

LABOUR MARKET ASSESSMENT

IDENTIFYING OPPORTUNITIES
FOR VULNERABLE VIETNAMESE FROM
SELECTED PROVINCES OF VIET NAM



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Daniel Lindgren | Dewi Ratnawulan | Naruemol Tuenpakdee



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ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
CAPI	computer-assisted personal interviewing
CDI	Center for Development and Integration
CoE	centre of excellence
DOLAB	Department of Labour
DOLISA	Department of Labour – Invalids and Social Affairs
DVET	Directorate of Vocational Education and Training
ESOMAR	European Society for Opinion and Marketing Research
FDI	foreign direct investment
GPS	global positioning system
ICT	information and communications technology
IDI	in-depth interview
ILO	International Labour Organization
IOM	International Organization for Migration
IT	information technology
I4.0	Industry 4.0
KII	key informant interview
LMA	labour market assessment
MNE	multinational enterprise
MOLISA	Ministry of Labour – Invalids and Social Affairs
NEET	not in education, employment or training
NGO	non-governmental organization
NRM	National Referral Mechanism
NWC	National Wage Council
OECD	Organisation for Economic Co-operation and Development
SME	small- and medium-sized enterprise
SPSS	Statistical Package for the Social Sciences software
TCF	textiles, clothing and footwear
TVET	technical and vocational education and training
USD	United States dollar
VCCI	Viet Nam Chamber of Commerce and Industry
VET	vocational education and training
VGCL	Viet Nam General Confederation of Labour
VND	Vietnamese dong

EXECUTIVE SUMMARY

Over the past 30 years, Viet Nam has experienced rapid economic growth, turning the country from one of the world's poorest nations into a lower middle-income country. The *Đổi Mới* policy – a set of economic reforms launched in 1986 – not only generated impressive economic achievements for Viet Nam but also transformed the country's economic and social structures. These achievements have resulted in a sizeable shift in employment, from the low-productivity agricultural sector to higher-productivity manufacturing and service sectors.

However, such impressive economic achievements have come with several challenges. First, social capital inequality has exacerbated social vulnerability and risk among millions of vulnerable people, thus negatively impacting their ability to cope with the adverse effects of rapid social and economic changes. This in turn has contributed to a large influx of both internal and international migration. Second, many employers have experienced a shortage of workers with relevant skills to fill the demand for new skill-intensive positions. While Viet Nam boasts one of the most educated and literate populations in the region, young jobseekers face great difficulties when trying to enter the labour market. This is especially true for the poor, those not in education, employment or training, people with disabilities and ethnic minority groups. In most cases, these circumstances can be attributed to skills gaps and skills mismatches.

The above challenges have been aggravated by the COVID-19 pandemic, which to date has affected millions of persons all over the world. While Viet Nam boasts one of the smaller rates of infection worldwide, the lockdown measures implemented by most governments have hugely impacted exports, transport and tourism. Those who are working in the informal economy without social safety nets of any kind, particularly ethnic minorities and other vulnerable groups, have been doubly affected by the impacts of the pandemic.

In May and June 2020, Rapid Asia, in collaboration with IOM in Viet Nam, conducted a labour market assessment (LMA) in five key target provinces in Viet Nam (Quang Ninh, Hai Phong, Nghe An, Ha Tinh and Quang Binh). The aims of the assessment were as follows: (a) understand the nature of labour and skills demand and supply in these areas; (b) identify the key sectors that influence the type and quantity of employment opportunities; and (c) identify the socioeconomic impacts of COVID-19 on the local labour market from the perspectives of the employer, government and employee. The LMA employed a mixed-methods approach, beginning with a desk review before the qualitative and quantitative data collection was carried out, which was based on key informant and in-depth interviews with 41 stakeholders and jobseekers (including those from vulnerable groups, such as unemployed or out-of-work youth actively seeking employment in the five provinces). These interviews were used to gain insights from relevant target groups regarding labour market trends and future employers' needs.

As a result of the LMA and its subsequent analysis, several observations regarding the labour market of Viet Nam in the five select provinces were made. First, across the three sectors surveyed, the construction sector was found to employ the largest number of men, while manufacturing and hospitality employ more women. In all three sectors, there is an increased demand for high-skilled jobs with an oversupply of low-skilled labour. Second, to respond to the rise of digital platforms and e-commerce, which has helped create new forms of work that can be performed more remotely, the labour market needs to adapt and close the gap between high demand and low supply for information technology skills. Third, the most common method for employers to find workers is direct recruitment through formal channels such as in-house human resources or recruitment firms. No significant differences were found between male and female workers in this regard. At the same time, there is a gap in skills matching within the various recruitment methods. Fourth, most employers stated that they provide basic job entitlements, such as minimum wage, overtime, leave and health insurance. However, the minimum wage jobs are not commensurate with standard costs of living, making it difficult to keep potential workers in Viet Nam because most low-skilled jobseekers expect higher wages. Besides, while women's labour participation is high, especially in the manufacturing and tourism sectors, the wages that women receive are below subsistence, and they often earn poverty-level wages, creating a gender earnings gap. Fifth, the top challenge employers face is skills-matching, particularly in construction (engineers and site managers) and manufacturing (quality controls, machine operators, technicians and engineers). Sixth, cooperation between technical and vocational education and training institutes and enterprises is still limited. Lastly, many employers have been affected by the COVID-19 pandemic, which has led to job losses and underemployment for many workers. It is suspected that vulnerable workers, including informal workers, as well as migrants and their families, may have been more adversely affected as many of them do not have any social safety net.

Based on the conclusions discussed earlier, Rapid Asia and IOM Viet Nam have made several recommendations for mitigating the barriers and obstacles to the job market and training/education for vulnerable groups (each of which are described in greater detail later in the report). These are listed below:

- Access to vocational training for jobseekers from vulnerable groups should be increased.
- Apart from making training more accessible to vulnerable groups, there is a need to build on existing vocational and education programmes already in place and making them more tied to market realities, inclusive and relevant.
- Encourage any existing social safety net programme to continue and evaluate how effective they are in reaching vulnerable populations.
- Upskilling is needed to access emerging job opportunities.
- Finally, further research with gender perspective is needed to understand how to assist vulnerable populations best.

The following report, which has been prepared by Rapid Asia and IOM Viet Nam, provides an in-depth analysis of the labour situation in Viet Nam, particularly as it relates to vulnerable groups, as well as key recommendations and actions that can be taken to help improve the current situation.



Farmers collecting tea at Bao Loc, Lam Dong Province, Viet Nam.
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I. INTRODUCTION

1.1. EMPLOYMENT SITUATION IN VIET NAM

Over the past 30 years, Viet Nam has experienced rapid economic growth, turning the country from one of the world's poorest nations into a lower middle-income country (World Bank, n.d.a). The *Đổi Mới* policy – a set of economic reforms launched in 1986 – not only generated impressive economic achievements for Viet Nam but also transformed the economic and social structures that have had significant implications for Viet Nam's jobs landscape.

In 2019, the distribution of employment in Viet Nam by economic sectors showed that 39.45 per cent of the employees in Viet Nam were active in the agricultural sector, whereas 25.85 per cent were employed in the industrial sector, and 34.72 per cent were employed in the service sector (Statista, 2020). Currently, the agriculture sector represents the lowest productivity rate (14.7% of GDP) compared to the industrial and service sectors, contributing 34.2 per cent and 45.5 per cent of the GDP respectively (Santander Trade, n.d.). Accordingly, Viet Nam's economy significantly relies on large State-owned industries, such as textiles, food, furniture, plastics and paper, tourism and telecommunications (ibid.).

Due to continuous industrialization and modernization, Viet Nam has undergone fundamental structural changes, where the improvement of agricultural efficiency and a shift in employment from the low-productivity agricultural sector to higher-productivity manufacturing and service sectors has taken place (Cunningham and Pimhidzi, 2018). In addition, the rise of the knowledge economy as one of the global megatrends also highlights the importance of skills development in Viet Nam.¹

The emergence of new skill-intensive jobs has contributed to a growing demand for new skills in Viet Nam's labour market, especially in the non-agricultural sectors. According to the World Bank's *Skilling Up Vietnam* report, employers are looking for new domains of skills consisting of technical, cognitive, and social and behavioural skills when hiring both white- and blue-collar workers (Bodewig et al., 2014). Technical skills, ranging from manual dexterity to using sophisticated tools and instruments to occupations with specific knowledge, have been identified by employers as the most important skills (ibid.). Meanwhile, both cognitive and social and behavioural skills are essential for twenty-first-century workers. Cognitive skills refer to the ability of solving problems and thinking creatively and critically. In contrast, social and behavioural skills capture personality traits essential to success in the labour market, such as openness to new experiences, conscientiousness, extroversion, agreeability and emotional stability (ibid.).

Education has played a significant role in creating Viet Nam's development success story over the last 20 years, and there is a long-standing consensus across Vietnamese society that it is key to the success of Viet Nam's economic and social transitions. The Government of Viet Nam has put considerable efforts in promoting access to primary education for all and ensuring its quality through centrally set minimum standards. Moreover, according to Viet Nam's 10-year (2011–2020) socioeconomic development strategy, the Government has prescribed development and improvement of the quality of human resources, especially high-quality human resources, as one of the three strategic breakthroughs and a decisive factor in the process of restructuring the economy and conversing growth model (Government of Viet Nam, 2010).

According to the Ministry of Labour – Invalids and Social Affairs (MOLISA), there was a total of 1,907 vocational training institutions countrywide, of which 1,227 were government-led institutions in December 2020. In that same year, a total of 2,280,000 students were enrolled in 580,000 college and intermediate levels and another 1,700,000 in elementary levels and other forms of vocational training programmes. These numbers all exceeded the objectives of the Government's annual plan. In 2021, MOLISA aims for the vocational education system to enrol 2.5 million people: 260,000 for college level; 340,000 for elementary and intermediate levels; and 1,900,000 for other vocational training programmes (including 1,500,000 rural workers and 30,000 persons with disability).

Through the Government's efforts, Viet Nam has earned the reputation of having a young and well-educated workforce. However, despite the impressive literacy and numeracy achievements among Vietnamese workers, many employers have experienced a shortage of workers with relevant job skills that is a significant obstacle to their activity. According to a

¹ According to OECD, the key characteristic of a knowledge economy is an economic mode of production based on the accumulation of capital, technology-relevant capabilities and science in the conduct of productive activity (Abramowitz and David, 1996:35). Hence, the economy is being transformed from a "physical-based" labour force to a "knowledge-based" one.

research conducted by the Viet Nam Chamber of Commerce and Industry (VCCI), UNICEF and the Mekong Development Research Institute, employers surveyed in three industries (apparel and footwear, travel and tourism, and information and communications technology (ICT)) face many difficulties finding young workers who possess in-demand skills, particularly soft skills, such as creativity, self-learning, communication, collaboration and critical thinking. These gaps stem from the education and training system and an overall lack of career guidance, support and job matching for youths (VCCI and UNICEF, 2020).

In addition, despite its success in economic growth, Viet Nam is facing a new challenge. The pace of economic growth and reallocation of jobs away from the agricultural sector has slowed in recent years. The critical hindrance in these circumstances is a “skills gap”, which refers to the inadequate skills of job applicants (Bodewig et al., 2014), and a “skills mismatch”, meaning the failure to match between obtained qualifications and jobs held (ILO, 2018). According to VCCI and ILO Bureau for Employers’ Activities, the State-led technical and vocational education and training (TVET) and labour market support systems have remained weak, fragmented and unable to adapt to changing market demands (Asian Development Bank (ADB), 2020). Viet Nam’s TVET system urgently needs improvement to ensure that its workforce will have qualified, relevant and up-to-date training compatible with the labour markets’ needs. Providing the workforce with the right skills will not only help to accelerate Viet Nam’s economic growth but also facilitate economic modernization, allowing the country to better integrate into the global economy.

In the wake of the recent COVID-19 outbreak, Viet Nam has been facing the prospect of a financial shock and economic recession, which poses socioeconomic challenges to the country. Given its integration with the global economy, Viet Nam’s market has been inevitably affected by the slowdown in global economic activity and trade flows. During the first two months of 2020, Viet Nam’s manufacturing, tourism and transport activities fell abruptly due to weak external demand and supply chain disruptions (World Bank, 2020). The contraction of such economic activities could affect approximately 60 per cent of the Vietnamese population active in both industry and service sectors (Statista, 2020). Furthermore, the outbreak and its related measures (such as quarantine measures and restriction on travelling and gatherings) could significantly impact the labour market across three dimensions:

- (a) The number of jobs (both unemployment and underemployment);
- (b) The quality of work (e.g., wages and access to social protection);
- (c) The effects on specific groups who are more vulnerable to adverse market outcomes (ILO, 2020a).²

Despite the potential challenges listed, Viet Nam’s economy remains resilient to external shock and shows fundamental strength. At the beginning of 2020, exports expanded by 8 per cent, and foreign direct investment (FDI) inflows amounted to 2.5 billion United States dollars (USD) (World Bank, 2020). Throughout the COVID-19 pandemic, several economic activities in Viet Nam have been able to operate normally. For example, several stakeholders interviewed in this study have noted that employers have sustained their businesses through the crisis, with a tendency to cut wages rather than lay off staff.

1.2. VULNERABLE GROUPS FROM SELECTED PROVINCES OF VIET NAM

Viet Nam has achieved rapid economic growth with a modest increase in inequality. While the benefits of economic growth in terms of income and minimum wages show high levels of mobility among the higher-income quintile, there are growing inequalities in income, opportunity and participation among the poorest-income quintile, particularly ethnic minority farmers, female-headed households, migrants and persons with disabilities. Furthermore, disparities have grown between provinces, and rural and urban populations in terms of income, opportunity and participation. Social capital inequality has exacerbated social vulnerability and risk among millions of vulnerable people, which has impinged on their ability to cope with the adverse effects of rapid socioeconomic changes (Wells-Dang and Hoa, 2019).

Meanwhile, Viet Nam also faces the major challenge of generating productive jobs for its young and expanding labour force, providing increased responsiveness to labour market needs, and equipping young workers with appropriate skills for the growing manufacturing and service sectors.

² Specific groups according to ILO assessment were as follows: (a) families of young workers and single mothers living in rented accommodations; (b) families with children; (c) families with pre-existing medical conditions, including people with disabilities and the elderly; (d) informal workers in urban areas; (e) ethnic minority households in rural areas; (f) cross-border migrant workers, including formal sector workers not eligible for unemployment insurance benefits; (g) informal sector workers; and (h) enterprises lacking resources to pay workers’ salaries.

Young people ages 18 to 35 account for a large share of the labour force in Viet Nam. While most Vietnamese youth are educated, entering the formal labour market is still challenging for them, particularly the poor, people who are not in education, employment or training (NEET), people with disabilities and ethnic minority groups. This is not only due to lack of qualifications, but also work experience and lack of strategic vision and capacity by employers to hire vulnerable groups. This is especially true for youth with disabilities, who require investment to ensure a suitable working environment. According to ILO, the difficulty in completing the labour market transition nowadays has exacerbated the vulnerability of young people in several aspects: higher unemployment and underemployment, an increase in labour market inequalities among different groups of young people, longer and more insecure school-to-work transitions and increased detachment from the labour market (Nguyen, Nguyen, Nguyen, Trinh and Nguyen, 2015).

In the societies and labour markets, some vulnerable groups – such as youth, women, NEET, poor people, migrants, informal workers and ethnic minorities – are at high risk of exclusion from any form of active participation in the economy and public life. Facing greater difficulties in accessing economic and employment opportunities, vulnerable people are often left stuck in the poverty trap. Under such circumstances, internal and international migration for employment becomes a coping strategy, providing a means of improving their lives and families with remittances (IOM, 2019a).

Increasingly high levels of labour mobility have accompanied Viet Nam's rapid economic development. Since 1999, overseas employment has been liberalized, and international migration has increased significantly. Japan and Taiwan Province of the People's Republic of China, are currently popular destinations, followed by the Republic of Korea and Romania. Overall, the annual number of Vietnamese contract workers deployed overseas has increased from 46,000 in 2002 to more than 152,530 in 2019 (MOLISA, 2019a). These workers migrate as they believe that overseas jobs are more lucrative than those in their country of origin.³ Most overseas migrant workers were sent under a contracted-labour scheme and originated from 15 provinces, mostly northern areas. Nghe An province sent most workers (62,839) between 2012 and 2016, followed by Thanh Hoa (47,372), Ha Tinh (34,464), Hai Duong (27,786) and Bac Giang (25,265) (IOM, 2017).

While international migration represents an opportunity for the youth to provide a better life for themselves and their families, the migration of young individuals takes place in the context of high youth unemployment and the lack of decent work creation at home. Youth unemployment refers to the share of the labour force ages 15 to 24 who are without work but available for and seeking employment (World Bank, 2020). According to the World Bank Data, the youth unemployment rate in Viet Nam in 2019 was 6.6 per cent (World Bank, n.d.b). Consequently, youth unemployment and underemployment also contribute to the practice of unsafe migration and human trafficking in Viet Nam today.

Additionally, labour-intensive sectors also continue to grow domestically, making internal migration to where job prospects and earnings growth are higher and more suitable for jobseekers. A large number of migrants are moving from rural to urban and peri-urban areas, which constitute around 25 to 30 per cent of populations in Viet Nam's largest cities (IOM, n.d.). Despite migrating to urban areas, they are still unable to find decent jobs largely due to their limited skills and lack of qualifications.

Viet Nam's restrictive residential registration system (*ho khau*) also hinders them from gaining permanent residence status in a new district since Vietnamese citizens must register their permanent residence in only one district in the country (De Luca, 2017). Without formal residency status, they have been given little or no legal protection that impacts on their ability to access public services, such as health and social insurance, including education, and therefore are highly vulnerable to exploitation.

The number of Vietnamese migrants who have found themselves falling into exploitative and abusive situations has steadily been rising over the past few years. While migration and trafficking from Viet Nam is still primarily within the Asian region, Europe and the United Kingdom have increasingly become an option for many Vietnamese irregular migrants, with the United Kingdom being the most preferred destination for many. Vietnamese make up a large percentage of human trafficking victims in the United Kingdom's National Referral Mechanism (NRM) for trafficking and modern slavery. Within NRM and annual NRM data, Viet Nam is the top source country for children and the second highest for adults. For example, between 2013 and 2017, over 2,100 Vietnamese nationals were identified as potential victims of trafficking (Hynes et al., 2018).

The increasing numbers of Vietnamese going to the United Kingdom are occasionally mentioned in mass media, with one of the most recent incidents occurring in October 2019 when 39 Vietnamese died in a refrigerated truck being smuggled into the United Kingdom. This accident received considerable media attention in Viet Nam and internationally and created greater recognition of this migration trend and the potential risks and dangers migrants face.

³ According to IOM KAP's survey in 2019, 65 per cent (among 1,782 respondents) of people surveyed in Quang Ninh, Hai Phong, Nghe An, Ha Tinh and Quang Binh – top migrant-sending provinces – think that they will have higher incomes if they work overseas than in Viet Nam (Nguyen et al., 2020).

1.3. GROWTH SECTORS IN FIVE PROVINCES

Viet Nam is a dynamic emerging economy that has witnessed an increase in wage employment in the manufacturing, construction and service industries (Bodewig et al., 2014). It has become a global manufacturing hub that has been heavily driven by two critical sectors: textiles, clothing and footwear (TCF), and electronics and electrical products (ILO, 2016). However, most firms in Viet Nam are small- and medium-sized enterprises (SMEs), lacking capital to invest in new technology and labour training. Hence, in early 2017, the Government of Viet Nam issued Decision 68/2017/QĐ-TTg on the development plan for supporting industries over the 2016–2025 period. The decision aims to promote, support and attract domestic and foreign investment into the supporting industries. These comprise of TCF, electronics and electrical products, high-tech industries and automotive industries to create outputs that meet the demand of domestic production and exports and create a gateway for Vietnamese enterprises to enter the global value chain (Dezan Shira and Associates, 2018). As of March 2020, these industries contribute 34.2 per cent of GDP and employs 25.8 per cent of the total workforce (Santander Trade, n.d.). Despite COVID-19, Viet Nam's economy has remained resilient, expanding by 2.9 per cent in 2020 – one of the highest growth rates in the world – and growth is projected to be 6.5 per cent in 2021, thanks to strong economic fundamentals, decisive containment measures and well-targeted government support, according to the IMF's latest annual assessment of the country's economy (International Monetary Fund (IMF), 2021).

Figure 1. Growth sectors in five provinces



Source: Graphic based on United Nations Geospatial Information Section and elaborated by authors.

Note: This map is for illustration purposes only. The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the International Organization for Migration.

Meanwhile, Viet Nam's construction industry has been growing at an average of 9.6 per cent annually from 2015 to 2019 (Mordor Intelligence, 2020). It is projected to continually grow due to positive developments in economic conditions, as well as investments in transport, residential and energy infrastructure construction projects. The Government of Viet Nam has put great effort into attracting foreign investment to support the industry's growth. Additionally, the Government has also invested in public infrastructure and educational health-care buildings as part of the 2016–2020 Development Plan.

Since 2006, Viet Nam's service sector has had the highest share in the GDP distribution (Dezan Shira and Associates, 2018). In 2018, the service sector contributed the most to the country's GDP, at 45.5 per cent (Santander Trade, n.d.). With an estimated growth rate of 7 to 8 per cent in the next 10 years, Viet Nam's service sector is expected to make up 50 per cent of the country's GDP by 2030 according to Viet Nam's strategy for the development of the service sector in 2021–2030, with the vision up to 2050 (Online Newspaper of the Government of Viet Nam, 2021). Services play an increasingly important role in economic growth and employment creation for Vietnamese youth, with young workers in the service sector making up 36.3 per cent of total youth employment, compared to the industrial sector, which employs 30.2 per cent, and the agricultural sector with 33.2 per cent (Nguyen, Nguyen, Nguyen, Trinh and Nguyen, 2015).

These three growth sectors – manufacturing, construction and services – have gained the most significant in the economic development of four provinces: Nghe An, Ha Tinh, Quang Binh and Hai Phong. Incidentally, these four provinces have also been identified as common sources of international migration in central and northern Viet Nam.

The socioeconomic development master plan in **Quang Ninh**, which has been targeted to become a service and tourism centre of the northern region, outlines expected changes to the structure of its industries. The overall industry structure is expected to change, shifting towards a service economy driven by tourism, which is expected to grow to 51 per cent of GDP after 2020 (Naganuma, 2014). The locality has also improved their management over tourism activities and attractions, such as Ha Long Bay, Cua Ong temple and Yen Tu relic site.

On the other hand, the province's socioeconomic masterplan proposes to decrease the rate of mining-related industries from 25 per cent in 2012 to 12 per cent in 2030 (ibid.). These ideas are based on the introduction of the green growth strategy concept as a way of shifting industries from a “brown economy” to a “green economy”. Special economic zones have also been created to transform Quang Ninh into a modern industrial province.

Hai Phong is the second-largest city in the northern part of Viet Nam and a major industrial centre. Located in the main economic corridor along the north-eastern coastal area, Hai Phong is the main gateway for imports and exports for the northern region. The city's economic growth rate has been relatively high. In 2018, Hai Phong's GDP per capita stood at USD 4,292. In the first nine months of 2018, Hai Phong's GDP grew by 16.2 per cent, more than double the rate of Viet Nam's economic growth of 6.98 per cent (Turicum Investment Management, 2018). The city has become one of Viet Nam's most important industrial areas with a more diversified economy. The provincial government has shown its commitment to continue Hai Phong's exponential growth by offering numerous special tax incentives, which has paved the way for it to become a foreign investment magnet. Industries, such as food processing and light and heavy industries, are critical sectors in Hai Phong. In recent years, the services sector has continued to account for the highest share in the province's GDP at 45.09 per cent, followed closely by manufacturing and construction at 43.92 per cent. Agriculture, forestry and fisheries, on the other hand, only accounted for 5.78 per cent of the economy (Das, 2018).

Nghe An province is in the north-central part of Viet Nam. It is part of the East-West economic corridor linking Myanmar, Thailand, Lao People's Democratic Republic and Viet Nam and the East Sea via Highway no. 7 to the port of Cua Lo. Mining extraction in Nghe An has extensive reserves of some minerals, especially minerals used to produce construction materials such as limestone. Food processing (such as sugar and milk) and heavy industries (such as cement production) are also prominent sectors. In 2018, the GDP per capita in Nghe An was USD 1,636, which was below the national average of USD 2,540. The province is a major source for contract labour going through the government overseas labour programmes within the region. For example, between 2012 and 2016, 62,839 workers from Nghe An went overseas (Department of Overseas Labour (DOLAB), 2016). This represented the highest number of overseas workers coming from Viet Nam in that time, followed by Thanh Hoa (47,372) and Ha Tinh (34,464).

Ha Tinh is among the poorest provinces of Viet Nam and is in the northern central region. In 2018, the GDP per capita in the province was lower than the national average of USD 2,540, with people from Ha Tinh earning a total of total of USD 2,217. It is within this context that tens of thousands of Vietnamese from this impoverished province have felt compelled to migrate. Between 2012 and 2016, Ha Tinh sent out 34,464 workers through the government labour programmes.

The province serves as a bridge linking the north and south of Viet Nam with convenient road and railway routes. With a coastline of 137 kilometres and the eastern gateway of the East-West axis, Ha Tinh province calls for investment in the tourism and services sector. Food processing and electronics are also important sectors in the province. The Vung Ang Economic Zone is one of the country's eight key coastal economic zones. For 2021 to 2030, Ha Tinh plans to work towards becoming an industrial province with synchronous infrastructure and sustainable economic development, with an aim to be one of the top 20 localities in terms of per capita income by 2030.

Quang Binh is a relatively poor province located in central Viet Nam. The provincial GDP per capita is one of the lowest in Viet Nam (around USD 1,500, compared to Viet Nam's average GDP per capita of USD 2,385). According to the population and employment data provided by the General Statistics Office of Viet Nam, over half (516,100) of the provincial population of 887,600 make up the labour force aged 15 and above. Two thirds (72%) are employed in rural sectors (agriculture and silviculture), and around one tenth (10.9%) in urban areas (industrial, service and commercial sectors).⁴ With a low GDP per capita, most educated young people from this province seek work in more urbanized and industrialized provinces.

In pursuit of rapid economic development, Quang Binh is trying to get ahead and has gradually developed a foundation for sustainable development. Over 80 per cent of the population are reliant on agricultural production. However, over the past few years, tourism has emerged as a significant contributor to Quang Binh's economy. Moreover, several key sectors have seen significant growth, including construction material production, seafood and food processing, biofertilizer production, and aluminium production.

⁴ Consolidated from the General Statistics Office of Viet Nam at <https://gso.gov.vn/en/population/>.



Female worker using a stitching machine in a textile factory
in Ba Ria-Vung Tau Province, Viet Nam.
© Shutterstock 2021/Dong Nhat HUYNH

II. RESEARCH APPROACH

2.1. RESEARCH OBJECTIVES

To better understand the link between the workers (supply) and employers (demand), the labour market assessment (LMA) was conducted in selected key target provinces (see Figure 1). The main objectives of the LMA were as follows:

- (a) Understand the nature of labour and skills demand and supply in selected key target provinces (see Figure 1).
- (b) Identify the key sectors that influence the type and quantity of employment opportunities, including specific occupations, demand for skills of key employers and industry leaders in a variety of sectors, and skills training and apprenticeship opportunities available or potentially created.
- (c) Identify the socioeconomic impacts of COVID-19 on the local labour market from the perspectives of the employer, government and employee.

2.2. RESEARCH SCOPE

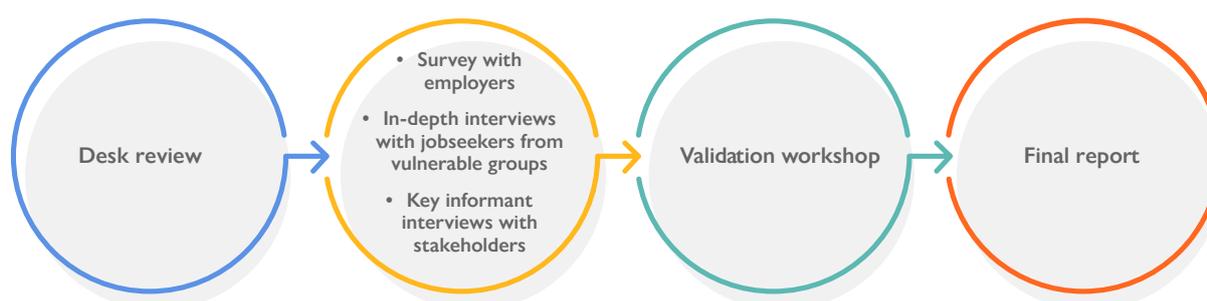
In coordination with IOM and their consortium partner, World Vision, the scope of work can be summarized as follows:

- (a) Map formal sectors of the labour market actors and institutions in Viet Nam in general and in five target provinces that currently absorb labour and are likely to see increases to growth, profitability and employment in the future.
- (b) Explore and categorize the skills employers are demanding and those that education and training institutions provide to inform skills development interventions and support for vulnerable individuals seeking access to skilled employment opportunities.
- (c) Assess occupations, education levels and skill levels possessed by the workforce in the targeted project areas.
- (d) Examine the supply side of the market and uncover the opportunities and challenges that individuals and communities, especially those at vulnerable situations to irregular migration and trafficking, in getting market-relevant training and finding good jobs.
- (e) Analyse income levels, education, work experience and skill levels in the formal and informal labour market.
- (f) Identify challenges and barriers that the vulnerable communities (disaggregated by age and sex) in the target areas are facing in establishing and running their own businesses, and generating income (with attention to gender considerations).
- (g) Identify successful home-based business and income-generating activities in the vulnerable communities.
- (h) Explore and document institutional relationships, barriers and opportunities for supporting vulnerable Vietnamese individuals in the targeted provinces to access market-relevant training and secure employment.
- (i) Evaluate institutional capacity, quality and cost of possible implementing partners, including provincial vocational schools, private sector service providers and training centres that can provide training and job placement services.

2.3. RESEARCH DESIGN

The LMA employed a mixed-methods approach, beginning with a desk review before the qualitative and quantitative data collection were carried out (Figure 2). Key informant interviews (KIIs) with stakeholders and in-depth interviews (IDIs) with jobseekers from vulnerable groups, such as unemployed or out-of-work youth actively seeking employment in five provinces were used to gain insights from relevant target groups regarding labour market trends and future employers' needs. The quantitative part of the study focused on employers in key growth sectors to gain insights into the demand and supply of skill levels and specific jobs relevant to each sector. The assessment was supported by a validation workshop to obtain inputs on recommendations and was held online due to the global pandemic.

Figure 2. Data collection sequence



2.4. DATA COLLECTION METHODS

Based on the document review and internal consultations with IOM staff, the following three target groups were determined, for which interview guides and survey questionnaires were developed:

- (a) Employers from three key sectors (construction, manufacturing and hospitality) in five target provinces (Nghe An, Ha Tinh, Quang Binh, Quang Ninh and Hai Phong) in the northern and central Viet Nam, including Dong Nai, an additional province in the south for comparison.⁵
- (b) Jobseekers from vulnerable groups from the above selected provinces.
- (c) Key informants including ministry representatives, foreign multinational enterprises (MNEs), home-based businesses, training instructors, recruitment agents, youth union, women's union and non-governmental organizations (NGOs). A full analysis was conducted for each of the three target groups through triangulation.

2.4.1. DESK REVIEW

A desk review was carried out to map the employment situation and trends in Viet Nam. It also provided valuable information for the methodology to identify critical sectors and industrial zones expected to grow and attract an increasing number of workers in the near future. Because no previous baseline study was conducted on the situation in the above target provinces, it was essential to learn as much as possible about them to prepare valid survey tools.

2.4.2. STAKEHOLDER INTERVIEWS

Most of the interviews with stakeholders and jobseekers were conducted by phone because of the various pandemic restrictions. All 41 interviews – including 20 males and 21 females – were conducted in Vietnamese by experienced, local moderators in June and July 2020 (Table 1). The moderator guides used have been included in Annex 5 and Annex 6.

Table 1. Number of interviewed informants

Informants	Location	No.	Method
Governmental organizations			
TVET – Director General of the Directorate of Vocational Education and Training (DVET)	Ha Noi	1	Phone interview
Department of Labour – Invalids and Social Affairs (DOLISA)	Nghe An, Ha Tinh and Hai Phong	3	Phone interview
Institute of Labour Science and Social Affairs	Ha Noi	1	Phone interview
Viet Nam Women's Union – provincial level	Quang Ninh and Quang Binh	2	Phone interview
Viet Nam General Confederation of Labour (VGCL)	Ha Noi	1	Phone interview
Ho Chi Minh Communist Youth Union	Ho Chi Minh	1	Phone interview

⁵ Dong Nai is one of Viet Nam's manufacturing hubs, which is to date home to 32 industrial parks, occupying 45 industrial clusters. Dong Nai, with its efficient transport infrastructure and proximity to Ho Chi Minh City's Tan Son Nhat International Airport, makes it a convenient location for foreign investors and businesses. Dong Nai province has attracted 1,746 FDI projects with a total investment of USD 31.8 billion, in which the Republic of Korea, followed by Taiwan Province of the People's Republic of China and Japan are the largest investors. Major companies in the province include 3M, Taiwan's Want Want Group, Siam City Cement, Bosch, Nestle, POSCO, Fujitsu and Hyosung.

Informants	Location	No.	Method
Non-governmental organizations			
REACH Viet Nam	Ha Noi	1	Phone interview
Research Center for Gender, Family and Community Development	Ha Noi	1	Phone interview
Center for Development and Integration (CDI)	Ha Noi	1	Phone interview
Trainers			
Training centres	Nghe An and Ha Tinh	2	Phone interview
Employer from private sector			
Viet Nam Cooperative Alliance (VCA)	Ha Noi	1	Phone interview
Foreign MNEs	Ho Chi Minh and Ha Noi	3	Phone/face-to-face interviews
Recruitment agencies	Ho Chi Minh	1	Phone interview
Home-based businesses	Nghe An and Hai Phong	2	Phone interview
Jobseekers			
Jobseekers	Quang Ninh, Hai Phong, Nghe An, Ha Tinh and Quang Binh	20	Phone interview
Total		41	

Source: Data gathered from the interviews and elaborated by the authors.

2.4.3. IN-DEPTH INTERVIEWS WITH JOBSEEKERS

IDIs were carried out to capture information about jobseekers' experiences and challenges in getting market-relevant training and finding jobs. The 20 jobseekers from the vulnerable group were recruited from five provinces using purposive sampling. That is, the interviewers used their own judgement when selecting respondents. As long as they met the target criteria, they could be selected for an interview. Quotas were used to have an even split between male and female jobseekers using the screening criteria shown in Annex 6. All interviews were conducted in the local language and recorded on an MP3 device for quality control purposes. The interviews were conducted in May and June 2020.

2.4.4. SURVEY WITH EMPLOYERS

The desk review found that the sectors with the most prominent growth potential in Viet Nam include construction, manufacturing (that is, food processing, electronics, textile/garment and footwear goods) and hospitality, and the survey with employers focused on these growth sectors. These three sectors employ large numbers of low-, semi- and high-skilled workers. Employers were targeted in four provinces, including two industrial zones – VSIP Industrial Zone in Hai Phong and Vung Ang Industrial Zone in Ha Tinh, Dong Nai and Quang Ninh.

Each location was identified as a critical growth area for the three sectors and the target areas for future interventions. The sampling method, target areas and sample size by location are shown in Table 2.

Table 2. Sampling methodology for survey with employers

Methodology	
Data collection method	Face-to-face interview
Provinces	Hai Phong, Ha Tinh, Dong Nai and Quang Ninh
Sectors	Construction, manufacturing and hospitality
Sampling method	Intercept and quota sampling
Target respondent	The owner or line manager
Total number of interviews	n = 81 (male and female split)

The total number of workers in each location was unknown, and the selected sectors did not have a presence in all areas. Hence, the sample was allocated evenly across the three sectors and with a 50/50 split between large and SME employers. The geographical distribution of the sample across the four locations and three sectors is shown in Table 3. Manufacturing has been broken down into four subsectors. The total employer sample achieved was 81.

Table 3. Sample size in Viet Nam

Sector	Location				Total
	VSIP Industrial Zone (Hai Phong) North	Vung Ang Industrial Zone (Ha Tinh) North Central	(Dong Nai) South-East	(Quang Ninh) North-East	
Construction	7	5	7	7	26
Textiles/garment	4	0	4	0	8
Electronics	6	1	1	0	8
Food processing	3	3	2	0	8
Footwear goods	6	0	0	0	6
Hospitality	0	11	6	8	25
Total	26	20	20	15	81

Source: Data gathered from the survey and elaborated by the authors.

To have comparable results between the sectors, one standard questionnaire was developed to allow for sector-specific answers concerning specific jobs.

Data collection for the employers' survey was done between 19 and 29 May 2020. All survey data capture was done with the use of computer-assisted personal interviewing (CAPI). To ensure consistency and control of how the questionnaire was scripted on the CAPI system, Rapid Asia used Survey Solutions, a CAPI system developed by the World Bank Group. The subcontractor in Viet Nam was required to use the Survey Solutions app and perform data collection using computer tablets. Following each interview, the data was uploaded onto a secure cloud server. The prescribed data collection process ensures better data quality based on the following:

- (a) Full control over the online survey design and ability to take full advantage of the various design features Survey Solutions has to offer to eliminate systematic errors in the data.
- (b) During training, mistakes were corrected, and each interviewer could simultaneously update the online questionnaire.
- (c) Complete data consistency as each interviewer is guided by the script programmed into the survey application.
- (d) During fieldwork, real-time data monitoring was done, and interviews identified to have inconsistencies were rejected.
- (e) During the initial data collection phase, an interim data file was downloaded from the cloud server and analysed to ensure results were in line with expectations.

2.5. DATA ANALYSIS AND TRIANGULATION

2.5.1. DESK REVIEW

Relevant documents were reviewed and analysed against the research objectives for LMA and findings from the research. The primary information sources for the desk review are presented in Annex 3.

2.5.2. QUALITATIVE COMPONENT FROM KEY INFORMANT INTERVIEWS AND IN-DEPTH INTERVIEWS

For each qualitative interview conducted, all responses provided by interviewees were summarized into an analysis template to categorize them against the research objectives. All interviews were recorded on an MP3 device, which allowed the project team to follow up and clarify essential points captured. Key findings were determined by identifying the most frequent responses, together with suitable quotes. The key findings were then linked back to each research objective in preparation for triangulation. Since several target groups were interviewed, there was no consistent sample base to refer to when highlighting qualitative findings. Instead, findings were classified into the following three categories, using the terms “few”, “some” and “most” as indicators of magnitude explained as noted on Table 4.

Table 4. Definitions of magnitude used throughout the analysis

Definitions of magnitude	
Few	Mentioned by one or two informants
Some	Mentioned by three or more informants but less than a majority
Most	Mentioned by a majority, over half

2.5.3. SURVEY OF EMPLOYERS

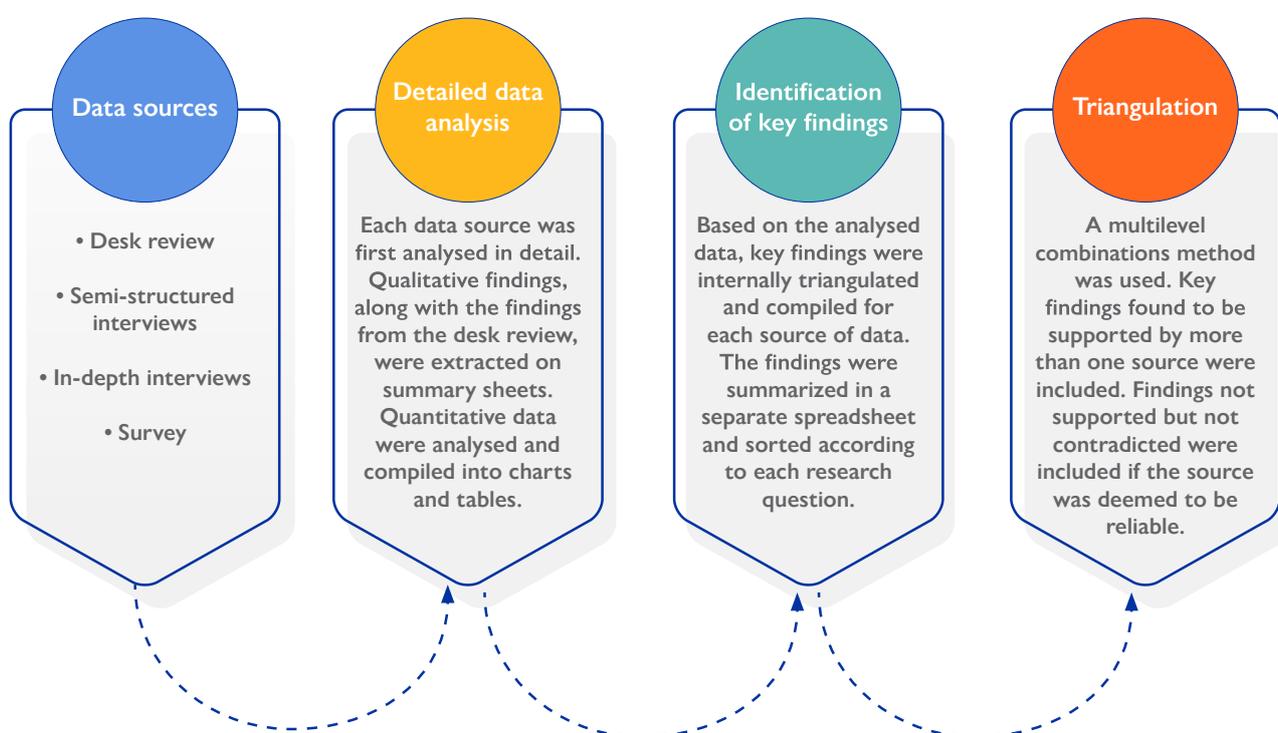
The quantitative data collected was captured into data files. The quantitative data was analysed using the Statistical Package for the Social Sciences (SPSS) software, and analysis was carried out across relevant subgroups.

To better understand employer needs, demand and supply factors were examined across the three growth sectors. Demand and supply were first examined across different sectors and skill levels, followed by a more detailed analysis across different sectors and specific jobs.

2.5.4. DATA ANALYSIS AND TRIANGULATION

The project team used the multilevel combinations approach to ensure proper triangulation of the data. First, data from the desk review, KIs, IDIs and the surveys were analysed separately, and key findings were discussed and further analysed within the project team. Second, all key findings were linked to the research objectives. Finally, triangulation was conducted by examining the key findings across the different information sources (Figure 3). Following this, discussions were held around how the findings answered each of the study objectives and to formulate recommendations. Based on the recommendations, the final structure of the report was also agreed upon.

Figure 3. Data triangulation process



The total amount of data from 41 different interviews was quite vast. When reconciling the data and selecting the most important findings, the following logic was applied (Table 5).

Table 5. Triangulation logic used throughout the analysis

Triangulation logic	
Findings found to be supported by one or more data sources	Prioritized and included
Findings not supported by other data sources but not contradicted	Included if the data source was deemed reliable
Findings not supported by other data sources	Not included

2.5.5. VALIDATION WORKSHOP

The results of the research were presented in a validation workshop held online on 16 July 2020 and attended by 35 participants from key stakeholders and partners (see Annex 4) to validate the survey results and discuss recommendations. Because of pandemic-related travel restrictions, the Rapid Asia team presented the key findings online, followed by a Q&A session. Participants then held group discussions to generate recommendations based on the key findings presented. The workshop generated diverse feedback from participants on how the survey results could be used for future programme initiatives. Insights from the workshop have been incorporated into the recommendations in this report.



Validation workshop in Quang Binh on 16 July 2020. © IOM 2020

2.6. ETHICAL ISSUES

Rapid Asia is a member of the European Society for Opinion and Marketing Research (ESOMAR)⁶ and obliged to follow well-established, international best practices for professional conduct regarding data collection and data management. The guidelines, norms, standards and code of conduct under ESOMAR are very similar to those set out by the United Nations Evaluation Group in the United Nations system. These regulations include the following:

- (a) Ensuring that those involved with collecting data are independent and act with integrity and honesty when interacting with all beneficiaries and stakeholders.
- (b) Ensuring that all participants in the survey understand the purpose, objectives and intended use of survey findings.
- (c) Being sensitive to sociocultural norms and gender roles during interactions with participants and their families.
- (d) Respecting the rights and welfare of participants by ensuring informed consent and rights to anonymity and confidentiality before the interview, thus ensuring that consent is freely volunteered, and allowing participants to withdraw at any time without any negative consequence.
- (e) Ensuring data is stored and handled with careful consideration to avoid any harm to the protection of data.

In addition, the Rapid Asia team conducted the study under IOM's Data Protection Principles to ensure that data protection is taken into account when collecting, processing and storing personal data.

2.7. QUALITY ASSURANCE

The English questionnaire and moderator guides were reviewed in detail by the Rapid Asia team and IOM staff. Several revision rounds were undertaken. Once the tools were agreed, they were sent to Viet Nam for localization, translation and pretesting. Localization involved scrutiny of the questionnaire and adjusting the language, demographics, technical terms and others to ensure it was in line with the country context and appropriate from a cultural perspective. Experienced translators carried out translations, and the translated versions of the tools were also independently checked by national IOM staff with particular attention to technical terms and language before final sign-off was made.

⁶ See https://esomar.org/my-esomar?request_url=%2Fmy-esomar%2Fmy-network%2Fsearch-contact.php.

Before data collection, a survey team training was conducted with all interviewers in Viet Nam. The Rapid Asia team delivered the training online due to the COVID-19 pandemic. It included the operations manager as well as all supervisors/moderators (2 persons) and 10 interviewers. All interviewers were briefed and instructed on sampling procedures, with question-by-question training on the questionnaire and quality control procedures. They also conducted role plays and pilot interviews to be familiar with the questionnaire before fieldwork.

Even though computer tablets were used, all completed interviews underwent several checks to ensure data quality:

- Validation of 20–30 per cent of all interviews for each interviewer. This validation was done through direct monitoring of fieldwork, confirming interview locations with the help of GPS stamps and through callbacks to respondents to verify that an interview took place.⁷
- The data file was checked for consistency in terms of quotas and regional sampling.
- The project team downloaded interim data files and ran several data tests to ensure that the data were clean, consistent and did not include outliers.

All interviews with stakeholders and key informants were recorded on an MP3 device for quality control purposes.⁸ A standard template was also provided to the survey team in which to compile interview summaries.

2.8. LIMITATIONS

As with any study, there are several limitations worth noting. When fieldwork started in early May 2020, the COVID-19 outbreak had just begun in Viet Nam, but infections were relatively few. At this time, the Government of Viet Nam announced a restriction on travelling and implemented strict physical distancing rules nationwide to curb the spread of the pandemic. The Government implied that it was not feasible to hold the focus group discussions with jobseekers as initially planned. Instead, 20 jobseekers were individually interviewed through IDIs. Also, some companies were forced to work from home and did not have staff on the premises. Rather than stopping fieldwork, some individual interviews were conducted over the phone. In addition, all international flights were suspended. The restriction on travelling prevented Rapid Asia from participating in the training and workshop held in Viet Nam. Instead, the training and workshop facilitation were conducted online.

Another limitation was the lack of cooperation from some key stakeholders for the interviews. Although the government officials were cooperative in supporting the interviews, the internal administrative procedures for approving them to participate in the interviews led to delays in the fieldwork and, consequently, the team not being able to cover all stakeholders as planned.

The study was limited to relatively few employers across three sectors. The employers were selected in provinces identified as being most relevant for the programme. As such, the sample is not representative of all employers in Viet Nam and results cannot be generalized. However, based on what was learned from secondary data sources and interviewing various stakeholders, the results appear to be indicative of the labour market conditions in Viet Nam.

Lastly, the study was not able to look at specific skill profiles for each sector due to shortage of time and resources. This restricts the study from providing recommendations on specific upskilling programmes.

⁷ The CAPI system used required interviewers to insert a GPS stamp at the end of the interview to verify the exact location.

⁸ This was to enable callbacks to participants to clarify answers if needed. The recording only started after consent was made and personal details were not recorded. Recordings were not available to any third party and were deleted after six months for confidentiality purposes.



Construction workers on scaffold
at an apartment building site in Ho Chi Minh City, Viet Nam.
© Shutterstock 2015/Xuan Huong HO

III. FINDINGS

Consistent with the objectives of the study, there are four sections within this part of the report. The first section covers the demand and supply for labour with different skill levels across three key sectors in selected provinces in the central and northern regions of Viet Nam. The second section looks at future work and the potential of absorbing large numbers of low-skilled and semi-skilled labour from vulnerable groups in the regions. The third section covers institutional relationships, examining enabling factors and potential barriers. The fourth and final section looks at the COVID-19 pandemic and its impact on employers and workers.

3.1. LABOUR MARKET TRENDS IN SELECTED PROVINCES OF VIET NAM

The labour market in the central and northern regions of Viet Nam has the potential to absorb large numbers of semi- and high-skilled labour, with the demand being the strongest in three key sectors – construction, manufacturing and tourism. As mentioned in the introduction, while in the early 2000s agriculture was by far the biggest employer in Viet Nam, today, services and agriculture sectors are almost equal. According to a 2019 World Bank report on recent economic developments, by 2017, tourism directly accounted for 8 per cent of Viet Nam's GDP and was the country's single largest services export. The tourism sector created 660,000 jobs between 2014 and 2019 (World Travel and Tourism Council, 2020). Though international tourism has been tremendously affected due to the COVID-19 pandemic, domestic tourism remains the saviour for the sector.⁹ With the vision of 5.5 million jobs created by 2025, the tourism sector was noted to employ a high share of low-skilled, rural and youth workers contributing to poverty reduction. As such, the sector's continued growth is viewed by the Government as a strategic priority and an essential contributor to Viet Nam's socioeconomic development (World Bank, 2019).

Across all three sectors, there is an increasing demand for semi- and high-skilled workers. Only manufacturing employs a predominant proportion of low-skilled workers, but there is no undersupply of such workers. These trends will likely continue, mainly driven by government policies that target areas to become service and tourism centres. At the same time, it will also rely on locally available labour. For example, the goal of Quang Ninh province is to become a service and tourism centre of the northern region and is expected to grow these industries to 51 per cent of its GDP after 2020. Similarly, Quang Binh plans to increase tourism revenues by 18 to 19 per cent between 2011–2020, attracting 1.4–1.5 million tourists by 2020, including 90,000–100,000 international visitors (Nguyen, 2019). Most of the core stakeholders interviewed supported these trends:



In Nghe An, jobs in the tourism sector will absorb labour in the future based on the government policies.
– Training provider from Nghe An

Tourism and agriculture will still be the sectors that absorb most of the low-skilled workers in the future. We still need low-skilled workers in Quang Binh.

– Member of a women's union in Quang Binh

Tourism is likely to see increases in the region based on Quang Ninh's future orientation. We will do some promotions to attract tourists, which will become the main source of income in my province.

– Member of a women's union in Quang Ninh

The technology-based manufacturing sector is expected to accelerate the upskilling trend and add to a growing need for more skilled workers.

⁹ <https://nhandan.com.vn/dien-dan-dulich/du-lich-viet-nam-2020-phat-huy-noi-luc-trong-bao-covid-19-630469/> and <https://thanhtra.com.vn/kinh-te/lao-dong-viec-lam/lao-dong-nghe-du-lich-chua-dap-ung-duoc-nhu-cau-phat-trien-cua-nganh-174143.html>.



There are three sectors that absorb most of the labour in Viet Nam: textile, footwear and electronics. In the past, low-skilled labour was mainly in the textile industry. However, since the electronics factories appeared, labourers have been shifted from textiles to electronics. There are many workers that work for the Samsung factory.

– Member of an NGO from Ha Noi

This upskilling trend has also been confirmed in the 2019 ILO report about the future of work (ILO, 2019a), which indicated that the majority of total employment in the manufacturing sector, particularly in the TCF and electronic and electric sectors, will be impacted by Industry 4.0 (I4.0).¹⁰ As more technology enters the workplace, there will be a growing demand for particular skills in potential employees. For example, in the tourism sector, employers have an excess of semi-skilled, including sales and receptionists, but lack workers with “soft skills”, such as listening and language skills. In manufacturing, semi/high-skilled roles are in high demand, while low-skilled positions like packers, textile handicrafts and food tester/graders are oversupplied. In construction, there is a high need for engineers and site managers.

3.1.1. EMPLOYER PROFILES ACROSS KEY GROWTH SECTORS

A total of 81 employers were interviewed from three key growth sectors – construction, manufacturing and tourism – and were surveyed in four provinces from central and northern Viet Nam (Table 6). Those from Hai Phong made up 32 per cent, 25 per cent from Ha Tinh, 25 per cent from Dong Nai and 19 per cent from Quang Ninh. The three sectors were selected with 32 per cent in construction, 37 per cent in manufacturing and 31 per cent in tourism/hospitality. In terms of the size of businesses, half of the companies were SMEs, with up to 49 employees working in the non-manufacturing sectors and 99 working in manufacturing. Forty-one (41) employers represented large businesses, and 76 per cent of them employed more than 100 employees. The disaggregation of employers by sex was 54 per cent male and 46 per cent female. The employers interviewed had been in their current position for an average of five years, and this was a good indication that they had experience and could provide reliable information.

Table 6. Employer profile by sector in four provinces

Province	Total n = 81 (%)	SME employers n = 40 (%)	Large employers n = 41 (%)
Hai Phong	32	18	46
Ha Tinh	25	33	17
Dong Nai	25	30	20
Quang Ninh	19	20	17
Sex			
Male	54	58	51
Female	46	43	49

¹⁰ Industry 4.0 (I4.0) is the current terminology that invokes the idea that the application of new technologies, in particular “smart” technologies, are “blurring the lines between the physical, digital, and biological spheres” to the degree that will shape the future of humankind. Changes brought about by technological advancements are not just limited to the factory floor. The nature of work – how people work, where they work, what jobs exist – is also being actively reshaped by new technologies and the policies that shape their application (ILO, 2019a).

Province	Total n = 81 (%)	SME employers n = 40 (%)	Large employers n = 41 (%)
Business size			
Less than 20 employees	24	48	-
20–49 employees	24	48	-
50–99 employees	15	5	24
100–199 employees	14	-	27
200 or more	25	-	49
Sector			
Construction	32	40	24
Manufacturing – Garment	10	3	17
Manufacturing – Electronics	10	3	17
Manufacturing – Food processing	10	8	12
Manufacturing – Footwear	7	3	12
Tourism/Hospitality	31	45	17
Seniority			
Years in the position	5	5	4

Source: Data gathered from the survey and elaborated by the authors.

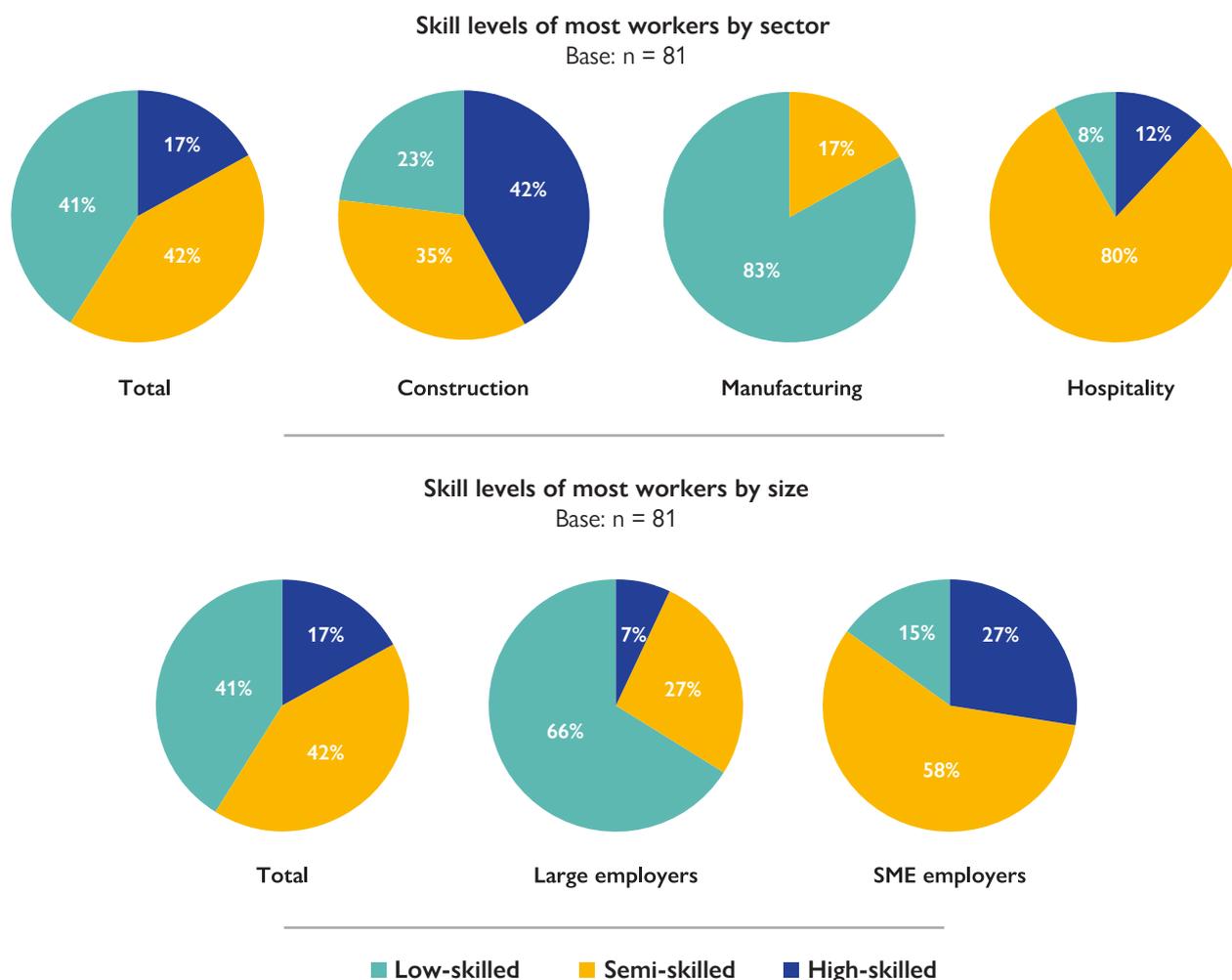
Note: The percentages may not add up to 100 per cent, as they are rounded off to the nearest integer.

A closer look at the profile of employers surveyed, disaggregated by sectors and the business size, shows that the construction and tourism sectors consisted of more SMEs than large businesses. On the other hand, most of the manufacturers were large businesses.

3.1.2. SKILL LEVELS OF WORKERS

Skill levels of workers is defined as a function of the complexity and range of tasks and duties performed in occupations (see Annex 1). They come into play both when employers rate a worker's proficiency at a particular job and hire their workers. Employers were presented with a clear definition of each of the three skill levels (low-skilled, semi-skilled and high-skilled) as defined in this report (see Definition of terms). They were then asked what skill level most of their workers had. As shown in Figure 4, low- and semi-skilled workers were the most common, but varied significantly between sectors. Construction had more high- and semi-skilled workers, whereas manufacturing had considerable proportion of low-skilled labour. Most of the workers in hospitality were made up of semi-skilled workers. The skill level of most workers in large businesses were low-skilled with 66 per cent, and only 7 per cent were high-skilled. Meanwhile, 58 per cent of SME workers were semi-skilled, and only 15 per cent low-skilled. While manufacturing is, on average, represented by larger-sized businesses that demand large pools of low-skilled labour, other growth sectors have more need for semi-skilled and high-skilled workers, and this was also confirmed by some of the stakeholders interviewed.

Figure 4. Skill levels of most workers by sector and company size



Source: Data gathered from the survey and elaborated by the authors.

3.1.3. DEMAND AND SUPPLY FOR LABOUR SKILLS

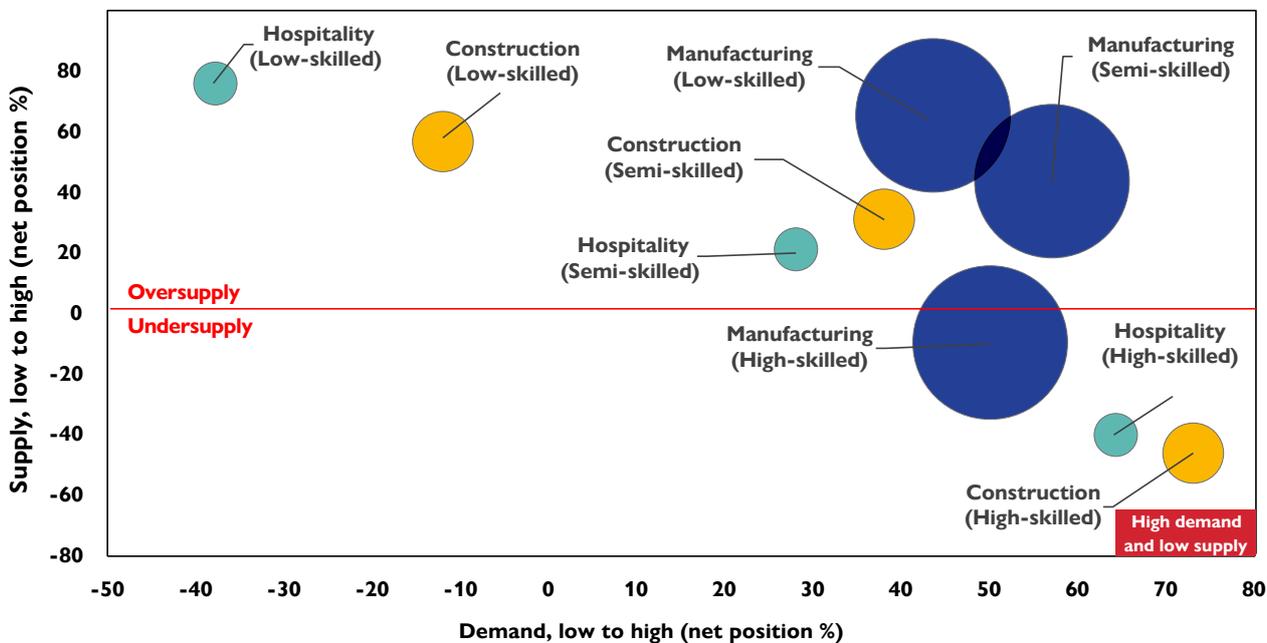
ILO's 2019 publication titled *Decent Work and the Sustainable Development Goals in Viet Nam* pointed out that the average annual employment growth in Viet Nam over the last decade is concentrated on medium- and high-skilled jobs (ILO, 2019b). According to the current distribution of employment by skill level in Viet Nam, more than one half (53%) of jobs in the country are medium-skilled, and 12 per cent are high-skilled; the rest (36%) are low-skilled. Employers were asked whether their needs for each skill level would decrease or increase over the next few years to understand future demand for workers with different skill levels. The results show that those working in construction and tourism/hospitality indicated a strong demand for both semi-skilled and high-skilled workers. Meanwhile, employers working in manufacturing, on the other hand, had a strong demand for all skill levels. As with supply for workers, employers were also asked whether it was more challenging to find workers across the different skill levels. While most employers in all three sectors stated it was relatively easy to find low-skilled labour, there was a strong indication that it was relatively difficult to find high-skilled workers.

The results of demand and supply for labour skills are summarized in Figure 5, showing demand on the horizontal axis and supply on the vertical axis, based on the employers' net position, and are then broken down by sector.¹¹ The bubbles' size represents the three sectors based on their size in terms of the number of employees, and each sector is further divided

¹¹ To understand demand, the proportion of employers indicating low demand was subtracted from the proportion of employers with high demand. Supply was calculated in the same way. A positive net position indicates positive demand and, likewise, oversupply.

into three different skill levels.¹² The most significant skills gap is high-skilled labour in construction, located in the bottom right corner. This position shows that there is a high demand but undersupply for such workers. Next is high-skilled labour for tourism/hospitality followed by high-skilled labour in manufacturing. There is also a relatively high demand for semi-skilled workers and low-skilled workers in manufacturing. However, there is no evidence of undersupply for low-skilled and semi-skilled workers, as indicated by their positive net position.

Figure 5. Demand and supply across skill levels by sector



Source: Data gathered from the survey and elaborated by the authors.

The interviewed key informants agreed that semi- and high-skilled employees are in high demand across all sectors, including construction and manufacturing, where there is an increasing demand for skilled workers to fill these gaps.



[It is] difficult to find workers with practical skills and a suitable work ethic. Some positions are undersupplied because jobseekers with high expertise often want to work in the city with a large company.

– Employer from Ho Chi Minh City

It is a challenge dealing with high expectations of experienced and high-skilled employees, especially with regards to salary and benefits.

– Employer from Ho Chi Minh City

Based on the interviews with some stakeholders, there are potential challenges to fill demand for higher-skilled jobs based on work location. For example, demand for semi- and high-skilled manufacturing and construction workers can be difficult to fill if the workers are not willing to move. When asked about the employment situation for low-skilled, semi-skilled and high-skilled labour, some of the key informants said the following:

¹² The relative size of the bubbles is based on the median size of all employers surveyed in each sector.



We have trained many workers to be high-skilled employees, but in fact, many workers do not want to work here. They want to go to Ha Noi, Ho Chi Minh City or migrate overseas for work.

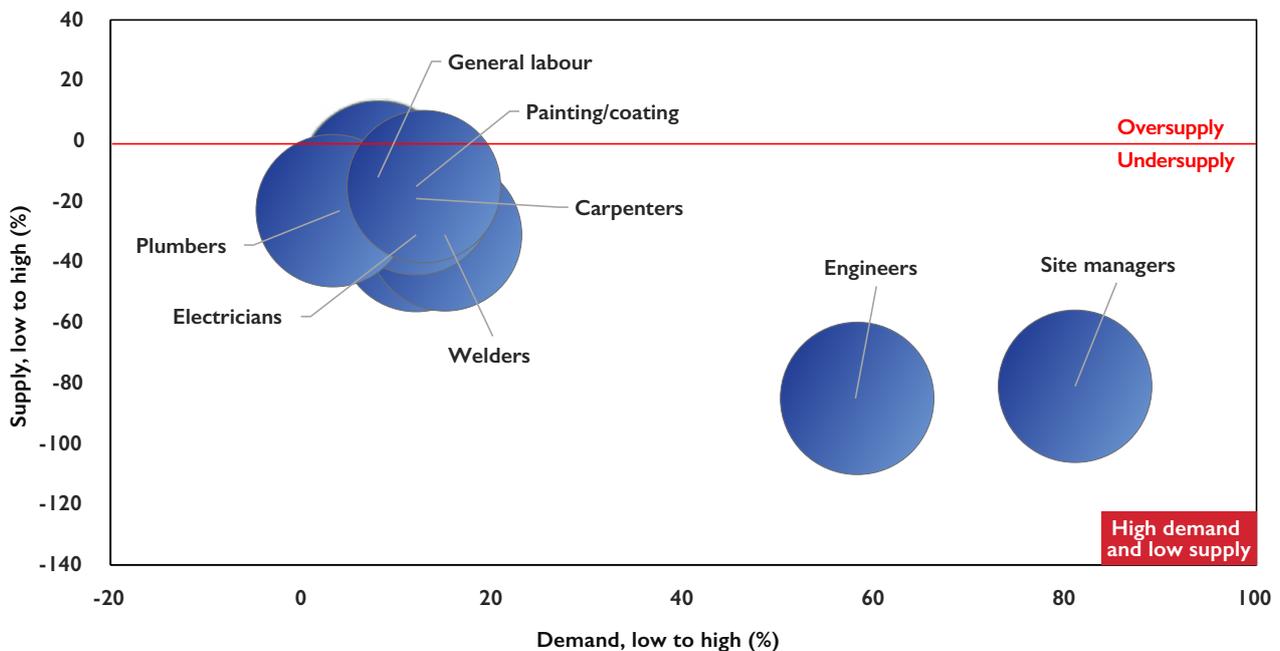
– Local government employee from Ha Tinh

It is difficult to recruit high-skilled staff because some factories are located in rural areas while employees live in urban areas, and they do not want to move to live in a rural area.

Member of an NGO in Ha Noi

Apart from skill levels, employers were also asked about the demand and supply for specific jobs relevant to the three sectors and based on the International Standard Classification of Occupations 2008 (ISCO-08). Figure 6 shows the supply and demand for construction jobs. The results show two distinct clusters, with engineers and site managers standing out as jobs in high demand and with undersupply. In other words, there appears to be a shortage of this type of construction jobs. Simultaneously, the remaining positions had lower demand and relatively limited undersupply, including general labour, painting/coating, plumbers, welders, electricians and carpenters.

Figure 6. Demand and supply for construction jobs



Source: Data gathered from the survey and elaborated by the authors.

However, according to several interviewed stakeholders, some construction sector employers have had difficulty finding low-skilled labour. This problem occurs because many young people do not want to take these jobs due to low pay and hard work, and some prefer to do part-time work instead, such as driving a motorcycle taxi or working as a courier.¹³



Currently, it is difficult in the construction industry to fill the low-skilled positions because people in Ha Tinh do not want to do these low-level jobs.

– DOLISA staff from Ha Tinh

¹³ “Low-skilled workers are difficult to recruit because they have a lot of part-time job opportunities such as Grab drivers.” – Interview with one employer in Ho Chi Minh City.

Workers' pay and job security significantly influence the chances of these individuals accepting, staying or leaving their jobs. In the interviews with jobseekers, it was identified that finding low-skilled jobs was not difficult, and that they were always in demand. According to a 2018 survey conducted by VGCL, an average worker's minimum monthly spending is 6.5 million Vietnamese dong (VND) (USD 280), while the average base salary is only around VND 4.6 million (USD 197.80). At the same time, however, they also indicated that low pay was a factor for migrating and finding better-paying jobs overseas.

Manufacturing is a diverse sector, and this study included garment, electronics, food processing and footwear. Figure 7 shows that supply and demand vary across different manufacturing jobs. Technically high-skilled positions, such as quality control personnel, machine operators, technicians and engineers, are high in demand and significantly undersupplied. Electricians, mechanics and assemblers follow as the second tier. The low-skilled positions, such as handcraft workers, food testers, packers, sewing machine workers, food preparers, cobblers and shoemakers, had much lower demand and higher supply. However, although low-skilled positions may be in less demand than high-skilled positions, according to the interview with stakeholders, low-skilled workers in the construction industry are always in demand because workers easily come and go. In other words, employers believe there are ample opportunities for both low- and high-skilled employment in the construction sector. The official data shows that Viet Nam has a low unemployment rate, usually around 2 per cent, so most people who want jobs already have them.¹⁴ The jobseekers also confirm this understanding:



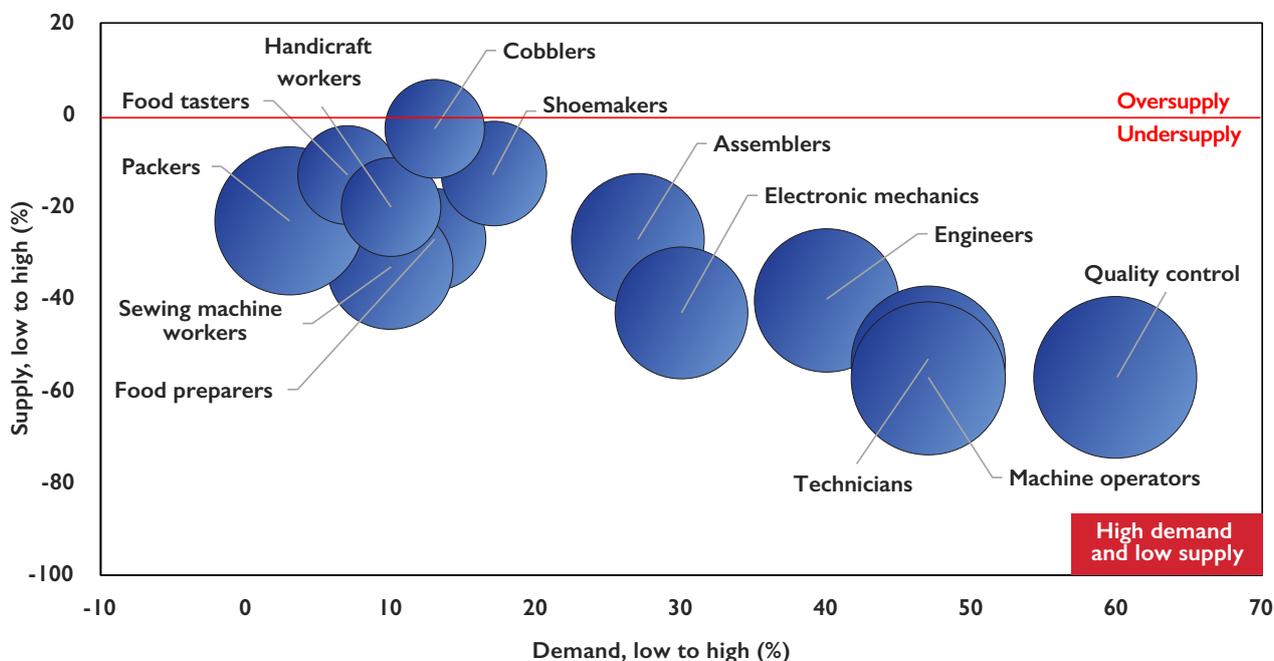
In my opinion, Viet Nam has many job opportunities, but the salaries are low and not enough to cover my expenses.

– Female jobseeker from Quang Binh

In Viet Nam, finding job opportunities is not too difficult because there are a lot of jobs.

– Male jobseeker from Ha Tinh

Figure 7. Demand and supply for manufacturing jobs



Source: Data gathered from the survey and elaborated by the authors.

¹⁴ See <https://statista.com/statistics/444617/unemployment-rate-in-vietnam/>.

The lack of supply and high demand for high-skilled positions also came up in several of the stakeholder interviews.



Currently, the positions relating to management at the factory and the operators of machinery have a huge labour demand, but the labour force in Nghe An has not met the requirements, even though they really want to work in high positions.

– Local government employee from Nghe An

Labour supply in some new industries (manufacturing and so on) is currently difficult to fill because, at present, Viet Nam's labour force mainly belongs to low-skilled labour groups. Industry requires high-skilled labour and currently is in shortage of job supply.

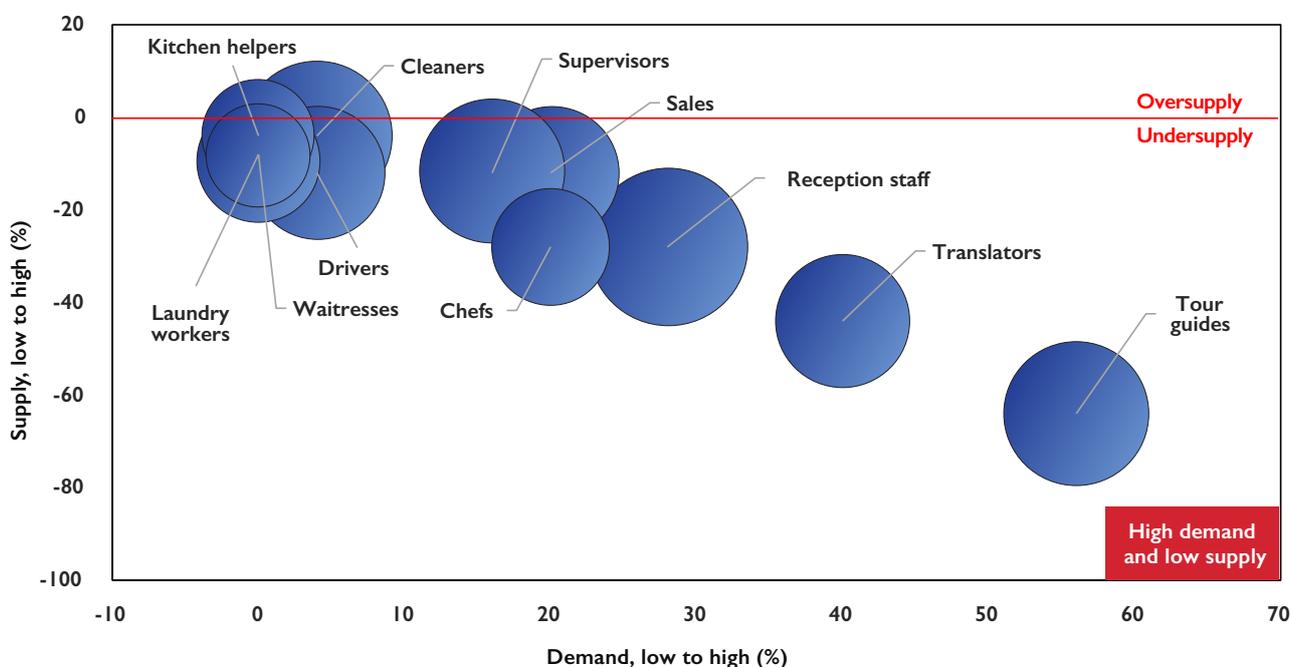
– Youth group member from Ha Noi

... In addition, jobs in technology, engineering and electricity are difficult to fill too.

– Government agency employee, Ha Noi

Finally, within the hospitality sector (Figure 8), the highest demand and undersupply was for jobs such as tour guides, translators and reception staff. In many cases, these positions require foreign language skills and can be regarded as highly skilled positions. Other positions with relatively strong demand and occasional undersupply were for semi-skilled jobs, such as supervisors, sales staff and chefs. In contrast, low-skilled positions, including kitchen helpers, laundry attendants, drivers, waitresses and cleaners, were not found to be in demand, and most employers did not have difficulty filling such positions.

Figure 8. Demand and supply for hospitality jobs



Source: Data gathered from the survey and elaborated by the authors.

The interviewed stakeholders mostly supported these results. They indicated that the tourism sector requires more highly skilled workers as the quality is lacking.



In Quang Ninh, the tourism industry will require semi-professional and high-skilled labour, and the labour force in Quang Ninh does not possess the required quality yet.

– NGO member from Quang Ninh

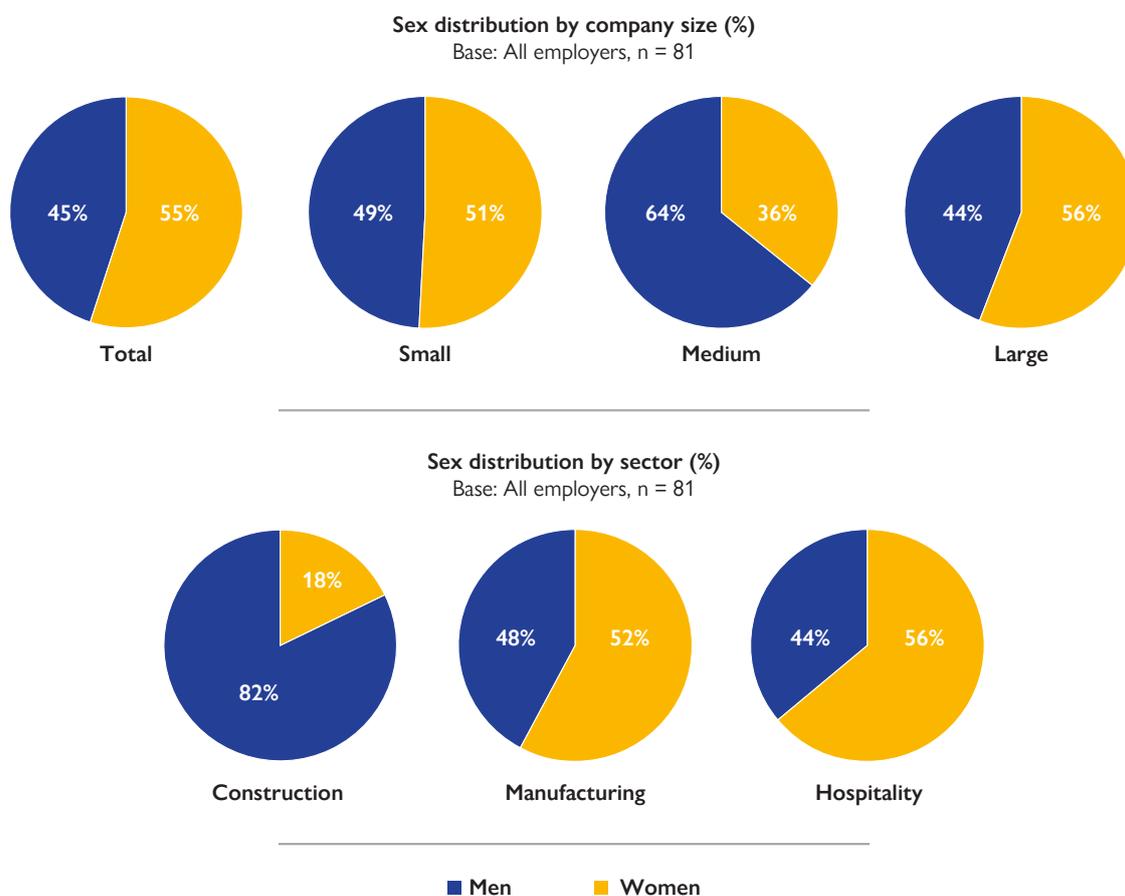
The tourism and service sectors in Quang Binh currently are absorbing many workers, but mainly those who are low-skilled. For the high-skilled positions, there is still not enough to meet demand, mostly just part-time workers.

– NGO member from Quang Binh

3.1.4. GENDER DIMENSIONS OF THE LABOUR MARKET

The gender distribution of workers across three sectors was measured by asking employers how many male and female workers they employed. Overall, 45 per cent were men, and 55 per cent were women, as shown in Figure 9. Across the three sectors surveyed, however, there was a gender imbalance. In the construction sector, most of the workers were men (82%). In contrast, within the tourism and hospitality sector, 64 per cent of workers were women, and in manufacturing, 58 per cent were women. Consequently, more women could be found in large companies, many of which were manufacturers and smaller ones represented by hospitality businesses.

Figure 9. Workforce composition by sex



Source: Data gathered from the survey and elaborated by the authors.

Regarding recruitment, employers suggest that male and female workers are recruited through the same channels. However, gender norms and gender roles were found to be nested in the jobseekers' minds and potentially shape the worker composition in each sector. The interviews with jobseekers affirmed that this was the case and indicated this division could be reflected across specific occupations.



There are differences between male and female skill requirements, depending on the nature of the job. For example, nursing requires more skills from the woman. Men have better leadership skills and determination.

– Female jobseeker from Quang Binh

Based on the job requirement, the company will have different requirements when recruiting. For example, for mechanic positions, most companies employ more males because men can do a more difficult job. At the same time, translation jobs need more females because women speak softer and smoother, so it is more suitable for a female when they translate for male bosses.

– Male jobseeker from Hai Phong

This predetermination stems from persistent social norms ascribing gender roles in which women are viewed as natural caregivers and disproportionately tied up to household, parental and care responsibilities limiting their ability to search and access job opportunities. Also, career interruptions due to maternity put women in a more insecure position, narrowing their employment opportunities and career paths. For example, women tend to quit their job when they get married or have children.¹⁵ Consequently, women often have less access to productive resources, education, skills development and labour market opportunities than men.

These dynamics assign multiple work burdens and responsibilities to women and determine women's vulnerability and bargaining strength, yet female labour force participation rate in Viet Nam is one of the highest rates in the world. For comparison, in 2020, the world average female labour force participation rates in 182 countries were 51.86 per cent, compared to 72.39 per cent in Viet Nam.¹⁶ This participation suggests that the proportion of the female population aged 15 and older in paid work, as well as looking for work, is high. In 2020, some 72.39 per cent of women aged 15–64 was in the labour force, while the male labour force was 82.18 per cent.¹⁷ While the study shows that women's labour participation is high, especially in the manufacturing (garment and footwear industries) and tourism sectors, the wages that women receive are below subsistence, and they often earn poverty-level wages, creating a gender earnings gap. According to a report of the Centre for Development and Integration in 2018, women in Viet Nam earn on average 11 per cent lower than men, and the gap widens for higher-skilled groups (Viet Nam News, 2018).

3.1.5. THE VULNERABLE GROUPS IN THE LABOUR MARKET

The context of vulnerable groups in this study focuses on those who face various barriers to employment and have overall limitations to attach to the labour market (such as low education or skills, no work experiences or NEET). Vulnerable groups also possess characteristics that intersect with specific groups that are known to have significant barriers to labour market attachment, such as youth/young adults, ethnic minorities, person with disabilities and women (ILO, 2020b).

According to KIs, there are various programmes and support systems that provide for the vulnerable groups in the targeted provinces but are limited. There is an urgent need to improve the skills of vulnerable groups. These include not only hard skills but also soft skills in terms of communication. According to one key informant, the Government in Quang Binh is currently providing training facilities for information technology (IT) and sewing courses for persons with disabilities. The Government also provides scholarships and fee deductions for these groups. However, the facilities have limited capacity in terms of quantity due to a limited budget.¹⁸

¹⁵ Interview with two female jobseekers.

¹⁶ See https://theglobaleconomy.com/Vietnam/Female_labor_force_participation/#:~:text=Vietnam%3A%20Female%20labor%20force%20participation%20rate,from%202020%20is%2072.59%20percent.

¹⁷ See https://theglobaleconomy.com/Vietnam/unemployment_rate_monthly/.

¹⁸ KI with a women's union in Quang Binh.

Regarding the policy on supporting persons with disabilities in the labour market, Viet Nam's National Action Plan to Support People with Disabilities (2012–2020), which was approved in August 2012, aims to provide vocational training and suitable jobs to 250,000 working-age persons with disabilities. Furthermore, the Law on Vocational Training (2006) also includes tax provisions for organizations providing training for persons with disabilities.¹⁹ Most of the interviewed stakeholders agree and support this plan, as mentioned by one key informant:



It is necessary to develop a vocational training scheme for vulnerable individuals, including ethnic minorities, people with disabilities and people at risk of trafficking. The programme should link to employment opportunities and train both soft and professional skills.

– DVET staff

When interviewing employers, most supported the idea that persons with disabilities should have access to work and require support for capacity-building. However, it was found that many companies may not know it is possible to employ persons with disabilities or are unaware of the process. This, in turn, creates barriers for jobseekers with disabilities to enter labour market, as described by one participant.



My condition as a person with a disability affects my job opportunities. For example, many low-skilled jobs require good health, while a higher paid job requires skills. I can not find such a job because I do not have any skills yet.

– Male person with disability from Nghe An

The jobseeker's situation in Nghe An typifies how many persons with disability struggle to find work and enter the labour market. Based on a 2011 survey by the United Nations Population Fund, almost 10 per cent of persons with disability are unemployed, compared to less than 5 per cent of those without disabilities. In urban areas, persons with disability are three times more likely to be unemployed and live-in poverty. Due to low education and training levels, many persons with disabilities cannot find a good job and lack a stable income. In addition, more than 70 per cent are financially dependent on their families or social allowances (United Nations Population Fund, 2011).



We should have more policies to encourage employers to recruit persons with disabilities to work because they still can work in some specific positions. We also need to create more jobs for these people so that they will have chances to work and earn a living.

– Member of an NGO from Ha Noi

Apart from persons with disabilities, another vulnerable group that was mentioned by a key informant was ethnic minorities. According to this informant, the ethnic minority groups have limited access to vocational training programmes. Moreover, people tend to have negative perceptions of ethnic minorities, such as the idea that most of them have low-skilled qualifications and can only do unskilled jobs. Thus, it is difficult for them to integrate, and they should feel pity for them.²⁰



For ethnic minority groups, we should not look at them with pity, but treat them equally. We can provide special support and training for them but should treat them like everyone else, and we will be surprised seeing what they can do.

– Respondent from the Research Center for Gender, Family and Community Development

¹⁹ Article 72, Law on Vocational Training (Law No.76/2006/QH11).

²⁰ KII with Centre for Gender, Family and Community Development.

Several support initiatives for ethnic minorities have been instituted by the private sector and other groups, such as the filling of quotas by factories (several have tried to ensure that 10% of their staff are ethnic minorities),²¹ as well as the provision of small loans, seeds for farming and housing (as is the case with Nghe An Women's Union).²²

3.2. FUTURE OF WORK

3.2.1. JOB SKILLS NEEDED FOR FUTURE WORKERS

According to Bloomberg's latest report about emerging Asian countries as manufacturing destinations, amidst the United States of America–China trade tensions, Viet Nam ranked number 1 in an analysis of six alternative countries in Asia where manufacturers could relocate as they leave China (Nguyen, 2018). The analysis was based on four criteria: (a) demographic trends; (b) input costs; (c) infrastructure; and (d) share of foreign manufacturing. With new investors shifting from China, the supply and demand is changing in the labour market in Viet Nam. There are new demands for labour, but supply remains a challenge before these changes. The data collected and presented in this report suggests that the labour market is undergoing a shift in future skills requirements from low and medium skills to high skills. This shift reflects the broader changes in Viet Nam, as the country becomes more urbanized and industrialized. Moreover, the adoption of advanced technology has created a demand for higher-skilled occupations in the manufacturing sector to improve productivity. That includes the IT sector, where skill levels of workers are not keeping up with new technologies like artificial intelligence, blockchain and web-based applications. While high-tech industry is far from having been fully implemented, there are signs of advancement within some companies.



The electronics assembly industry will require high-skilled labour in the future because this job is quite hard. [Workers] must have certificates and skills [for others] to assess their ability.

– NGO member from Quang Ninh

Manufacturing is an industry that requires a lot of semi-skilled workers. Jobs like administrative, foreign-invested enterprises and senior managers require highly skilled workers. Many occupations require different skill levels, but in Nghe An, there is mostly low-skilled labour.

– DOLISA employee from Nghe An

Tourism will still be the fastest developing sector in the future, demanding workers with higher skills. Currently, we use local workers, and most are low-skilled workers here in Quang Binh.

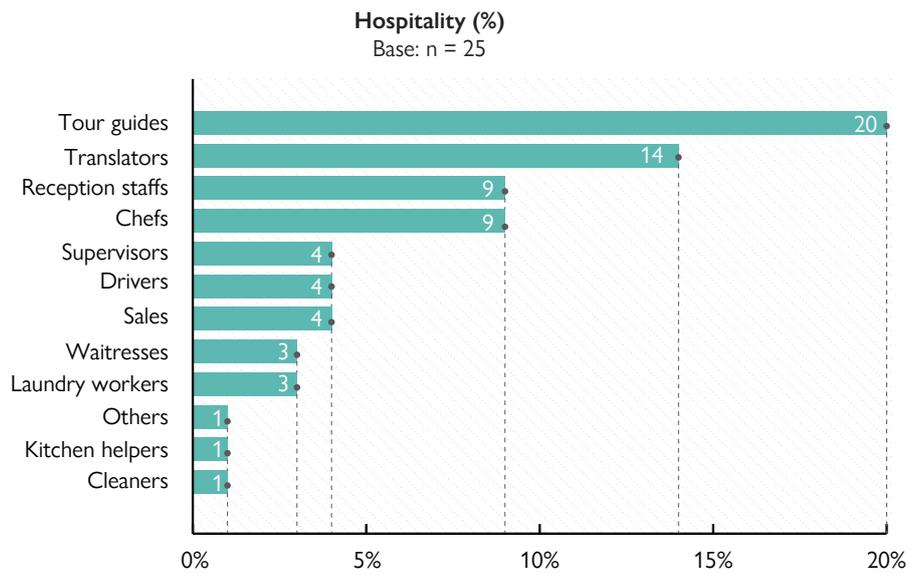
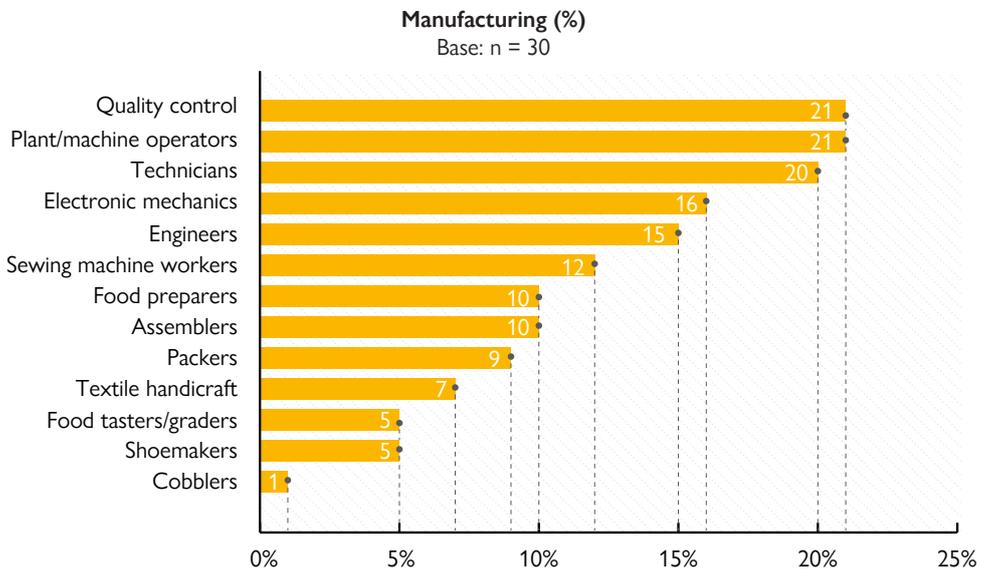
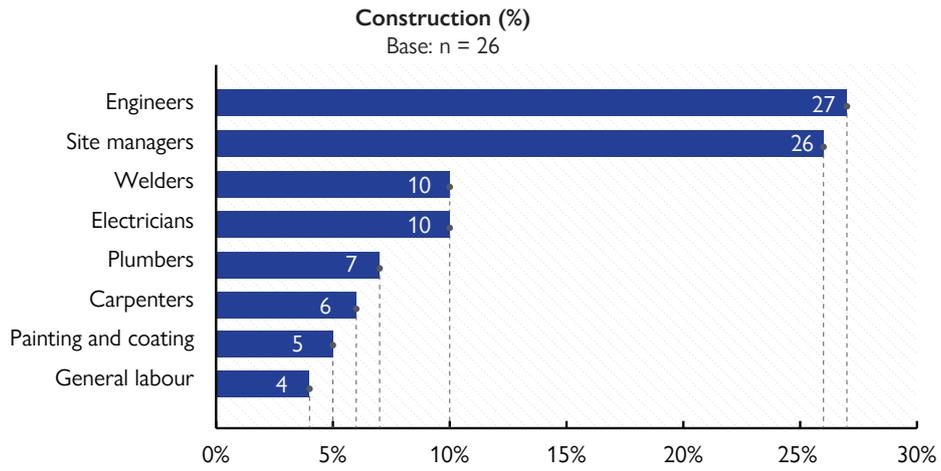
– NGO member from Quang Binh

From the survey with employers, in the future, there will be a growing demand for workers with core skills, particularly the ability to follow instructions, learn quickly and communicate in the language of customers, as shown in Figure 10. The construction sector has shown a high demand for low-skilled, semi-skilled and high-skilled workers. Within construction, engineers will continue to be in strong demand as will site managers, electricians, carpenters and plumbers. These jobs will require soft skills, including problem-solving skills, ability to follow directions, language skills and management skills. In the hospitality sector, high-demand roles are tour operators and translators, as well as front desk staff and salespersons. These positions are customer-facing and require soft skills, particularly language skills, problem-solving skills and the ability to listen and follow instructions. While in the manufacturing sector, the use of technology will boost efficiency (both quality and quantity) to raise productivity that will require digital competencies.

²¹ KII with CDI, an NGO.

²² KII with DOLISA employee from Nghe An.

Figure 10. Future demand for specific job sector



Source: Data gathered from the survey and elaborated by the authors.

In addition to technical skills, soft skills will be in demand, especially for future semi-skilled and high-skilled roles, such as managers, quality control personnel and technicians, and semi/low-skilled workers, such as plant and machine operators.



Electronics and automation need high-skilled labourers to operate complicated machines and equipment. Tourism needs workers who can speak English.

– Training provider from Nghe An

I think Viet Nam's labour is mostly low-skilled. We lack high-skilled workers. I find that companies must compete to recruit high-skilled workers, or they use foreign staff from parent companies. They also connect with universities and training centres to recruit graduates. Still, the quality of graduates from universities is not as expected. They need more practice and soft skills.

– Employer from Ho Chi Minh City

When we recruit a new worker, we not only focus on technical skills, but also personality and soft skills. Most applicants fail at the personality interview stage. It is difficult to find a good person who can handle the responsibility.

– Employer from Ho Chi Minh City

Meanwhile, the Government of Viet Nam has recently adopted digital transformation as a target in its development agenda. The Government issued Resolution No.52-NQ/TW on 27 September 2019, on a number of guidelines and policies to actively participate in I4.0. According to stakeholder interviews, the Vietnamese market's readiness is high, with a large young population that could rapidly adapt to new technologies. The country is said to have great potential to stand at the forefront with a high number of Internet and smartphone app users, both in urban and rural areas.



I think the sector that is most likely to expand in the future is retail (e-commerce), because Vietnamese people have higher income and follow modern and technological trends. They will shop online more.

– Employer from Ho Chi Minh City

According to surveys, the IT industry is likely to absorb more workers because there is high demand and undersupply. The construction industry also has high demand for workers in the future. Also, the hospitality industry is expected to attract more labour in the future.

– Member of a youth group from Ha Noi

I think IT will be big in the future because we are in the era of I4.0, and my organization has more projects from technology companies. The other reason is that this sector is not affected by diseases or natural disasters, so there will be more people who want to work in this sector. The last reason is that training for this sector is not too difficult. Programmers will be the ones absorbing labour in the future.

– Member of an NGO from Ha Noi

My students are all learning automation and technology, such as Internet programming. Companies in foreign countries or other provinces are using this. My students do not seek blue-collar work anymore.

– Training provider from Nghe An



Software engineering and IT are two occupations that will be increasing because of the development of the I4.0 in Viet Nam.

– Recruitment agency staff from Ho Chi Minh City

However, challenges remain for responding to market changes and the skills gaps generated as a result. Adapting to new technological change requires education and training in digital literacy, while at the same time being responsive to the needs of vulnerable groups, such as youth, women, NEET, poor people, migrants, informal workers and ethnic minorities.

According to a World Bank report on skilling up Vietnamese workers, employers are experiencing a shortage of workers with relevant skills consisting of technical, cognitive and social and behavioural skills when hiring both white- and blue-collar workers (Bodewig et al., 2014). The critical hindrance in these circumstances is the “skills gap”, which refers to the inadequate skills of job applicants, and “skills mismatch”, meaning the failure to match between obtained qualifications and jobs held. Viet Nam faces a significant skill challenge particularly due to low existing skill set among those workers who will most likely lose jobs in I4.0 era due to increased automation and computerization. A study by ILO suggested that 70 per cent of jobs in Viet Nam are at high risk of automation (Chang and Huynh, 2016). It will lead to significant changes in the labour market, and it is expected that it will disproportionately affect women, as their probability of being employed in an occupation at high risk of being eliminated is 2.4 times higher than male counterparts.

Although the exact implication of the so-called Industry 4.0 (I4.0) will differ by countries, governments that do not proactively train up the labour force in the necessary digital competency skills to adapt to the fast-changing technologies, especially developing and emerging economies, will face grave consequences.

A particular trend concerns the Government's encouragement for FDI in major industries and job generation. This trend could present future opportunities for vulnerable Vietnamese, who are looking for alternatives in skill training and employment opportunities and wish to stay in Viet Nam to work.

3.2.2. RECRUITMENT PRACTICES AND CHALLENGES

Recruitment includes hiring trends and employment practices that impact both the supply and demand of labour. Employers recruit workers through a range of different recruitment channels, depending on the skill sets required and the supply of workers available. The channels can be categorized as formal and informal; formal channels include recruitment agencies, television and newspaper advertisements; and informal channels include referrals, Internet-based hiring, social media, self-initiated walk-ins by the jobseekers or drop-in and rehires (Sameen, 2016). Based on the interviews conducted, the most common method for employers to find workers was direct recruitment through their in-house human resources department (86%) or a recruitment firm (62%), as shown in Figure 11. Informal channels like drop-ins or worker referrals were less commonly used. Meanwhile, the interview with jobseekers indicated that most of them used informal channels.

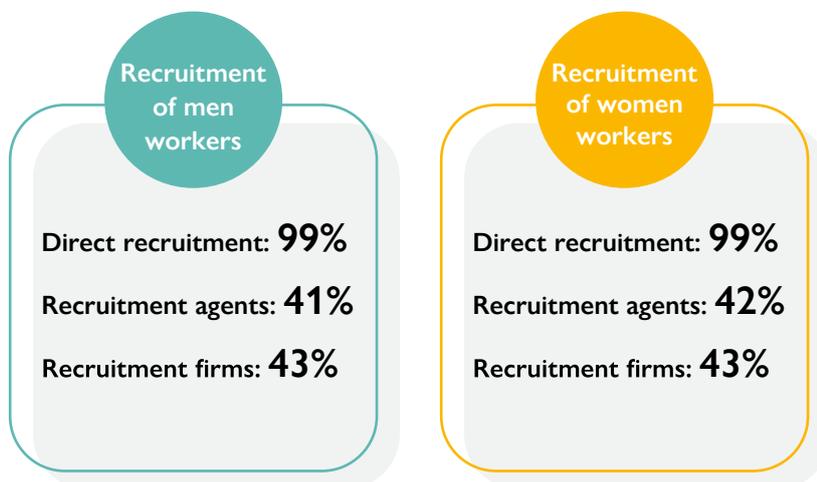
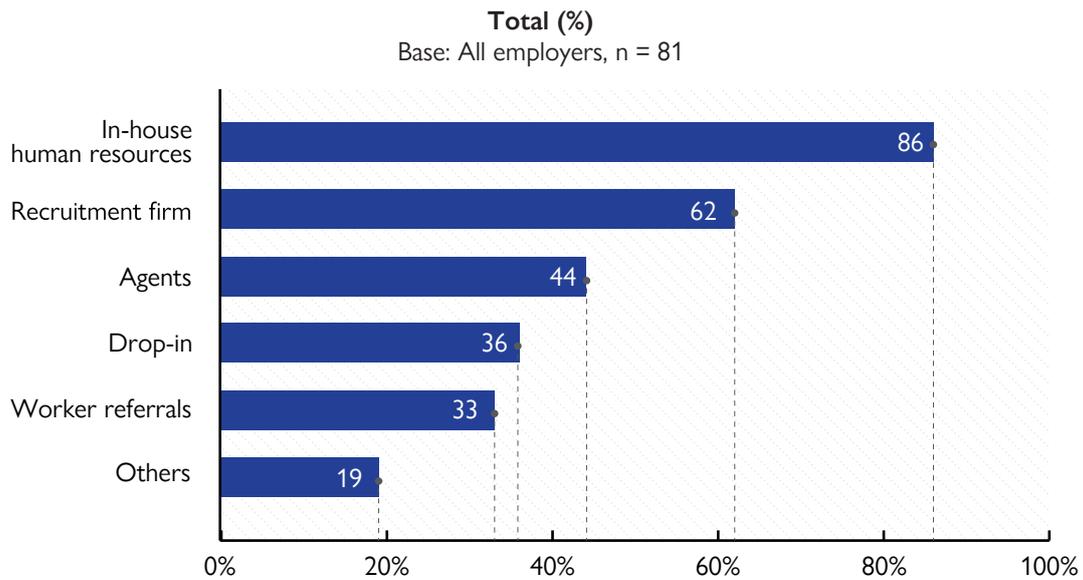
Recruitment practices were similar between male and female workers, as well as across the three sectors. Differences appear to be more relevant when considering the types of workers being recruited. In particular, when talking to stakeholders and employers, they indicated that formal recruitment channels tend to be used for more skilled labour. In contrast, low-skilled labour could be sourced with less formal means. This could put low-skilled workers in vulnerable situations, as informal recruitment channels tend to have higher probability for abusive practices, such as uncontrollable fee charging, deceptive offers and lack of formal contracts, among others.



Low-skilled workers are easy to find, and we can recruit directly from the industrial export processing zone or from high school graduates through leaflets and Facebook. For semi-skilled workers, we use recruitment firms, drop-in and applications through the website. For high-skilled workers, we need agents or recruitment agencies.

– Employer from Ho Chi Minh City

Figure 11. Recruitment practices of respondents



Source: Data gathered from the survey and elaborated by the authors.

Interviews with jobseekers confirmed the informal nature of recruiting low-skilled workers. They were commonly recruited with family and friends' help, through drop-ins and via social media (such as Facebook).

“ I find jobs through my networks, such as a recommendation from my relatives and friends. I also search for jobs on Facebook in some recruitment groups. However, the information on Facebook does not provide enough details in terms of skills needed and job description. Therefore, it is less reliable.

– Male jobseeker from Hai Phong

I often apply for a job with information from friends. Also, I go directly to companies to apply for jobs. I am a low-tech person, so I am not used to using the Internet.

– Female jobseeker from Quang Binh

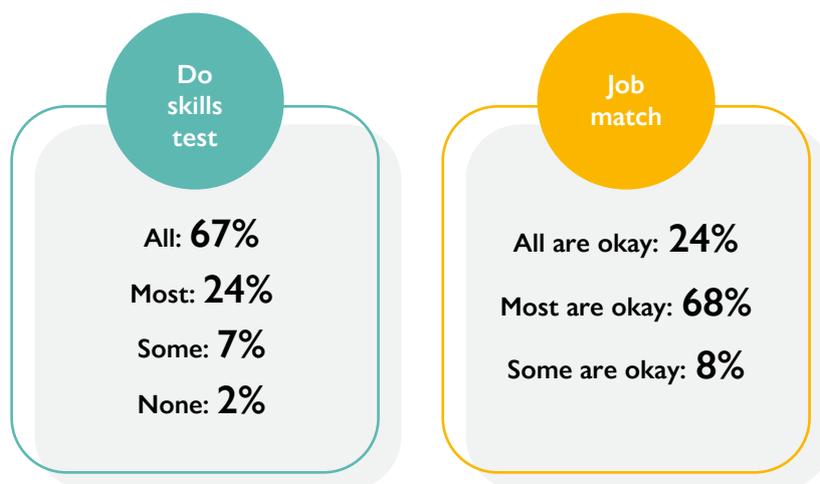
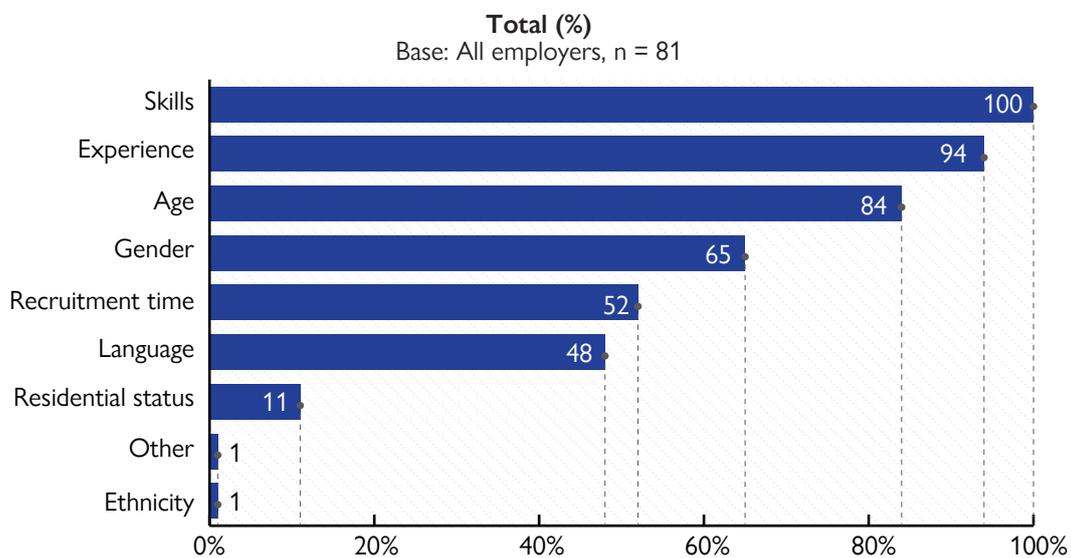


I find it difficult to apply for jobs online because I am not familiar with using the Internet. My parents' friends knew that I needed a job, and they also understood my skills, so they recommended me to my last job. After that, I went directly to the company to apply.

– Male jobseeker from Quang Ninh

The selection criteria employers considered most important were relevant skills (100% of employers), experience (94% of employers) and age (84% of employers). Subsequent criteria also included gender, recruitment time and the language skills of the applicant (Figure 12). When asked if a skills test is required, 67 per cent of the surveyed employers stated that all applicants are subject to such a test, while 24 per cent said it was required for most applicants. The recruitment process results speak to the quality of the matches made. In this case, only 24 per cent of employers said the job matches were “all okay”, while the majority (68%) said “most are okay”. For the sake of clarification, in this study, “most are okay” means not all the selection criteria considered were matched.

Figure 12. Common selection criteria and job matching



Source: Data gathered from the survey and elaborated by the authors.

Nevertheless, since most workers are low-skilled, the seemingly high job matches can be misleading. According to the surveyed employers, there were several challenges to recruiting workers in each sector. As shown in Figure 13, the top challenge identified by employers was skills matching, particularly in construction and manufacturing. Skills matching here was used to describe the qualitative mismatch between human resources availability and the labour market requirements. Skills gaps exist where employers feel that their existing workforce has inadequate skill types/levels to meet their business objectives, or when new entrants to the labour market lack the training and skills required and create the skills gap.



Although there are many university graduates, their skills may not be high, so they are not yet at level 3 (high-skilled). We still need time to train them.

– Employer from Ha Noi

Other challenges included finding workers during peak times and worker adaptability. Meanwhile, in the tourism/hospitality sector, worker adaptability was the main issue, followed by skills matching and worker turnover. Worker adaptability refers to workers' underlying potential as derived from cognitive, affective and behavioural resources applied to adjust and/or anticipate task-related demand. In today's changing market and competitions, it will require the industry to continuously change and develop, which implies more demand and pressure on workers to be adaptable and versatile to perform effectively in new or changing work situations (Pulakos et al., 2000).

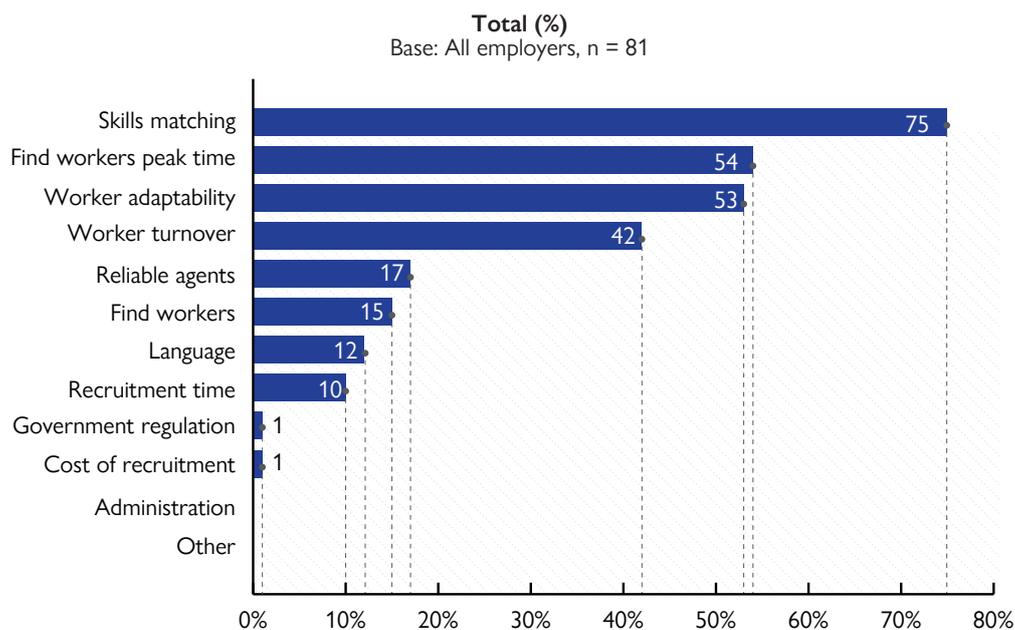


For high-skilled positions, it is difficult to find workers with talent and experiences.

– Employer from Ho Chi Minh City

Interviews with several stakeholders highlighted the difficulty behind skills matching and worker adaptability in connection with recruitment. These issues were mainly related to higher-skilled workers, as the matching process becomes more difficult with higher positions where more specific skills are required.

Figure 13. Recruitment challenges



Source: Data gathered from the survey and elaborated by the authors.

When talking to some stakeholders, there was an indication that employers in industrial zones competed with one another. This competition typically happens right after major holidays and means that employers, particularly in construction and manufacturing, find it challenging to find workers, especially during peak times.

“ After the Tet holiday, companies face difficulties in finding employees. Moreover, the industrial zones in the North will compete with industrial zones in the South. So businesses in the South should have certain policies to retain workers.

– Member of an NGO from Ha Noi

Most of the interviewed jobseekers mentioned the difficulties they had in relation to meeting qualification requirements such as formal certifications. Being able to match their skills and experiences with a vacant role was noted as particularly challenging, and many of the jobseekers interviewed lacked formal evidence of their qualifications such as a certificate.



In Viet Nam, if you do not have a certificate and no experiences, it will be difficult to find a job, and your salary will be low.

– Male jobseeker from Hai Phong

However, low-skilled jobs are not difficult to find.



Finding job opportunities is not so difficult in Viet Nam, but finding job opportunities with good income and stability is difficult. You only can have stable jobs when you work for the Government, but you need [good] relationships.

– Female respondent from Ha Tinh

3.2.3. JOB ENTITLEMENTS

Workers are entitled to core employment rights and protections that are established by law, employment contracts, collective agreements between employers and employees, workplace rules, and customs and practices (the way things are typically done – and have been done for a long time – in a particular workplace, industry or occupation). According to Rödl & Partner's study, "Viet Nam's labour legislation covers almost all aspects of labour relations in the workplace, from the right to work to the right to organize workers from labour contracts to collective bargaining agreements, from minimum working ages to minimum wages, etc." (Rödl & Partner, n.d.).

Particularly, Viet Nam's minimum wage policy and system have been fundamentally transformed in the recent decade with the establishment of the tripartite National Wage Council (NWC) in 2013, which merged the previous two minimum wage rates – for domestic enterprises and for foreign enterprises – into a single rate with regional differentiation, as well as provided for tripartite participation in developing minimum wage recommendations (Hansen et al., 2016). Currently, NWC reviews the minimum wages every year and sets different minimum wage levels for four regions to reflect the cost of living in each area.²³ Minimum wages were increased by an average of 5.7 per cent in 2020 according to the Government's Decree no. 90/2019/ND-CP, which took effect on 1 January 2020.

The main laws regulating Viet Nam's employment relationships are as follows: (a) 2012 Labour Code (Law No. 10/2012/QH13) (MOLISA, 2013),²⁴ which was revised in 2019 as Law No. 45/2019/QH14 and took effect on 1 January 2021 (MOLISA, 2019b);²⁵ and (b) Decree No. 05/2015/ND-CP dated 12 January 2015 defining and providing guidance on the implementation of a number of contents of the Labour Code (Government of Viet Nam, 2015).²⁶

The surveyed employers indicated they offered most of the basic job entitlements to workers, which was true across all three growth sectors, as shown in Table 7. On average, they reported to provide 7.5 entitlements to workers. Nearly all employers also said that they provide basic entitlements, such as minimum wage, overtime pay, health insurance, annual leave and maternity leave. According to Law No. 46/2014/QH13 amending the Law on Health Insurance, unemployed people are not granted with health insurance (fully or partially covered by State budget) unless they fall into some certain categories (such as children under 6 years old, military officers and members of poor households). They can pay for voluntary health insurance where they register as permanent residents.

²³ Region I include the urban and suburban districts of Ha Noi, Hai Phong and Ho Chi Minh City and its neighbouring provinces of Dong Nai, Binh Duong and Ba Ria–Vung Tau. Region II includes the outskirts of Ha Noi and Ho Chi Minh City, as well as other large- and medium-sized cities throughout Viet Nam, such as Da Nang, Nha Trang and Can Tho. Region III includes smaller provincial cities and suburban districts. Region IV includes all remaining areas.

²⁴ English translation available at MOLISA, 2013.

²⁵ English translation available at MOLISA, 2019b.

²⁶ English translation available at <https://ilo.org/dyn/natlex/docs/ELECTRONIC/99190/118289/F90772979/VNM99190%20Eng.pdf>.

Table 7. Job entitlements provided in Viet Nam

Job entitlements Base: All employers	Total n = 81 (%)	Construction n = 26 (%)	Manufacturing n = 30 (%)	Hospitality n = 25 (%)
Minimum wage	100	100	100	100
Overtime pay	99	100	100	96
Annual leave	98	96	100	96
Health insurance	98	96	97	100
Ability to join a union	77	81	83	64
Sick leave	98	96	97	100
One day off per week	83	81	70	100
Maternity leave	96	92	97	100
Average number of entitlements	7.5	7.0	7.0	7.5

Source: Data gathered from the survey and elaborated by the authors.

Note: The findings should only interpret as reflecting employer's understanding of the entitlement to labour rights they offer for their workers rather than their utilization in practice.

Looking closely at the hospitality sector, one third of the employers did not select ability to join a union as one of the entitlements they provide. In Viet Nam, workers may choose whether to join a union and at which level (local, provincial or national) they wish to participate. However, the law does not allow workers to organize and join independent unions of their choice since every union must be affiliated with the country's only trade union confederation, VGCL.²⁷

The regular working hours cannot exceed 8 hours a day, 48 hours a week. If a worker exceeds these limits, overtime compensation will be applied. However, in the manufacturing industry, 30 per cent of surveyed employers did not select the entitlement of having one day off per week.

3.2.4. WAGE LEVELS AND DECENT JOBS

The earnings that workers receive are key determinants of their well-being. The minimum wage systems have been established and strengthened in Viet Nam as part of their strategy to reduce working poverty and inequality. The minimum wage rate in Viet Nam is established by the Government, based on NWC recommendations. NWC consists of five representatives from each sector: employers, trade unions and government. Per section 91 of the 2012 Labour Code, the minimum wage is the lowest payment for workers in normal working conditions that will ensure the minimum living needs of the workers and their families, and which is based on the local socioeconomic conditions, as well as the average wage in the labour market (MOLISA, 2013:44). Accordingly, the monthly wage paid to low-skilled workers under normal working conditions must not be lower than the regional minimum wage. The minimum monthly salary in Viet Nam, as of January 2020, is between USD 126 up to USD 180 depending on the region.²⁸ While the high compliance on providing job entitlements paints a positive picture of employers, the fact that the minimum wage in Viet Nam remains low compared to other Association of Southeast Asian Nations (ASEAN countries), as shown on Table 8.

²⁷ Viet Nam passed a comprehensive labour code in 1994. The law sets minimum wages, establishes safety and sanitary conditions, and recognizes the right of workers to strike under certain conditions. However, it prohibits workers from freely forming their own trade unions or from joining trade unions of their own choosing. All unions must be approved by and affiliated with VGCL, which is controlled by the Communist Party (Human Rights Watch, 2009).

²⁸ The Government of Viet Nam issued Decree no. 90/2019/ND-CP dated 15 November on new minimum salaries, which came into effect from 1 January 2020, replacing Decree no. 157/2018/ND-CP (see <http://english.molisa.gov.vn/Pages/Document/Official.aspx>).

Text box 1. I want to earn more income.



I just finished high school last year. I decided to work abroad because in Viet Nam, the salary is very low. My parents work hard, and their income is very low. Therefore, I want to work abroad to earn more income like my brother who migrated to the Republic of Korea four years ago. Currently, I am unemployed and stay at home to support my parents and keep them in good health.

Previously, I was a salesperson in a fashion store. My friend introduced me to the owner. But the salary was low (VND 1–2 million), and the job was a bit far from home, so I quit my job. If I worked as a sewing worker in my hometown, my income will be about VND 3–4 million.

Finding job opportunities in Viet Nam is not difficult, but it is difficult to find a job with high income. People need to go to college or have skills or vocational training to get good job opportunities.

I have no idea about the future in terms of work. I am only going to work abroad because it will offer me a better life with a higher salary. Then, later when I return from working abroad, I would like to study hotel or restaurant management at a vocational school.

– Jobseeker and potential migrant in Hai Phong

Table 8. Minimum wage in ASEAN countries in 2020

Country	Last	Previous	Reference	Unit	In USD/ month in 2020
Cambodia *	190	182	January 2020	USD/month	190
Indonesia **	4.28**	3.94	January 2020	IDR million/month	304
Malaysia *	1 200	1 100	February 2019	MYR/month	296
Myanmar	4 800	4 800	December 2019	MMK/day	108
Philippines	537	537	December 2019	PHP/day	335
Thailand	331	325	December 2019	THB/day	331
Viet Nam ***	4 420	4 180	December 2019	VND thousand/month	197
Lao People's Democratic Republic	1 100	1 100	December 2019	LAK thousand/month	197
Brunei Darussalam	No minimum wage				
Singapore					

Source: National Wages and Productivity Commission, 2019.

Notes: IDR – Indonesian rupiah; MYR – Malaysian ringgit; MMK – Myanmar kyat; PHP – Philippine peso; THB – Thai baht; LAK – Lao kip.

* Garment and shoe industries only.

** Set at a provincial level by the governor. This is the highest in Jakarta.

*** Set per zone; there are four regions. Here is the highest in Region II.

On the other hand, according to a 2018 survey conducted by VGCL, an average worker's minimum monthly spending is VND 6.5 million (USD 280), while the average base salary is only around VND 4.6 million (USD 197.80), which forces labourers to work overtime (Das, 2019). The current minimum wage meets approximately 95 per cent of a worker's living costs. Consequently, to make ends meet, workers need to work an extra 28 hours a month on average or face poverty (Samuel, 2019).

Minimum wages in Viet Nam increased to VND 4.420 million/month in 2020 from VND 4.180 million/month the previous year (MOLISA, 2020). According to the Labour Code in Viet Nam, an employee who works overtime will be paid an amount based on the piece rate or actual salary as follows: (a) on normal days, at least 150 per cent; (b) on weekdays off, at least 200 per cent; and (c) during public holidays, paid leave of at least 300 per cent, not including the daily salary during the public holidays or paid leave for employees receiving daily salaries.

Seeking higher income is the main factor influencing the decision to migrate for work. The difference in wages between the home and host country was the key factor that individuals decided to migrate, as stated by several interviewed jobseekers.



In Viet Nam, if you do not have a certificate and no experiences, it will be difficult to find a job and your salary will be low. Therefore, I studied Korean and I am working at a Korean company in Viet Nam. Now, I want to work in the Republic of Korea to have a higher salary.

– Male jobseeker in process to work in the Republic of Korea

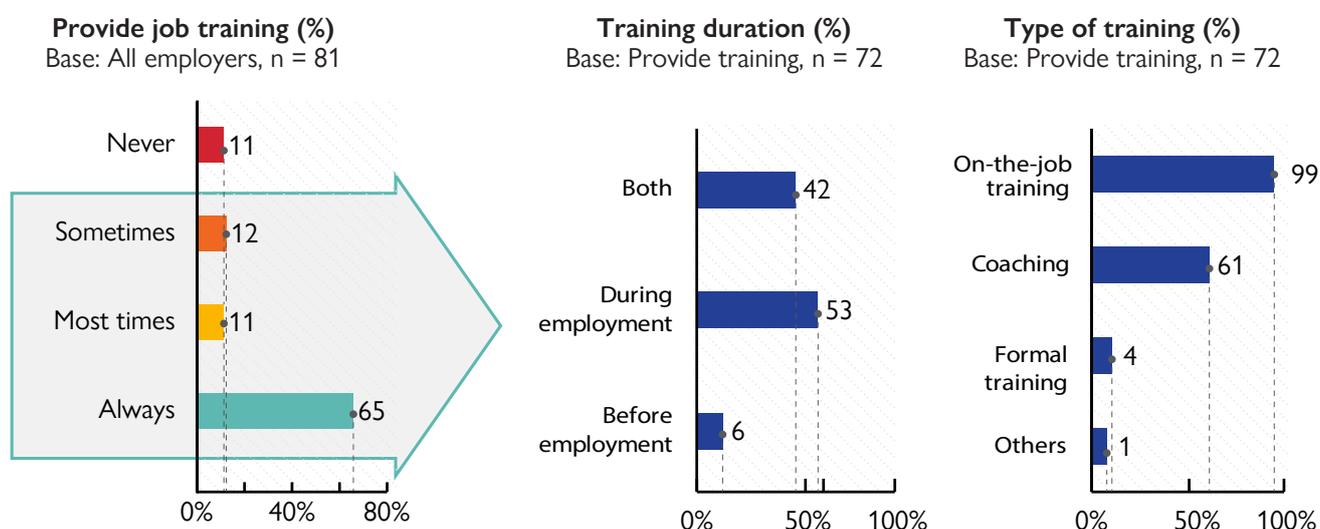
I would like to work abroad in the construction industry because I have many friends who are working abroad as construction workers. This job is easy and not dangerous. And the salary is higher than in Viet Nam.

– Male part-time construction worker

3.2.5. TRAINING SUPPORT

In terms of providing job skills training, two thirds of the interviewed employers (65%) stated that they always provide some form of skills training to workers (Figure 14). In most cases, the skills training provided was on-the-job training (99%) or coaching (61%). According to the employers, 53 per cent of all new hires can expect to receive skills training during employment, and 42 per cent will receive training both before hiring and during work.

Figure 14. Job skills training provided by the sector



Source: Data gathered from the survey and elaborated by the authors.

Based on interviews with some private companies, many large businesses conduct job trainings in partnership with outsourced training providers.



Every year, my company will find a training provider to accompany our training, such as Phat BLC. We mainly use private training providers. The training can be at our facility or the agency's facilities.

– Employer from Ho Chi Minh City

We sometimes hire an agency to train our employees to improve their skills. We use private training providers all the time.

– Employer from Ha Noi

However, there appears to be some challenges in terms of quality of training and skills gap of workers, such as training experiences and communication skills. Learning new skills require practice, ideally in a realistic work setting. Similarly, communication skills also require interactions in social settings. Accordingly, more practical training should be provided for graduates by training providers, such as vocational training. In addition, on-the-job training is seen as the most effective method because students will have a chance to observe and practice what they have learned.²⁹



There are difficulties in terms of communication between trainers and trainees. Trainees often miss the idea. Besides, their purpose in joining the training course is not definite; they just join the training because of the requirement from the company. Therefore, their training results are often not effective. In general, training experts only teach theory, so it is difficult to apply this knowledge in reality.

– Employer from Ha Noi

Figure 15 shows the extent to which induction programmes are used across each of the three sectors. Most employers stated that they always provide an induction programme (74%). Inductions were highest in manufacturing, with 93 per cent of employers stating they always offer such a programme. Meanwhile, in construction and hospitality, employers provide induction programmes more than 60 per cent of the time. In terms of topics covered in the induction programme, they tended to be around work entitlements and health and safety. Specific topics included working hours (100%), health and safety (89%), overtime payments (86%), payment of wages (84%), leave entitlements (80%), site tour (68%) and local culture (37%).

²⁹ Interview with trainer.

Figure 15. Induction programme by sector



Source: Data gathered from the survey and elaborated by the authors.

3.3. INSTITUTIONAL RELATIONSHIP

3.3.1. BARRIERS AND ENABLERS FOR SUPPORTING CHANGES

There has been an ongoing relationship between government agencies, private sectors and civil societies regarding the vocational education and training (VET) and labour market. Sustainable Development Goal 4, as well as TVET reform plan 2020–2030, are generally seen as potential solutions to the future labour market. Improved TVET will help boost labour productivity by developing skilled workers that meet market demands. Since January 2017, DVET became the single central “State management” agency for the entire TVET field. For 2017, MOLISA reported a total of 388 vocational and technical colleges, 22 per cent of them private. At the intermediate level, secondary vocational schools, and professional schools total 551, almost half of them privately run; altogether, a total of 303,854 students were enrolled in these schools. Central ministries are responsible for almost half (41%) of public TVET institutions at the college level but only for a small share (11%) at the intermediate level. Local governments and sociopolitical organizations are responsible for the rest and administrate 95 per cent of the public TVET institutes that provide training at the elementary level and below (ADB, 2020).

The policy reform of TVET in Viet Nam was introduced to improve training quality with better ties to the marketplace.³⁰ In the same vein, several centres of excellence (CoEs) were also developed. However, according to an ADB report, TVET graduates lack industry-relevant occupational skills, such as industry working style, teamwork and problem-solving (ibid.). Lack of fundamental soft skills was also supported by several stakeholders interviewed.

³⁰ Since the enactment of the new law of VET in 2015, Law on Vocational Education (Law No. 74/2014/QH13), MOLISA is responsible for the national VET system, specifically DVET. Previously, VET was under responsibility of two ministries, MOLISA and Ministry of Education and Training.



Most vocational education and training schools do not meet the requirements of businesses. When recruiting, businesses have to retrain people from VET schools. For this reason, many employers prefer to hire non-skilled workers and train them. There is a lack of coordination between schools and businesses.

– Respondent from a local government agency

There are many vocational schools here, but they mainly focus on theoretical instead of practical and real experiences.

– Respondent from a local government agency

More specifically, the current programmes do not adequately address the obstacles faced by both employers surveyed and training providers to ensure jobseekers’ skills match in the labour market. In addition, there are barriers in supporting jobseekers to access market-related training and secure employment. Based on the qualitative interview with key stakeholders and jobseekers, the following are the key barriers and enablers for supporting changes in institutional relationships to the benefit of jobseekers in the labour market.

Barriers
<p>Training programme and curriculum design</p> <ul style="list-style-type: none"> • There is lack of industry participation in TVET curriculum design and programme delivery for vulnerable individuals. • The existing training programme and curriculum are not enough and not suitable for vulnerable groups both in terms of quantity and quality. • There is lack of interesting training programmes on communication skills, the ability to adapt to changes and new trends in technology. • There are weak linkages to the labour market.
<p>Student and worker attitudes</p> <ul style="list-style-type: none"> • There are perceived negative student attitudes, such as lack of confidence, low commitment and minimal effort. • Learning or training is valued less than leisure or rest time. • Long working hours cause workers to be exhausted and allows them little time for training to upgrade their skills. • The quality of education and training from universities is not suitable; thus, fresh graduates are not ready for the labour market. • When the training is complete, graduates do not work in the industry that they have been trained because they could not adapt to the jobs. • There are perceptions associated with TVET and preference for universities.
<p>Partnership</p> <ul style="list-style-type: none"> • There is lack of partnership between the private sectors and civil society groups who are working on the issues of vulnerable groups. • Coordination between vocational schools and businesses is lacking, and there is no common voice between the two.

Vocational education and training and training providers

- Resources are lacking, and there is not enough qualified teachers or instructors.
- There are gaps between VET and labour market needs – partially owing to outdated equipment/technology used in VET – so there is “technology shock” when graduates enter the job market, as they do not have the technical skills required by different industries.
- Practical and real experiences are lacking and there is more focus on theoretical aspect, so graduates are not ready and do not meet the requirements of the labour market.
- Inclusive perspectives on the training programme are lacking.
- There is lack of demand-oriented training for programmes. The structure of trained occupations is not relevant and not updated.
- The number of VET and training providers using online training platforms and virtual reality tools for training are limited (ADB, 2021).

Policy

- The policy from the Government in 2015 stated that only MOLISA has the function of training and recruiting workers.³¹
- Local labour recruitment practice requires all applicants to pass medical examinations. However, the process of a health check in the hospital is complicated, difficult to access (the area could be too far) and time-consuming. Consequently, people from rural or remote areas are hesitant to do health checks.
- Formal standards and certifications are rigid and do not accept or acknowledge outside qualifications.

Stigma and stereotypes towards vulnerable groups

- There are social prejudice and negative perception from businesses towards vulnerable individuals.
- Cultural beliefs and gender stereotypes limit women and young women’s access to work.
- Social support and assistance services are lacking.

Persons with disabilities

- In companies’ recruitment practices, there are discriminative practices and categorization of persons with disabilities as having bad health.
- Stigma and stereotypes in communities and families create low confidence among persons with disabilities.

Ethnic minorities (Viet Nam has 53 ethnic minorities)

- There are stereotyping and negative perceptions towards minorities groups as people with low capacity and limited qualifications/low skills.
- Some people perceive ethnic minority groups with pity and inequity.
- Integration of ethnic minorities is lacking often due to fear.
- Vocational training programmes for ethnic minorities are of poor quality because of negative perceptions and stereotypes.

³¹ The information source is from the KII (NGOs). With Resolution no. 76/NQ-CP (dated 3 September 2016 and adopted at the Government’s regular meeting in August 2016), the Government assigned MOLISA to be the sole State management agency for VET. Since August 2016, the TVET system is accordingly managed by one ministry (MOLISA) instead of two ministries (MOLISA and Ministry of Education and Training).

Enablers

Recent government initiatives and partnerships

- The programme titled Reform of TVET in Viet Nam cooperates with DVET under MOLISA in the institutional and legal TVET reform process to improve the quality and demand orientation of training offers and the development of CoEs.
- Under Resolution no. 52 about Industry 4.0, there is great potential in IT and wide-scale smartphone coverage. Accordingly, MOLISA is currently developing strategies on how to integrate I4.0 and digitalization in the reform of the TVET system.
- Labour market surveys are conducted every quarter, and the findings are published every year; there is cooperation with local and foreign companies, and criteria of ILO association (Institute of Labour and Social Affairs) is covered.
- Regular monitoring and surveys are conducted to assess the training programme, as well as provide support from VND 700 to 800 million per year for training, depending on the province (such as VCA in Quang Ninh).
- The provincial DOLISA requires regular reporting about training, labour supply and demands every six months or one year from training providers and vocational schools (such as in Nghe An).
- Regular reports from collecting information of affiliated units/related entities to assess the labour market (such as the Ho Chi Minh Communist Youth Union) are produced.
- DOLISA conducts regular yearly survey of the labour supply and demand to predict future labour force and collect information from each employee (such as in Ha Tinh).
- Every year in July, DOLISA conducts LMA about labour supply and demand with a survey of over 7,000 businesses and over 500 households (such as in Hai Phong).

Student and workers attitudes

- There is interest and willingness among jobseekers to take training skills, as long as they are free and accessible.
- Of 6,005 employees, 61.5 per cent want to train for more specialities and professions, followed by 46.2 per cent who hope to receive more foreign language training. Further, 30.5 per cent would like to receive more computer training courses; 28.8 per cent would like to train more in communication skills; and 25.7 per cent would like to train more in occupational safety and occupational health skills (excerpt from a survey on training needs for vocational education associated with jobs to meet the labour market, 2019).³²

Vocational education and training and training providers

- Online learning is increasingly used to foster skills' development throughout the life cycle. The use of online courses such as massive online open course expands opportunities for youth to learn and share knowledge at a minimal cost on a variety of topics.
- According to the report "Assessment of recruitment, training, job creation in 2018 and tasks and solutions in 2019" of the General Department of Vocational Education, on average, in 2018, the percentage of students who graduated from colleges and secondary schools have jobs right after graduation is approximately 85 per cent. Among them, the proportion of college graduates having jobs reaches 87 per cent and the middle level reaches 82 per cent.
- Centralized teaching (direct training) is available.
- TVET has been recognized as an effective instrument for productivity and sustainability improvement.
- Set up an I4.0 laboratory to train teachers and in-company trainers and implement newly developed training programmes.

³² KII with a key informant.

Policy

- Gender-sensitive communication activities are implemented to raise public awareness about TVET. Open Days, Girls' and Boys' days are organized at TVET institutes, and scholarships for women and people with disabilities in technical trades are being provided.
- Incorporate greening VET in the 2020–2030 strategy, as gaps in current guiding documents were identified by the participants with regard to the role of VET in ensuring a healthy environment for future generations.
- The Government issued Decision No. 1956/QĐ-TTg 1956 on vocational training, aiming to improve rural labour quality to meet requirements of industrialization and modernization of agriculture and rural areas. The Government shall increase investment to develop vocational training for rural labourers and adopt policies to ensure equal opportunities for all rural labourers in learning trades, as well as encourage, mobilize and create conditions for community participation.³³
- The National Action Plan to Support People with Disabilities (2012–2020) will provide vocational training and suitable jobs to 250,000 working-age persons with disabilities.
- There is tax provision for organizations providing training for people with disabilities.
- According to policy, by 2020, the Government of Viet Nam aims to have 55 per cent of the total number of labour with formal TVET qualification.
- The Government issued Resolution no. 73/NQ-CP 2016 regarding the investment and green economy, which aims to approve the investment policy for 21 target programmes in the 2016–2020 phase, including investment in the five target provinces.³⁴

Existing support and training programme for low-skilled jobseekers and vulnerable groups from civil societies

- DOLISA as the Government's provincial employment service centre has mandated an authority to support jobseekers and vulnerable groups.
- The Research Center for Gender, Family and Community Development provides vocational training and job referrals for vulnerable groups. In addition, they initiated the mobile app *Di cu an toan* (Safe Migration), which provides information on legal employment opportunities overseas.
- The Ho Chi Minh Communist Youth Union provides an employment service system that introduces jobs and provides job counselling for youth.
- There is a women's union awareness programme and capacity training for vulnerable women.
- REACH has a vocational training programme for vulnerable groups.
- Ton Duc Thang University belongs to and is a training channel of the Labour Confederation.
- For ethnic minority groups, the Viet Nam Women's Union provides support on loans, housing and seeds.
- The Tackling Modern Slavery in Viet Nam project implemented by IOM Viet Nam has launched a safe migration campaign in various platforms that introduces safe migration tips and legal migration pathways.

³³ Decision No. 1956/QĐ-TTg approving the scheme on vocational training for rural labourers until 2020.

³⁴ The programmes include the following: (a) the mountainous, ethnic minority and disadvantaged areas education target programme is chaired by the Ministry of Education and Training; (b) MOLISA launched the target programmes on vocational and labour safety and social assistance system development; (c) the Ministry of Culture, Sports and Tourism manages the target programmes on cultural development and tourism infrastructure development; (d) the IT target programme, worth VND 7.920 billion, was launched by the Ministry of Information and Communications; and (e) the rural, mountainous, seas and islands electricity supply target programme, valued at VND 30.186 billion, is implemented by the Ministry of Industry and Trade (Online Newspaper of the Government of Viet Nam, 2016).

3.3.2. HOME-BASED BUSINESS FOR VULNERABLE COMMUNITIES

Entrepreneurship has been considered another key economic and employment generator in Viet Nam and can provide routes into employment and the labour market for vulnerable communities (Nguyen et al., 2015). As the case study shows, home-based businesses started by vulnerable individuals can have a positive impact on human capital in utilizing resources for their businesses. The skills and knowledge the hairstylist gained through the learning process from working abroad enhanced productivity. However, home-based businesses are more likely to remain small compared with so-called mainstream businesses.

Access to the appropriate finance and the discouraged borrower effect were the most crucial resources for the business's survival, development and growth. Because of lack of information and access to external financial services, the respondent perceived challenges in seeking external finance, which was deterring him for applying from funds.

Text box 2. I just want to be free; I do not want to work for anyone.



Before I opened the shop, I worked with my friend, who has been a highly skilled hairdresser in Saigon (Ho Chi Minh City) for two years. Then I learned hairdressing in Ha Noi. Later, I migrated to work in the United Kingdom irregularly in 2008. In the United Kingdom, I worked as a hairdresser and then learned how to do nails. When I returned, I opened a hair salon in my home.

I opened a hair salon because I had previous experience working in many places. I felt that my skills were strong and good enough, so I did not work in other hair salons after coming back from England. I just want to be free; I do not want to work for anyone.

I received support from my parents. They gave me a house to build my salon. From my savings from working abroad, I bought hairdressing equipment. I also borrowed money from my friends. There is no support from the local government. My wife used to work with me for a while, but now she does not work anymore, so this hair salon has only me.

At first, when the hair salon was opened, there were not many customers because it was not known. Later, when I have been working for a long time, customers found that my skills were good, so gradually, more people came to avail of the services.

Currently, I do not intend to hire staff because the work is not much, and I cannot afford to pay them. Also, when hiring people, it is difficult for me to employ long-term workers. My two younger siblings do not want to work in my hair salon because they said their current salary is higher in the city, and they have more tips. My wife worked with me for a while, but for some personal reasons, we no longer work together. In the future, I plan to expand my salon; I have the ground floor now, and I want to have the second and third floors.

It is not difficult to operate because I am the only one working. When the customers are crowded, they will wait. If they cannot wait, then they will go back. If I hire someone else, I will not pay by the month, but I pay by the work percentage. For example, the cost of hair is VND 2 million; I have 50 per cent, and other will have 50 per cent.

– Male owner of a salon in Hai Phong

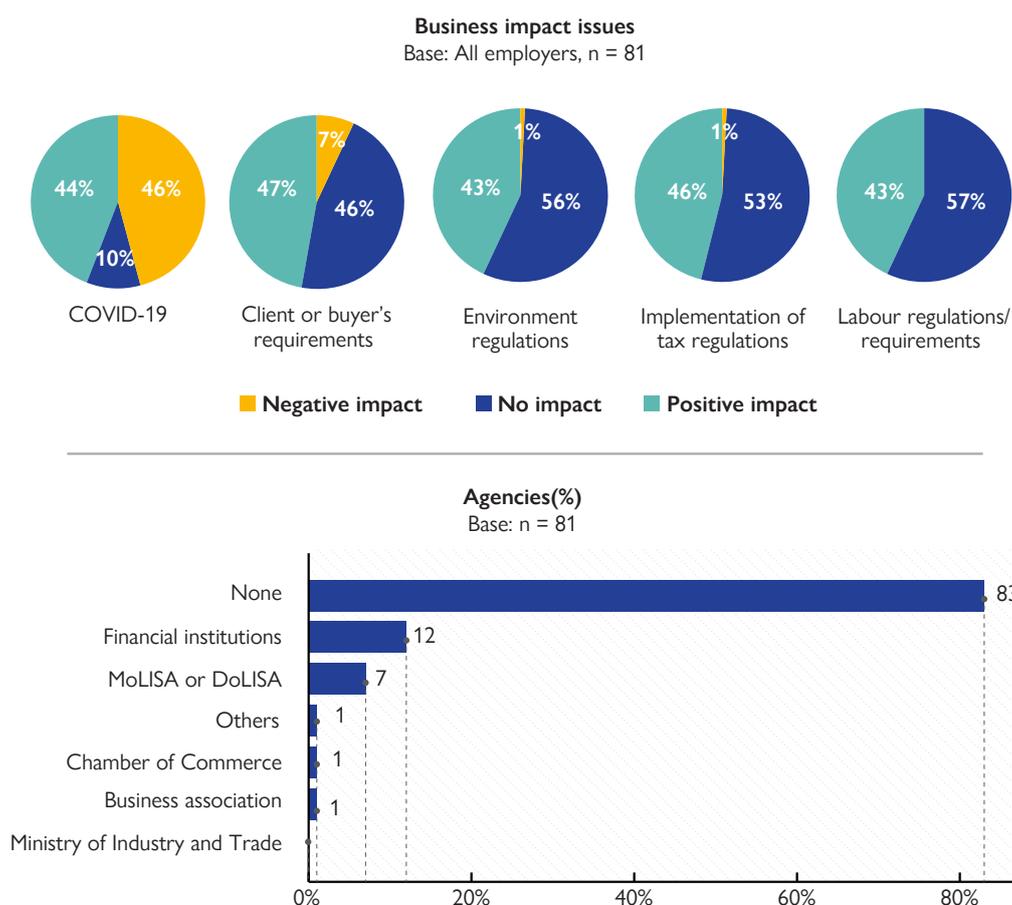
3.4. THE IMPACTS OF COVID-19 ON VIET NAM'S LABOUR MARKET

3.4.1. THE IMPACTS OF COVID-19 ON THREE SECTORS

Because the employer assessment was conducted amidst the global COVID-19 pandemic, additional questions were added to the survey to glean the impact it has had on employers and the labour market. Employers indicated that they have generally been well informed about the pandemic situation, with the most common information sources including television news, government websites and social media. Some informal sources, like family and friends, have also played a role.

In terms of impact on the employer's business, COVID-19 has had the most severe impact compared to other issues, as shown in Figure 16. The impact appears to be polarized, with just under half (46%) of employers being negatively affected, while many others (44%) have seen a positive effect. This polarization is most likely due to competition loss from business closures, thus benefiting businesses who have survived. Most employers indicated that COVID-19 had a negative impact (46%) on their businesses in several ways, in particular loss of revenue and disruption to the supply chain. According to the official report at the time of conducting this assessment, over 29,000 enterprises had temporarily suspended operations in the first half of the year (up from 38.2% during the same period last year). On the other hand, about 540,000 new jobs were created, reaching 35.6 per cent of the plan for 2020 and equal to 73.8 per cent of the same period last year (General Statistics Office of Viet Nam, 2020). Among skill segments, there were 18 million low-skilled workers (33.6% of the total workforce), which was a decrease of 1 million workers, and 1.76 million medium-skilled workers (3.2% of the total workforce), reduced by 320,000 workers compared to the same period last year (MOLISA, 2020).

Figure 16. Business impact and support received in the past year



Source: Data gathered from the survey and elaborated by the authors.

Note: From qualitative insight, the COVID-19 pandemic has a negative impact on business situations; companies needed to change their internal operations while certain companies lay off their staffs, went bankrupt and temporarily stopped operations. Despite the fact that the business situation is interrupted by the pandemic, the situation of workers is even more serious. Most workers are affected on their income or job loss.

Among impact issues, there is a stark difference between tourism and manufacturing concerning COVID-19. Tourism had suffered from significant negative impact, and manufacturing saw more positive impact. The impact is mixed in the case of construction, as indicated in Table 9.

Table 9. COVID-19 impacts on businesses

	Sector			Total
	Construction	Manufacturing – Garment	Tourism/ hospitality	
Negative impact	13 50.0%	4 13.3%	20 80.0%	37 45.7%
No impact	4 15.4%	4 13.3%	0 0.0%	8 9.9%
Positive impact	9 34.6%	22 73.3%	5 20.0%	36 44.4%
Total	26 100.0%	30 100.0%	25 100.0%	81 100.0%

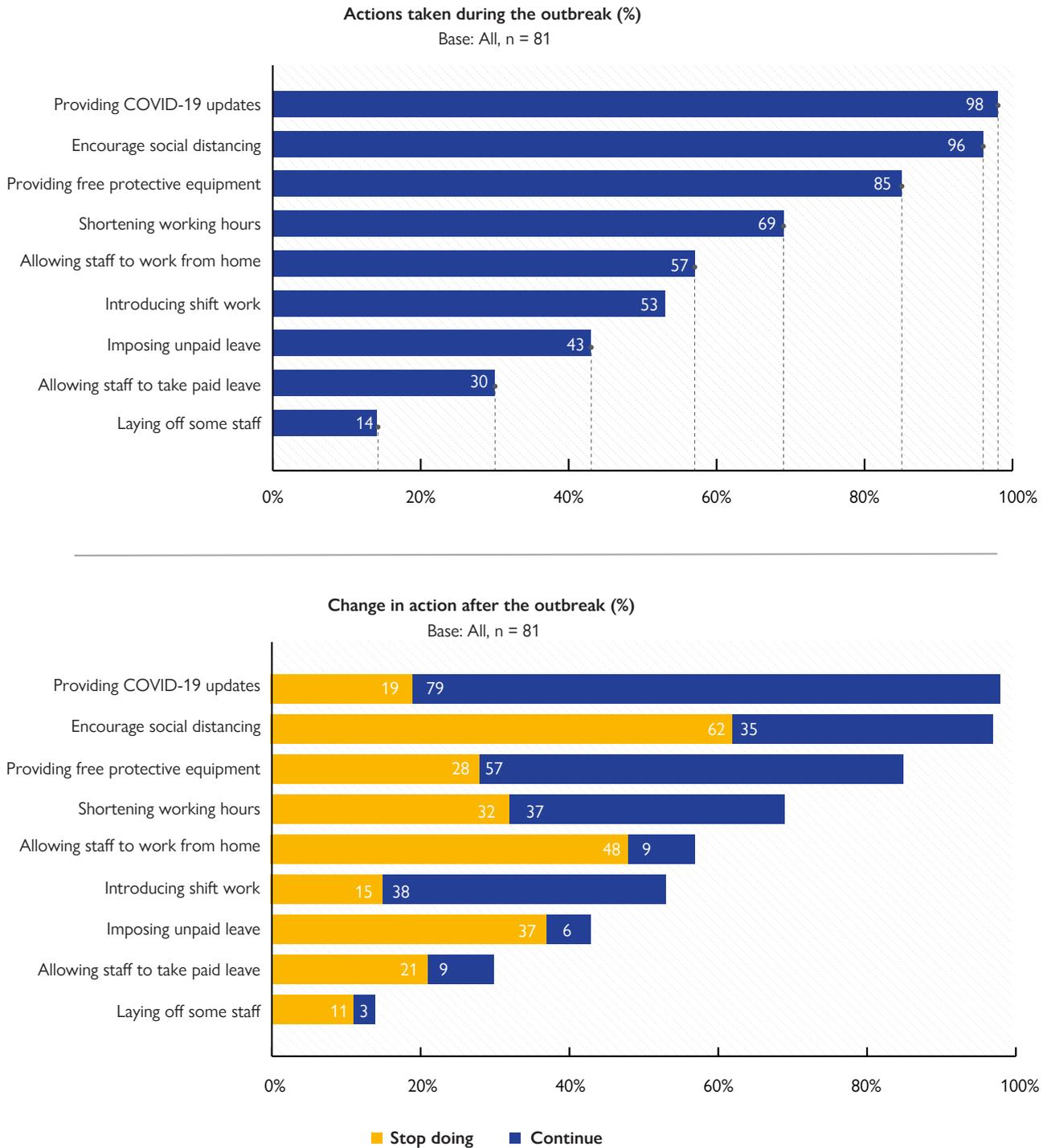
Source: Data gathered from the survey and elaborated by the authors.

However, staff morale and internal business operations have also been hit hard. In response, many employers have had to take action, as indicated in Figure 17. Safety has been a significant concern, and employers have been providing workers with updates on the pandemic situation, encouraging social distancing and providing protective equipment. Nevertheless, there have also been changes to internal operations like shorter work hours, allowing staff to work from home for specific tasks and jobs, introducing shift work and imposing paid or unpaid leave. The majority of employers did not have to lay off staffs; those who did were mostly in the tourism sector.

Interestingly, some of these changes are expected to continue after the pandemic. The introduction of shift work and shorter work hours may represent operation changes that will take hold because of COVID-19. When employers were asked how many months, they expected it would take to recover, most of them said between one to three months. That is, most of the employers expected business to be back as usual by the end of July 2020. In reality, this was not the case, and Viet Nam experienced a second wave of COVID-19 infections.³⁵

³⁵ Responses of Viet Nam to the second wave of COVID-19: “By 8 September 2020, Viet Nam reported a total of 1,049 laboratory confirmation of severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), with 35 deaths. After successfully containing the first wave followed by 99 days without any further local cases, the second wave of coronavirus disease (COVID-19) started on 25 July in a major hospital in Da Nang.” (Nong et al., 2021).

Figure 17. Actions during and after the outbreak



The Government has been perceived to have done a relatively good job in dealing with the pandemic. This feeling was echoed by some of the stakeholders as well. They said they had seen unity between government departments, with many collaborating to combat the disease. However, some employers thought the provision of tax reliefs for businesses and safety nets for workers could have been better. The Government has so far rolled out several supporting programmes including a credit aid package, fiscal stimulus package and financial support package for vulnerable populations, which amounts to nearly USD 800 million in total (Yen, 2020a).

The Vietnamese MOLISA has forecast that up to 100,000 workers could be laid off per month, mainly in tourism, accommodation and catering services, construction, transportation, processing and manufacturing.³⁶ Accordingly, workers in the manufacturing and processing industry have been most affected (more than 1.2 million workers), followed by the local wholesale and retail industry (more than 1.1 million employees), and accommodation and catering services (nearly 740,000 employees) (General Statistics Office of Viet Nam, 2020). As the Viet Nam's garment manufacturers' supply chains has traditionally relied heavily on overseas markets, the sector is among the hardest hit by the pandemic. Viet Nam's textile and garment industry imported up to 89 per cent of fabrics, and at the same time, more than 60 per cent of Viet Nam's garment are exported to the United States and European Union markets. In March 2020, order cancellations or postponements from buyers and the suspension of Chinese fabric manufacturing caused 70 per cent of garment manufacturers in Viet Nam to reduce and rotate workers. By June 2020, the industry had experienced an estimated loss of USD 508 million, according to Viet Nam's Textile Association report (Nguyen and Lee, 2020).

The tourism sectors have also been severely impacted by COVID-19. With the halting of the flow of domestic and international tourism, revenues in this sector have stopped. The tourism sector supply chain is a combination of economic activities, such as accommodation, food service, transport, storage, entertainment and recreation. According to the tourism board, the Viet Nam National Administration of Tourism, is estimated to have experienced USD 7.7 billion of losses due to the pandemic. The pandemic has caused much of the tourism industry to suspend operations and many workers to lose their jobs.

Meanwhile, despite the negative impact of COVID-19, the construction sector experienced growth in the first six months of 2020. As reported on the media, the construction industry sector grew by 4.5 per cent during the first six months of 2020, which was higher than the GDP growth rate of 1.8 per cent. Domestic consumption of coated steel increased by 6.5 per cent (Yen, 2020b). However, as some materials such as steel products had to be imported from overseas, the construction sector has been adversely affected.³⁷

3.4.2. THE IMPACTS OF COVID-19 ON VULNERABLE GROUPS: INFORMAL WORKERS AND MIGRANT WORKERS

Due to the COVID-19 pandemic, the socioeconomic crisis has also hit vulnerable workers quite hard, especially informal workers. The informal economy is a major contributor to the livelihood of many Vietnamese. According to ILO data, in 2019, there were 38.1 million Vietnamese workers employed in the informal economy, making up more than 60 per cent of the total workforce (ILO, 2020c). Many informal workers are characterized by low and irregular income (around VND 4.4 million a month), long working hours without any labour contract and little access to skills development opportunities. At the same time, informal workers lack the basic benefits provided by a formal job, including social protection coverage, thus making them more vulnerable to the COVID-19 pandemic. Because their living and working environment may expose them without the necessary protection, they are also at high risk of contracting the virus. In other words, the socioeconomic crisis caused by the pandemic has increased their vulnerability, and more people have little choice but to accept riskier work that could result in exploitation and labour abuse. Moreover, many Vietnamese workers, because of their migration status, face challenges in accessing care outside of their home provinces, as well as benefits, such as social insurance and assistance linked to their place of residence.³⁸ At the same time, at the household level, the impacts on informal workers will likely have more negative consequences on women, as unpaid care and domestic work burden has greatly increased, along with women losing income.³⁹

Meanwhile, the ongoing COVID-19 pandemic control measures put in place around the world are potentially exacerbating vulnerabilities to trafficking for many Vietnamese migrants in transit and destination countries along these routes. Within the context of disrupted national and international transport services, Viet Nam has experienced an increase in number of returning migrant workers at land borders who have lost their jobs and income due to unexpected situations of irregularity and temporary closure of workplaces in destination countries.

³⁶ The data are from the Ministry of Culture, Sport and Tourism, in April 2020 (Viet Nam National Administration of Tourism, 2020). However, according to the latest data from the General Statistics Office in July 2020, nearly 900,000 workers are unemployed and around 50 per cent of the total workforce have their income reduced due to COVID-19 (see <https://vietnamtimes.org.vn/31-million-vietnamese-workers-severely-hit-by-covid-19-22249.html>).

³⁷ Informal employment can be found in sectors like construction, domestic work, home-based production, street vending and waste recycling (Tienphong News, 2020).

³⁸ Interview with stakeholder.

³⁹ The recently released report shows that the pandemic will push 96 million people into extreme poverty by 2021, 47 million of whom are women and girls. This will bring the total number of women and girls living on USD 1.90 or less to 435 million (UN-Women, 2020).

The COVID-19 pandemic and global containment measures have impacted not only migrants abroad but whole communities, especially those already with existing socioeconomic vulnerabilities. As of June 2020, there were 30.8 million people aged 15 and above in Viet Nam negatively affected by COVID-19 and the temporary shutdown of local economies. The socioeconomic “knock-on” effects of the global pandemic have exacerbated existing and new vulnerabilities to exploitation and abuse, including human trafficking. For example, people who have lost income will be more vulnerable to accepting work in more exploitative jobs and industries, and temporary closures of schools and disruption to education may result increased vulnerabilities to trafficking among children without caregivers – all resulting in potential increase in the number of individuals needing protection and services.

Returning migrant workers who have lost their jobs and can no longer support their families with remittances may face significant barriers to re-entering the workforce due to lack of skills and qualifications recognition, or difficulties meeting administrative requirements. Additionally, they may aggravate unemployment in communities to which they return while leaving large labour market gaps in others. DOLAB has cooperated with the Ministry of Finance to introduce Circular no. 54/2020/TT-BTC, which aims to reduce 50 per cent of charges on the verification of documents for those working abroad under contracts until 31 December. A Vietnamese worker who lost a job due to the impact of the pandemic will be reimbursed for fees and charges and further supported with other relevant fees. An employee who works less than 50 per cent of the time will receive back the same amount of the brokerage paid upfront. In addition, the employee only has to pay service fees according to the actual time working abroad (Vietnam Investment Review, 2020).

On 10 April 2020, the Government of Viet Nam passed USD 2.6 billion in financial support packages directly to support families in Viet Nam hard hit by the socioeconomic impacts of the COVID-19 pandemic. However, returned migrant workers, among other vulnerable groups, are potentially not eligible due to not maintaining residency status after being overseas, or having moved internally without registration in the new location. Migrants who are already indebted to recruitment agencies, and brokers and agents linked to trafficking and smuggling networks to finance their migration costs are potentially more vulnerable to exploitative situations if they are unable to make payments for these migration-related costs.



Male instructor guiding tourists before a seabed trek in Phu Quoc Island, Kien Giang Province, Viet Nam. © Shutterstock 2021/CravenA

IV. CONCLUSIONS AND RECOMMENDATIONS

4.1. CONCLUSIONS

- Across the three sectors surveyed, the construction sector employs the largest number of men, while manufacturing and hospitality employ more women. Across all three sectors, there is an increasing demand for semi-skilled and high-skilled workers. Focusing specifically on the construction jobs, the highest demand and lowest supply are for high-skilled positions, such as site managers and engineers. In regard to the supply and demand for manufacturing jobs, there is a pecking order. Technically skilled roles, such as technicians, machine operators, quality control personnel, engineers, electronic mechanics and assembly workers, are high in demand and significantly undersupplied. In the hospitality sector, there is a high demand and low supply for high-skilled jobs, including tour guides, translators and reception staff. All of these would most likely require foreign language skills and suitable for those returned migrants who have obtained language skills working abroad either informally or formally, particularly in the hospitality industry.
- The Government issued Resolution No 52-NQ/TW, with some guidelines and policies to ensure active participation in I4.0, has changed the way of work in Viet Nam. While the rise of digital platforms and e-commerce has helped create new forms of work that can be performed more remotely, the labour market needs to adapt and close the gap between high demand and low supply for digital skills, such as basic digital literacy and workplace technologies.
- The most common method for employers to find workers is direct recruitment through formal channels, such as in-house human resources or recruitment firms. No significant differences were found between male and female workers in this regard. However, there is a gap in skills matching within the various recruitment methods. On the one hand, jobseekers rely on informal modes of recruitment, such as drop-ins and referrals from friends and family. On the other hand, future demand for higher skill levels coupled with the informal recruitment process increases challenges faced by jobseekers.
- Most employers stated that they provide basic job entitlements, such as minimum wage, overtime, leave and health insurance. There were no major differences between the three sectors. However, the current minimum wage is still under the worker's living cost, making it difficult to keep potential workers in Viet Nam because most low-skilled jobseekers require higher wages to meet their living costs. On the other hand, this condition will create an opportunity for low-skilled workers remaining in the country in the future. Once more low-skilled workers are migrating, there will be a shortage of low-skilled workers in the country, which might lead to increase of wage structure.
- The top challenge employers face is skills matching, particularly in construction (engineers and site managers) and manufacturing (quality controllers, machine operators, technicians and engineers). Other challenges included finding workers during peak times and worker adaptability. Meanwhile, in the tourism/hospitality sector, worker adaptability is the main issue, followed by skills matching and worker turnover. In a fast-changing and competitive economy, people need the right skills to secure good jobs and fulfil their potential. Most jobseekers are low-skilled and face difficulties in responding to labour needs in the market. Apart from their lower employability, they may also be more prone to social exclusion.
- Cooperation between TVET institutes and enterprises is still limited. Enterprises are still not aware of the benefits when engaging in VET activities. Enterprises have the primary responsibility for training their human resources, cooperating with TVET institutes in VET activities, placing training orders, as well as participating directly in VET activities. Enterprises have the responsibility to provide TVET institutes with information on their employment needs and give feedback on the training "product" to help adjust their training process according to the needs of enterprises. There is a need to improve the capacity to deliver practical, relevant and quality TVET programmes encouraging practical and targeted programmes that produce graduate potential employees into work sectors where there is a high demand for workers. There is potential for increased access to jobseekers from vulnerable groups in existing programmes.
- Many employers have been affected by the COVID-19 pandemic, which has led to job losses and underemployment for many workers. It is suspected that vulnerable workers, including informal workers, migrants and their families, may be more adversely affected, as many of them do not have any social safety net. Additionally, since the female workforce is overrepresented in the garment manufacturing and tourism sectors, women may be more impacted by the COVID-19 situation, which worsened shortly after the employer survey was completed.

4.2. RECOMMENDATIONS

This study's findings lead to several recommendations for the project custodian and its partners to mitigate the barriers and obstacles to the job market and training/education for jobseekers from vulnerable groups in the five provinces. The following recommendations should not be taken in isolation and are not necessarily ranked in order of importance.

(a) Increased access to vocational training and employment opportunities for jobseekers from vulnerable groups in the five provinces. Future demand for higher skill levels, coupled with the informal process that jobseekers tend to rely on, shows the increasing challenges faced by jobseekers. Thus, IOM, training providers, TVET institutions and Government Provincial Employment Service Centres in the five provinces should undertake the following:

- (i) Explore the potential for establishing a coordination mechanism where the Government, TVET institutions, the private sector, employers and training providers can discuss and develop ideas for providing and facilitating training programmes that are more inclusive for low-skilled workers and promote career pathways towards semi- and high-skilled opportunities in the three sectors.
- (ii) Review existing vocational and educational training programmes to determine how suitable and accessible they are for jobseekers from vulnerable groups – including individuals at risk of irregular migration and exploitation, returned vulnerable migrants, persons with disabilities and ethnic minorities – and determine how existing training programmes can be made more suitable to meet the needs of these jobseekers and skill demands of employers across the three sectors.
- (iii) Determine how existing standards to assess and certify skills acquired through existing VET programmes, including skills and experience obtained by migrant workers who have returned from international labour programmes, can be adapted to ensure they are recognized by the national qualifications framework and systems.
- (iv) Support existing VET programmes, including those run by the Government, NGOs and private institutions, that make an effort to support low-skilled jobseekers in each of the five provinces. A subnational approach may be necessary to adapt programmes to the different industries' local requirements and local market conditions.
- (v) Consider potential community outreach activities that can be carried out to raise awareness among low-skilled jobseekers and communities with high rates of outmigration and returned migrants regarding access to VET programmes for local labour market opportunities and demand.
- (vi) Support gender-sensitive communication activities, such as career open days, organized at TVET institutes to promote scholarships for women and people with disabilities in technical trades including career pathways.
- (vii) Provide technical support to MOLISA to explore the feasibility to pilot an online employer and jobseeker platform to support jobseekers and employers in matching job opportunities with relevant skills and experience, including employment services (that is, wage calculator) and vocational and training support.

(b) Apart from making training more accessible to vulnerable groups, there is a need to build on existing vocational and education programmes already in place and making them more inclusive and relevant. There is potential for increased access for vulnerable groups in existing programmes. IOM, training providers, TVET institutions, private sectors and Government Provincial Employment Service Centres should undertake the following:

- (i) Provide technical support and cooperate with DVET under MOLISA in the institutional and legal TVET reform process to improve the quality and demand orientation of training offers and the development of CoEs.
- (ii) Use this study as an advocacy tool with relevant stakeholders in stimulating dialogues and ensuring coordinated efforts are made to improve vulnerable groups' livelihoods, especially young individuals who are out-of-school or unemployed and at risk of exploitation and trafficking.
- (iii) Promote programmes that offer apprenticeships and on-the-job training to allow low-skilled jobseekers from vulnerable groups in developing necessary job skills to find employment in more specialized (semi-skilled to high-skilled) occupations. Suitable apprenticeship programmes would be those that provide theory in combination with hands-on practice in a real work setting.
- (iv) Seek ways to expand vocational and educational training programmes to include on-the-job training and practical workshops on basic job skills relevant to the need of key growth sectors, such as the digital industry in Viet Nam.

- (v) Extend support to programmes and services, such as Government Provincial Employment Service Centres and Migrant Resource Centres, which focus on developing essential job-hunting skills and determine how such initiatives can be made available to low-skilled workers from vulnerable groups. Such programmes and services should include skills for finding potential job opportunities, résumé writing, properly engaging with prospective employers and job interview skills.
- (vi) Develop and promote programmes on how to start or grow a small home-based business (entrepreneurship), and providing assistance related to obtaining grants or other available resources. The home-based small business programme may be more productive if guidance and learning are done through a mentorship model.

(c) Upskilling is needed to access emerging job opportunities. In a fast-changing and competitive economy, people need the right skills to secure good jobs and fulfil their potential. Most jobseekers from vulnerable groups are low-skilled and face difficulties in responding to the needs in the labour market, including responding to the new I4.0. Apart from their lower employability, jobseekers from vulnerable groups may be more prone to social exclusion. In consultation with employers' organization and civil society organizations, Government Provincial Employment Service Centres should undertake the following:

- (i) Provide technical support to MOLISA for developing strategies on how to integrate I4.0 and digitalization in the reform of the TVET system.
- (ii) Explore partnerships, funding and technical assistance to set up I4.0 laboratories within TVET institutions to train teachers and in-company trainers and implement newly developed training programmes.
- (iii) Provide basic digital skills training for low-skilled jobseekers based on what the future job market will look like, especially with the impact of automatization and technology in local key growth sectors.
- (iv) Consider how to improve soft skills, such as communication skills, interpersonal skills and technical skills.
- (v) Promote the utilization of digital technology in training programmes for vulnerable groups to align with the Government's I4.0 policy.

(d) Further research is needed to understand how to assist vulnerable populations best. Many employers have been affected by the COVID-19 pandemic, which has led to job losses and underemployment for many workers. It is suspected that vulnerable workers may have been more adversely affected, as many do not have any social safety net. IOM and its partner should undertake the following:

- (i) Encourage any existing social safety net programme to continue and evaluate how effective they are in reaching vulnerable populations. At the same time, use this study as an advocacy tool with relevant stakeholders to stimulate dialogues on the possibility of expanding existing social safety programmes so that benefits are portable across the country instead of being tied to the restrictive residential registration system (*ho khau*).
- (ii) Share the results from this study with relevant government departments to start a dialogue around how vulnerable groups may have been impacted and how they can provide relief. At the same time, encourage and maintain coordinated efforts with relevant partners to advocate for the frequent review and adjustment of the minimum wage to ensure it is commensurate with standard costs of living.
- (iii) Conduct a follow-up survey with vulnerable workers in key provinces to determine the full effect of the pandemic and the needs of the vulnerable groups to have appropriate interventions for alternative livelihood opportunities.
- (iv) Consider expanding research to other regions and other industries, with a more comprehensive gender dimension, utilizing resources, partnership and experiences from this study for a more comprehensive understanding of impacts of COVID-19 pandemic on vulnerable workers, including migrants.

DEFINITION OF TERMS

Definition of terms used in this report ⁴⁰	
Ethnic minority	Ethnic or racial groups in a given country in which they are in a non-dominant position vis-à-vis the dominant ethnic population (based on the Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities, General Assembly resolution 47/135).
High-skilled	Typically involve the performance of complex technical and practical tasks that require an extensive body of factual, technical and procedural knowledge in a specialized field. Examples of specific tasks performed include the following: (a) ensuring compliance with health, safety and related regulations; (b) preparing detailed estimates of quantities and costs of materials and labour required for specific projects; (c) coordinating, supervising, controlling and scheduling the activities of other workers; and (d) performing technical functions in support of professionals.
Informal worker	A person who engages in informal employment, that is, if the employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits. ⁴¹
Internal migrant	Any person who is moving or has moved within a State for the purpose of establishing a new temporary or permanent residence or because of displacement.
Internal migration	The movement of people within a State involving the establishment of a new temporary or permanent residence. Internal migration movements can be temporary or permanent and include those who have been displaced from their habitual place of residence such as internally displaced persons, as well as persons who decide to move to a new place, such as in the case of rural–urban migration. The term also covers both nationals and non-nationals moving within a State, provided that they move away from their place of habitual residence.
Jobseeker	Defined for this study as an unemployed or employed person who is actively looking for job opportunities.
Low-skilled	Typically involve the performance of simple and routine physical or manual tasks. They may require the use of handheld tools such as shovels or simple electrical equipment such as vacuum cleaners. They involve tasks such as the following: (a) cleaning; digging, lifting and carrying materials by hand; (b) sorting; storing or assembling goods by hand (sometimes in the context of mechanized operations); (c) operating non-motorized vehicles; (d) and picking fruits and vegetables.
Migrant	An umbrella term, not defined under international law, reflecting the common lay understanding of a person who moves away from one’s place of usual residence, whether within a country or across an international border, temporarily or permanently, and for a variety of reasons. The term includes several well-defined legal categories of people, such as the following: (a) migrant workers; (b) persons whose particular types of movements are legally defined such as smuggled migrants; and (c) those whose status or means of movement are not specifically defined under international law such as international students.

⁴⁰ Definition of terms in this study are based on IOM’s 2019 *Glossary on Migration terms* (IOM, 2019b).

⁴¹ Adapted from OECD/ILO, 2019.

Migrant worker	A person who is to be engaged, is engaged or has been engaged in a remunerated activity in a State of which one is not a national. Migrant workers are sometimes referred to as “foreign workers” or “(temporary) contractual workers”.
Regular migrant worker	A migrant worker or members of the family authorized to enter, to stay and to engage in a remunerated activity in the State of employment according to the law of that State and international agreements to which that State is a party. Also referred to as <i>documented migrant worker</i> (based on International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990).
Returned migrant worker	Defined for this study as a person who has returned to Viet Nam within the past few years after working overseas. ⁴²
Semi-skilled	Typically involve the performance of tasks such as the following: (a) operating machinery and electronic equipment; (b) driving vehicles; (c) maintenance and repair of electrical and mechanical equipment; and (d) manipulation, ordering and storage of information. For almost all occupations, the ability to read information such as safety instructions to make written records of work completed and accurately perform simple arithmetical calculations is essential. Many occupations at this skill level require relatively advanced literacy and numeracy skills and good interpersonal communication skills. In some occupations, these skills are required for a major part of the work. Many occupations at this skill level require a high level of manual dexterity.
Soft skills	Soft skills are core competencies with capabilities that are important for success in employment and life. Other terms used for soft skills include key competencies, essential skills, transferable competencies, employability skills or core skills. Employers increasingly seek these skills. Soft skills are built through primary education, such as reading and writing, acquiring the technical skills needed to perform specific duties, and professional/personal attributes such as honesty, reliability, punctuality, attendance and loyalty. The skills are categorized under four broad headings: learning to learn, communication, teamwork and problem-solving.
Vulnerable populations	Those who are more susceptible to social, psychological, legal, economic and physical harm and will include such groups as youth, women, those not in education, employment or training, migrants, informal workers and ethnic minorities.
Vulnerability	Within the migration context, vulnerability is defined as a limited capability to avoid, resist, cope with or recover from harm. This limited capacity is the result of the unique interaction of individual, household, community and structural characteristics and conditions.

⁴² Adapted from UN DESA's definition of “return migrants” – persons returning to their country of citizenship after having been international migrants (UN DESA, 1998).

DEFINITIONS OF JOBS AND OCCUPATIONS

The International Standard Classification of Occupations 2008 (ISCO-08) provides a system for classifying and aggregating occupational information obtained by means of statistical censuses and surveys, as well as from administrative records.

Definitions of jobs and occupations defined in ISCO-08

A *job* is defined as “a set of tasks and duties performed, or meant to be performed, by one person, including for an employer or in self-employment”.

Occupation refers to the kind of work performed in a job. The concept of occupation is defined as a “set of jobs whose main tasks and duties and characterized by a high degree of similarity”.

Skill is defined as the ability to carry out the tasks and duties of a given job.

Skill level is defined as a function of the complexity and range of tasks and duties to be performed in an occupation.

(a) Low-skilled labour typically involve the performance of simple and routine physical or manual tasks. They may require the use of handheld tools such as shovels, or simple electrical equipment such as vacuum cleaners. They involve tasks, such as the following: (i) cleaning; (ii) digging; (iii) lifting and carrying materials by hand; (iv) sorting; (v) storing or assembling goods by hand (sometimes in the context of mechanized operations); (vi) operating non-motorized vehicles; and (vii) picking fruits and vegetables.

Many occupations may require physical strength and/or endurance. For some jobs, necessary skills in literacy and numeracy may be required. If required, these skills would not be a major part of the work.

For competent performance in some occupations, completion of primary education or the first stage of basic education may be required. A short period of on-the-job training may be required for some jobs.

Occupations classified as low-skilled labour include office cleaners, freight handlers, garden labourers and kitchen assistants.

(b) Semi-skilled labour typically involve the performance of tasks, such as the following: (i) operating machinery and electronic equipment; (ii) driving vehicles; (iii) maintenance and repair of electrical and mechanical equipment; and (iv) manipulation, ordering and storage of information.

For almost all occupations, the ability to read information such as safety instructions to make written records of work completed and accurately perform simple arithmetical calculations is essential. Many occupations at this skill level require relatively advanced literacy and numeracy skills and good interpersonal communication skills. In some occupations, these skills are necessary for a major part of the work. Many occupations at this skill level require a high level of manual dexterity.

The knowledge and skills required for competent performance in occupations at the semi-skilled level are generally obtained through the completion of the first stage of secondary education. Some occupations require the second stage of secondary education, which may include a significant component of specialized vocational education and on-the-job training. Some occupations require completion of vocation-specific education undertaken after completion of secondary education. In some cases, experience and on-the-job training may substitute for formal education.

Occupations classified as semi-skilled labour include butchers, bus drivers, secretaries, account clerks, sewing machinists, dressmakers, shop sales assistants, police officers, hairdressers, building electricians and motor vehicles mechanics.

(c) High-skilled labour typically involve the performance of complex technical and practical tasks that require an extensive body of factual, technical and procedural knowledge in a specialized field. Examples of specific tasks performed include the following: (i) ensuring compliance with health, safety and related regulations; (ii) preparing detailed estimates of quantities and costs of materials and labour required for particular projects; (iii) coordinating, supervising, controlling and scheduling the activities of other workers; and (iv) performing technical functions in support of professionals.

Occupations at this skill level generally require a high level of literacy and numeracy and well-developed interpersonal communication skills. These skills may include the ability to understand complex written materials, prepare a factual report and communicate verbally under challenging circumstances.

The knowledge and skills required for competent performance in occupations at high-skilled level are usually obtained as the result of study at a higher educational institution for a period of one to three years following the completion of secondary occupation. In some cases, extensive relevant work experience and prolonged on-the-job training may substitute for formal education.

Occupations classified as high-skilled labour include shop managers, medical laboratory technicians, legal secretaries, commercial sales representatives, diagnostic medical radiographers, computer support technicians and broadcasting and recording technicians.

The specific jobs outlined in the following tables include those that were found to be in high demand and for which there was undersupply for Viet Nam. Each task is broken down to the next level based on job codes.

Table A1. Construction

Occupation	Job title	ISCO code	Skill level	Training provider
Engineer	Electronics engineer	2152	High	<ul style="list-style-type: none"> • Urban Construction College (Ha Noi) • Tay Ha Technical Career Training School (Ha Noi) • Labour Export and Job Development Centre-Oriented Education and Foreign Language School (Ha Noi) • Simco Da River Vocational College (Ha Noi) • Ho Chi Minh Technical and Economic College • Ha Tinh Vocational Training College • Central Region Transport College (Nghe An)
	Telecommunications engineer	2153	High	
	Civil engineering technician	3112	High	
	Environmental engineer	2143	High	
	Industrial and production engineer	2149	High	
	Civil engineer	2142	High	
	Mechanical engineer	2144	High	
	Chemical engineer	2145	High	
	Mining engineer, metallurgist and related professionals	2146	High	
	Electrical engineer	2151	High	
	Electrical engineering technician	3113	High	
	Electronics engineering technician	3114	High	
	Mechanical engineering technician	3115	High	
	Chemical engineering technician	3116	High	
Site manager	Construction project manager	1323	Semi	
	Construction supervisor	3123	Semi	
	General manager in construction	1313	High	
	Construction manager	1323	High	

Table A2. Manufacturing

Occupation	Job title	ISCO code	Skill level	Training provider
Assembler	Mechanical – Machinery assembler	8281	Semi	<ul style="list-style-type: none"> Hanoi Industrial Vocational College
	Electrical – Equipment assembler	8282	Semi	<ul style="list-style-type: none"> Hanoi Vocational College of High Technology
	Electronics – Equipment assembler	8283	Semi	<ul style="list-style-type: none"> Tay Ha Technical Career Training School
	Metal, rubber and plastic products assembler	8284	Semi	<ul style="list-style-type: none"> Labour Export and Job Development Centre-Oriented Education and Foreign Language School
	Wood and related products assembler	8285	Semi	<ul style="list-style-type: none"> Simco Da River Vocational College
	Paperboard, textile and related product assembler assemblers	8286	Semi	<ul style="list-style-type: none"> Vocational College of Technique and Technology Ho Chi Minh Technical and Economic College
	Other machine operator assembler	8290	Semi	<ul style="list-style-type: none"> Ho Chi Minh City Vocational College
Technician	Process control technician	3139	High	<ul style="list-style-type: none"> Vocational College No. 3 – Ministry of Defence (Hai Phong)
Electronic mechanic	Electronics mechanic and servicer	7421	Semi	<ul style="list-style-type: none"> Ha Tinh Vocational Training College Ha Tinh College of Technology
Machine operator	Labelling machine operator	8183	Semi	<ul style="list-style-type: none"> Vietnamese Germany Vocational College (Ha Tinh)
	Packing machine operator	8183	Semi	<ul style="list-style-type: none"> Central Region Transport College (Nghe An)
	Wrapping machine operator	8183	Semi	<ul style="list-style-type: none"> Viet Nam–Korea Industrial Technology School (Nghe An)
Engineer	Industrial and production engineer	2141	High	<ul style="list-style-type: none"> Lilama 2 International Technology College (Dong Nai)
Quality control	Manufacturing supervisors	3123	High	<ul style="list-style-type: none"> Vocational College Number 8 – Ministry of Defence (Dong Nai)
	Manufacturing manager	1321	High	
	Production and operations department manager in manufacturing	1222	High	

Table A3. Hospitality

Occupation	Job title	ISCO code	Skill level	Training provider
Tour guide	Travel guide	5113	High	<ul style="list-style-type: none"> • Hai Phong College of Tourism • Nghe An Trading and Tourism College
	Travel agency and related clerk	4221	Semi	
Translator	Philologist, translator and interpreter	2444	High	
	Translator, interpreter and other linguist	2643	High	

ANNEX 2

SURVEY QUESTIONNAIRE

Employer survey Viet Nam

[April 2020]

Version: Final

Respondent address			
Company name			
Date and time stamp			
Name of interviewer		Name of supervisor	

Informed consent

Thank you for agreeing to talk with me today. I would like to introduce myself. I am _____ from Rapid Asia.

We are conducting a study labour market assessment with employers, and it would be very helpful if you could share information about your own experience. There are no right or wrong answers, so please give us your honest opinion. Any information collected from you will be kept strictly confidential. Your participation in the interview is entirely voluntary, and you can withdraw at any time.

Do you have further questions about this survey? (Make clarification as needed.)

(Confirm understanding.)

Do you understand and give your consent to be interviewed for the study? (If yes, continue.)

Quota

Locations	Viet Nam
VSIP Industrial Zone (Hai Phong)	n = 25
Vung Ang Industrial Zone (Ha Tinh)	n = 20
VSIP Industrial Zone (Dong Nai)	n = 25
Quang Ninh	n = 10
Total	80

S1 Record province (Viet Nam)

VSIP Industrial Zone (Hai Phong)	1
Vung Ang Industrial Zone (Ha Tinh)	2
VSIP Industrial Zone (Dong Nai)	3
Quang Ninh	4

Show card 1**S2 Record sector**

Construction	1	Continue
Manufacturing – Garment	2	
Manufacturing – Electronics	3	
Manufacturing – Food processing	4	
Manufacturing – Footwear	5	
Tourism/hospitality	6	
Others	7	Stop

S3 Record sex of person interviewed

Male	1
Female	2

S4 What is your position? (Single)

Business owner	1
Business manager	2
Senior manager	3
Supervisor	4
Others (Specify)	5

S5 How many years have you been in this position?

	Years
--	--------------

Future labour needs

F1 How many employees does this company have? (Single)

Under 20	1
20–49	2
50–99	3
100–199	4
200 or more	5

F2 How many male and female workers do you currently have in total?

Male	Female

F3 How many of your workers come from outside this province? (Single)

None	1
Some	2
About half	3
Most	4
All of them	5

Show card with skill examples 2

F4a What is the skill level of the workers you employ? (Multiple)

F4b Which skill level does most of your workers have? (Single)

	F4a	F4b
Low-skilled labour (General labourer)	1	1
Semi-skilled labour (Equipment operator or driver)	2	2
High-skilled labour (Technician, supervisor)	3	3

F5 For each skill level, would you say your need for workers will decrease or increase over in the next few years, or no change? (Single)

	Decrease	No change	Increase	Do not know
Low-skilled labour (General labourer)	1	2	3	4
Semi-skilled labour (Equipment operator or driver)	1	2	3	4
High-skilled labour (Technician, supervisor)	1	2	3	4

F6 For each skill level, would you say it is currently more difficult or easier to find workers compared to before or no change? (Single)

	More difficult	No change	Easier	Do not know
Low-skilled labour (General labourer)	1	2	3	4
Semi-skilled labour (Equipment operator or driver)	1	2	3	4
High-skilled labour (Technician, supervisor)	1	2	3	4

Show card 3

F7a Which of the following jobs are more difficult to find suitable workers? (Multiple)

Show card 4

F7b And which jobs do you expect will be in higher demand in the future? (Multiple)

Construction	F7a	F7b
General labourers	1	1
Electricians	2	2
Plumbers	3	3
Welders	4	4
Carpenters	5	5
Painting and coating workers	6	6
Engineers	7	7
Site managers	8	8
Drivers	9	9
Others (Specify)	10	10

Manufacturing		
Assemblers	1	1
Technicians	2	2
Electronic mechanics	3	3
Stationary plant and machine operators	4	4
Engineers	5	5
Textile handicraft workers	6	6
Sewing machine operators	7	7
Shoemakers	8	8
Cobblers	9	9
Quality control staff	10	10
Packers	11	11
Food preparers and makers	12	12
Food tasters and graders	13	13
Others (Specify)	14	14
Tourism/Hospitality		
Cleaners	1	1
Laundry workers	2	2
Chefs	3	3
Kitchen helpers	4	4
Waitresses	5	5
Reception staff	6	6
Tour guides	7	7
Translators	8	8
Sales	9	9
Drivers	10	10
Supervisors	11	11
Others (Specify)	12	12

Skills requirements

Show card 5

S1 On average, how would you rate the functional skills of current workers in the following jobs, meaning their ability to do the task required for that job? (Single)

		Ability exceeds requirements	Meets requirements	Does not meet requirements	Not applicable
A	Construction				
1	General labour	3	2	1	9
2	Electricians	3	2	1	9
3	Plumbers	3	2	1	9
4	Welders	3	2	1	9
5	Carpenters	3	2	1	9
6	Painting and coating workers	3	2	1	9
7	Engineers	3	2	1	9
8	Site managers	3	2	1	9
9	Drivers	3	2	1	9
10	Language skills	3	2	1	9
11	Ability to listen and follow instructions	3	2	1	9
12	Ability to solve problems	3	2	1	9
13	Others, as mentioned earlier	3	2	1	9
B	Manufacturing				
1	Assemblers	3	2	1	9
2	Technicians	3	2	1	9
3	Electronic mechanics	3	2	1	9
4	Stationary plant and machine operators	3	2	1	9
5	Engineers	3	2	1	9
6	Textile handicraft workers	3	2	1	9
7	Sewing machine operators	3	2	1	9

		Ability exceeds requirements	Meets requirements	Does not meet requirements	Not applicable
8	Shoemakers	3	2	1	9
9	Cobblers	3	2	1	9
10	Quality control staff	3	2	1	9
11	Packers	3	2	1	9
12	Food preparers and makers	3	2	1	9
13	Food tasters and graders	3	2	1	9
14	Language skills	3	2	1	9
15	Ability to listen and follow instructions	3	2	1	9
16	Ability to solve problems	3	2	1	9
17	Others, as mentioned earlier	3	2	1	9
C	Tourism/Hospitality				
1	Cleaners	3	2	1	9
2	Laundry workers	3	2	1	9
3	Chefs	3	2	1	9
4	Kitchen helpers	3	2	1	9
5	Waitresses	3	2	1	9
6	Reception staff	3	2	1	9
7	Tour guides	3	2	1	9
8	Translators	3	2	1	9
9	Sales	3	2	1	9
10	Drivers	3	2	1	9
11	Supervisors	3	2	1	9
12	Language skills	3	2	1	9
13	Ability to listen and follow instructions	3	2	1	9
14	Ability to solve problems	3	2	1	9
15	Others, as mentioned earlier	3	2	1	9

Show card 6

S2 For each skill, will needs for that skill decrease or increase over the next few years, or no change? (Single)

		Decrease	No change	Increase	Do not know
A	Construction				
1	General labour	1	2	3	9
2	Electricians	1	2	3	9
3	Plumbers	1	2	3	9
4	Welders	1	2	3	9
5	Carpenters	1	2	3	9
6	Painting and coating workers	1	2	3	9
7	Engineers	1	2	3	9
8	Site managers	1	2	3	9
9	Drivers	1	2	3	9
10	Language skills	1	2	3	9
11	Ability to listen and follow instructions	1	2	3	9
12	Ability to solve problems	1	2	3	9
13	Others, as mentioned earlier	1	2	3	9
B	Manufacturing				
1	Assemblers	1	2	3	9
2	Technicians	1	2	3	9
3	Electronic mechanics	1	2	3	9
4	Stationary plant and machine operators	1	2	3	9
5	Engineers	1	2	3	9
6	Textile handicraft workers	1	2	3	9
7	Sewing machine operators	1	2	3	9
8	Shoemakers	1	2	3	9
9	Cobblers	1	2	3	9
10	Quality control staff	1	2	3	9
11	Packers	1	2	3	9

		Decrease	No change	Increase	Do not know
12	Food preparers and makers	1	2	3	9
13	Food tasters and graders	1	2	3	9
14	Language skills	1	2	3	9
15	Ability to listen and follow instructions	1	2	3	9
16	Ability to solve problems	1	2	3	9
17	Others, as mentioned earlier	1	2	3	9
C	Tourism/Hospitality				
1	Cleaners	1	2	3	9
2	Laundry workers	1	2	3	9
3	Chefs	1	2	3	9
4	Kitchen helpers	1	2	3	9
5	Waitresses	1	2	3	9
6	Reception staff	1	2	3	9
7	Tour guides	1	2	3	9
8	Translators	1	2	3	9
9	Sales	1	2	3	9
10	Drivers	1	2	3	9
11	Supervisors	1	2	3	9
12	Language skills	1	2	3	9
13	Ability to listen and follow instructions	1	2	3	9
14	Ability to solve problems	1	2	3	9
15	Others, as mentioned earlier	1	2	3	9

Recruitment and skills requirements

Show card 7

R1 From where do you source information about workers you would like to recruit? (Multiple)

In-house human resource department	1
Individual recruitment agents or brokers	2
Recruitment firms	3
Referrals from other workers	4
Workers come directly to us (drop in)	5
Others (Specify)	6

Show card 8

R2a How is recruitment done for male workers? (Multiple)

Show card 9

R2b How is recruitment done for female workers? (Multiple)

	R2a	R2b
Direct recruitment	1	1
Through individual recruitment agents or brokers	2	2
Through recruitment firms	3	3
Others (Specify)	4	4

Show card 10

R3 When hiring workers, which of the following selection criteria are taken into account? (Multiple)

Job skills	1
Language	2
Experience	3
Ethnicity	4
Gender	5
Age	6
Time taken for recruitment	7
Residential status	8
Others (Specify)	9

R4 How many of the workers here have done a job skills test? (Single)

All	1
Most	2
Some	3
None	4

R5 To what extent do the workers you employ match your requirements? (Single)

All are okay	1
Most are okay	2
Only some are okay	3
Most are not okay	4

Show card 11

R6 What are the biggest challenges when recruiting workers? (Select 3)

Finding enough workers throughout the year	1
Finding enough workers during peak production months	2
Finding workers with the right skills	3
Finding reliable recruitment agents	4
Cost of recruitment	5
Time taken for recruitment	6
Workers do not stay long enough	7
Government regulations	8
Administration around recruitment	9
Language issues	10
Workers' ability to adapt	11
Others (Specify)	12

R7 Are workers issued with a written employment contract before they start employment? (Single)

Always	1
Most of the time	2
Sometimes	3
Rarely or never	4

R8 Does your company conduct an induction programme for new workers? (Single)

Always	1
Most of the time	2
Sometimes	3
Seldom or never	4

Show card 12

R9 Which of the following does the orientation programme include? (Multiple)

Working hours	1
Payment of wages	2
Overtime payments	3
Leave entitlements	4
Health and safety rules	5
Tour of worksite	6
Information on local culture	7
Others	8

Show card 13

R10 What job entitlements are provided to workers? (Multiple)

Minimum wage	1
Overtime pay	2
Annual leave or paid holidays	3
Health insurance	4
Ability to join a union	5

Sick leave	6
One day off per week	7
Maternity leave	8
Others (Specify)	9
None	10

R11 Do you provide job training to workers? (Single)

Always	1	Continue
Most of the time	2	
Sometimes	3	
Never	4	Go to 11

R12 Do you normally provide training before or during employment? (Single)

Before employment	1
During employment	2
Both	3

R13 What type of training? (Multiple)

On-the-job training	1	
Coaching	2	
Formal training courses by the training provider	3	Ask R14
Others (Specify)	4	

R14 Who is the training provider?

Specify	
---------	--

Institutional relationship

I1 How have the following issues affected your business activities in the past 12 months? (Single)

	Negative impact	No impact	Positive impact
Labour regulations/requirements	1	2	3
Client or buyer's requirements	1	2	3
Implementation of tax regulations	1	2	3
Environment regulations	1	2	3
COVID-19-related measures	1	2	3

Show card 14

I2 Has your business received any support from the following agencies in the past 12 months? (Multiple)

Ministry of Labour, Invalid and Social Affairs (MOLISA) or provincial Department of Labour – Invalids and Social Affairs	1
Ministry of Industry and Trade (MOIT) or provincial MOIT	2
Business associations	3
Chamber of Commerce and Industry	4
Financial institutions	5
Others (Specify)	6
None	7

I3 Can you identify ONE labour-related government policy change in Viet Nam that you would like to see to happen?

Do not know	99

COVID-19

Show card 15

C1 What sources of information do you consult for information on COVID-19 and government-related directives? (Multiple)

Local or international news on television	1
Local or international newspaper/press	2
Through family or friends	3
Social media (Facebook, Instagram etc.)	4
Official government website	5
Official websites from credited sources (WHO, CDC, etc.)*	6
Radio or podcast	7
None	8
Others (Specify)	9

* WHO – World Health Organization; CDC – United States Centers for Disease Control and Prevention.

C2 What impact has COVID-19 and government-related directives had on this company in terms of the following? (Single)

	Big impact	Medium impact	Small impact	No impact
Financial impacts (such as revenue and loan payments)	1	2	3	4
External business activities (such as supply chain)	1	2	3	4
Internal operations (such as work-hour arrangements)	1	2	3	4
Staff morale	1	2	3	4

Show card 16

C3 What actions have this company taken because of COVID-19 and government-related directives? (Multiple)

Providing updates on COVID-19 situation	1
Allowing some staff to work from home	2
Allowing staff to take paid leave	3
Imposing unpaid leave	4

Laying off some staff	5
Providing free protective equipment (such as sanitizer and masks)	6
Shortening working hours	7
Introducing shift work	8
Following social distancing guidance	9
Others (Specify)	10
None	11

Show card 17

C4 For each action, what does the company plan to do once COVID-19 transmission slows down and restrictions are lifted? What about ... (Single)

	Stop doing that	Continue to some extent	Continue as we do now
Providing updates on COVID-19 situation	1	2	3
Allowing some staff to work from home	1	2	3
Allowing staff to take paid leave	1	2	3
Imposing unpaid leave	1	2	3
Laying off some staff	1	2	3
Providing free protective equipment (such as sanitizer and masks)	1	2	3
Shortening working hours	1	2	3
Introducing shift work	1	2	3
Following social distancing guidance	1	2	3
Others, as mentioned earlier	1	2	3

C5 How would you rate the Government's response to COVID-19 to support employers in terms of? (Single)

	Poor	Average	Good	Do not know
Keeping employers informed	1	2	3	4
Providing protective equipment	1	2	3	4
Taking action to stop the spread	1	2	3	4

Providing financial/tax relief for businesses	1	2	3	4
Offering social safety net programme for affected citizens	1	2	3	4
Being factual and truthful	1	2	3	4

C6 In how many months do you expect this company to be back to normal operations?

Never	98
Do not know	99

Contact information

X1 In case I have missed anything and need to contact you, may I have your name and your phone number that I can reach you on? (Do a missed call to check.)

Name	
Phone	

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LIST OF ORGANIZATIONS PARTICIPATING IN THE VALIDATION WORKSHOP

International organizations

- IOM
- World Vision International Viet Nam

Governmental organizations (Central level)

- Department of Criminal Investigation, Ministry of Public Security
- Department of Social Vices Prevention and Combat, Ministry of Labour – Invalids and Social Affairs
- General Directorate of Vocational Training , Ministry of Labour – Invalids and Social Affairs
- Ho Chi Minh Communist Youth Union

Governmental organizations (Provincial level)

- Department of Labour – Invalids and Social Affairs
- Provincial Police
- Provincial Women’s Union
- Employment Service Centre

Non-governmental organizations

- Research Center for Gender, Family and Community Development

MODERATOR GUIDES FOR KEY INFORMANT INTERVIEW

May 2020 Moderator Guide – Key informant interview with key stakeholders FINAL

Respondent's full name		Location			
Date	____ / ____ / 2020	Time begin		Time ended	
Interviewer					

For moderator

1. Goals of the interview

- (a) To understand the nature of labour and skills demand and supply in Viet Nam's economy.
- (b) To identify the key sectors that influence the type and quantity of employment opportunities, including specific occupations, demand for skills of major employers and industry leaders in a variety of sectors, and skills training and apprenticeship opportunities available or potentially created.
- (c) To understand the impacts of the COVID-19 outbreak on Viet Nam.

2. Prepare the logistics.

Location: Choose a quiet place where there are minimal distractions and, if you are recording the interview, that offers better sound quality.

Equipment: Charge your phone or recording device beforehand. Put your phone on silent mode during the interview . Bring a paper and pen so you can note follow-up questions without interrupting their flow.

Placement of recording device: Place the recording device somewhere it can easily pick up sound and the microphone is unobstructed. Then, forget about it.

3. Prepare the questions.

Frame questions to be open-ended. Begin questions with “why”, “how”, “Can you describe...” and “Tell me about...”. You are looking for more than a yes or no answer. Less is more. The less specific you are in your questions, the more room you allow the interviewees to expand on their answers.

4. Stakeholders

- (a) Government agency (Ha Noi province)
- (b) Training providers, trainers, recruitment agency
- (c) Non-governmental organizations (NGOs) (Women's group, youth group, trade union)
- (d) Private sectors

Informed consent (Consent form in a separate form)

Thank you for agreeing to talk with me today. My name is _____ and I work with Rapid Asia on behalf of IOM Viet Nam. Currently, we are doing a labour market assessment in Viet Nam. We selected you because of your knowledge and involvement on the issues of labour market in Viet Nam. The purpose of the study is to better understand the link between the workers (supply) and employers (demand) in Viet Nam.

- (a) To understand the nature of labour and skills demand and supply in Viet Nam's economy.
- (b) To identify the key sectors that influence the type and quantity of employment opportunities, including specific occupations, demand for skills of major employers and industry leaders in a variety of sectors, and skills training and apprenticeship opportunities available or potentially created.
- (c) To understand the impacts of the COVID-19 outbreak on Viet Nam.

Although you may not receive any benefits from participating in this study, the information that you provide may help inform IOM Viet Nam to develop the programme and promote safe migration, alternative employment opportunities in Viet Nam, and availability of relevant skills training. Any information we collect from you is confidential. Your responses will be included anonymously in our assessment report. No name or personal details will be shared with any third parties and will be deleted upon completion of the assessment project. We will use a tape recorder so I can concentrate on what you are saying. Please be assured that your participation is voluntary; you can withdraw at any time. The interview **will take up to 30 minutes.**

Do you have any further question about this study? (Make clarification as needed.)

If you have questions, concerns or complaints about your rights as a participant, you may contact IOM Viet Nam directly at the information provided.

(Confirm understanding; start tape recorder.)

If you agree to participate, please sign in the form. (Yes, I understand and hereby give my consent to be interviewed for the study.)

Background (Ask everyone)

First, I would like to understand a bit about the work you do and the organization you work for:

- (a) How long you have been working with the current organization?
- (b) Please tell me a bit about your role and tasks in the organization?
- (c) How does your organization contribute to job training/job creation for local people?

Economic context (Ask everyone)

- (a) In general, which sectors/industries currently absorb labour in your region/province?
- (b) What type of employment/jobs is currently absorbing labour in your region/province?
- (c) Which sectors/industries are likely to see increases in absorbing labour in your region/province?
- (d) What type of employment/jobs will be increasing in your region/province?

Future labour needs: Skills demand and supply

Skills training: To assess institutional capacity, quality and cost of possible implementing partners, including provincial vocational schools, private sector service providers and training centres that can provide training and job placement services.

For government agencies, NGOs

Recruitment: What are the major challenges in the recruitment process?

Skills supply

- (a) To what extent are the skills available among jobseekers in the labour market sufficient? If not sufficient, what do you think should be done?
- (b) What particular skills are needed to meet the needs of employers in the future? For what type of positions?

Job supply

- (a) Which jobs are currently difficult to fill (shortage of job supply)?
- (b) What are the sectors/industries that will require more semi-skilled and high-skilled labour in the future? From where do these sectors currently source their workers?

System and relationship of skills development

- (a) What partnership exists between your organization and training providers? Please specify the training providers (for example, NGOs, technical and vocational education and training, Employment Service Centres (ESCs)).
- (b) What skills training do you expect from training providers?
- (c) What types of skills trainings are effective (online, in-person, short-term, long-term, etc.)?
- (d) What are the major challenges in training jobseekers and workers?
- (e) To what extent are the graduates from training providers able to find jobs?
- (f) To what extent is job/skills matching supported by the Government?
- (g) How does your organization support current and future interventions, and how does your organization plan to do this for future interventions?
- (h) What recommendations could be made to strengthen training for vulnerable individuals (including ethnic minorities, persons with disability, people at great risk of trafficking) for skills development (soft skills and technical skills)?
- (i) What other actors should be involved? How?

For private sectors

Checklist

Recruitment

- (a) How do employers find candidates who are low-skilled, semi-skilled and skilled workers?
- (b) Could you please describe the recruitment process for me?
- (c) What are the major challenges in the recruitment process?

Skills supply

- (a) To what extent are the skills available among jobseekers in the labour market sufficient? If not, what do you think should be done?
 - (i) What types of skills are easy to find candidates?
 - (ii) What types of skills are difficult to find candidates?
- (b) What are the sectors that currently have labour shortages?
 - (i) What types of positions are difficult to find trained workers for?
- (c) What particular skills are needed to meet the needs of employers in the future? For what type of positions?

Job supply

- (a) Which jobs are currently difficult to fill (shortage of job supply)?
- (b) What are the sectors/industries that will require more semi-skilled and high-skilled labour in the future?
- (c) From where do these sectors currently source their workers?

System and relationship of skills development

- (a) What partnership exists between your organization and training providers? Please specify the training providers (for examples, TVET and ESC).
- (b) What skills training do you expect from training providers?
- (c) What types of skills trainings are effective (online, in-person, short-term, long-term, etc.)?
- (d) What are the major challenges in training jobseekers and workers?
- (e) To what extent are the graduates from training providers able to find jobs?
- (f) To what extent is job/skills matching supported by the Government?
- (g) How can the Government support current and future interventions?
- (h) What recommendations could be made to strengthen training for vulnerable individuals (including ethnic minorities, persons with disability, women, those at great risk of trafficking) for skills development (soft skills and technical skills)?
- (i) What other actors should be involved? How?

For training providers

Checklist

Recruitment

- (a) How do employers find candidates about low-skilled, semi-skilled and skilled workers?
- (b) Could you please describe the recruitment process to me?
- (c) What are the major challenges in the recruitment process?

Skills supply

- (a) To what extent are the skills available among jobseekers in the labour market sufficient? If not, what do you think should be done?
 - (i) What types of skills are easy to find candidates?
 - (ii) What types of skills are difficult to find candidates?
- (b) What are the sectors/industries that currently have labour shortages?
 - (i) What types of positions are difficult to find trained workers for?
- (c) What particular skills are needed to meet the needs of employers in the future? For what type of positions?

Job skills

- (a) Which jobs are currently difficult to fill (shortage of job supply)?
- (b) What are the sectors/industries that will require more semi-skilled and high-skilled labour in the future? From where do these sectors currently source their workers?

System and relationship of skills development

- (a) What types of training sectors does your organization have to provide to the trainees (for example, tourism/hospitality, food and beverage processing, finance, and accounting etc.)? (Probe questions: What about training for soft skills and technical skills?)
- (b) What partnership exists between your organization and the private sector or the Government? Please specify.
- (c) What are the major challenges in training jobseekers and workers?
- (d) What types of skills trainings is effective (online, in-person, short-term, long-term, etc.)?
- (e) What types of skills trainings should you offer and to whom?
- (f) What skills training do employers expect from training providers?
- (g) To what extent are the graduates from training providers able to find jobs?
- (h) How do you measure success?
- (i) To what extent is job/skills matching supported by the Government?
- (j) How can the Government support future interventions?
- (k) What recommendations could be made to strengthen training for workers and vulnerable individuals to skilled employment?
- (l) What other actors should be involved ? How?

Ask everyone

The impacts of COVID-19

To understand the impacts of COVID-19 and the government directives in Viet Nam.

- (a) What sources of information do you consult for information on COVID-19 and government-related directives?
- (b) What have been the impacts of COVID-19 and government directives on Viet Nam's economy and labour market in your areas in particular?
- (c) What actions have your organization taken to mitigate the impact?
- (d) How do you think about the results of these actions?

MODERATOR GUIDES FOR IN-DEPTH INTERVIEWS

Respondent name					
Location					
Mobile number					
Date of interview	___ / ___ /2020	Time started		Time ended	
Interviewer					

For moderator

- 1. Clear the goals of the interview with the participant:** To better understand the link between the workers (supply) and employers (demand) in Viet Nam.
 - What occupations, education levels and skills level do the workforce possess?
 - Do jobseekers find jobs that match their qualifications?
 - What are the challenges and barriers to finding a job?
- 2. Prepare the interviewees.** Tell them exactly what you are doing. This will help create a context for them and put them at ease for the interview. You should share with them why you have chosen to speak with them. Speak from your heart and be sincere. Be clear you are not here to judge but to learn. Convey that you respect and are interested in their experience, that you value what they might share and their life's perspective.
- 3. Prepare the logistics.**

Location: Choose a quiet place where there are minimal distractions and, if you are recording the interview, that offers better sound quality.

Equipment: Charge your phone or recording device beforehand. Put your phone on silent mode during the interview. Bring a paper and pen so you can note follow-up questions without interrupting their flow.

Placement of recording device: Place the recording device somewhere it can easily pick up sound, and the microphone are unobstructed. Then, forget about it.
- 4. Prepare the questions.** Frame questions to be open-ended. Begin questions with “why”, “how”, “Can you describe...” and “Tell me about...”. You are looking for more than a yes or no answer. Less is more. The less specific you are in your questions, the more room you allow the interviewees to expand on their answers. Let them talk; perhaps you will get details you never knew before, perspectives you never heard before.

Informed consent (in a separate form on the screening form)

Thank you for agreeing to talk with me today. My name is _____ and I work with Rapid Asia on behalf of IOM Viet Nam. Currently, we are doing a labour market assessment in Viet Nam. We selected you because you are a jobseeker from the target areas of the project. The purpose of the study is to understand better the link between the workers (supply) and employers (demand) in Viet Nam. Your responses will be included anonymously in our assessment report. Any information we collect from you is confidential. No name or personal details will be shared with any third parties and will be deleted upon completion of the assessment project. We will use a tape recorder so I can concentrate on what you are saying. Please be assured that your participation is voluntary; you can withdraw at any time. The interview **will take up to 30 minutes**.

Do you have any questions? (Make clarification as needed.)

If you agree to participate, please confirm.

(Confirm understanding; start tape recorder.)

Yes, I understand and hereby give my consent to be interviewed for the study.

Ask for all jobseekers

(To understand the challenges and barriers to finding a job)

- (a) First, would you be willing to share more about yourself and your background?
- (b) Are you currently employed? Please specify.
- (c) If yes, what is your position and your tasks/responsibilities? Work sector? How long have you been employed? How did you find your current job? What age were you when you started to make an income?

Ask for the unemployed

- (a) What is your main activity? What is the reason for unemployment?
- (b) How hard is finding work today? Please explain what activities you use to find a job. (Checklist 1)
- (c) How long have you been looking for a job now?
- (d) How many times did you change jobs in the last three years? Why?
- (e) Have you at some point been fired or asked to leave a job? How?
- (f) What type of work do you prefer?
- (g) Are you willing to spend your free time on further upgrading your education or skill level? If yes, what type of skills training? If no, why?
- (h) In your opinion, what factors will help you to increase more chances to participate in the labour market or to get a better job? What do you really need (for example, better qualification, no prejudices, more understanding for my disability, etc.)?
- (i) What is important for you while choosing a job? (Checklist 2)
- (j) Do you have the plan to migrate (again) for work in the future? If yes, please explain where and have you prepared for it?

Ask for persons with disability

- (a) What kind of disability do you have? How do you think your disability affected your employment opportunities in the labour market?
- (b) What kind of discrimination did you face because of your disability in your job search?

Information and social media/networking

(To understand the networking for finding job opportunities)

- (a) What methods do you rely on to distribute your resume or curriculum vitae to potential employers? (For example, friends, relatives, email, postal mail, in-person, local brokers or sub-agents)
- (b) If you use social media for finding a job opportunity, please specify which social network do you believe is the most effective for an online job search.
- (c) What do you find to be the most effective method for recruitment agencies/employers to find jobseekers or vice versa in your locality?
- (d) Where do you get the information about job possibilities in your area? Are you properly informed? How well/sufficient is the information? What information is missing?
- (e) Have you accessed any of the following services to help you find a job? (Checklist 3)

Skills level and development

(To understand the current skills and ability to use the skills)

- (a) What is your current skills level? (Checklist 4)
- (b) What are your desires, skills?
- (c) In your opinion, what are the different skill levels needed for males and females? Please explain.

Ask for returned migrants

Pre-migration

- (a) Why did you decide to seek employment abroad?
- (b) How do you search for information about migrating? Who and where do you go for the information?
- (c) What additional information do you wish you have received before going overseas?

Migration

- (a) How many years did you work overseas? Where?
- (b) What channels did you use to migrate?

- (c) What problem did you experience when migrating?
- (d) Did you seek assistance with your problem? If so, who?
- (e) How did you get the money to pay the costs to work overseas?

Employment

- (a) What industry did you work in most? (Checklist 5)
- (b) When you were recruited for work overseas, did you have skills relevant to the job?
- (c) Please tell me whether you have matched with a job for which you had relevant skills.

Returned

- (a) What was the reason for return (voluntary or involuntary)?
- (b) What type of assistance would have been the most useful to you after returning home (if any from the government, NGOs, community etc.)?
- (c) How have you made a living since returning from working overseas? What challenges have you faced?
- (d) Did you start a business since returning home? Why or why not?
- (e) Please tell me the effect of migrating on your life (positive or negative impact).

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