

FACT SHEET

Young People, Employment and Training

- Viet Nam has entered a **‘demographic bonus’ period** – meaning there are two or more people of working age for every person aged under 15 or 65 and over. This period is expected to last for at least the next 30 years, from around 2010 to 2049. In this context Viet Nam will face challenges in generating decent jobs for the hundreds of thousands of new labour market entrants each year.¹
- The youth demographic represents an **increasingly important proportion of the labour force** in Viet Nam, both now and well into the future.
- As in other developing countries, young workers in Vietnam have been less obviously affected by the global financial crisis, since they usually constitute a ‘buffer’ of cheap labour in time of economic downturn. For example, they are under-represented in larger enterprises and are over-represented in precarious forms of employment and informal sector activities.
- Analysis of Viet Nam labour market developments between 2007 and 2009 points at additional challenges for youth that need special attention while working towards achieving MDG target 1b of *“full and productive employment and **decent work for all**”* during the coming years.²
- The **labour force participation rate for young men and women** aged 15-19, which has risen from 37.1 per cent in 2007 to 43.8 per cent in 2009, suggests that more and more teenagers are leaving the educational system relatively early and seeking work.³
- It appears more and more young people aged 15 to 24 are engaged in **second-choice employment activities**, either because job opportunities are not available at the levels of education already attained or because they lack the necessary work experience compared to adult workers.
- Young Vietnamese men and women, with an unemployment rate of 6.2 per cent and underemployment rate of 6.8 per cent in 2009, comprise nearly 56 per cent of all the unemployed.⁴
- Youth have a greater likelihood of being among the **working poor**:⁵ a growing number of youth, although they work, experience economic insecurity and even ‘working poverty’. Working poverty is probably one of the biggest single problems for young people living in the informal economy⁶. In Viet Nam, working poverty rates among youth exceed the corresponding adult rate by over 5 percentage points. This provides evidence that young people face a comparatively worse scenario than adults not only in terms of higher unemployment rates but also in terms of a higher likelihood of being among the working poor.
- Employment data from the Population and Housing Census 2009 reveal significant **geographical variation** in the proportion of young people engaged in the workforce. While in the Northern and Mountainous regions almost 80 per cent of youth are employed, in the Red River Delta this proportion drops to around 50 per cent.
- The data also indicate that young people are more likely to seek and find jobs in urban rather than rural areas, and that young people are often self-employed or working in household businesses. Very few are working in the agricultural sector.⁷
- The surprising factor that emerges from the 2009 census employment indicators is the **low level of employment gender disparity**.⁸ Approximately 80% of the age group 20-24 are employed, and the proportion of young females in the labour force is slightly lower than that of young males.⁹

¹ *Synthesis Report*, United Nations Viet Nam (2010).

² Source: ILO: *Global employment trends for youth, 2010* (Geneva, 2010).

³ *Vietnam Employment Trends Report*, ILO (2010).

⁴ Ibid.

⁵ *Global Employment Trends for Youth*, ILO, Geneva 2010.

⁶ Director-General Juan Somavia addresses the Global Youth Conference, ILO, 2010, London.

⁷ Ibid

⁸ *Young people in Viet Nam – A Profile of Selected Indicators from the 2009 Population and Housing Census* (UNFPA draft paper).

⁹ Ibid.

- The labour force participation rate of young people varies significantly between urban and rural areas. The proportion of young people aged 15-19 participating in the labour force in urban areas is lower than in the rural areas, yet notably higher for the those aged 25-29, implying that **youth in rural areas enter the labour force earlier** and have less opportunity for continuing education and improving their educational level.¹⁰
- The highest proportion of working youth aged 15-24 is recorded in the Northern Midlands and Northern Mountainous regions.¹¹

Recommendations

- The ‘demographic bonus’ is a unique time and policymakers should take advantage of this opportunity, viewing the youth generation as **key contributors to sustainable economic growth and development**.
- Efforts are needed to **develop a more highly-skilled labour force** that can satisfy industrial demand and sustain Viet Nam’s economic global competitiveness.¹²
- The rising labour force participation rate among youth warrants immediate attention by policy-makers, since early school-leaving is often linked with other indicators of socio-economic disadvantage, such as low-income jobs or high unemployment.
- The low literacy rates in the Northern Midlands and Northern Mountainous regions, combined with the highest proportion of young working people, strongly suggests the need to **design and develop vocational training courses** that will broaden job opportunities and strengthen economic productivity.¹³
- If the level and quality of productivity within household businesses and the private sector improves, so too will employment opportunities for the younger generation.¹⁴
- Viet Nam will need to put in place appropriate policies to capitalize on the increase in the working age population during the period 2010-2049.
- The creation of sufficient **decent work opportunities**, especially for youth, is an important issue. In order to capitalize on the ‘demographic dividend’, appropriate cross-cutting policies should be developed that support youth, as the current labour market appears to fall short in terms of creating non-vulnerable employment.¹⁵ Measures can include **enhancing the role of employment services in job matching, education and training**, as well as in business promotion and related services.

¹⁰Young people in Viet Nam – A Profile of Selected Indicators from the 2009 Population and Housing Census (UNFPA draft paper).

¹¹Ibid.

¹²Ibid.

¹³ Ibid.

¹⁴Ibid.

¹⁵Vietnam Employment Trends Report, ILO, 2010.