human-centered development model, or continue to face major risks and barriers in socio-economic development, especially in the context of an aging population. climate change and the far-reaching impact of the Fourth Industrial Revolution. One of the challenges is ensuring equitable and effective access to education and health services, which are fundamental to human development. These challenges cannot be solved by unilateral or short-term policies, but need an integrated, intersectoral, evidence-based, scientifically evidence-based, active and coordinated policy framework with the active and coordinated participation of State actors, the private sector, businesses, civil society organizations and people.

Towards the vision of 2045, Vietnam has a lot of potential to achieve a high level of human development if it maintains a stable economic growth rate, and at the same time effectively implements reforms in education, health and social security systems. The average life expectancy of Vietnamese people can reach 78-80 years old thanks to the comprehensive improvement in the quality of health care. Modern medical facilities such as digital health, telemedicine, and home care will become increasingly popular thanks to the powerful application of artificial intelligence and digital transformation. With political determination, long-term vision and the cooperation of the whole society, Vietnam is fully capable of joining the group of high-income developed countries, with a human development index (HDI) of over 0.8 and a ranking of about 75 - 80 in the world by 2045 (UNDP, 2023). This will not only be the result of strong economic growth, but also reflect a human-centered development model - implementing equity, inclusiveness, and sustainability in the country's new era.

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