



Munich Personal RePEc Archive

Comparative Review of the Human Capital Development Journeys of Vietnam and Sri Lanka

Amarasekara, Chandranath and Venuganan, Poongothai

Central Bank of Sri Lanka, Central Bank of Sri Lanka

September 2021

Online at <https://mpra.ub.uni-muenchen.de/111204/>
MPRA Paper No. 111204, posted 24 Dec 2021 08:26 UTC

Comparative Review of the Human Capital Development Journeys of Vietnam and Sri Lanka¹

Chandranath Amarasekara²

Poongothai Venuganan³

Abstract

Since its independence, Sri Lanka has been lauded by researchers and policymakers for its human capital outcomes and has consistently been ahead of its regional peers. On the other hand, Vietnam continued to struggle with conflicts and other economic bottlenecks which hindered the development of its human capital base, particularly until the initiation of the Doi Moi reform process in the mid 1980s. Accordingly, a comparative assessment is undertaken of the significantly different human capital development journeys of Vietnam and Sri Lanka to understand the course of progress that both countries have experienced especially in the last three decades. Such an assessment paves way to identify developmental lessons that policymakers of both countries can draw upon to further augment their human capital which will be pivotal to achieve sustainable and inclusive growth amid the short-run challenge of the COVID-19 pandemic and the medium-run challenge of the ‘middle-income trap.’

Keywords: Comparative Studies, Human Capital, Health, Education, Poverty, COVID-19 Response

¹ This paper was published as part of the ‘Special Issue on Sri Lanka’ by the Vietnam Journal for Indian and Asian Studies No.9 (106) September 2021 (ISSN: 0866 – 7314).

² Dr. Chandranath Amarasekara is the Director of Economic Research of the Central Bank of Sri Lanka. Correspondence concerning this article should be addressed to Dr. Chandranath Amarasekara, Director – Economic Research, Central Bank of Sri Lanka, 30 Janadhipathi Mawatha, Colombo 01. Electronic mail may be sent to chandranath@cbsl.lk.

³ Mrs. Poongothai Venuganan is currently serving as Senior Economist of the Economic Research Department of the Central Bank of Sri Lanka. Correspondence concerning this article should be addressed to Mrs. Poongothai Venuganan, Senior Economist – Economic Research Department, Central Bank of Sri Lanka, 30 Janadhipathi Mawatha, Colombo 01. Electronic mail may be sent to poongothai@cbsl.lk.

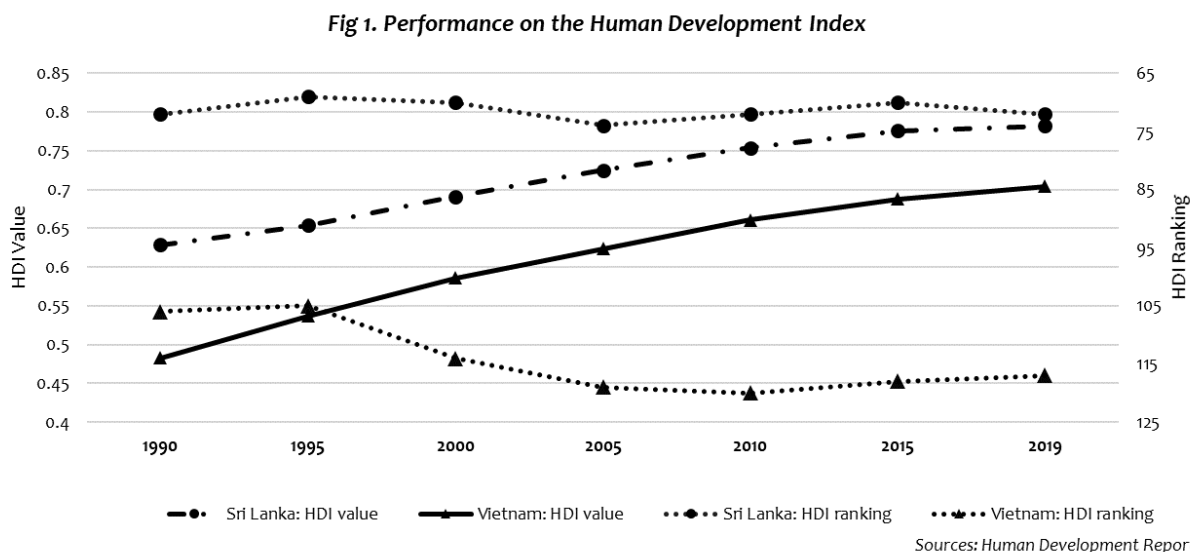
1. Introduction

Since the establishment of diplomatic relations on 21 July 1970, Vietnam and Sri Lanka have closely partaken in each other’s economic progress. Over the last five decades, several key government officials including Presidents of both countries have paid official visits to the other intending to strengthen economic and political ties. During this period Vietnam and Sri Lanka have been able to create synergies in the areas of construction, technical education, and apparel manufacture, in addition to trade in agricultural products, intermediate goods, and investment goods.

As Vietnam and Sri Lanka forge ahead with the strengthening of economic and political ties, a review of the socio-economic development journeys of the two countries would prove useful. Such an analysis would help understand the degree of progress in human capital development outcomes that both countries have made considering their vastly different starting points and idiosyncrasies of the populations of the two countries. Accordingly, the following sections comprise a comparative assessment of various aspects of social and human capital development and a gist of the developmental lessons that each of the countries can take from each other.

2. Comparative Analysis of Social and Human Capital Development

2.1 Human Development Index



When reviewing the performance of both Sri Lanka and Vietnam on the Human Development Index (HDI), it can be noted that Sri Lanka has managed to secure its ranking around 70 over the years and Vietnam which saw a decline between 1995 and 2000 from 105 to 114 has not been able to make much progress in recent times (see Fig 1). However, an assessment of the ranking alone can be misleading as the ranks of countries change not only based on their performance but also based on the pace of

improvement of other countries. Hence, when considering the HDI value, it may be noted that both Sri Lanka and Vietnam have steadily improved over the past three decades. This raises the issue of the differences in human development outcomes between Vietnam and Sri Lanka, despite the robust economic performance of the former. A closer look at some of the underlying indicators of the HDI show that Sri Lanka remains ahead of Vietnam across social indicators (see Table 1).

Table 1. Performance on selected sub-indicators of the Human Development Index

	Sri Lanka		Vietnam	
	1990	2019	1990	2019
HDI value	0.629	0.782	0.483	0.704
Life expectancy at birth	69.5	76.8	70.6	75.4
Expected years of schooling	11.3	14.0	7.8	12.7
Mean years of schooling	8.4	11.1	3.9	8.3
GNI per capita (2017 PPP\$)	3,857	12,707	1,579	7,433

Source: Human Development Reports

2.2 Education

The post-independence commitment to free education and the drive of consecutive governments in Sri Lanka to increase equity in education had given Sri Lanka an edge in social development. While free education was available for children across the country upon independence, as early as 1951, school attendance was made compulsory for all children in the age group of 6 to 14 years. Over the years several reforms were undertaken to increase the relevance and effectiveness of education provisioning. These included the free mid-day meal facility to not only enhance school enrollment and attendance but also to improve the nutrition security of young children and others such as provisioning of free school textbooks from 1980 and free uniforms from 1993. Such expensive yet broad-based initiatives have ensured that Sri Lankan children receive formal education over a longer period.

Although the HDI does not cover educational attainment relating to higher education, it may be noteworthy to mention that Sri Lanka also has a long-standing history of modern higher education dating back to the late 1800s. The Ceylon Medical School commenced in 1870, followed by the Colombo Law College in 1875, the School of Agriculture in 1884, and the Government Technical College in 1890. The Ceylon University College which was established in 1921 was affiliated with the University of London and the University of Ceylon was established in 1942 with several campuses across the country. This long-

standing heritage of education has played a key role in the socio-economic development of the people of Sri Lanka. However, in recent times, with the evolving needs of the economy, there are concerns regarding the dynamism and relevance of Sri Lanka's education system as the country suffers from significant levels of youth unemployment amidst a shortage of skilled workers in the labour market. There is also concern regarding the limited higher education opportunities available through the public sector and the poor affordability of those provided by the private sector. Private sector participation in education in Sri Lanka continues to remain limited and remains outside the ambit of any stringent regulatory system which is also a key concern.

Vietnam too has made significant strides in educational outcomes since the *Doi Moi* reform program. The two 'Education For All' (EFA) action plans that spanned 1993 to 2000 and 2003 to 2015 have helped uplift the quality of and access to education at all levels while also focusing on the provision of lifelong learning opportunities. It must be noted that Vietnam struggled with adult illiteracy in the mid-1980s following decades of conflicts, unlike Sri Lanka which boasted strong literacy levels even in the 1950s. Under such circumstances, the progress that Vietnam has made through the EFA action plans is substantial. It is also noteworthy to mention here that there has been a strong focus on teachers and providing support to them has been a key aspect of the education reform process. The EFA recognized that the spirit of teachers and educational managers was essential to ensuring high quality and effective education and that it was vital to instill a sense of responsibility among key stakeholders, including teachers, to effectively implement education activities. The notable expansion of the education system by the early 2000s and the country's commitment towards uplifting the quality of education culminated in Vietnam outperforming most other countries in its income group as well as several advanced countries in the Programme for International Student Assessment (PISA)⁴. However, as observed in Sri Lanka, Vietnam is also noted to struggle with skill mismatches, particularly in professional or technical high-paying jobs.

A key challenge in the education sector in Vietnam is that many children from poor households, remote areas, and ethnic minority groups are noted to be struggling to access inclusive and high-quality education. A recent report titled 'Policy Brief: Gender Issues of Ethnic Minority Groups in Vietnam' highlights that the rate of children attending kindergarten was 11.8 per cent which was in stark contrast to the national average of 25.8 per cent. It was further noted that ethnic minority children are not proficient in the Vietnamese language while teachers have limited skills in ethnic minority languages thereby hindering attendance and reduce the quality and efficacy of preschool education. In addition to these quality issues, ethnic minority groups also suffer from access issues. It was identified that children of 14 out of the 53 ethnic minority groups had to travel a distance of anywhere between 20 to 50 kilometers along difficult mountainous roads to reach school. These schools are further noted to have temporary classrooms and

⁴ PISA is the OECD's Programme for International Student Assessment. PISA measures 15-year-olds' ability to use their reading, mathematics and science knowledge and skills to meet real-life challenges.

inadequate sanitary facilities. Hence, educational quality in these areas continues to remain sub-par despite the rapid progress seen in the mainstream economy.

In this regard, while Sri Lanka does not struggle with as many ethnic minorities, the country has grappled with the issues of the country's Tamil population lagging due to the three-decade conflict. However, it must be noted that throughout the conflict period, there has been consistent public investment in the school system in these areas too. The national curriculum is primarily delivered in the two national languages of Sinhala (the language of the majority) and Tamil (the language of the minority), with selected schools delivering a portion of the curriculum in English (link language). While those within the public education system are required to undergo their primary education in their mother tongue, there has been a concerted effort for students of either national language to gain basic reading and writing competency in the other. In the early 2000s, a new initiative was introduced to teach a few selected subjects in English medium in selected schools from secondary school onwards, having recognized that the English language subject that was taught in school was not sufficient in uplifting the English language skills of students. Accordingly, the subjects that were to be taught in English were Mathematics, Environmental Studies, Science, and Health & Physical Education. This was intended to broaden students' exposure to the English language from a reasonably young age in addition to studying the English language itself. Such multi-lingual exposure at the school level is expected to not only enhance the marketable skills of the labour force but is also expected to enable the creation of a reasonably level playing field for all Sri Lankans when they enter the job market as they will be tri-lingual or at least bi-lingual to a great extent. In the long run, these are also expected to contribute to communal harmony and unity.

2.3 Health

Another key aspect of socioeconomic development is the health status of the population. A review of the healthcare system prevalent in Vietnam and Sri Lanka reveals that both countries have a rather similar structure comprising provincial, district, and commune health facilities. In both countries, private healthcare is also available, although not as pervasive as public health care. As is seen in Sri Lanka, the public tends to prefer private healthcare in Vietnam due to easy access and greater convenience. However, a key differentiating point is the presence of a social health insurance scheme in Vietnam which was introduced in 1992.

The social health insurance scheme in Vietnam is a key funding source for the healthcare system and is acknowledged to have contributed to the country's steady progress in health outcomes through improving access to healthcare services, especially the poor and vulnerable. There are five key membership groups (primarily workers in formal and informal sectors, poor and vulnerable sections of the population, pensioners, and other members of households) and the premium contribution of almost all groups comprises 4.5 per cent of their monthly salary or allowance but the contributive responsibility varies. Upon inception of the scheme in the 1990s, only 5.4 percent of the population was covered by the scheme (Nguyen and Hoang, 2017). Through a series of incremental reforms by the

government over the past several years, the coverage had expanded to over 80 per cent of the population by 2017 (UN Vietnam, 2017). For long, Sri Lanka has been committed to the provision of universal health care. However, in recent times there have been accusations regarding the quality of public health care and the rising out-of-pocket expenditure on private health care. In this light, such a social health insurance scheme could prove extremely useful for Sri Lanka, especially for vulnerable sections of the population such as informal sector workers and also the aged, both of whom are expected to grow over the next few decades amid a shrinking working age population.

When considering some key health indicators (see Table 2), it is to be noted that Sri Lanka is generally ahead of Vietnam. A key aspect in which Sri Lanka's performance is well ahead of that of Vietnam is in relation to under-five and neonatal mortality rates and tuberculosis incidence. It must be noted that in relation to mortality rates of young children, Sri Lanka has made significant strides over the last few decades largely driven by not only the strengthening of health care infrastructure (as depicted by the higher density of medical doctors and nurses) but also achievements relating to poverty alleviation, universal education and health, food subsidies and improved gender equality, particularly in education. It must also be noted that Malaria was eliminated from Sri Lanka as early as 2012 and the country was recently declared free of Rubella and Measles.

Table 2. Snapshot of Selected Health Indicators

Health Indicator	Metric	Period	Sri Lanka	Vietnam
Life expectancy at birth (Both genders)	years	2019	76.9	73.7
Healthy life expectancy at birth (Both genders)	years	2019	67.0	65.3
Maternal mortality ratio	per 100 000 live births	2017	36	43
Proportion of births attended by skilled health personnel	%	2011-2020	100	94
Under-five mortality rate	per 1000 live births	2019	7	20
Neonatal mortality rate	per 1000 live births	2019	4	10
New HIV infections	per 1000 uninfected population	2019	<0.01	0.05
Tuberculosis incidence	per 100 000 population	2019	64	176
Malaria incidence	per 1000 population at risk	2019	0.0	0.1
Density of medical doctors	per 10 000 population	2011-2019	11.5	8.3
Density of nursing and midwifery personnel	per 10 000 population	2011-2019	22.6	14.5

Source: World Health Statistics 2021, World Health Organization

2.4 Human Capital Index

The experience of both Sri Lanka and Vietnam reaffirms that it is important for economies to make efficacious investments in education and health to ensure a productive labour force in the medium-run. This is especially pertinent considering that both Sri Lanka and Vietnam are rapidly progressing towards achieving upper-middle income status at which

point they will lose the low wage cost advantage and will need to gain a competitive advantage through improved productivity.

When looking at the World Bank’s Human Capital Index (HCI)⁵ (see Table 3), it is to be noted that Vietnam is ahead of Sri Lanka, i.e. the productivity of the next generation of workers in Vietnam is higher, given the current level of educational opportunities and health risks. Notably, across the three components of the HCI, there is a notable difference between both countries in the ‘school’ component which considers learning adjusted years of schooling to encompass not only the status of access to education but also the status of learning outcomes. However, as noted previously, Sri Lanka remains ahead of Vietnam in the health indicators captured in HCI. This highlights that it is important for both countries to continue to focus equally on creating qualitative and quantitative improvements in their health and education sectors.

Table 3. Human Capital Index - 2020

	Sri Lanka	Vietnam
Component 1: Survival		
Probability of Survival to Age 5 (0-1)	0.99	0.98
Contribution to productivity as future worker (A)	0.99	0.98
Component 2: School		
Expected Years of School (0-14)	13.2	12.9
Harmonized Test Score (300-625)	400	519
Contribution to productivity as future worker (B)	0.64	0.77
Component 3: Health		
Fraction of Children Under 5 Not Stunted (0-1)	0.83	0.76
Fraction of 15-Year Olds Who Survive to Age 60 (0-1)	0.90	0.87
Contribution to productivity as future worker (C)	0.94	0.92
Human Capital Index (A x B x C)	0.60	0.69

Source: Human Capital Index Database

2.5 Poverty

In addition to the commitment to health and education, consecutive governments of Sri Lanka have also been preoccupied with poverty. In the decades immediately following independence, development plans focused on economic expansion as a means of employment generation and thereby improved income distribution. A key aspect of the poverty alleviation program was a food-oriented social assistance system that morphed from near-universal provision of food to a targeted voucher-like scheme followed by an even more narrowly targeted combination of cash and food rations and finally to the

⁵ The Human Capital Index (HCI) is an international metric that benchmarks the key components of human capital across economies. It was launched in 2018 as part of the Human Capital Project, a global effort to accelerate progress toward a world where all children can achieve their full potential. Measuring the human capital that children born today can expect to attain by their 18th birthdays, the HCI highlights how current health and education outcomes shape the productivity of the next generation of workers and underscores the importance of government and societal investments in human capital.

currently existing targeted cash transfer known as *Samurdhi* which also comprises several pro-poor credit schemes including a Grameen-type Samurdhi Bank scheme. Such initiatives alongside the structural transformation of the Sri Lankan economy away from an agrarian to a more services-oriented economy helped the country to record a notable decline in poverty over the last three decades, despite the internal conflict and the below potential growth performance of the economy.

Fig 2a. Poverty Headcount Ratio at \$1.90 per day (2011 PPP)

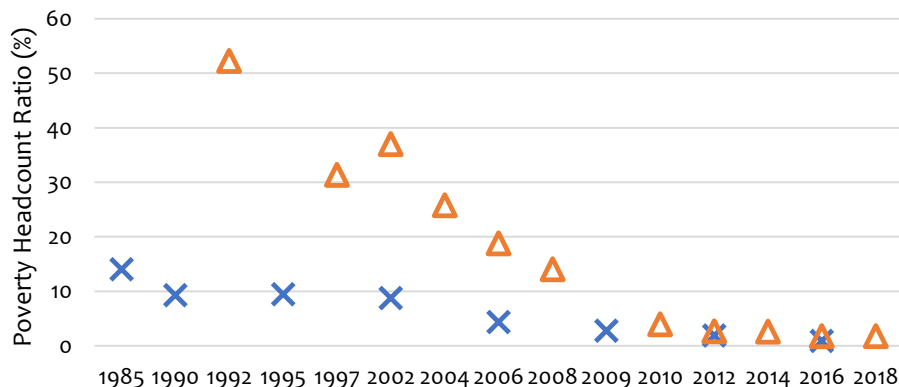
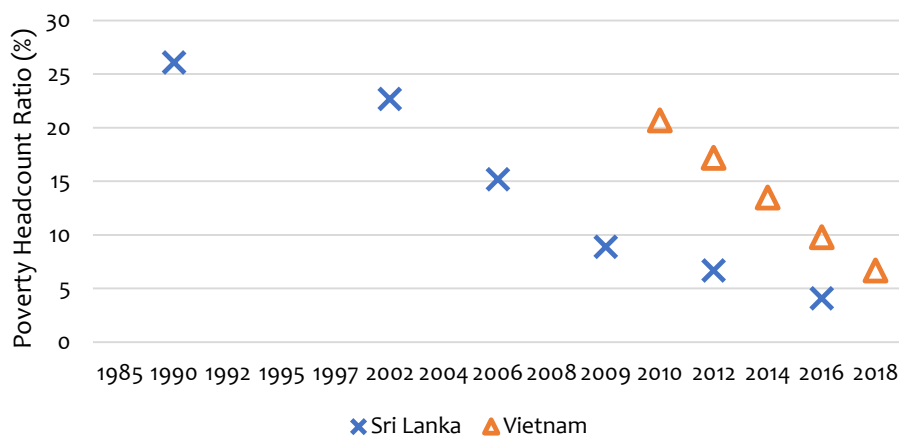


Fig 2b. Poverty Headcount Ratio at National Poverty Lines



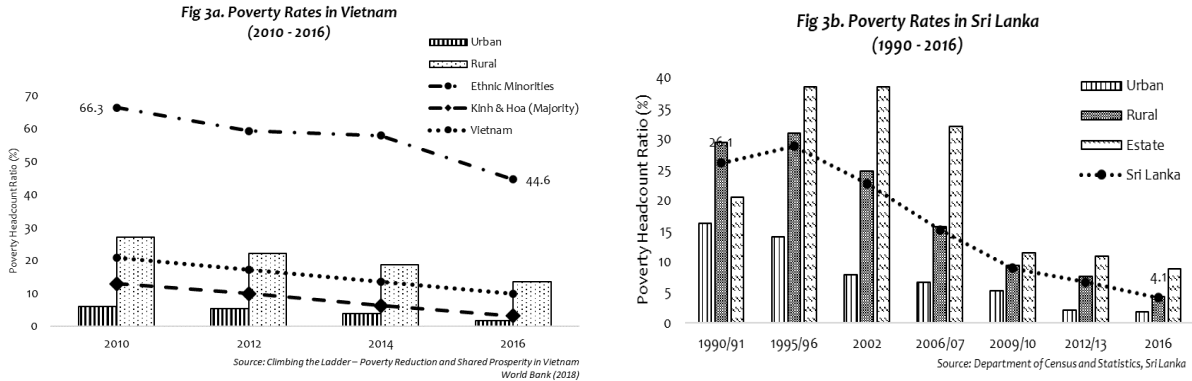
× Sri Lanka ▲ Vietnam

Source: World Bank Database

On the other hand, Vietnam’s strong economic performance and broad-based growth stemming from the government’s commitment to developing labor-intensive export sectors while investing heavily in education and health has been pivotal to the sharp decline in poverty in the country. When considering a poverty line of US dollars 1.90 per day (2011 Purchasing Power Parity), both Vietnam and Sri Lanka are performing equally, despite Sri Lanka having an edge with poverty standing at about 9 per cent at the beginning of the 1990s unlike Vietnam where 50 per cent of the population was living below the poverty line of US dollars 1.90 per day (see Fig 2a). Despite these achievements

in national poverty, in both Sri Lanka and Vietnam there are notable disparities between sections of the population.

While poverty rates remain low in both countries (see Fig 2a and 2b), it is to be noted that both Sri Lanka and Vietnam suffer from significant poverty-related disparities across different sections of the population. In the case of Vietnam, poverty among ethnic minorities is significantly high at almost 44.6 per cent as opposed to the national poverty head count ratio of 9.8 per cent (see Fig 3a). A similar disparity, but of a smaller proportion, is seen in Sri Lanka with the urban sector recording a poverty head count ratio of just 1.9 per cent whereas poverty in the estate sector was almost four and a half times higher (see Fig 3b).



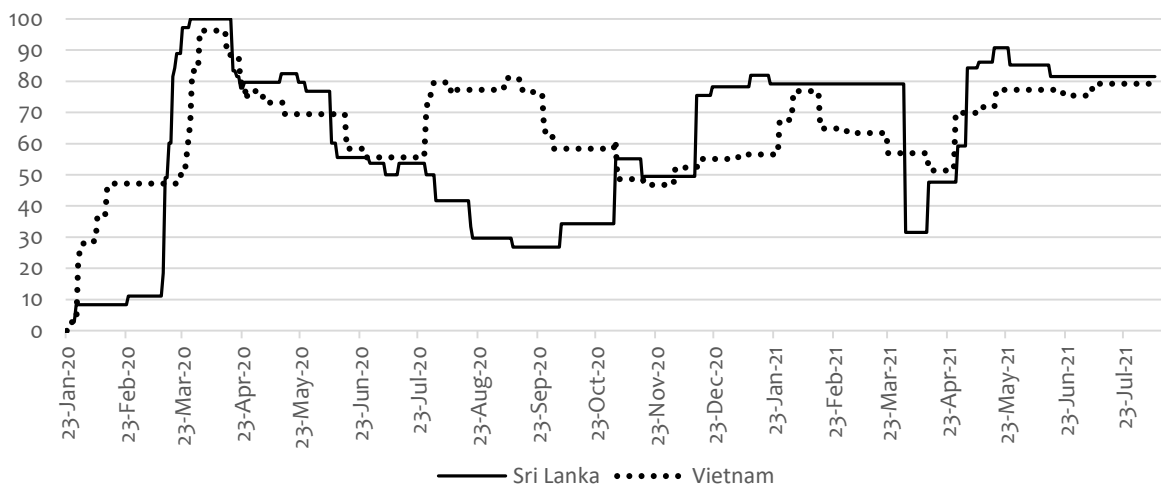
In addition to the continued investments in universal education and health, Sri Lanka’s strong investment in infrastructure, especially road linkages, electricity, and telecommunications have helped improve the gap between the urban, rural, and estate sectors by enhancing the social mobility of households in the latter sectors as their access to markets improved alongside their increased access to other lucrative income generation opportunities. While Vietnam has made sizable investments in infrastructure, going forward, it will have to proactively consider how to address the socioeconomic deficiencies of the ethnic minorities. Researchers highlight that the key constraints faced by these ethnic minorities are underpinned by their locations in mountainous areas thereby preventing them from easily accessing good quality education, healthcare, and even agriculture extension services which hinder the social mobility of future generations as these worsen their already poor financial capacities. To address such issues, both Sri Lanka and Vietnam will need to engage in more targeted and customized approaches to poverty alleviation to improve the productive contributions of these sections of the population and also to reduce the fiscal burden associated with poor people, in the long run.

2.6 COVID-19 Response

The COVID-19 pandemic has brought upon countries a completely novel set of challenges. Unlike previous rounds of epidemics, the evolving nature of COVID-19 and has made it a subject of much interest, especially how countries are managing the pandemic and their responses.

With the onset of the pandemic in early 2020, Vietnam’s COVID-19 response was deemed to be one of the most effective in the world. Despite sharing borders with China, the country recorded a very low number of cases and deaths and hence was also able to record a comparatively high rate of economic growth in 2020. During the first round of the COVID-19 outbreak in early 2020, Vietnam’s stringent response to COVID-19 (see Fig 4) was widely acclaimed as the country was one of the first to exit from a nationwide lockdown as early as mid-April with zero deaths and less than three hundred cases in a country with a population of almost 95 million. This was a notable achievement also considering that Vietnam was one of the first countries to have a positive COVID-19 patient outside China.

Fig 4. COVID-19 Stringency Index



(a) The Oxford Coronavirus Government Response Tracker (OxCGRT) project calculate a Stringency Index, a composite measure of nine of the response metrics. The nine metrics used to calculate the Stringency Index are: school closures; workplace closures; cancellation of public events; restrictions on public gatherings; closures of public transport; stay-at-home requirements; public information campaigns; restrictions on internal

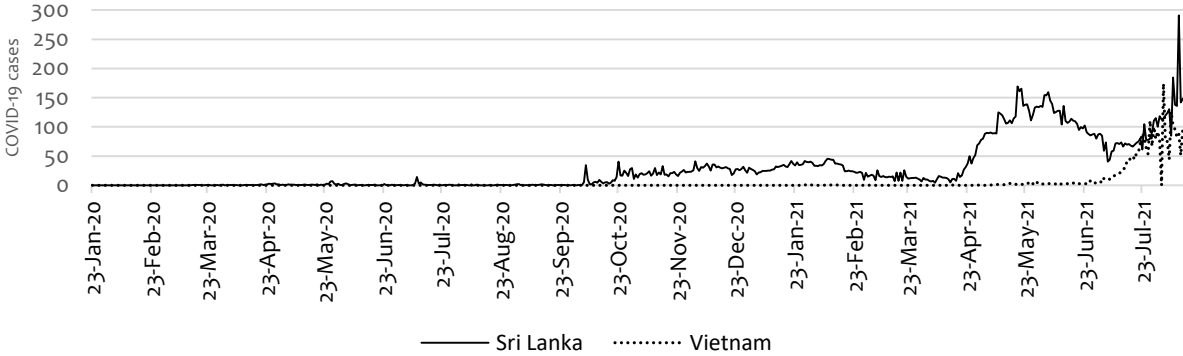
Source: ourworldindata.org

With the global outbreak of COVID-19, in late January 2020, Sri Lanka swiftly brought into place a multisectoral national action committee to formulate strategies to overcome the pandemic. The first case in Sri Lanka was detected a day later in a tourist. The proactive nature of responses from public stakeholders ensured that there were no local cases of COVID-19 till 11 March 2020 after which cases rose gradually. With the identification of a rather small number of individuals in mid-March 2020, the Sri Lankan government was swift to implement a strict nationwide lockdown alongside the closure of airports from 19 March 2020 and proactive actions to quarantine returnees from abroad. The initial COVID-19 outbreak in Sri Lanka was driven by the continued arrival of

tourists, the return of migrant workers and their dependents from countries that were largely affected by the virus, and the lack of adherence to the containment measures that were imposed from mid March 2020. The economy gradually exited from the lockdown status and the economy had largely reopened by May 2020. Thereafter, Sri Lanka has remained wary of a nationwide lockdown with due consideration to the economic repercussions of such a measure. However, the government has imposed mobility restrictions and other restrictions on economic activity in a selective and phased manner throughout late 2020 and thus far to facilitate the continuity of economic activity amid managing the health cost of the COVID-19 pandemic.

A key similarity between Vietnam and Sri Lanka has been the engagement of all public stakeholders in the management of the pandemic, particularly the defence forces. There has been a massive mobilization of defence personnel in public health surveillance, especially in relation to quarantine, contact tracing, and other pandemic-related logistics which had proved vital to the successive and rapid containment of the virus in both countries. Both governments had also launched several campaigns via print and television media and social media to increase awareness about the COVID-19 pandemic and related containment measures. Such open communication may have contributed to relatively higher adherence to mobility restrictions and even increased masking in both countries which are in great contrast to the opposition to both that was observed in Western nations. However, there have been some differences between both countries in the more recent stages of the pandemic.

Fig 5. COVID-19 cases per million of population
(Data as at 14 August 2021)



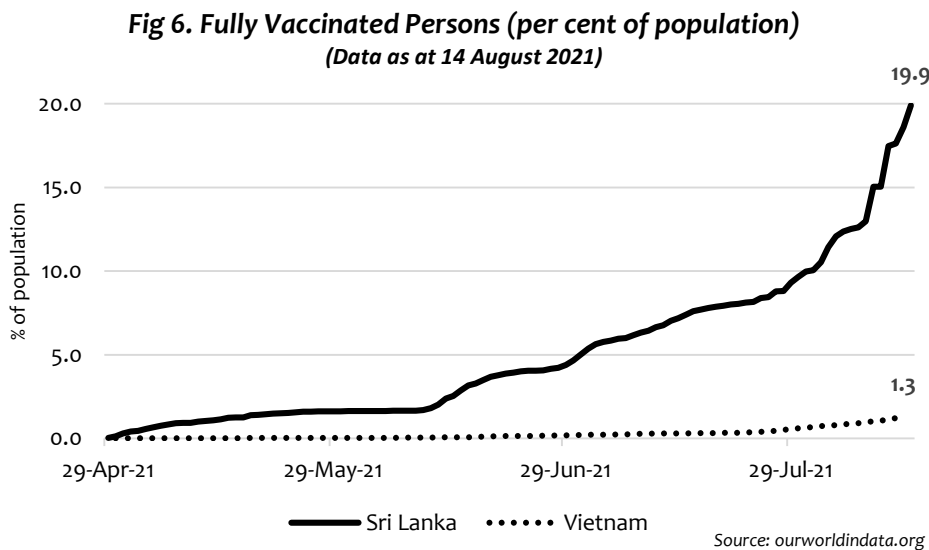
Source: ourworldindata.org

In the case of Sri Lanka, there was a second severe outbreak of COVID-19 in early October 2020 (see Fig 5) with clusters emerging from a garment factory and a fish market. Media reports highlighted that in the case of both clusters, people had not sought medical assistance early enough and had continued to report to work despite having symptoms such as fever, cough, and shortness of breath that are typically associated with COVID-19. This second wave in Sri Lanka could have been prevented if people had been more empowered to seek early testing as was seen in Vietnam which was enjoying low infection rates throughout the latter part of 2020. It must be noted here that Vietnam possesses

experiences in tackling epidemics such as SARS in 2003 and the Avian Influenza in 2005. In addition to such experience, there has been widespread use of mobile applications for contact tracing and detection of suspected cases which Sri Lanka has not exploited despite high levels of mobile penetration.

In the current context, the Delta variant is posing unprecedented challenges to both Sri Lanka and Vietnam. Daily COVID-19 data shows that prior to the arrival of Delta in April 2021, Vietnam had recorded less than 3,000 confirmed cases and 35 deaths across a period of 15 months since the pandemic began in January 2020. This is in stark contrast to Sri Lanka which had over 95,000 positive cases and 604 deaths even prior to the emergence of the ‘New Year’ cluster in late April 2021 and the emergence of the Delta variant in July 2021.

With the onset of Delta, Vietnam has seen daily counts soaring to as high as over 9,000 cases in a single day. Sri Lanka has been recording an average of 2,000 positive cases since the identification of the ‘New Year’ cluster in April 2021 and with the emergence of the Delta variant, daily counts have crossed 3,000 cases per day. Despite absolute numbers being higher in Vietnam, the daily new confirmed COVID-19 cases per million people is higher in Sri Lanka, at 170 cases per million people, than in Vietnam which stands at 88 cases per million people signalling a more severe outbreak in Sri Lanka. Testing efforts have been higher in Vietnam with 1.40 tests being conducted per 1,000 people as opposed to 0.85 tests per 1,000 people in Sri Lanka.



Amid these developments, it must be noted that the rollout of the vaccine in Vietnam has been much slower than in Sri Lanka. As of mid-August 2021, approximately 13 per cent of the population in Vietnam had received at least one dose of the

COVID-19 vaccine. Sri Lanka which had begun its vaccine drive in late January 2021, starting from medical and other frontline care workers, had provided at least one dose of the COVID-19 vaccine to over 50 per cent of its population by mid-August 2021. As of 14 August 2021, 20 per cent of the population has been fully vaccinated in Sri Lanka whereas only 1.3 per cent of the Vietnamese population has been fully vaccinated (see Fig 6). To some extent, both countries have been affected by the growing global demand for vaccines which has ‘crowded out’ the procurement process for lower-income countries such as Sri

Lanka and Vietnam. This highlights that although swift and coordinated government-led responses can help in the ‘flattening of the curve’, subsequent phases of response require resources to secure vaccines.

As observed earlier in Sri Lanka, there seems to be hesitation among sections of the Vietnamese population leading to poor vaccine uptake. However, with Sri Lanka managing to procure a stream of vaccines, despite some shortages following the inability to procure from India, there has been a strong nationwide vaccination drive comprising Covishield, Sinopharm, Sputnik-V, Pfizer, and Moderna. The ongoing efforts include 24-hour operational vaccination centers and mobile vaccination units to ensure that people of all ages and varying health statuses from all corners of the country can receive the vaccine. Currently, there are also door-to-door visits undertaken by defence personnel to assess the vaccination status of people, especially in overcrowded urban areas. There has been aggressive campaigning by various stakeholders, especially on social media urging people to take the vaccine with due consideration to its wide availability and the convenient available options. Going forward, Sri Lanka aims to complete the vaccination of all those above 18 years of age by the end of September 2021 and will commence vaccination of those in the range of 12 – 18 years thereafter. There is widespread consensus that meeting these timelines in relation to the vaccination program can minimize the socioeconomic cost of the pandemic through fewer and shorter disruptions to economic activity.

In the context of Vietnam, the country may be able to secure a strong footing in the upcoming months having successfully procured about 18 million vaccines and having produced its first test batch of Sputnik V vaccines. The country is also engaged with several international producers to secure technology transfers and, initiatives towards the development of the homegrown Nanocovax vaccine are also expected to improve the availability of vaccines in the country. In addition to supply improvements, it will be important for the Vietnamese government to mobilize a significant portion of its public resources, including defence personnel, towards vaccine deployment as it had in relation to contact tracing, testing, and quarantining in the past. Dedicated resources towards deployment of the vaccines and increasing public confidence in the vaccination process will be essential to curbing the human and economic cost of the pandemic especially considering Vietnam’s positioning in global supply chains and its export-led growth.

3. Conclusion

This review of the socioeconomic development of Sri Lanka and Vietnam highlights that Sri Lanka has consistently been ahead of Vietnam in terms of socioeconomic development. This stems from the country’s long history and culture of education and high literacy levels even at the time of independence. Sri Lanka has been able to maintain this advantage and has been able to leverage this to create favorable health and poverty outcomes as well. Since the beginning of the *Doi Moi* reform process in the mid 1980s Vietnam has ‘caught up’ to a great extent with several focused reforms especially in the

education sector and seems to be overtaking Sri Lanka specifically in terms of qualitative improvements to education. However, the country continues to struggle with health outcomes and issues relating to socioeconomic disparities, including poverty, between the majority and the several ethnic minorities located in mountainous regions.

Going forward, as Vietnam gradually nears the upper-middle income status, as in the case of Sri Lanka, it too will lose its 'wage competitiveness' advantage and will need to focus on productivity enhancing reforms especially targeting the augmentation of the human capital base. There must be special focus on ensuring equitable access to high quality education and of course uplifting the overall productive capacity of the ethnic minorities to ensure that the economy's growth trajectory can be sustained despite a rapidly ageing population. In this regard, Vietnam may consider the socioeconomic development experiences of Sri Lanka, especially in relation to ensuring the creation of an inclusive growth process through universal education and healthcare and its holistic approach to poverty alleviation in the rural and estate sectors.

The Delta variant of the COVID-19 pandemic is wreaking havoc now in both Sri Lanka and Vietnam. Despite Sri Lanka and Vietnam having undertaken similar responses in terms of containment measures at the outset, Vietnam had been more successful in containment with only a handful of positive cases prior to the Delta Variant underpinned by prior experiences with epidemics such as SARS and Avian Flu. Although Sri Lanka has seen a few waves of infections since the onset of the pandemic and is currently struggling to cope with the Delta variant, the country is forging ahead with its COVID-19 vaccination drive despite some initial issues relating to vaccine procurement. The vaccination drive of Sri Lanka has received much global acclaim with the country having deployed as many as 500,000 vaccines on a single day. With so many uncertainties surrounding the future trajectory of the COVID-19 pandemic, both countries must stand prepared to learn from not only each other's experiences but also consider areas of synergy especially in relation to vaccine procurement and production.

Having shared close ties for over five decades Vietnam and Sri Lanka have made substantial socioeconomic progress as individual economies and through partnerships between the two. The upcoming decades will brim with dynamism stemming from an increasingly rapid pace of globalization, the 4th Industrial Revolution, and changes in the global economic order. Close economic cooperation and ties between our countries are important for both our nations to tap into and exploit our innate potential to ensure the socioeconomic upliftment of our people amid an increasingly volatile and ever-changing global environment.

Bibliography:

Anh, N. T. T., Duc, L. M., & Chieu, T. D. (2014). The evolution of Vietnamese industry. *Manufacturing Transformation*, 235.

Baum, M. A. (2020). *Vietnam's development success story and the unfinished SDG agenda*. International Monetary Fund.

Central Bank of Sri Lanka (2020). *COVID-19 and Sri Lanka: Challenges, Policy Responses and Outlook*. Retrieved from https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/publications/annual_report/2019/en/13_Box_02.pdf. Accessed on 10 August 2021.

Delta variant outbreak challenges Vietnam's COVID-19 response strategy. (2021, August). Retrieved from <https://www.brookings.edu/blog/order-from-chaos/2021/08/11/delta-variant-outbreak-challenges-vietnams-covid-19-response-strategy/>. Accessed on 15 August 2021.

Gunatilaka, R., Wan, G., & Chatterjee, S. (2010). *Poverty and human development in Sri Lanka*. Asian Development Bank.

Jayasinghe, S., Weerawarana, S., & Jayaweera, D. T. (2021). Addressing COVID-19 in Resource-Poor Settings: Comparing the Experiences of Vietnam and Sri Lanka. *American Journal of Public Health*, 111(3).

Kataoka, S., Vinh, L. A., Kitchlu, S., & Inoue, K. (2020). Vietnam's Human Capital: Education Success and Future Challenges. Retrieved from <https://openknowledge.worldbank.org/handle/10986/34316> . Accessed 15 August 2021.

Nguyen, L. H., & Hoang, A. T. D. (2017). Willingness to pay for social health insurance in central Vietnam. *Frontiers in public health*, 5, 89.

Takashima, K., Wada, K., Tra, T. T., & Smith, D. R. (2017). A review of Vietnam's healthcare reform through the Direction of Healthcare Activities (DOHA). *Environmental health and preventive medicine*, 22(1), 1-7.

Trung tâm khoa học xã hội và nhân văn quốc gia (Vietnam). (2001). *National Human Development Report 2001: Doi moi and human development in Viet Nam*. Political Publishing House.

UN Viet Nam (2017). Viet Nam 2017 One UN Results Report. Retrieved from <https://vietnam.un.org/en/4127-viet-nam-one-un-results-report-2017>. Accessed 15 August 2021.

Vietnam: A Successful Battle Against the Virus. (2020, April). Retrieved from <https://www.cfr.org/blog/vietnam-successful-battle-against-virus>. Accessed on 15 August 2021.