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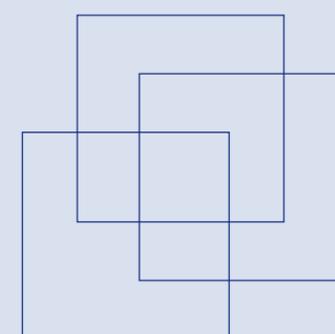


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Vietnam Employment Trends 2009

National Centre for Labour Market Forecast and Information
Bureau of Employment, Ministry of Labour, Invalids and Social Affairs



Labour Market project

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FOREWORD

Up-to-date labour market information, available on a timely basis, is a pre-condition for the creation of employment-related policies that promote decent and productive employment opportunities for all of Vietnam's citizens.

The National Centre for Labour Market Forecast and Information within the Bureau of Employment (BoE) of the Ministry of Labour, Invalids and Social Affairs (MOLISA), with the technical support of the International Labour Organization and the financial assistance of the European Commission, under the Labour Market Project, seeks to fill existing labour market information gaps in the country and provide extensive analyses that inform policy-makers, various stakeholders, and national and international researchers about the most recent data developments and longer-term trends regarding Vietnam's labour market.

This is the first issue of a planned series of MOLISA reports that will describe the relevant labour market trends in Vietnam. The principal emphasis, for this as well as future reports, is on labour force developments, that is, trends in employment and unemployment, with particular focus on key indicators of Vietnam's labour market. Reports will also show the linkages that labour market data have with many others of Vietnam's economic indicators, such as GDP and productivity.

My hope is that this report will serve as a useful beginning for an expansion of labour market analysis for Vietnam, in general, and for MOLISA and its National Centre for Labour Market Forecast and Information, in particular. And, through this and subsequent reports, I believe that we in MOLISA can significantly monitor and facilitate effective labour market policies in the years ahead.

I would like to express my appreciation to everyone who has been involved in the collection and dissemination of labour market information over the past decade and a half. And, in particular, I am grateful for the support that has been provided to MOLISA by the International Labour Organization (ILO), not only in the preparation of this initial trends report but also for the advice and training by ILO staff to the staff of the Bureau of Employment within MOLISA on labour market surveys and data analysis.

I am very much looking forward to the continued collaboration with our national and international partners for the further strengthening of labour market analysis in Vietnam that will, in my view, facilitate the promotion of “full and productive employment and decent work for all, including women and young people”.

Nguyen Dai Dong

Director, Bureau of Employment

Ministry of Labour, Invalids and Social Affairs

Hanoi

MESSAGE FROM THE ILO COUNTRY DIRECTOR

Employment and labour market policies that promote opportunities for women and men, and most particularly young people, to obtain decent and productive work in conditions of freedom, equity, security and human dignity must be supported by timely and accurate data. In Vietnam, the Ministry of Labour, Invalids and Social Affairs (MOLISA), wishing to meet these requirements, has established the Labour Market Project (LMP), with funding from the European Commission, and management and technical support from the ILO. A central component of the LMP has been the establishment of the National Centre for Labour Market Forecast and Information (NLF) within MOLISA's Bureau of Employment.

The NLF was established in 2008 to support the country's management of labour markets, in different stages of economic development. As such, its functions include the provision of current information about Vietnam's labour market, assessment of labour market trends, and provision of data for policy-makers to formulate relevant economic development strategies, including human resource development.

The ILO is very proud to be part of this process. Indeed, this initial Vietnam Employment Trends report, which is an analysis of Vietnam's labour market developments over the 1997-2007 period, based primarily on data directly from MOLISA's labour force surveys, represents the first concrete example of the direct assistance that is being provided through the LMP to MOLISA and its LMIC in the area of labour market analysis.

This report was prepared by ILO labour market information experts who have been working in the LMIC and have, in addition to producing relevant data for analysis, not only for the report but also for the LMIC staff's future utilization, initiated a programme of training for the staff members. This training programme is expected to extend at least through 2010, if not beyond.

RieVejs-Kjeldgaard

Country Director

ILO Office for Vietnam

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"Vietnam Employment Trends" is the first report published by the National Centre for Labour Market Forecast and Information, Ministry of Labour, Invalids and Social Affairs (MOLISA). Having the purpose of studying the labour market in Vietnam, the report was prepared with the technical support of the International Labour Organization (ILO), and funding from the European Commission (EC) under the EC/MOLISA/ ILO Labour Market Project. The report is also the direct result of a strong technical collaboration between MOLISA, represented by Mr. Nguyen Dai Dong, Director of BOE; the ILO Country Office Vietnam, under the guidance of the Country Director, Mrs Rie Vejs-Kjeldgaard; and the ILO Employment Trends Unit in Geneva, headed by Mr Lawrence Jeffrey Johnson.

Our achievements were made possible thanks to Mr. John E. (Jack) Bregger, consultant and Ms. Ina Pietschmann, specialist from ILO who drafted the report and provided invaluable technical contribution. Furthermore, the publication would not have been possible without technical comments of national specialists at the seminar held in Hanoi in October of 2009, as well as the support of NLF staff including Mr. Nguyen The Ha, Mr. Tran Quang Chinh, and Ms. Tran Thi Hoan, etc...

We would like to express our deep gratitude to the following senior specialists Mr. Theo Sparreboom of the ILO Employment Trends Office in Geneva and Mr. John Stewart of the ILO Office in Hanoi for their important assistance throughout the writing and editing process.

We would like to thank various institutions, agencies and colleagues for their comments and suggestions. We would also like to send our thanks the international organizations for their technical and financial support, and especially to GSO for their cooperation and for the data they provided which was referred to and analyzed in the report.

Nguyen Thi Hai Van PhD

Director

National Centre for Labour Market Forecast and Information

Bureau of Employment

Ministry of Labour, Invalids and Social Affairs

LIST OF ACRONYMS

BoE	Bureau of Employment
EAPEP	Economically Active Population Estimates and Projections
EC	European Commission
ECOSOC	United Nations Economic and Social Council
EU	European Union
GSO	General Statistics Office (in Vietnam)
GDP	Gross Domestic Product
HIES	Household Income and Expenditure Survey
HRD	Human Resource Development
ICLS	International Conference of Labour Statisticians
ICSE	International Classification of Status in Employment
ILC	International Labour Conference
ILO	International Labour Organization
ISCO	International Standard Classification of Occupations
ISIC	International Standard Industrial Classification
KILM	Key Indicators of the Labour Market
LES	Labour and Employment Survey
LF	Labour Force
LFS	Labour Force Survey
LFPFR	Labour Force Participation Rate
LMI	Labour Market Information
LMIA	Labour Market Information and Analysis
LMP	Labour Market Project
MDG	Millennium Development Goals
MOLISA	Ministry of Labour, Invalids and Social Affairs (Government of Vietnam)
LMIFC	National Centre for Labour Market Forecast and Information
DOLISA	Department of Labour, Invalids and Social Affairs (Government of Vietnam)
SNA	System of National Accounts
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNSTATS	United Nations Statistics Division
VHLSS	Vietnamese Household Living Standards Survey
WTO	World Trade Organization

EXECUTIVE SUMMARY

Recent developments in the labour market situation of Vietnam can be encapsulated into the following seven major components (not necessarily in order of importance):

1. Large increases in the population between 1997 and 2007 have added to the country's labour force, placing pressure on the Vietnam labour market. However, future population growth is not expected to be as high as the previous decade.
2. There has been strong GDP growth with consequent employment gains and improved labour productivity, supporting poverty reduction efforts.
3. There has been a downward trend in labour force participation rates and also employment-to-population ratios. Contributing to this shift are youth remaining in school longer and adults taking earlier retirement.
4. A very large component of total employment falls into the category of being vulnerable to lacking decent work.
5. There have been significant sectoral shifts in employment with a decreasing proportion in agricultural employment, and rising employment in the industrial and services sectors.
6. Unemployment is not presently a problem in the country, with the unemployment rate remaining stable and very low over the past decade.
7. While Vietnam remains largely a rural population, it is gradually shifting toward being more urban.

Population growth for persons of labour force age (15 years and older) over the 1997-2007 period was a very robust 17.6 million. Labour force growth during the period was much less (about 10 million), as labour force participation rates declined significantly, owing mostly to young people staying in school longer and older people retiring earlier. Population growth is expected to diminish in the coming years, up to 2020, with actual declines among youth. Labour force growth is expected to remain strong over the next decade, with smaller decreases in labour force participation observed.

Vietnam's macroeconomic performance has been remarkable between 1997 and 2007, with an average annual growth rate of 8.5 per cent. In line with high economic and employment growth (2.6 per cent per year, on average), labour productivity in the country increased steadily, at an average annual growth rate of 5.3 per cent during the same period. These trends have been very positive, since they suggest that many new labour market entrants or people who changed jobs were taking on more productive work, which could be considered to be relatively decent as well, including sufficient remuneration, a key component for successful poverty reduction.

Total employment also grew by about 10 million persons between 1997 and 2007, and, as with labour force participation, the employment-to-population ratio, which is a key indicator of economic activity, declined by about 4 percentage points over the period to 68 per cent. These declines occurred among both men and women and were heaviest for youth (15 to 24 year-olds) and older workers (60 years and older). As a result of about-equal increases in the labour force, which is the sum of employment and unemployment, both the number and rate of unemployment have remained quite stable over the past decade. In 2007, the rate of unemployment, also a key indicator, was a very low 2.4 per cent.

Looking at the employed population, several important trends have been detected. Vietnam is still very much a rural country, despite having several large cities. Thus, agriculture remains the most important economic sector, though its proportion of total employment did recede by about 13 percentage points between 1997 and 2007, to about 52 per cent of total employment. This also implies that there has been growth in the industrial sectors of the country, with percentage gains in manufacturing, construction, and much of the services sector.

But the rural nature of the country and the persistently heavy dependence upon agriculture means that a very large proportion of total employment is in two categories of the indicator of status in employment, namely own-account and unpaid family work. Taken together, somewhere between two-thirds and three-fourths of total employment in 2007 was in these two categories, which translates into a very high degree of total employment that is vulnerable, that is, at risk of lacking decent work.

In the years ahead, it will be important for Vietnam to transfer even more of its employment into quality wage and salaried jobs in order to maintain its economic development and so help reduce vulnerability and working poverty in the country. This could also likely result in a higher incidence of unemployment, but that transition should not necessarily be viewed as a bad development, until such time as rates begin to reach higher levels.

1 INTRODUCTION

The current global economy is in the midst of a deep downturn, affecting labour markets all over the world, in advanced as well as in emerging and developing countries. More and more people are losing their jobs or are working increasingly under vulnerable working conditions, and these are only some of the impacts.

Since a significant part of people's lives involve work, whether women and men have decent jobs can have significant impacts on individual, family and community well-being. The absence of full and productive employment and decent work is, for many people, the primary cause of poverty and social instability.

The analyses of this report highlight the importance of necessary interventions to strengthen the quality of employment in Vietnam, in order to sustain economic growth in the country and to prevent poverty increases in the years to come.

The labour market analyses in this report are based on labour force survey data available through 2007. Although improving over time, the data are still very limited and partly outdated. Therefore, improved timely and up-to-date labour market information and analysis are crucial to review the scale and pace of trends and to project labour force growth in the years to come. Policy-makers, in particular, have a need for accurate and appropriate information to inform employment and labour policies, both for the population as a whole and for groups of particular concern, including women and young people.

This is the first of a series of Vietnam Employment Trends reports. This report provides for the first time a consistent time series and analysis of internationally accepted key labour market indicators¹. Future issues will utilize additional labour market information and deepen the analysis, with the ultimate aim of providing Vietnam with a better integration of labour market analysis and policies.

1.1 The need for labour market information and analysis in Vietnam

Economic integration and the transition to a socialist-oriented market economy provide both challenges and opportunities for the people in Vietnam. Therefore, national policy development necessarily focuses on how to best manage the process of integration into the emerging global economy, especially in times of global economic crisis. As such, the main objective for Vietnam is to further strengthen its economy and prepare the country for further integration into the world community.

Labour is a critical aspect of Vietnam's development strategy in overcoming persistent poverty and enhancing further economic growth as set out in a number of documents, such as the country's ten-year national strategy for socio-economic development (2001-10) with its second five year socio-economic development plan (2006-10).

To support the development strategies and policies that underpin Vietnam's transition to a socialist market economy and the Government's efforts to ensure that social and economic advancement

¹ See: Annex Box A1 and for further information: ILO, Key Indicators of the Labour Market, 5th edition under www.ilo.org/trends.

occur in tandem, a National Cooperation Framework on Decent Work² for the years 2006 to 2010 was signed between the ILO and its constituents, in July 2006. The framework sets out a strategic plan of action, which the Government, employers' and workers' organizations agreed upon in order to work hand in hand towards achieving target 1b on "full and productive employment and decent work for all" in Vietnam as the main route out of poverty. Through this strategic framework, Vietnam seeks to monitor and address issues such as:

- Productivity and competitiveness
- Occupational wages and labour costs
- Economic sectors and shifts in employment
- Unemployment and underemployment
- Youth unemployment
- Mobilization and development of human resources
- Internal and external migration of labour

Since all of these issues lie at the heart of economic and social policies, good labour market information (LMI) is essential to analyse the current situation in the country, to foresee the challenges ahead, to design decent work, human resource development (HRD) and pro-poor policies, and monitor their implementation (box 1).

Over the years, Vietnam has made progress in producing LMI, especially in the area of data collection, mainly through labour force surveys. Yet a number of challenges persist, in particular those concerning the lack of high-quality data, an insufficiency and lack of depth of data, and the absence of labour market analysis and analytical capability. Further, there is a limited awareness of basic international concepts, classifications and definitions among policy-makers, social partners and stakeholders in the country.

² Decent Work refers to opportunities for women and men to obtain work in conditions of freedom, equity, security and human dignity. According to the International Labour Organization ILO, Decent Work involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. Therefore, the ILO Decent Work Agenda is the balanced and integrated programmatic approach to pursue the objectives of full and productive employment and decent work for all at global, regional, national, sectoral and local levels. It has four pillars: standards and rights at work, employment creation and enterprise development, social protection and social dialogue.

Box 1

What is Labour Market Information and Analysis?

Labour market information is what the term suggests: information about labour markets. This includes information about employment and jobs, wages, salaries and employment conditions; skills; where people work and in which sector; how many people are looking for a job; and so on.

Labour market information and analysis (LMIA) is more than information, as it aims to provide analyses of the labour market in its economic context. This means that labour market trends are examined, together with broader economic trends (e.g. economic growth, inflation). LMIA is an important tool to monitor the demand and supply of the labour market, investigate excess supply (e.g. in the form of unemployment and underemployment), and excess demand (e.g. in the form of unfilled vacancies). LMIA enables policy-makers to develop policies which help people to find and secure a decent job.

An LMIA network consists of producers of analysis (labour market analysts, statisticians, etc.), but also includes institutional arrangements to feed information and analysis into policy processes, and receive feedback on the focus of the analysis. Such feedback is essential, as possibilities for analytical work are endless, even though such work will often start from an agreed set of key indicators of the labour market. In Vietnam, a Project Steering Committee has been established to bridge the gap between the analytical work and labour market stakeholders, including the social partners.

Depending on the focus and use of the LMIA network, data collection, analytical methods and institutional arrangements will vary. For example, to measure the supply of labour, household surveys such as the labour force survey are an essential instrument. To gain insight into demand and supply for skills, a range of data collection instruments and analytical methods is often used, including establishment occupational and earnings surveys, establishment inquiries aiming to produce qualitative information on shortages, tracer studies, and so on. The resulting labour market information analysis can only be used to inform skills policies and programmes if institutional arrangements are in place, which link the producers and users of such information, including social partners but also sector bodies, education and training providers, etc.¹

Overall, the aim of an LMIA network is crucial for the provision of timely and up-to-date LMIA that serve as an input into the formulation of numerous policies and programmes aiming for decent employment, pro-poor growth, economic as well as human resource development. This also includes employment services and operations of the labour market supply and demand that range from labour exchange recruitment, offers of employment, hiring and separations to activities aiming at decreasing unemployment and to provide full and productive employment and decent work for all.

However, it needs to be mentioned that the main purpose of an LMIA network is not to exclusively inform job centres or employment exchanges about labour supply and demand. An LMIA system needs to be seen as a tool that embeds labour market-related issues into the broader context of macroeconomic development.

Source: T. Sparreboom and M. Powell: "Labour market information and analysis for skills development", Employment Working Paper No. 27 (Geneva, ILO, 2009).

Indeed, considerably more and better data are needed on different labour market indicators for the proper development and effective utilization of human resources. Labour market information and analysis (LMIA) is also required for the use of employment services in such areas as vocational guidance and employment counselling, and the direction of vocational training resources (box 1).

1.1.1 *The role of labour market information analysis for growth and labour market policy formulation*

The international community has progressively stressed the fact that promoting decent work is the only sustainable way out of poverty. The United Nations (UN) and the European Union (EU) have both endorsed the Decent Work Agenda³ as contributing significantly to the achievement of the Millennium Development Goals, and in particular target 1b, under Millennium Development Goal 1, stressing “full and productive employment and decent work for all including women and young people”⁴.

Therefore, building a comprehensive understanding of the labour market is needed, together with raising awareness about urgently needed investigations into enhancing the employability of people and improving the quality of work in order to promote decent and productive work for all. A comprehensive understanding of the labour market in Vietnam provides a foundation for targeting policy interventions in the years to come.

1.1.2 *Relationship between economic growth, employment creation and poverty reduction*

The persistence of poverty and the slow pace of progress made in reducing its incidence have raised concerns about Vietnam's ability to attain the Millennium Development Goal 1 to “Eradicate extreme poverty and hunger”. The experience of countries that have been successful in satisfactorily reducing poverty indicates the importance of sustained high growth in achieving this result.

However, studies on poverty contain an equally important finding: high growth alone is not adequate to reach the goal. The pattern and sources of growth as well as the manner in which the benefits are distributed to the people in the country are extremely important for successful poverty eradication. In that context, the importance of employment as the key link between growth and poverty reduction is often pointed out, and indeed, “full and productive employment and decent work for all” is increasingly being perceived as a major route out of poverty.

³ For further information see:

http://www.ilo.org/global/About_the_ILO/Mainpillars/WhatisDecentWork/lang--en/index.htm

⁴ See: European Commission “Decent work for all a European and global goal” under

<http://ec.europa.eu/social/main.jsp?catId=370&langId=en&featuresId=57&furtherFeatures=yes>

Box 2

Measuring MDG target 1b on “full and productive employment and decent work”

The international acceptance of the new MDG target 1b on “full and productive employment and decent work for all”, as mentioned in section 1, is a major achievement, recognizing as it does the importance of this target for poverty reduction all over the world. Technically, the new target brought a number of new challenges to the ILO, which had to propose indicators to measure the progress towards the new target. At the same time, it was important to explain where the linkages between productive employment and decent work and poverty reduction are, since target 1b is placed under Millennium Development Goal 1 to “eradicate extreme poverty and hunger”. Thus, in 2008, a set of four employment indicators was agreed in the Inter-Agency and Expert Group on MDG indicators and endorsed by the international community. This set of internationally accepted indicators to measure target 1b provides useful tools for Vietnam in its efforts to create productive employment and decent work. It consists of the following four interlinked indicators, which should be understood as a subset of decent work indicators.

1. Employment-to-population ratio
2. Proportion of own-account and contributing family workers (also called unpaid family workers) in total employment (vulnerable employment rate)
3. Proportion of employed people living below the poverty line (working poverty rate)
4. Growth rate of labour productivity (GDP per person employed)

The employment-to-population ratio represents the proportion of the relevant population group that is employed. A high ratio implies that a significant proportion of a country's population is employed, while a low ratio means that a substantial share of the population is not involved directly in market-related activities, because they are either unemployed or not part of the labour force (inactive) (see section 3.2).

Vulnerable employment is a newly defined measure of persons who are employed under relatively precarious circumstances as indicated by their status in employment. Because contributing family workers and own-account workers are less likely to have formal work arrangements, access to benefits or social protection programmes and are more “at risk” to economic cycles, these are the statuses categorized as “vulnerable” (see section 3.3).

The working poverty rate is another indicator that gives a hint as to the lack of decent work for employed people in a country. If their work does not provide enough income to lift them and their families out of poverty, then the kind of work performed does not fulfil the income dimension of decent work. It is also very likely that other components regarding the quality of work are lacking. The ideal method to calculate the working poverty rate for Vietnam would be through a combined micro dataset that contains “dedicated” micro information on both poverty (from the Vietnamese Household Living Standards Survey (VHLSS)) and employment (from labour force surveys) for the same households. The household is the unit of reference for both, and this measurement method would simply link household poverty and the number of employed persons in a household, rather than individual pay for persons employed. Due to a number of technical reasons, however, especially different survey frequencies and sample units, as well as diverse concepts and reference periods for the two surveys (VHLSS and MOLISA's LES), the ideal method for computing the indicator cannot be used in Vietnam.

Unfortunately, labour productivity growth and labour productivity growth by economic sector at this point in time are very difficult to measure, in part due to some inconsistencies in the available data. Therefore, in order to provide a more accurate picture of labour productivity trends in the future, the Labour Market Information Center within MOLISA, along with the GSO, will be working on improvements to the data over time.

More comprehensive examinations of the set of target 1b indicators in conjunction with other core labour market indicators for Vietnam go beyond the scope of this report. A future issue of *Vietnam Employment Trends* reports will provide more appropriate analysis and present guidelines on how to overcome existing challenges in the computation of some of the indicators. Nevertheless, a brief analysis of two of the indicators, the employment-to-population ratio and the vulnerable employment rate, is provided in this report.

For more information see ILO: *Key Indicators of the Labour Market, 5th edition* (Geneva, 2007), and *Guide to the new Millennium Development Goals Employment Indicators* (Geneva, June 2009).

1.2 Vietnam's macroeconomic environment and the linkage to the labour market

Over the past two decades, Vietnam has undergone a major shift from a central command-and-planning-based economy to a socialist-oriented mixed market economy (termed the “Đổi Mới” reform).

Between the late 1990s and 2007, the economy experienced rapid growth. On 11 January 2007, Vietnam marked a major step in its economic development when it became a member of the World Trade Organization (WTO). At the time, the Vietnamese economy was thriving. The country had just finished a year (2006) in which it registered GDP growth of 8.2 per cent and was commonly cited as one of Asia's emerging and shining examples. But the economic boom that followed Vietnam's initiation into the WTO was of short duration.

After being at its height in March 2007, Vietnam's main stock market index plunged; by November 2008, it had lost over 70 per cent of its value. The country's GDP growth in 2008 dropped significantly, to 6.2 per cent⁵. Vietnam's cycle of boom and bust and its underlying financial vulnerabilities highlight the challenges that may lie ahead for its emerging markets, as the impact of the global financial crisis deepens.

Among the various sectors of the economy, the construction sector had been affected the hardest by the recession in 2008, as reflected in a declining annual growth rate of sectoral value added from 12.2 per cent in 2007 to -0.4 per cent in 2008. The manufacturing sector, which had performed remarkably well between 1997 and 2007, experienced its lowest annual growth rate of value added in 2008, 9.5 per cent, since 1999. The 2008 figure was down by 2.9 percentage points from the previous year. The agricultural sector that always maintained its relatively important share in total GDP of Vietnam's economy has declined steadily since 2003. Between 2007 and 2008, however, the annual growth rate of value added in agriculture increased again, from 2.7 to 3.9 per cent (table 1).

⁵ For further information see: Worldbank Vietnam under: www.worldbank.org/vn

Since it is very likely that, as its economy slows down significantly, job losses, vulnerable employment and the number of working poor will increase and labour productivity will decline, it becomes more important than ever to strengthen the role of labour market information and analysis in Vietnam. Reliable statistics, information and analysis are crucial for the development and monitoring of good economic policies.

Table 1. Growth rate by sector (%)

Years	GDP (all sectors)	Agriculture	Mining and quarrying	Manufacturing	Construction	Services
1997	8.2	5.0	13.2	12.8	11.3	7.1
1998	5.8	3.6	14.0	10.2	-0.5	5.1
1999	4.8	5.5	13.4	8.0	2.4	2.3
2000	6.8	4.0	7.2	11.7	7.5	5.3
2001	6.9	2.1	4.1	11.3	12.8	6.1
2002	7.1	4.1	1.1	11.6	10.6	6.5
2003	7.3	3.2	6.3	11.5	10.6	6.5
2004	7.8	3.9	8.9	10.9	9.0	7.3
2005	8.4	3.2	1.9	12.9	10.9	8.5
2006	8.2	2.6	0.8	12.4	11.0	8.3
2007	8.5	2.7	-2.2	12.4	12.2	8.9
2008	6.2	3.9	-3.8	9.5	-0.4	7.2

Source: GSO, *Statistical Handbook, 2009*

Unfortunately, at the time of writing, there is no labour market information available for Vietnam beyond the year 2007 that can be analysed to see the extent to which the current global crisis has impacted the country's labour market. But analyses in this report clearly show the linkage between economic growth and employment and thus suggest that 2008 and 2009 will not prove to have the strong employment growth experience of recent years.

In line with Vietnam's strong economic performance between 1997 and 2007, analyses of selected key indicators of the labour market show overall positive labour market trends. Although decreases in participation rates and employment-to-population ratios give the impression of limited employment opportunities in the country, this is not quite the case, given the increasing labour force and employment numbers. The rate declines can be explained by young people staying in school longer and older people retiring earlier (table 2 and section 2).

Other dimensions of decent employment, such as productivity, security at work and dignity at work that are captured in the structure of employment, are also progressing, although a number of challenges remain, such as the high proportion of vulnerable employment in the country (table 2).

The examination of employment by sector data shows that the structural changes taking place in Vietnam's economy, as reflected in increasing shares of industry and services sectors and the decreasing share of agriculture in total employment, have benefited a large number of people through 2007 (table 2).

Table 2. Selected key indicators of the labour market (%)

	1997	2000	2004	2005	2006	2007	Change 1997 to 2007 (percentage points)
Labour force participation rate (15+)							
Both sexes	74.3	72.3	71.4	71.1	70.3	69.7	-4.6
Males	78.2	76.1	75.5	75.5	74.7	74.4	-3.8
Females	70.8	68.8	67.6	67.0	66.1	65.4	-5.4
Employment-to-population ratio (15+)							
Both sexes	72.2	70.7	69.9	69.6	68.7	68.1	-4.1
Males	75.7	74.3	74.1	74.0	73.0	72.6	-3.1
Females	69.0	67.4	66.0	65.5	64.6	63.8	-5.2
Unemployment rate (15+)							
Both sexes	2.9	2.3	2.1	2.1	2.3	2.4	-0.5
Males	3.2	2.4	1.9	2.0	2.3	2.4	-0.8
Females	2.5	2.1	2.4	2.2	2.2	2.5	0.0
Youth unemployment rate (15-24)							
Both sexes	4.7	4.8	4.6	4.9	4.9	6.0	+1.3
Males	5.2	5.0	4.4	4.7	4.9	5.8	+0.6
Females	4.2	4.6	4.9	5.0	4.8	6.3	+2.1
Share of industry in total employment (15+)*							
Both sexes	12.7	12.4	17.4	17.9	18.3	19.2	+6.6
Males	15.0	14.7	20.8	21.1	22.6	21.7	+6.8
Females	10.4	10.1	13.7	14.5	13.8	16.6	+6.1
Share of agriculture in total employment (15+)							
Both sexes	65.3	65.3	57.9	56.7	54.7	52.2	-13.1
Males	64.5	64.2	55.9	55.0	53.4	50.9	-13.6
Females	66.0	66.3	60.0	58.5	56.1	53.6	-12.4
Share of services in total employment (15+)**							
Both sexes	22.0	22.3	24.8	25.4	27.0	28.6	+6.5
Males	20.5	21.1	23.3	23.8	24.2	27.4	+6.9
Females	23.5	23.6	26.3	27.0	30.0	29.8	+6.3
Share of wage and salaried employees in total employment (15+)							
Both sexes	18.5	18.4	25.6	25.7	21.5	22.6	+4.1
Males	22.0	21.7	29.8	29.7	24.2	23.6	+1.6
Females	15.0	15.1	21.2	21.4	18.7	21.4	+6.4

Share of vulnerable employment in total employment (15+) ***

Both sexes	81.0	80.1	73.9	74.0	76.9	76.7	-4.3
Males	77.5	76.9	69.5	69.8	74.1	75.3	-2.2
Females	84.6	83.3	78.5	78.4	80.3	78.2	-6.4

Source: MOLISA labour and employment surveys

* The broad "industry" sector comprises: mining and quarrying, manufacturing, electricity, gas and water supply and construction

** Services comprises wholesale and retail trade, repair of motor vehicles; hotel and restaurants; transport, storage and communications; financial intermediation; science and technology activities; real estate, renting and business activities; public administration and defense, compulsory social security; education health and social work; cultural and sports activities; party, unions and associations; other community, social work and personal services; private households with employees and other-international organizations.

*** Vulnerable employment in the context of this report is defined as the sum of own-account and unpaid family workers.

2 CHANGING DEMOGRAPHICS AND THE LABOUR FORCE

The civilian population 15 aged years and above in Vietnam totaled an estimated 67.0 million persons in July of 2007. (Table 3) This represented an increase of 17.6 million since 1997, or an average increase of nearly 1.8 million persons a year over the last decade.

Table 3. Vietnam's population, 1997 to 2007, in millions

	1997	2000	2004	2005	2006	2007	Change 1997 to 2007 (millions)	Average annual growth rate (%)
Population								
Both sexes	74.0	77.6	82.0	83.1	84.2	85.2	+11.1	+11.1
Male	36.5	38.2	40.3	40.8	41.4	41.9	+5.4	+5.4
Female	37.6	39.5	41.7	42.3	42.8	43.3	+5.7	+5.7
Population 15+								
Both sexes	49.3	54.3	60.6	62.4	64.9	67.0	+17.7	3.1
Male	23.3	26.0	29.2	30.1	31.4	32.4	+9.1	3.4
Female	26.0	28.3	31.3	32.3	33.5	34.5	+8.5	2.9
Urban population 15+								
Both sexes	12.2	13.8	16.7	17.4	18.4	19.0	+6.8	4.5
Male	5.7	6.5	8.0	8.3	8.9	9.2	+3.5	4.9
Female	6.5	7.3	8.7	9.1	9.6	9.9	+3.4	4.3
Rural population 15+								
Both sexes	37.1	40.4	43.9	45.0	46.4	47.9	+10.8	2.6
Male	17.6	19.5	21.2	21.8	22.5	23.2	+5.6	2.8
Female	19.5	21.0	22.6	23.2	23.9	24.7	+5.2	2.4

Source: MOLISA labour and employment surveys and GSO population estimates.

Note: According to the latest Population Census, Vietnam's population accounted 85.8 million people (42.4 million men and 43.3 million women) in April 2009.

Young people (those between the ages of 15 and 24) accounted for nearly a quarter of the population expansion, while those in the prime working ages, that is, 25 to 54 year-olds, represented close to 56 per cent of the ten-year population growth (tables A1 and A2). Very clearly, the population of Vietnam has been growing at a fast rate. Increases in the population were slightly greater among males, who accounted for 52 percent of the expansion, compared to 48 per cent for women (table 3).

Population growth in the second decade of the twenty-first century is not expected to be as great as has been experienced over the 1997-2007 period. According to the population estimates and projections from the UN Population Division⁶ to the year 2020, by age, the growth in the population aged 15 years and over will slow to a little less than 1.2 million per year over the 2007-20 time span.

⁶ See: <http://www.un.org/esa/population/>

This slowing will be particularly noticeable among youth, who are expected to experience actual declines in their numbers in the population beginning in 2010, owing to reduced birth rates in the early 1990s. Indeed, the expected population decline in the second decade for youth will be in the order of 2.7 million (tables 4 and 6).

Table 4. Estimated and projected population for Vietnam, 2007 to 2020, in millions

	2007	2008	2009	2010	2015	2020
Population - both						
(a) 15+	62.8	64.2	65.6	66.9	72.4	77.8
(b) 15-24	18.1	18.3	18.4	18.4	16.9	15.7
(c) 25+	44.7	45.9	47.2	48.5	55.4	62.2
Population - males						
(a) 15+	31.2	31.9	32.6	33.2	36.0	38.7
(b) 15-24	9.2	9.3	9.3	9.3	8.6	8.0
(c) 25+	22.0	22.6	23.2	23.9	27.3	30.7
Population - females						
(a) 15+	31.6	32.4	33.1	33.7	36.4	39.2
(b) 15-24	8.9	9.0	9.1	9.1	8.3	7.7
(c) 25+	22.7	23.3	24	24.6	28.1	31.5

Source: ILO, *Economically Active Population Estimates and Projections (EAPEP)*, <http://laboursta.ilo.org/>.

This powerful population growth between 1997 and 2007 has placed enormous pressures on the Vietnamese labour market. Indeed, with the population increasing across all age groups, many people have been added to the country's labour force. Table A1 shows the country's labour force increased by 10.1 million, to a total of 46.7 million persons between 1997 and 2007.

Table 5. Labour force participation rates (%)

	1997	2000	2004	2005	2006	2007	Change 1997 to 2007 (percentage points)
National (15+)							
Both sexes	74.3	72.3	71.4	71.1	70.3	69.7	-4.6
Male	78.2	76.1	75.5	75.5	74.7	74.4	-3.8
Female	70.8	68.8	67.6	67.0	66.1	65.4	-5.4
Urban (15+)							
Both sexes	64.9	66.1	63.2	63.8	62.7	62.3	-2.5
Male	71.1	70.5	69.0	69.9	68.7	67.8	-3.3
Female	59.4	62.2	58.0	58.2	57.1	57.2	-2.1
Rural (15+)							
Both sexes	77.4	74.4	74.5	73.9	73.3	72.7	-4.7
Male	80.5	78.0	77.9	77.6	77.1	76.9	-3.6
Female	74.6	71.1	71.3	70.4	69.7	68.7	-5.9
National (15 - 24)							
Both sexes	66.2	56.2	56.1	55.1	56.0	54.8	-11.4
Male	65.5	55.3	56.8	56.0	57.0	56.0	-9.4
Female	66.9	57.2	55.4	54.2	54.9	53.5	-13.4
Urban (15 - 24)							
Both sexes	48.8	41.8	38.7	41.2	41.7	40.3	-8.5
Male	49.4	41.9	39.6	42.1	42.3	40.7	-8.7
Female	48.2	41.7	37.7	40.2	41.0	39.9	-8.3
Rural (15 - 24)							
Both sexes	71.3	60.5	61.7	59.5	60.5	59.4	-11.9
Male	70.0	59.1	62.1	60.2	61.6	60.8	-9.2
Female	72.6	61.9	61.2	58.8	59.4	57.8	-14.8
East Asia (15+)*							
Both sexes	77.0	76.0	74.2	73.8	73.4	73.3	-3.7
Male	82.7	81.6	79.2	78.7	78.2	78.1	-4.6
Female	71.0	70.3	68.9	68.7	68.5	68.3	-2.7
South East Asia & the Pacific (15+)*							
Both sexes	69.7	69.6	69.5	69.4	68.8	69.3	-0.4
Male	82.4	82.5	82.5	82.1	81.7	82.3	-0.1
Female	57.4	57.2	57.0	57.1	56.4	56.8	-0.6

Source: MOLISA labour and employment surveys and ILO, 2007, *Key Indicators of the Labour Market, 5th edition*.

* Regional Estimates are taken from the ILO, *Trends Econometric Models, May 2009*. For further information see: <http://www.ilo.org/public/english/employment/strat/wrest.htm>

This expansion in the so-called economically active population could well have been much greater were it not for the fact that the overall rate of labour force participation declined markedly over the period. The labour force participation rate, defined as the ratio of the labour force to the working-age population, dropped by nearly 5 percentage points, from 74.3 per cent of the population in 1997 to 69.7 per cent in 2007. This decrease is quite steep when seen from a regional point of view. What this might imply, for one looking solely at totals (rather than age and sex details), is that the Vietnamese economy has been unable to absorb many of the persons who may wish to enter the labour market. However, most, if not all, of the explanation should be viewed as a positive, rather than negative, development (table 5).

Large declines in youth labour force participation suggest that they remain in school longer, and decreases among those 55 years and over reflect greater movement into retirement, which is often, but not always, a good development (table 5). Indeed, by law, the pensionable age for males is 60 years and, for females, 55 years, meaning that from these ages on, some workers are eligible to receive pensions⁷. With virtually no changes in labour force participation of prime-aged workers, those aged 25 to 54 years, it appears that nearly the entire decline in labour force participation between 1997 and 2007 can be explained by people staying at school longer in the lower age groups and moving into retirement earlier in the upper age groups.

2.1 Summary of labour force estimates and projections by age and sex

Returning to the labour force growth between 1997 and 2007, males (5.9 million or 58 per cent) accounted for a much larger share than females (4.2 million or 42 per cent) (table A1). The biggest share of this overall labour force growth occurred among persons in the prime age groups (25 to 54 years of age), as their number rose by 8.6 million persons, or 86 per cent of the total increase of 10.1 million.

The youth (15 to 24 years old) labour force rose by about 800,000 between 1997 and 2007, or 8 per cent, and for those 55 to 59 years old by almost 700,000 (nearly 7 per cent), as there was a small reduction in the labour force of those aged 60 years and above (table A2)⁸.

With respect to labour force participation rates, the women's rate of 65.4 per cent in 2007 was 9 percentage points lower than that of men. Though below men's labour force participation, the differential between the two participation rates is much smaller than is the case for many other countries throughout the world. For both, labour force participation rates declined between 1997 and 2007. Women's declining participation was most pronounced among youth (15 to 24 years old) and the oldest ages (55 and above). This was also the case among men (tables A1 and A2).

⁷ The pensionable age means that only at this age and above can a person who is working in the areas covered by pension law receive a pension. If a man is 50 years old and meets all qualifying conditions for a pension, meaning that he has contributed social insurance premiums for at least 20 years, he can unilaterally terminate his labor contract and stay home (doing nothing or work in non-covered employment), but he cannot begin to receive his pension until he reaches the age of 60. (Note that this pertains to men only.) Persons who remain in the system and pay premiums, up to a maximum of 30 years of contributions, can, of course, increase their pension amounts.

⁸ Data for other age groups cited come from MOLISA publications, as well as unpublished tabulations produced for purposes of this report. Data may be obtained by interested users from MOLISA's BoE.

Table 6. Estimated and projected labour force for Vietnam, 2007 to 2020, in millions

	2007	2008	2009	2010	2015	2020
Millions						
Labour force - both sexes						
(a) 15+	45.6	46.6	47.6	48.5	52.8	56.0
(b) 15-24	9.9	9.9	9.9	9.9	9.1	8.0
(c) 25+	35.7	36.7	37.6	38.6	43.7	48.0
Labour force - males						
(a) 15+	23.7	24.2	24.8	25.3	27.6	29.4
(b) 15-24	5.1	5.1	5.1	5.1	4.7	4.2
(c) 25+	18.6	19.1	19.6	20.2	22.9	25.2
Labour force - females						
(a) 15+	21.9	22.4	22.8	23.3	25.2	26.6
(b) 15-24	4.8	4.8	4.8	4.8	4.4	3.8
(c) 25+	17.1	17.6	18	18.5	20.8	22.7
Percent						
Labour force participation - both sexes						
(a) 15+	72.6	72.5	72.5	72.5	72.9	71.9
(b) 15-24	54.9	54.4	54.0	53.8	53.7	51.2
(c) 25+	79.8	79.8	79.7	79.6	78.8	77.1
Labour force participation - males						
(a) 15+	76.0	76.0	76.0	76.1	76.9	76.1
(b) 15-24	55.6	55.2	54.9	54.8	54.9	52.5
(c) 25+	84.5	84.5	84.5	84.4	83.7	82.2
Labour force participation - females						
(a) 15+	69.3	69.2	69.1	69.0	69.1	67.8
(b) 15-24	54.1	53.5	53.1	52.7	52.4	49.8
(c) 25+	75.3	75.2	75.1	75.0	74.0	72.2

Source: ILO, Economically Active Population Estimates and Projections (EAPEP), <http://laboursta.ilo.org/>.

Accompanying the UN population forecasts to the year 2020 are ILO estimates and projections of the economically active population (EAPEP)⁹ for the same period, which show expected changes in labour force participation, by sex and detailed age groups. Between 2007 and 2020, the labour force is predicted to expand by 10.4 million, a slower rate of growth than occurred between 1997 and 2007. Numerically, the expected expansion will be about 800,000 per year, though it will be much greater in the earlier years and then slow considerably toward the end of the forecast period.

The expected growth in the labour force by the year 2020 will occur only among persons 25 years and older, with the labour force of youth expected to decline by about 1.9 million over the period. This is in large measure due to their declining population, but there is also expected to be a continuation in their long-term decrease in labour force participation.

⁹ Source: ILO, Economically Active Population Estimates and Projections (EAPEP), <http://laborsta.ilo.org/>.

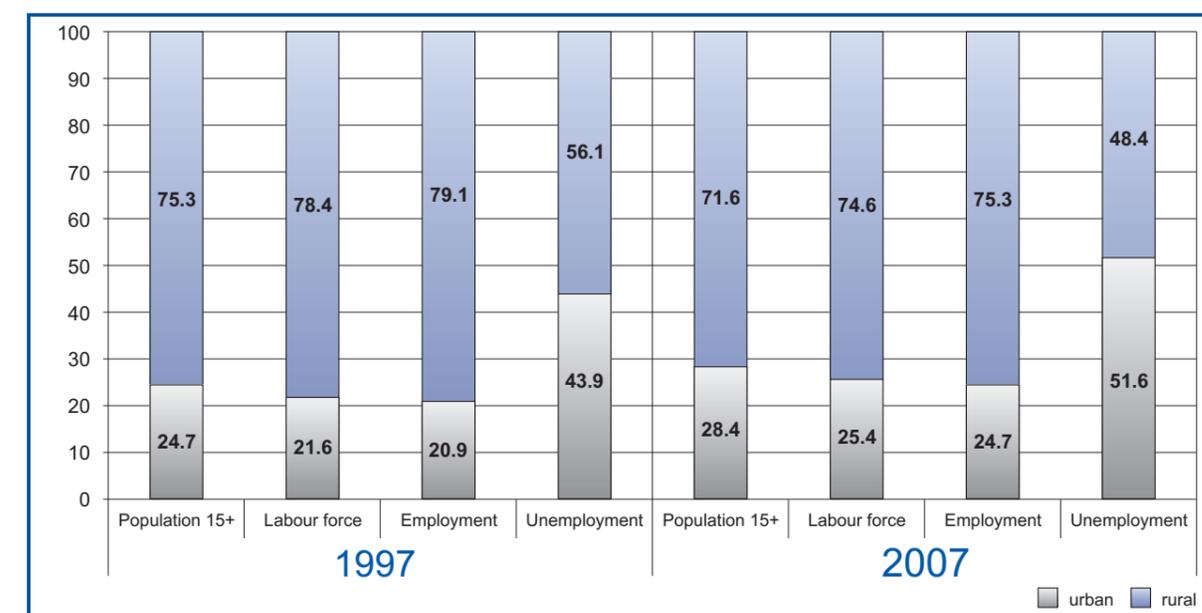
The male labour force is expected to increase by about 5.7 million over the 13-year period, while women's labour force could rise by about 4.6 million. However, men are not expected to experience any overall declines in their rates of labour force participation over the entire period, though they may show some reductions in the last five years, that is, between 2015 and 2020; women are expected to experience small diminutions in their participation rates, mainly for the years 2015 to 2020 (table 6).

2.2 Urbanization of the labour market

Despite having several very large cities, especially Hanoi, Ho Chi Minh City and Haiphong, with estimated populations totalling about 11 to 12 million, urban areas in Vietnam nonetheless accounted for only 28 per cent of the total population of those aged 15 years and over in 2007. This proportion has, however, been increasing slowly over the years, as cities expand not only in numbers of people but also in geographic dimensions, with more and more people moving out of the countryside into urban areas¹⁰. Thus, the proportion of the urban population of labour force age has increased by about 3.5 percentage points since 1997 and is undoubtedly on a continuous upward trend.

The population proportions discussed above are presented in figure 1, which also shows similar percentages for the labour force, total employment and total unemployment, for the years 1997 and 2007. This figure is also referred to in sections 3 and 4 of this report, as it covers one of the most important aspects of the labour market life of Vietnam, the extent to which so much of the country is still rural, though with a gradual and continuous shift in these dimensions.

Figure 1. Percentage distributions of population, labour force, employment, and unemployment in urban and rural areas, 1997 and 2007 (%)



Source: MOLISA labour and employment surveys

¹⁰ According to official government statistical practices, an area in Vietnam is classified as urban if it meets the following criteria: 1) A city is defined as a collective or specialized center within a province and has the role to promote economic and social development of the whole country or a certain territory. 2) The city must have a population of at least 4,000 persons. 3) At least 65 percent of the area's labour force must be engaged in non-agricultural activities. There are some other criteria that are not easily describable. All other areas are rural.

3 SHIFT IN EMPLOYMENT CHARACTERISTICS BETWEEN 1997 AND 2007

Total employment stood at 45.6 million persons in July of 2007. This was 10 million above the 1997 level, reflecting increases in every year, though with particularly marked gains in 1999 and 2006. Men accounted for 5.9 million of the overall increase, with women therefore rising by 4.1 million over the ten-year period (table A1).

Before looking at the various aspects of the employment situation in Vietnam, it would be useful to look at how employment is actually measured, through the country's labour force surveys. In line with international definitions, persons in Vietnam are counted as employed if they worked for an hour or more, for pay or profit, in the reference period (the prior 7 days), or if they had a job during that period from which they were temporarily absent (such as for illness or being on holiday). In addition, persons who worked in a family farm or business without pay, even for one hour or more, are counted as employed. As will be seen, this last group accounts for a very large share of employment in the country.

3.1 Employment by age and sex

Of the 45.6 million employed in July of 2007, men accounted for 23.5 million (52 per cent) and women 22.1 million (48 per cent). As can be calculated from the data in tables A1 and A2, young people between 15 and 24 years of age comprised 20 per cent of the total employed in 2007 but only for a little over 6 per cent of the 10.0 million employment growth since 1997.

Prime-aged workers (25 to 54 years old), on the other hand, with an employment total of 32.6 million persons in 2007, accounted for a very large 87 per cent of the employment expansion, with the remainder being between 55 and 59 years old (about 7 per cent). Those in retirement (aged 60 and above) showed essentially the same level of employment since 1997 (about 1.8 million). Within the 25-54 age group, men, with an employment level of about 16.5 million, comprised more than 47 per cent of the overall employment growth, and women 40 per cent.

3.2 Employment-to-population ratios

Employment-to-population ratios represent the proportion of the relevant population group that is employed. They are, therefore, very important indicators of economic activity in Vietnam. As suggested in the previous section, this ratio has been decreasing with a steady downward trend over years, from 72.2 per cent in 1997 to 68.1 per cent in 2007 (table 7). Decreases in ratios occurred among both men and women, though the women's decline has been much steeper, in excess of 5 percentage points, versus a 3 percentage point decline among men.

Similar to the labour force participation rate, the employment-to-population ratio in Vietnam is fairly high if considered from a regional perspective, though it is not as high as the ratio in East Asia (table 7). This is no coincidence, as the employed constitute the major part of the labour force, and the high labour force participation in Vietnam is, to an important extent, due to relatively close rates of labour force participation of men and women.

Table 7. Employment-to-population ratios by sex and age (%)

	1997	2000	2004	2005	2006	2007	Change 1997 to 2007 (percentage points)
15+ years							
Both sexes	72.2	70.7	69.9	69.6	68.7	68.1	-4.1
Males	75.7	74.3	74.1	74.0	73.0	72.6	-3.1
Females	69.0	67.4	66.0	65.5	64.6	63.8	-5.2
15-24 years							
Both sexes	63.1	53.6	53.5	52.5	53.3	51.5	-11.6
Males	62.0	52.5	54.3	53.3	54.2	52.8	-9.3
Females	64.1	54.6	52.7	51.5	52.2	50.1	-14.0
25-55 years							
Both sexes	91.1	91.9	91.3	91.6	90.6	89.8	-1.3
Males	93.1	94.9	94.4	95.0	93.7	93.3	+0.2
Females	85.1	86.5	85.7	86.0	84.8	83.9	-1.2
East Asia (15+)*							
Both sexes	73.6	72.6	71.0	70.7	70.5	70.5	3.1
Males	78.6	77.4	75.4	75.0	74.6	74.7	-3.9
Females	68.4	67.7	66.5	66.3	66.2	66.1	-2.3
South East Asia & the Pacific (15+)*							
Both sexes	66.9	66.2	65.1	64.9	64.7	65.5	-1.4
Males	79.3	78.3	77.6	77.2	77.1	78.0	-1.3
Females	54.8	54.4	52.9	53.1	52.7	53.5	-1.3

Source: MOLISA labour and employment surveys edition.

* Regional Estimates are taken from the ILO, *Trends Econometric Models, May 2009*. For further information see: <http://www.ilo.org/public/english/employment/strat/wrest.htm>

The employment-to-population ratio declines can be better understood by examining sex and age groups. Here, it can be seen that there was one major worker group, males between 25 and 54 years of age, who experienced absolutely no decrease in their ratio at all, if one looks at only the years 1997 and 2007 (table 7). An examination of all years within the period, however, shows a small diminution in their employment-to-population ratio, as it reached a high of about 95 per cent in the 2000-05 period, before easing off to 93 per cent in 2007.

All other age/sex groups experienced declining ratios over the ten-year period, with the largest occurring among youth (15 to 24 years old), both male and female, 55 to 59 year-old women, and both sexes aged 60 and above. It is to be noted that recent changes in laws concerning pensionable retirement ages, affecting women 55 and older and men 60 and older, undoubtedly have had an impact on the declining employment-to-population ratios for persons of these age groups.

3.3 Status in employment

Status-in-employment data distinguish between three categories of employed persons: those working for others and therefore earning wages or salaries; those who are self-employed, either as employers who hire others (wage or salaried workers) to work for them or on their own account; and persons who are unpaid family workers, also termed “contributing family workers”. This last group, as suggested by the “unpaid” aspect of the group's identity, work without pay in the family farm or business and, hence, are assisting the business owner/operator in earning profits. These persons are often the spouses, sons and daughters of the business owner/operator, but also may be members of the extended family, such as grandparents, cousins, nieces, nephews, aunts or uncles.

Data for Vietnam are collected for four status-in-employment categories: wage and salaried workers, employers, own-account workers and unpaid family workers (employers are self-employed persons who hire employees, that is, wage and salaried workers). Unpaid workers are counted as employed if they work for one hour or more in the reference period. Status-in-employment data for the years 1997 to 2007 are presented in table 8. This table also shows that a few employed persons could not be categorized by status; in some years, a significant number could not be categorized, while in others, virtually none.

By far the largest status group over the years has been unpaid family workers. In 2007, they comprised 42 per cent of total employment. The next largest group, own-account workers, accounted for another 34 per cent. Combined, the two groups made up 77 per cent of the total, meaning that small family farms and enterprises comprise an unusually large proportion of employment in Vietnam. Almost all of the balance of employment, nearly 23 per cent, were wage and salaried workers. Very few employed persons were identified as “employers”. In 2007, they numbered a little more than 100,000, but there have been some unusual fluctuations in their counts in recent years (figure 2).

Tables A3 and A4 present the status-in-employment data for men and women. Looking at the 2007 proportions of employed, the proportion of men in wage and salaried employment was about 2 per cent higher than that for women (23.6 versus 21.4 per cent). The interesting comparison is among own-account work, where the male proportion of over 43 percent was markedly above the women's of nearly 25 per cent. In contrast, the dichotomy was reversed among unpaid family workers. More than half (over 53 per cent) of all employed women were unpaid workers in the family business, compared with 32 per cent of male workers. This proportion of women is an astounding statistic because it means quite explicitly that more than half of all employed women in Vietnam did not receive earnings for the work they performed. What is not known is the extent to which the family income is derived from their work.

Table 8. Employment in 2007 by status in employment:

Status/survey	Thousands	Percentage distribution
Total employment	45,579	100.0
Wage and salaried workers	10,281	22.6
Employers	123	0.3
Own-account workers	15,633	34.3
Unpaid family workers	19,310	42.4
Others	233	0.5

Source: MOLISA employment and underemployment survey, 2007

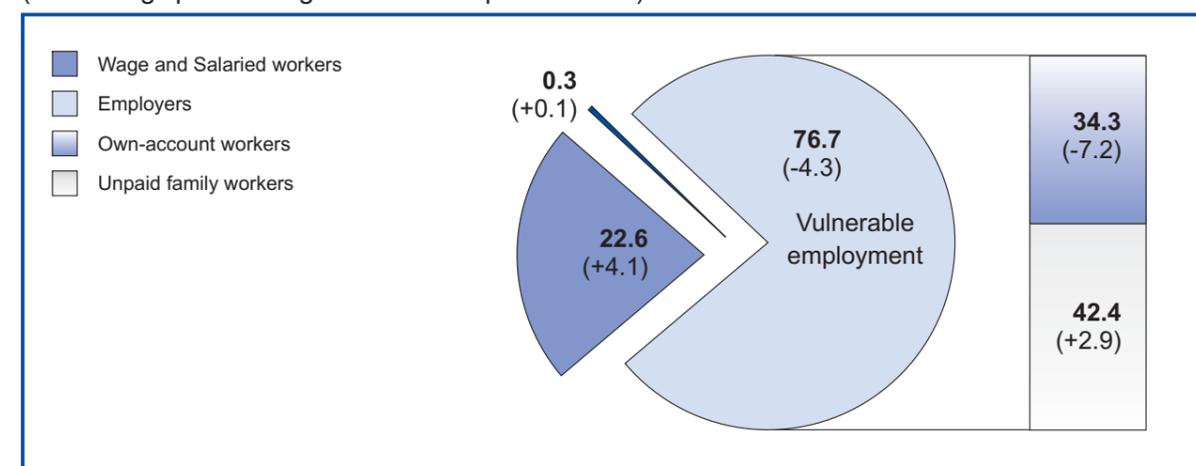
As mentioned earlier, Vietnam has a large proportion of its employed working as unpaid family workers. Unpaid family workers as well as own-account workers have a lower likelihood of having formal work arrangements, and are therefore more likely to lack elements associated with decent employment, such as adequate social security and a voice at work. The two statuses together, therefore, are summed to create a classification of “vulnerable employment”¹¹. In 2007, vulnerable employment accounted for 77 per cent of total employment in Vietnam¹².

Taking this problem for Vietnam a step further, women suffer more than men in terms of vulnerability. This is because 78 per cent of their total employment was in the own-account and unpaid family worker arena, compared with a still very high 75 per cent among men (in 2007). More significantly, though, is the fact that, according to MOLISA figures, women's employment is heavily concentrated in the unpaid group. It is very often the case that high vulnerable employment rates give an indication of widespread poverty in a country (table A4 and A5).

The multiple dimensions of decent work are reflected in the four pillars of the ILO's Decent Work Agenda: employment creation and enterprise development, social protection, standards and rights at work, and governance and social dialogue¹³. Also described in this section are ways of dichotomizing economies as formal and informal with, as suggested above, the informal economy being essentially the vulnerable portion.

Figure 2. Distribution of status in employment, 2007 (percent)

(Percentage point change from 2000 in parentheses)



Source: MOLISA labour and employment surveys

¹¹ ILO: Key Indicators of the Labour Market, 6th edition (Geneva, 2009); at <http://www.ilo.org/trends>.

¹² “Vulnerable employment” is one of four indicators of the MDG employment target 1b.

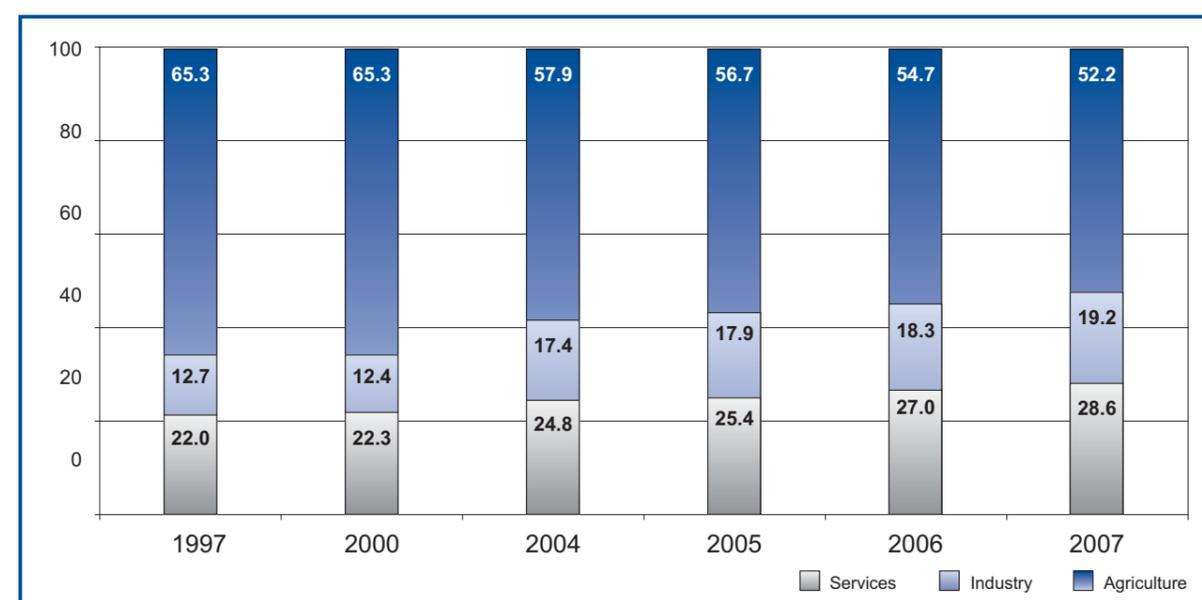
¹³ ILO: Key Indicators of the Labour Market, 5th edition (Geneva, 2007); at www.ilo.org/trends. See also the “Toolkit for Mainstreaming Employment and Decent Work”; at <http://www.ilo.org/public/english/bureau/dgo/selecdoc/2007/toolkit.pdf>.

3.4 Sectoral employment

Sectoral employment refers to employment according to the specific industries where people work, such as agriculture, manufacturing, trade or services. These estimates are shown for all persons employed in table A5, with the percentage distribution of total employment in table A6. The percentage distribution of employment in aggregated economic sectors is also visualized in figure 3.

As has historically been the case, agriculture is the largest sector of Vietnam's employment. In 2007, 23.8 million persons were employed in the sector, about 52 per cent of total employment. This proportion has declined significantly over the years, by 13 percentage points since 1997.

Figure 3. Percentage distribution of employed by aggregated sector of employment, 1997 to 2007



Source: MOLISA labour and employment surveys

Note: Percentages may not sum precisely to totals due to rounding

The manufacturing sector, with about 12 per cent of all people employed in 2007, was the next largest sector, and it has been growing in importance in recent years. Indeed, whereas the percentage growth has not been that great, 2.5 percentage points, since 1997, manufacturing, as of 2007, provided jobs for 5.6 million Vietnamese, a gain of over 2 million since the late 1990s.

The third largest sectoral employer in 2007 was wholesale and retail trade (including motor vehicle repair), with nearly 11 per cent of total employment and 4.8 million employed. Another important economic sector is construction, with about 6 per cent of employment in 2007 and 2.6 million workers.

Considering the breakdown of employment by sex, agriculture, of course, is the largest employing sector for both men and women, with women having a larger proportion of their employed total than men (nearly 54 per cent, versus 51 per cent for men). Manufacturing is the second largest sector for men (about 12 per cent of their employed total), whereas trade is the next largest sector for women (about 13 per cent, in 2007) (table A7).

Disaggregated numbers have fluctuated somewhat in recent years and thus may indicate some problems with estimation or sectoral identification procedures in the survey. Therefore, aggregating sectoral data into three broad groupings presents a more accurate picture of industrial developments. The aggregated data show that employment growth in the country results mainly from shifts away from agriculture into almost equal parts in the broad industrial and services sectors (figure 3 and table 2).

The services sector¹⁴ expanded by 6.6 percentage points between 1997 and 2007 and accounted for nearly 29 per cent of total employment in 2007, whereas the industrial sector¹⁵ increased by 6.5 percentage points during the same period, reaching 19 per cent of total employment in 2007.

3.5 Hours of work

The standard workweek in Vietnam is thought to be 40 hours a week. However, in a "statistical sense", full time is defined as 35 hours or more. People who work less than 35 hours are defined as part-time workers. At the other extreme, more than 49 hours are, by international standards, considered "excessive" for reasons including the unfavourable effects to physical and mental health and the difficulties such long hours cause when it comes to balancing work and family life. Further, excessive working hours are often an indication of low hourly pay or lack of pay and are therefore reflected in low labour productivity, when calculated by aggregate hours worked rather than by persons employed.

Table 9 provides percentage distribution of working hours for the only two years of readily available data, 2006 and 2007. What is most obvious from the table is that a very large percentage of persons work 35 hours or more per week. It can also be calculated from the table that at least 25 per cent of Vietnamese were working "excessive" hours (50 hours or more) in the particular workweek, July of 2007. Men were slightly more likely to have worked "excessive" hours than women.

Table 9 also shows that, for 2007, just about 11 per cent of employed persons worked less than 35 hours a week. The proportion was almost 9 per cent in 2006, but it would be inadvisable to suggest, without more years of data, that the proportion of part-time work is increasing. If one were to run these calculations by either sector or status, it can be expected that the agricultural sector and the own-account and unpaid worker statuses would dominate the long-hours distributions.

Indeed, it would be quite useful to view these data for, say, the manufacturing, trade and services sectors and the wage and salaried worker status. This analysis can be taken up in later reports.

¹⁴ Services sector comprises: wholesale and retail trade, repair of motor vehicles; hotel and restaurants; transport, storage and communications; financial intermediation; science and technology activities; real estate, renting and business activities; public administration and defence, compulsory social security; education health and social work; cultural and sports activities; parties, unions and associations; other community, social work and personal services; private households with employees and other international organizations.

¹⁵ The broad "industry" sector comprises: mining and quarrying, manufacturing, electricity, gas and water supply and construction.

Table 9. Percentage distribution of employed persons by hours of work, in 2006 and 2007 (per cent)

Employed (15+)	2006	2007
All hours		
Both sexes	100.00	100.00
Males	100.00	100.00
Females	100.00	100.00
Less than 20 hours		
Both sexes	0.4	0.6
Males	0.4	0.5
Females	0.4	0.7
20-29 hours		
Both sexes	4.0	3.7
Males	3.4	3.2
Females	4.6	4.2
30-34 hours		
Both sexes	4.2	6.2
Males	4.1	5.5
Females	4.4	6.9
35-39 hours		
Both sexes	15.2	16.1
Males	13.5	14.7
Females	17.1	17.7
40-44 hours		
Both sexes	32.3	28.9
Males	32.7	29.2
Females	32.0	28.6
45-49 hours		
Both sexes	17.6	19.4
Males	18.4	20.5
Females	16.8	18.3
50-59 hours		
Both sexes	20.1	18.6
Males	21.4	19.8
Females	18.7	17.3
More than 59 hours		
Both sexes	6.1	6.5
Males	6.2	6.5
Females	6.1	6.4

Source: MOLISA labour and employment surveys

Note: Percentages may not sum precisely to totals due to rounding

3.6 Employment and educational attainment

There are two separate types of statistics on educational attainment collected in the MOLISA labour force surveys. One set looks at persons who have gone through parts or all of the basic educational system, grades one through twelve. Here, it is learned how many people are illiterate and how many have completed several, up to all, years in the basic educational system of the country. The second set of educational attainment data relates to persons who, after completing whatever level of basic education they have gone through, get additional education, termed "technical education".

Looking at table A8, it can be seen that hardly any employed persons (a little less than 4 per cent) were illiterate in 2007. On the other hand, only 24 per cent had completed high school. Therefore, the remaining 72 per cent were between these extremes, that is, they had not completed primary school (12 per cent), had finished primary school (29 per cent), or had completed secondary school (31 per cent). Focusing on 15 to 24 year-olds, it is seen that slightly fewer were illiterate (less than 3 per cent) and more had finished high school (29 per cent).

The older age groups have greater illiteracy and fewer high school graduates than employed youth, indicating that there has been a very definite trend in Vietnam toward receiving education and staying in school longer. Males are less likely to be illiterate than females and more likely to have completed high school, but the differences are not very sizable. But, returning to youth, it is seen that 15 to 24 year-old women were more likely to have graduated from high school than their male counterparts.

With respect to the technical education data, in 2007, 35 per cent of the employed labour force had some form of advanced education. Here, women were far less likely to have undertaken additional education, with 29 per cent of them, versus 40 per cent of employed men, having had some technical education, including college and university training. By far the greatest extent of education at the technical level, for both men and women, was "technical education without a degree". The greatest extent of the highest level of technical education was found among prime-aged workers, about 7 per cent, but the youth percentage of fewer than 4 per cent would undoubtedly have been higher, if not for the fact that many were undoubtedly still in the process of pursuing degrees (table A9).

3.7 Occupational employment

Table A10 presents data for nine major occupational groups, covering the period 1999 to 2007 (data for 1997 and 1998 are not available). Easily the largest group, as should be expected, is manual employees, which totalled 28.1 million persons in 2007, or 62 per cent of total employment. Only one other group accounted for more than 10 per cent of the total employed, that being skilled craft occupations, with 12.5 per cent¹⁶.

Manual employees comprised about 58 per cent of all male employment and 66 per cent of female employment. The next largest occupation for men was skilled craftsmen (15 per cent in 2007), and this was also the case for women, with nearly 10 per cent of their employment, though about the same proportion worked as "staff for personal service, guard and social security".

3.8 Urban-rural comparisons

The proportion of total employment in urban areas is even smaller than that of adult residency in cities. In 2007, an estimated 25 per cent of the employed were in urban areas, compared with 28 per cent of

the population (figure 1). The employed proportion has, of course, been on the rise, as it was 21 per cent in 1997. In 2007, urban employment totalled 11.3 million persons, compared with 34.3 million employed in rural areas.

It is logical that agriculture accounts for a large part of rural employment. Indeed, this sector comprised about 98 per cent of total agricultural employment country-wide in 2007 and 68 per cent of all employment in the entire rural sector of the economy. In a similar vein, with the occupation "manual employees" being largely labourers in farming, they comprised 87 per cent of all manual employees and nearly 72 per cent of all occupational employment in rural areas. And, to complete the picture, 84 per cent of all employment in rural areas was either own-account or unpaid family work.

With regard to urban employment, the largest sector was wholesale and retail trade, with 2.6 million persons employed in 2007, or 23 per cent of total urban employees. The next largest sector was manufacturing, with 2.1 million employees and 19 per cent of the urban total. Occupationally, manual employees were (still) the single largest group, with 31.5 per cent of the total employed, followed by staff for personal service (including guards and security) and skilled craftsmen, at about 17 per cent each¹⁷.

¹⁶ It is to be noted that the 2006 data for administrators are undoubtedly quite erroneous, which also means that some other occupational totals for that year are also problematic, and therefore that year's occupational data should be ignored altogether.

¹⁷ The numbers and percentages cited in the last two paragraphs of this section come from MOLISA publications, as well as unpublished tabulations produced for the purposes of this report. Data may be obtained by interested users from MOLISA's BoE.

4 UNEMPLOYMENT BETWEEN 1997 AND 2007

Unemployment, in the conventional sense, is not a serious problem in Vietnam. That is, taking the standard classification used internationally, in which unemployment is defined as persons who are not working at all in the reference period and are actively seeking and available for work. The incidence of joblessness is quite low and has changed very little over the past decade (1997 to 2007). What this means is that although Vietnamese workers are employed, as was seen in the previous section, the majority of jobs are of a subsistence nature and provide little, if any, direct income (particularly for those working without pay in family businesses). In 2007, 1.1 million persons were estimated to be unemployed, representing a rate of unemployment (calculated as the number of unemployed divided by the total labour force) of 2.4 per cent

Table 10. Numbers of unemployed persons and unemployment rates by sex

	1997	2000	2004	2005	2006	2007	Change 1997 to 2007
Thousands							
Unemployment - both sexes							
(a) 15+	1,051	886	926	930	1,031	1,129	78
(b) 15-24	426	408	428	456	486	593	167
(c) 25+	625	477	498	474	544	536	-89
Unemployment - males							
(a) 15+	581	468	410	445	537	571	-10
(b) 15-24	233	213	214	234	260	300	67
(c) 25+	348	255	196	211	277	271	-77
Unemployment - females							
(a) 15+	470	418	517	485	494	558	88
(b) 15-24	193	196	214	221	226	293	100
(c) 25+	277	222	302	263	268	265	-12
Percent							
Unemployment rate - both sexes							
(a) 15+	2.9	2.3	2.1	2.1	2.3	2.4	-0.5
(b) 15-24	4.7	4.8	4.6	4.9	4.9	6.0	1.3
(c) 25+	2.3	1.6	1.5	1.4	1.5	1.5	-0.8
Unemployment rate - males							
(a) 15+	3.2	2.4	1.9	2.0	2.3	2.4	-0.8
(b) 15-24	5.2	5.0	4.4	4.7	4.9	5.8	0.5
(c) 25+	2.5	1.6	1.1	1.2	1.5	1.4	-1.1
Unemployment rate - females							
(a) 15+	2.5	2.1	2.4	2.2	2.2	2.5	-0.1
(b) 15-24	4.2	4.6	4.9	5.0	4.8	6.3	2.1
(c) 25+	2.0	1.5	1.8	1.5	1.5	1.5	-0.5

Source: MOLISA labour and employment surveys

Note: Numbers may not sum precisely to totals due to rounding

4.1 Unemployment by sex and age groupings

Men and women comprised about equal proportions of the unemployed in 2007. As might be expected, the biggest imbalance in unemployment is among youth (15 to 24 year-olds), who comprised nearly 53 per cent of the unemployed total. If 25 to 29 year olds are added in (those 15 to 29 are considered to be youth in Vietnam), the proportion rises to almost 70 per cent.

Those in the prime working ages (25 to 54 years) comprised 47 per cent of the unemployed in the most recent year. This proportion was down considerably from 1997, when 59 per cent of the unemployed were accounted for by prime-aged persons. Because there has been hardly any unemployment among older workers (those 55 and above) throughout the decade being examined, what this means is that the ranks of the unemployed are increasingly being dominated by young persons, who are finding the school-to-work transition more difficult than it had been for previous generations. Within the prime-aged group, men and women had about equal numbers of unemployment, about 270,000 each in 2007.

As indicated above, the rate of unemployment has not been a serious problem in Vietnam. In the 11 years of data being examined in this report, the overall rate of unemployment has varied only slightly, between a low 2.1 per cent in several years and a high of 2.9 percent (1997). If their 1997 rate of 3.2 per cent is removed from the discussion, the male rate varied from 1.9 percent (2002 to 2004) to 2.4 percent in three years, including 2007. Among women, if 2001 is ignored, when their rate shot up to 3.3 per cent, their rate has ranged from 2.1 per cent (2000) to 2.6 percent. The women's rate was 2.5 per cent in 2007 (table 10).

4.2 Youth unemployment and youth-adult ratio

Among age groups, the highest rates of unemployment have been among youth. In 2007, the rate for 15 to 24 year-olds was 6.0 per cent. There were not great differences between the sexes. The young female rate of 6.3 per cent was slightly above the male rate of 5.8 percent for that year, but this difference was probably not "statistically significant". This point is further reinforced by the fact that there has been considerable volatility in the youth rates over the entire 1997-2007 period, which has seen female rates below that for males almost as frequently as they are above. In the adult ages, unemployment rates have been miniscule, both among men and women.

Table 11. Youth-adult unemployment rate ratios, 1997 to 2007

Year	Youth (15-24 years) unemployment rate	Adult (25+ years) unemployment rate	Ratio (column 1 divided by column 2)
1997	4.7	2.3	2.0
1998	4.0	1.3	3.1
1999	5.4	1.4	3.9
2000	4.8	1.6	3.0
2001	5.9	1.8	3.3
2002	4.3	1.4	3.1
2003	4.8	1.6	3.0
2004	4.6	1.5	3.1
2005	4.9	1.4	3.5
2006	4.9	1.5	3.3
2007	6.0	1.5	4.0

Source: MOLISA labour and employment surveys

A useful way of examining youth unemployment is to compare their unemployment rate with the adult rate. This is done in table 11, which shows youth rates alongside adult (25 years and over) rates, and then calculating the ratio of the two. Here, it is seen that the typical difference between the two rates, over the entire 1997-2007 period, has been about three to one, that is, the youth rate has been three times that of adults. But in two years, 1999 and the 2007, the ratio was about four to one, and in one year (1997) it was only twice the adult rate. The key point here is that youth have much greater difficulties in the Vietnamese labour market than do older workers, and this trend is not improving.

4.3 Unemployment by educational attainment

Section 3.6 begins with a description of the two types of educational systems in Vietnam: public education and technical education. With respect to public education, the most intriguing unemployment statistic is the fact that, in 2007, 42 percent of all unemployed had completed high school (versus 24 percent of total employment). What this means is that those with more education are also very likely to be more selective about the types of jobs they will accept and are therefore more likely to experience some unemployment (both in terms of incidence and longer duration) rather than immediately accept jobs with low pay. This is translated into an unemployment rate for high school graduates of over 4 per cent, whereas, in marked contrast, illiterate persons and those with less than a primary school education had rates of unemployment of about 1.5 per cent (table A12).

With regard to technical education, about 68 per cent (nearly 800,000) of the unemployed in 2007 had no technical education at all. This is to be expected. Of those with some technical education, the greatest extent of unemployment has occurred at the two highest levels, "long-term education with a vocational diploma" (about 130,000 unemployed) and "college and university graduate and above" (about 115,000 unemployed). These high proportions were about equally evident among youth and prime-aged unemployed individuals, but particularly among males in these ages. The highest unemployment rates occurred among those at the college and university levels of technical education (but not with master's degrees or higher) (table A13).

4.4 Urban-rural comparisons

Whereas Vietnamese employment is dominated by the rural sector, the opposite is the case for unemployment. In 2007, nearly 52 per cent of all persons unemployed lived in urban areas, versus 48 per cent in rural areas. This dichotomy is logical because, in rural areas, people without jobs can and do readily fall back on support of the family, since family businesses are the predominant basis for employment. This support translates itself into contributing family work, that is, unpaid work. Furthermore, it is likely that some people who find themselves unemployed in urban areas, whether having lost their jobs or having little success in their job search after moving into the cities, resolve this problem by moving back to their families living in the country, perhaps rejoining the family businesses (figure 1).

The urban-rural differences are even more evident when one looks at unemployment rates. In 2007, where there was an overall national rate of 2.4 percent, the urban rate was twice that, at 4.9 percent. The rural rate in the year was only 1.6 percent (table 12).

Table 12. The labour force status of the civilian population (15 years and above) by area, 1997 and 2007

+15	1997		2007	
	Urban	Rural	Thành thị	Nông thôn
	<i>Unit: 1000 persons</i>			
Civilian population	12,201	37,129	19,022	47,945
Labour force	7,913	28,741	11,859	34,849
Employment	7,452	28,150	11,277	34,302
Unemployment	461	591	583	547
Not in the labour force	4,288	8,388	7,163	13,096
	<i>Unit: %</i>			
Labour force participation rate	64.9	77.4	62.3	72.7
Employment-to-population ratio	61.1	75.8	59.3	71.5
Unemployment rate	5.8	2.1	4.9	1.6

Source: MOLISA labour and employment surveys

5 CONCLUDING OBSERVATIONS

The findings of this first issue of the Vietnam Employment Trends reports point at a number of labour market issues that need to be analysed in more detail. They warrant special investigation by policy-makers in order to sustain economic growth in the country, and to prevent poverty increases in the years to come. Some of these topics will be addressed in more detail in future reports.

1. The creation of decent work opportunities for all, and for young people in particular, is an important issue in Vietnam. As one can see in table 2, the unemployment rate for those aged 15 to 24 years rose significantly from 4.7 to 6.0 per cent between 1997 and 2007. The youth employment issue becomes even more important when considering the demographic dividend¹⁸. Continued investment in job creation and education is needed to enhance increased employability for young men and women during the decades to come.
2. Another central topic in Vietnam's labour market is the large share of vulnerable employment, which needs to be examined in more detail in both analytical and policy terms. Analytically, much can be learned from work on the linkages between vulnerable employment on the one hand, and sectoral growth, working hours, incomes, etc., on the other. This work can be used to inform the formulation of adequate policies to reduce labour market vulnerability.
3. The issue of labour market segregation by gender in economic sectors, status in employment and occupation should be looked at more closely. Findings of this report demonstrate significant gender discrepancies within employment status groups (table A4).

In addition, the four indicators that have been selected to assess the progress made in the context of MDG target 1b need to be addressed (see also box 2). One of the future issues for the Vietnam Employment Trends report will be to analyse these indicators in detail in conjunction with other labour market indicators (including labour force participation, working hours and sectoral employment) in order to identify the core labour market challenges in Vietnam.

As mentioned throughout the report, there are currently many gaps in data availability that hamper timely and up-to-date labour market information and analysis in Vietnam. Reliable statistical information is vital to promote the Decent Work Agenda and overcome decent work deficits, to set targets and measure progress made in the different dimensions. Nevertheless, this issue has been fully recognized, and there are currently major attempts ongoing to improve data collection and fill data gaps that will allow more meaningful and in-depth labour market information and analysis in the future.

¹⁸ The demographic dividend is a rise in the rate of economic growth due to a rising share of working-age people in a population.

6 AFTERWORD

All statistics used in this report come from MOLISA's "Labour and Employment Survey", covering the period 1997-2007. The 2007 survey was the last year of the MOLISA surveys, as the responsibility for Vietnam's labour force surveys was shifted from MOLISA to the General Statistics Office (GSO) at that point. Indeed, the GSO conducted a labour force survey of its own for that year but the two surveys differed in many respects, with perhaps the biggest difference being the questionnaires and samples used.

The new arrangements call for regular data collection through labour force surveys by the GSO, which involve responsibility for the questionnaires, sample selection, interviewer training, data estimation, (perhaps) calculation of sampling errors, and production of tabulations and micro-files.

As the major user of the data, MOLISA will assume the responsibility for analysis and dissemination of the results which will be used to inform the Government and the public of current trends in the labour market. In order to fulfil the objective, MOLISA will require full access to the micro-data files in a timely manner.

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ANNEXES

I. Statistical annex

Data sources

All of the data used in this report come from a sample survey of households that was conducted by the Ministry of Labour, Invalids and Social Affairs, hereafter referred to as MOLISA, with the assistance of the General Statistics Office (GSO) of Vietnam. This survey, known as the Labour and Employment Survey (LES) was initiated in 1996 (in the month of April) and was then conducted continuously in the month of July over the subsequent 11-year period (1997 to 2007). For the sake of consistency, the analyses for this report concentrate, therefore, on the last 11 years of MOLISA data. The survey's sample sizes may have varied over the years, and was approximately 100,000 households in 2007.

In 2007, a separate labour force survey (LFS) was conducted by the GSO for the month of August (a month later than the MOLISA survey) using about 170,000 households, using a dissimilar and much longer questionnaire, vis-à-vis the MOLISA questionnaire.

A comparison of the 2007 data from the two surveys has shown quite similar results for the most part, but with very significant differences in the area of "status in employment"¹⁹. Because the analyses of this report have necessarily focused on long-term trends from a consistent data source, the GSO-2007 data were not utilized. However, it is crucial to recognize that the MOLISA labour and employment surveys have been discontinued since 2008, and the GSO labour force surveys became the official source of labour force data.

Unfortunately, no labour force survey was conducted in 2008. Instead, a population change, labour force and family planning survey was conducted in April of that year. The survey was initiated to provide additional labour market information for the year 2008. At the time this report was prepared, the results of the survey have not yet been released.

In April 2009, the decennial population census was conducted by the GSO. Although the population census is considered a reliable but limited source of labour market information, a dedicated labour force survey needed to be administered to a sample of the population in order to collect more detailed information on labour market activities, quality of employment and other labour-related topics urgently needed for the year 2009.

With financial support from the World Bank, UNDP and Sweden Sida Project, the GSO carried out a labour force survey in September 2009.

The 2009 labour force survey sample size targeted 18,000 households. The GSO utilized a newly updated questionnaire that is expected to be used in all subsequent labour force surveys for the foreseeable future in Vietnam. Present plans also call for the resumption of regular surveys on a quarterly basis. It has not yet been determined whether these will be for one month in each quarter, probably mid-month, or spread throughout the entire quarter, for 2010 and beyond. This is in recognition of the need for more frequent data each year than the once-a-year collection of the past.

¹⁹ A detailed analysis of the survey differences is presented in the November 2008 paper, "The Labour Force Surveys (LFS) in Vietnam: Assessment of the past experience and proposals for a new survey design", by Francois Roubaud, IRD-DIAL, with the collaboration of Phan Ngoc Tram, ISS-GSO, and Dang Kim Chung, ILSA-MOLISA.

Labour force concepts

Vietnam's concepts of employment and unemployment which comprise the labour force generally follow the specifications promulgated by the ILO through its International Conference of Labour Statisticians (ICLS). The conceptual basis for measuring employment and unemployment is spelled out in considerable detail in the "Resolution concerning statistics of the economically active population, employment, unemployment and underemployment", adopted by the 13th International Conference of Labour Statisticians, October 1982.²⁰

In brief, through its labour force surveys, all persons in Vietnam's civilian population who are 15 years and over are counted as employed if they worked at least one hour for pay or profit, or had a job from which they were temporarily absent (with or without pay), during the reference period (the prior seven days before the survey interview). Those working one or more hours without pay in a family farm or business are also counted as employed.

To be counted as unemployed, persons must not have worked at all in the reference period, but must have carried out specific search activities such as registering at an employment office (public or private), making applications directly to employers, or other activities of this sort, sometime over the previous month prior to the survey. They must also have been available to take a job (in the prior seven days). Also, persons who have found a job and are waiting to start, or who are preparing to start a business, are counted as unemployed (at present, the concept of persons being on layoff and expecting recall to their jobs is not taken into account, so such persons are not included among the unemployed but rather are counted as "with a job" and thus employed).

All other persons 15 years and over, those who are neither employed nor unemployed, are counted as not in the labour force (inactive).

The following is a glossary of terms relevant to labour force survey measurement, concepts and classifications.

II. Glossary of general labour market terms

Labour market statistics and the indicators generated from the statistics can cause a great deal of confusion and, therefore, misinterpretation. The following glossary of labour market concepts should serve to clarify much of the terminology used in this report. These terms and concepts are commonly used internationally, but most are also relevant for Vietnamese statistics as well.

Contributing family worker: a person working in the family business without pay (see unpaid family worker, below).

Currently active population: the best known measure of the economically active population, also known as the "labour force" (see definition below).

²⁰ Cited in boxes 2A and 8A of the Key Indicators of the Labour Market, 5th edition (Geneva, ILO, 2007), pages 108 and 339. The entire resolution may be viewed at:

http://www.ilo.org/global/What_we_do/Statistics/standards/resolutions/lang--en/docName--WCMS_087481/index.htm

See also R. Hussmanns: "Measurement of employment, unemployment and underemployment Current international standards and issues in their application" (Geneva, ILO, 2003).

Discouraged workers: persons who are without work and available for work, but did not seek work (and therefore could not be classified as "unemployed") because they felt that no work would be available to them. According to the standard classification system, discouraged workers are counted among the inactive, although many analysts (and some countries) add the number of discouraged workers to the unemployed to give a broader measure of the unutilized supply of labour, often referred to as "the relaxed unemployment rate". "Discouraged" implies a sense of "giving up", meaning the discouraged worker has simply given up any hope of finding work for reasons such as they feel they lack the proper qualifications, they do not know where or how to look for work, or they feel that no suitable work is available. Discouraged workers, therefore, could be said to be "involuntarily" inactive.

Economically active population: all those who supplied labour for the production of goods and services in a specified reference period; in other words, all those who undertook economic activity (also known as "market activities"), as defined by the 1993 UN System of National Accounts (SNA), during the measured time frame.

Employed: a person who performed some work for at least one hour during the specified reference period for a wage or salary (paid employment) or for profit or family gain (self-employment and contributing family work). A person is also considered employed if he/she has a job, but was temporarily not at work during the reference period.

Employer: a self-employed person with employees.

Employment: a measure of the total number of employed persons.

Employment-to-population ratio: the number of employed persons as a percentage of the working-age population. This is an important economic indicator that, over time, provides some information on the ability of the economy to create jobs.

Persons not in the labour force: persons who are neither employed nor unemployed, and are therefore inactive.

Inactivity rate: the sum of all inactive persons as a percentage of the working-age population. As an inverse to the labour force participation rate, the inactivity rate serves as a measure of the relative size of the population who do not supply labour for the production of goods and services.

Job: a paid position of regular employment. According to the standard definition, therefore, only wage and salaried workers could have a "job". Common usage, however, has extended the concept to encompass any work-related task, which means that any employed person, whether a paid employee, self-employed or unpaid family worker, could qualify as "with a job".

Labour force: the sum of all persons above a specified age (the nationally defined "working age", which in Vietnam is 15 years and above) who were either employed or unemployed over a specified short reference period; the labour force can also be described as either the "economically active population" or the "currently active population". The labour force (employment + unemployment) + the inactive population = total working-age population of a country.

Labour force participation rate: the sum of persons in the labour force as a percentage of the working-age population. The indicator serves as a measure of the relative size of the labour supply available for the production of goods and services.

Labour market: the virtual (non-tangible) arena where workers compete for jobs and employers compete for workers. Analysts use labour market information, including statistics such as the employment-to-population ratio, the unemployment rate, etc., to make assessments of how well the labour market functions and how and/or why the supply of labour and the demand for labour do not meet at perfect equilibrium.

On layoff: situations in which employees have been released by their employers for such reasons as insufficient work or poor economic conditions. The layoff may be of a short or long duration and the employee may or may not expect to be recalled to their jobs. This is a form of unemployment that is not presently measured in Vietnam (and thus such an action, where it occurs, probably results in the person being counted as “employed”).

Own-account workers: persons who are self-employed, with no employees working for them.

Unemployed: a person who, during the specified short reference period, was (a) without work, (b) currently available for work, and (c) actively seeking work (that is, using at least one of a number of methods to obtain a job). A person is also considered unemployed if he/she is not currently working, but has made arrangements to take up paid or self-employment at a date subsequent to the reference period.

Unemployment: a measure of the total number of unemployed persons.

Unemployment rate: unemployment as a percentage of the total labour force (employment + unemployment).

Unpaid family worker (also called contributing family worker): a person working in the family business without pay. The business is owned or operated by a family member, who is an own-account worker.

Vulnerable employment: for purposes of this report, the sum of own-account workers and contributing family workers (unpaid family workers).

Work: as a verb, a general term meaning to engage in “economic activity” or, equivalently, to supply labour as input in the production of goods and services. As a noun, “work” has come to be used interchangeably with “job” and “employment” for example, a person who supplies labour might say he/she “has work” or “has a job” or even “has employment”.

ANNEX TABLES

Table A1. The labour force status of the civilian population 15 years and above, 1997 to 2007, by sex

	1997	2000	2004	2005	2006	2007
<i>Unit: 1000 persons</i>						
Total civilian population						
Both	74,037	77,635	82,032	83,106	84,137	85,172
Males	36,473	38,166	40,311	40,846	41,355	41,868
Females	37,564	39,469	41,721	42,260	42,782	43,304
Total civilian population 15+						
Both	49,330	54,284	60,557	62,441	64,867	66,968
Males	23,297	25,962	29,222	30,143	31,368	32,402
Females	26,032	28,323	31,335	32,298	33,500	34,566
Labour force						
Both	36,654	39,253	43,242	44,382	45,579	46,708
Males	18,223	19,760	22,059	22,758	23,430	24,097
Females	18,431	19,493	21,183	21,624	22,149	22,611
Employment						
Both	35,603	38,368	42,316	43,452	44,549	45,579
Males	17,641	19,292	21,649	22,313	22,894	23,525
Females	17,961	19,076	20,666	21,140	21,655	22,053
Unemployment						
Both	1,051	886	926	930	1,031	1,129
Males	581	468	410	445	537	571
Females	470	418	517	485	494	558
Not in labour force						
Both	12,676	15,031	17,315	18,059	19,288	20,260
Males	5,075	6,202	7,163	7,386	7,937	8,305
Females	7,601	8,830	10,152	10,674	11,350	11,954
<i>Unit: %</i>						
Labour force participation rate						
Both	74.3	72.3	71.4	71.1	70.3	69.7
Males	78.2	76.1	75.5	75.5	74.7	74.4
Females	70.8	68.8	67.6	67.0	66.1	65.4
Employment-to-population ratio						
Both	72.2	70.7	69.9	69.6	68.7	68.1
Males	75.7	74.3	74.1	74.0	73.0	72.6
Females	69.0	67.4	66.0	65.5	64.6	63.8
Unemployment rate						
Both	2.9	2.3	2.1	2.1	2.3	2.4
Males	3.2	2.4	1.9	2.0	2.3	2.4
Females	2.5	2.1	2.4	2.2	2.2	2.5

Source: MOLISA labour and employment surveys

Note: Numbers may not sum precisely to totals due to rounding

Table A2. The labour force status of the civilian population of youth (15 to 24 years old), 1997 to 2007, by sex

(15-24)	1997	2000	2004	2005	2006	2007
<i>Unit: 1000 persons</i>						
Total civilian population						
Both	13,669	15,231	16,524	17,021	17,860	17,982
Males	6,815	7,715	8,594	8,814	9,223	9,292
Females	6,854	7,516	7,930	8,207	8,637	8,690
Labour force						
Both	9,049	8,567	9,276	9,387	9,998	9,855
Males	4,461	4,265	4,884	4,935	5,260	5,205
Females	4,588	4,302	4,393	4,452	4,738	4,650
Employment						
Both	8,624	8,158	8,848	8,931	9,511	9,262
Males	4,228	4,052	4,670	4,701	5,000	4,905
Females	4,396	4,106	4,178	4,230	4,511	4,357
Unemployment						
Both	426	408	428	456	486	593
Males	233	213	214	234	260	300
Females	193	196	214	221	226	293
Not in labour force						
Both	4,619	6,664	7,247	7,634	7,863	8,127
Males	2,354	3,450	3,710	3,879	3,963	4,087
Females	2,266	3,214	3,537	3,756	3,900	4,040
<i>Unit: %</i>						
Labour force participation rate						
Both	66.2	56.2	56.1	55.1	56.0	54.8
Males	65.5	55.3	56.8	56.0	57.0	56.0
Females	66.9	57.2	55.4	54.2	54.9	53.5
Employment-to-population ratio						
Both	63.1	53.6	53.5	52.5	53.3	51.5
Males	62.0	52.5	54.3	53.3	54.2	52.8
Females	64.1	54.6	52.7	51.5	52.2	50.1
Unemployment rate						
Both	4.7	4.8	4.6	4.9	4.9	6.0
Males	5.2	5.0	4.4	4.7	4.9	5.8
Females	4.2	4.6	4.9	5.0	4.8	6.3

Source: MOLISA labour and employment surveys

Note: Numbers may not sum precisely to totals due to rounding

Table A3. Distribution of employed persons 15 years & above by status of employment, in thousands (000's)

Employed 15+	1997	2000	2004	2005	2006	2007
Wage and salaried workers						
Both sexes	6,576	7,071	10,819	11,146	9,574	10,281
Males	3,877	4,190	6,447	6,624	5,492	5,562
Females	2,699	2,881	4,372	4,522	4,082	4,719
Self employed						
Both sexes	14,841	16,585	17,653	17,970	17,545	15,755
Males	9,676	10,802	11,120	11,463	10,792	10,279
Females	5,165	5,783	6,532	6,508	6,754	5,476
Employers						
Both sexes	57	79	215	172	407	123
Males	38	51	153	123	291	87
Females	19	28	63	49	116	36
Own-account workers						
Both sexes	14,785	16,506	17,437	17,798	17,138	15,633
Males	9,639	10,751	10,968	11,340	10,501	10,192
Females	5,146	5,755	6,470	6,458	6,637	5,441
Unpaid family workers						
Both sexes	14,067	14,212	13,843	14,336	17,122	19,310
Males	4,032	4,091	4,081	4,226	6,238	7,512
Females	10,036	10,121	9,762	10,110	10,883	11,797
Others						
Both sexes	118	499	1	0	307	233
Males	56	209	1	0	214	172
Females	62	290	1	0	94	61

Source: MOLISA labour and employment surveys

Note: Numbers may not sum precisely to totals due to rounding

Table A4. Percentage distribution of employed persons 15 years & above by status of employment, 1997 to 2007

Employed 15+	1997	2000	2004	2005	2006	2007
Total						
Both sexes	100.0	100.0	100.0	100.0	100.0	100.0
Males	100.0	100.0	100.0	100.0	100.0	100.0
Females	100.0	100.0	100.0	100.0	100.0	100.0
Wage and Salaried workers						
Both sexes	18.5	18.4	25.6	25.7	21.5	22.6
Males	22.0	21.7	29.8	29.7	24.2	23.6
Females	15.0	15.1	21.2	21.4	18.7	21.4
Self employed						
Both sexes	41.7	43.2	41.7	41.4	39.4	34.6
Males	54.9	56.0	51.4	51.4	47.5	43.7
Females	28.8	30.3	31.6	30.8	31.0	24.8
Employers						
Both sexes	0.2	0.2	0.5	0.4	0.9	0.3
Males	0.2	0.3	0.7	0.5	1.3	0.4
Females	0.1	0.1	0.3	0.2	0.5	0.2
Own-account workers						
Both sexes	41.5	43.0	41.2	41.0	38.5	34.3
Males	54.6	55.7	50.7	50.8	46.2	43.3
Females	28.7	30.2	31.3	30.6	30.4	24.7
Unpaid family workers						
Both sexes	39.5	37.0	32.7	33.0	38.4	42.4
Males	22.9	21.2	18.9	18.9	27.4	31.9
Females	55.9	53.1	47.2	47.8	49.9	53.5
Others						
Both sexes	0.3	1.3	0.0	0.0	0.7	0.5
Males	0.3	1.1	0.0	0.0	0.9	0.7
Females	0.3	1.5	0.0	0.0	0.4	0.3

Source: MOLISA labour and employment surveys

Note: Numbers may not sum precisely to totals due to rounding

Table A5. Share of vulnerable employment 15 years & above by sector, 2006 and 2007 (%)

	2006	2007
All sectors		
Both sexes	100.0	100.0
Males	100.0	100.0
Females	100.0	100.0
Agriculture		
Both sexes	68.4	66.1
Males	69.3	64.8
Females	67.5	67.5
Industry		
Both sexes	10.0	12.4
Males	12.7	14.8
Females	7.3	9.9
Services		
Both sexes	21.6	21.5
Males	18.0	20.4
Females	25.2	22.6

Source: MOLISA labour and employment surveys

Table A6. Employed persons 15 years & above by 1-digit sector of employment in 1997 and 2007 (000's)

	1997			2007		
	Both sexes	Male	Female	Both sexes	Male	Female
Total	35,603	17,641	17,961	45,579	23,525	22,053
Agriculture, hunting, forestry and fishing	23,242	11,382	11,860	23,796	11,968	11,828
Mining and quarrying	131	101	30	277	181	96
Manufacturing	3,460	1,721	1,739	5,569	2,748	2,822
Electricity, gas and water supply	74	59	15	281	180	101
Construction	847	759	89	2,636	2,002	634
Wholesale and retail trade repair of motor vehicles	3,676	1,258	2,419	4,825	1,873	2,953
Hotel and restaurants	601	164	437	992	322	670
Transport, storage and communications	935	853	82	1,598	1,365	234
Financial intermediation	118	63	54	211	102	109
Science and technology activities	17	11	6	145	94	51
Real estate, renting and business activities	38	25	13	19	10	8
Public administration and defense, compulsory social security	425	323	102	169	99	70
Education	828	242	586	1,289	397	892
Health and social work	243	105	138	397	157	240
Cultural and sports activities	107	70	37	181	101	80
Party, unions and associations	94	70	23	971	686	285
Other community, social work and personal services	623	356	267	1,841	1,091	750
Private households with employees	141	78	63	374	145	229
Other-international organizations	3	2	1	7	4	2

Source: MOLISA labour and employment surveys

Note: Numbers may not sum precisely to totals due to rounding

Table A7. Percentage distributions of employed persons 15 years & above by 1-digit sector of employment in 1997 and 2007 (%)

	1997			2007		
	Both sexes	Male	Female	Both sexes	Male	Female
Total	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture, hunting, forestry and fishing	65.3	64.5	66.0	52.2	50.9	53.6
Mining and quarrying	0.4	0.6	0.2	0.6	0.8	0.4
Manufacturing	9.7	9.8	9.7	12.2	11.7	12.8
Electricity, gas and water supply	0.2	0.3	0.1	0.6	0.8	0.5
Construction	2.4	4.3	0.5	5.8	8.5	2.9
Wholesale and retail trade repair of motor vehicles	10.3	7.1	13.5	10.6	8.0	13.4
Hotel and restaurants	1.7	0.9	2.4	2.2	1.4	3.0
Transport, storage and communications	2.6	4.8	0.5	3.5	5.8	1.1
Financial intermediation	0.3	0.4	0.3	0.5	0.4	0.5
Science and technology activities	0.0	0.1	0.0	0.3	0.4	0.2
Real estate, renting and business activities	0.1	0.1	0.1	0.0	0.0	0.0
Public administration and defense, compulsory social security	1.2	1.8	0.6	0.4	0.4	0.3
Education	2.3	1.4	3.3	2.8	1.7	4.0
Health and social work	0.7	0.6	0.8	0.9	0.7	1.1
Cultural and sports activities	0.3	0.4	0.2	0.4	0.4	0.4
Party, unions and associations	0.3	0.4	0.1	2.1	2.9	1.3
Other community, social work and personal services	1.8	2.0	1.5	4.0	4.6	3.4
Private households with employees	0.4	0.4	0.3	0.8	0.6	1.0
Other-international organizations	0.0	0.0	0.0	0.0	0.0	0.0

Source: MOLISA labour and employment surveys

Note: Numbers may not sum precisely to totals due to rounding

Table A8. Percentage distribution of population 15 years & above and labour force by educational attainment sex, 2007

	Total		Illiterate	Did not complete primary school	Finished primary school	Finished secondary school	Finished high school
	1,000 Persons	Percent	Percent	Percent	Percent	Percent	Percent
All persons							
Civilian population 15+	66,968	100.0	5.2	13.6	25.7	31.1	24.3
Labour force	46,708	100.0	3.6	11.9	28.9	31.1	24.5
Employment	45,579	100.0	3.6	12.0	29.0	31.3	24.1
Unemployment	1,129	100.0	2.1	8.4	23.2	24.1	42.2
Not in labour force	20,260	100.0	9.0	17.6	18.5	31.0	23.8
Males							
Civilian population 15+	32,402	100.0	3.3	11.0	25.6	33.4	26.7
Labour force	24,097	100.0	2.7	10.8	28.4	32.1	25.9
Employment	23,525	100.0	2.7	10.9	28.6	32.2	25.5
Unemployment	571	100.0	2.1	6.9	21.7	26.1	43.2
Not in labour force	8,305	100.0	4.9	11.3	17.5	37.3	29.0
Females							
Civilian population 15+	34,566	100.0	7.1	16.1	25.9	28.9	22.1
Labour force	22,611	100.0	4.5	13.0	29.4	30.1	23.0
Employment	22,053	100.0	4.6	13.1	29.5	30.3	22.6
Unemployment	558	100.0	2.1	9.9	24.8	22.1	41.1
Not in labour force	11,954	100.0	11.9	22.0	19.2	26.6	20.3

Source: MOLISA labour and employment surveys

Note: Numbers may not sum precisely to totals due to rounding

Table A9. Percentage distribution of population 15 years & above and labour force by technical education and sex, 2007

	Total		No technical level	Technical workers without degree	Short-term vocational certificates	Long-term vocational diploma	College and university graduate and above
	1,000 Persons	Percent	Percent	Percent	Percent	Percent	Percent
All persons							
Civilian population 15+	66,968	100.0	68.7	17.5	2.1	6.6	5.1
Labour force	46,708	100.0	65.3	18.3	2.7	7.4	6.4
Employment	45,579	100.0	65.2	18.6	2.7	7.3	6.3
Unemployment	1,129	100.0	67.9	8.2	2.1	11.7	10.1
Not in labour force	20,260	100.0	76.6	15.6	0.8	4.6	2.3
Males							
Civilian population 15+	32,402	100.0	63.7	19.9	2.9	7.8	5.7
Labour force	24,097	100.0	59.9	21.5	3.5	8.6	6.5
Employment	23,525	100.0	59.8	21.8	3.6	8.4	6.4
Unemployment	571	100.0	64.8	9.5	3.0	13.0	9.7
Not in labour force	8,305	100.0	74.7	15.3	1.0	5.5	3.5
Females							
Civilian population 15+	34,566	100.0	73.4	15.2	1.4	5.4	4.6
Labour force	22,611	100.0	70.9	14.9	1.7	6.2	6.3
Employment	22,053	100.0	70.9	15.1	1.7	6.1	6.1
Unemployment	558	100.0	71.1	7.0	1.2	10.3	10.5
Not in labour force	11,954	100.0	78.0	15.8	0.7	4.0	1.5

Source: MOLISA labour and employment surveys

Note: Numbers may not sum precisely to totals due to rounding

Table A10. Percentage distributions of employment 15 years & above by major occupational groups (%)

	1999	2000	2004	2005	2006	2007	Change 1997 to 2007 (percentage points)
Administrators							
Both sexes	0.5	0.6	0.7	0.7	3.2	0.6	+0.1
Males	0.8	0.9	1.1	1.1	3.2	0.9	+0.1
Females	0.2	0.2	0.3	0.3	3.3	0.3	+0.1
High level of technical professions							
Both sexes	2.3	2.4	3.5	3.8	3.9	4.5	+2.2
Males	2.4	2.4	3.6	3.8	4.0	4.4	+2.0
Females	2.3	2.4	3.4	3.8	3.8	4.6	+2.3
Middle level of technical professions							
Both sexes	3.0	2.9	3.2	3.1	2.7	2.9	-0.1
Males	2.6	2.6	2.8	2.6	2.1	2.4	-0.2
Females	3.4	3.3	3.6	3.6	3.4	3.6	+0.2
Professional workers							
Both sexes	0.9	0.9	1.0	1.0	0.9	1.2	+0.3
Males	1.0	1.0	1.0	1.0	0.9	1.2	+0.2
Females	0.9	0.9	1.0	1.0	0.9	1.1	+0.2
Staff of personal service, guard and social security							
Both sexes	6.2	8.3	8.5	8.8	6.4	7.3	+1.1
Males	4.3	5.3	5.8	6.1	4.8	5.6	+1.3
Females	8.0	11.4	11.4	11.6	8.1	9.0	+1.0
Skilled employees in agriculture and forestry							
Both sexes	4.7	7.1	6.3	5.2	4.6	5.8	+1.1
Males	5.5	8.3	7.5	6.2	5.4	7.0	+1.5
Females	3.8	5.8	5.0	4.2	3.7	4.5	+0.7
Skilled craftsmen							
Both sexes	9.4	9.6	12.4	11.9	12.1	12.5	+3.1
Males	11.7	11.9	15.1	14.8	14.9	15.1	+3.4
Females	7.1	7.4	9.5	8.9	9.2	9.7	+2.6
Machinery installers and operators							
Both sexes	2.9	3.1	3.4	3.8	3.6	3.3	+0.4
Males	4.5	4.9	5.6	6.0	5.8	5.6	+1.1
Females	1.2	1.2	1.2	1.5	1.4	0.9	-0.3
Manual employees							
Both sexes	69.6	63.9	61.0	61.7	62.5	61.7	-7.9
Males	66.7	61.8	57.5	58.5	59	57.6	-9.1
Females	72.4	66.1	64.7	65.1	66.2	66.0	-6.4

Source: MOLISA labour and employment surveys

Note: Numbers may not sum precisely to totals due to rounding

Table A11. Population 15 years & above and illiteracy

	1997	2000	2004	2005	2006	2007
<i>Unit: 1000 persons</i>						
Population 15+						
Urban	12,201	13,839	16,699	17,395	18,441	19,022
Rural	37,129	40,445	43,858	45,046	46,427	47,945
Males	23,297	25,962	29,222	30,143	31,368	32,402
Females	26,032	28,323	31,335	32,298	33,500	34,566
Illiterate population 15+						
Urban	53	109	142	136	81	117
Rural	1543	1460	1747	1636	1494	1532
Males	612	572	720	689	608	644
Females	985	997	1169	1082	966	1005
<i>Unit: %</i>						
Illiteracy rate 15+						
Urban	0.4	0.8	0.9	0.8	0.4	0.6
Rural	4.2	3.6	4.0	3.6	3.2	3.2
Males	2.6	2.2	2.5	2.3	1.9	2.0
Females	3.8	3.5	3.7	3.4	2.9	2.9
Literacy rate 15+						
Urban	99.6	99.2	99.1	99.2	99.6	99.4
Rural	95.8	96.4	96.0	96.4	96.8	96.8
Males	97.4	97.8	97.5	97.7	98.1	98.0
Females	96.2	96.5	96.3	96.6	97.1	97.1

Source: MOLISA labour and employment surveys

Note: Numbers may not sum precisely to totals due to rounding

Table A12. Unemployment rates 15+ by educational attainment levels, area and sex, 1997 and 2007

	1997			2007			Change 1997 to 2007 (percentage points)		
	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural
All educational levels									
Both sexes	2.3	5.1	1.3	2.4	4.9	1.6	+0.2	-0.2	+0.3
Male	2.3	4.8	1.4	2.4	4.7	1.5	+0.1	0.0	+0.1
Female	2.2	5.5	1.2	2.5	5.1	1.6	+0.2	-0.4	+0.4
Illiterate									
Both sexes	1.3	9.7	0.8	1.4	6.9	1.0	+0.1	-2.9	+0.1
Male	1.9	11.4	1.3	1.8	9.1	1.2	-0.1	-2.3	-0.2
Female	0.9	8.4	0.5	1.1	5.0	0.9	+0.2	-3.4	+0.3
Not completed Primary									
Both sexes	1.6	4.9	1.1	1.7	3.8	1.4	+0.2	-1.1	+0.4
Male	1.7	5.0	1.1	1.5	4.2	1.1	-0.1	-0.8	+0.0
Female	1.5	4.9	1.0	1.9	3.5	1.7	+0.4	-1.4	+0.7
Completed primary									
Both sexes	1.7	4.9	1.1	1.9	4.5	1.4	+0.2	-0.4	+0.3
Male	1.8	4.9	1.1	1.8	4.3	1.2	+0.0	-0.6	+0.1
Female	1.7	4.9	1.0	2.1	4.8	1.5	+0.4	-0.1	+0.5
Completed lower secondary									
Both sexes	2.0	5.1	1.2	1.9	4.5	1.2	-0.2	-0.6	0.0
Male	2.2	4.9	1.4	1.9	4.5	1.2	-0.3	-0.4	-0.1
Female	1.9	5.3	0.9	1.8	4.4	1.2	-0.1	-0.9	+0.3
Completed upper secondary									
Both sexes	3.8	5.2	2.4	4.2	5.4	3.0	+0.4	+0.3	+0.6
Male	3.4	4.5	2.3	3.9	5.0	3.0	+0.6	+0.5	+0.7
Female	4.3	5.9	2.5	4.4	5.8	2.9	+0.2	-0.1	+0.4

Source: MOLISA labour and employment surveys

Note: Numbers may not sum precisely to totals due to rounding

Table A13. Unemployment rates 15+ by technical education levels, area and sex, 1997 and 2007

	1997			2007			Thay đổi từ 1997 đến 2007 (điểm phần trăm)		
	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural
All technical levels									
Both sexes	2.3	5.1	1.3	2.4	4.9	1.6	+0.2	-0.2	+0.3
Male	2.3	4.8	1.4	2.4	4.7	1.5	+0.1	0.0	+0.1
Female	2.2	5.5	1.2	2.5	5.1	1.6	+0.2	-0.4	+0.4
Unskilled worker									
Both sexes	2.2	7.5	1.2	2.5	7.5	1.6	+0.3	0.0	+0.4
Male	2.4	8.0	1.4	2.6	8.3	1.5	+0.2	+0.4	+0.1
Female	2.1	7.2	1.0	2.5	6.8	1.6	+0.4	-0.4	+0.6
Technical worker without certification									
Both sexes	1.3	2.3	0.7	1.1	1.9	0.7	-0.2	-0.4	0.0
Male	1.2	2.4	0.6	1.0	1.9	0.7	-0.2	-0.5	+0.1
Female	1.3	2.1	0.9	1.2	1.9	0.8	-0.2	-0.2	-0.1
Having a short-term certification									
Both sexes	2.6	3.2	2.1	1.9	2.2	1.7	-0.7	-1.0	-0.4
Male	2.6	2.9	2.4	2.0	2.2	1.9	-0.6	-0.7	-0.5
Female	2.6	4.0	1.7	1.7	2.3	1.4	-0.9	-1.7	-0.3
Having a long-term certification									
Both sexes	3.2	3.0	3.5	2.6	3.2	1.9	-0.6	+0.1	-1.7
Male	3.4	3.0	4.1	2.7	3.0	2.3	-0.7	0.0	-1.8
Female	2.5	3.1	1.5	2.3	3.7	0.6	-0.2	+0.6	-1.0
Vocational/ Professional Secondary Education									
Both sexes	4.2	4.7	3.6	4.3	4.6	4.1	+0.1	-0.1	+0.5
Male	3.8	4.4	3.3	4.2	4.3	4.1	+0.3	-0.1	+0.7
Female	4.5	4.9	3.9	4.4	4.8	4.1	0.0	-0.2	+0.1
College									
Both sexes	4.8	6.2	3.6	3.6	4.5	2.7	-1.3	-1.7	-0.9
Male	5.4	7.1	3.9	4.2	5.0	3.6	-1.2	-2.2	-0.3
Female	4.5	5.6	3.4	3.1	4.2	2.1	-1.4	-1.4	-1.3
University									
Both sexes	3.5	3.4	3.7	4.0	3.9	4.4	+0.5	+0.5	+0.6
Male	2.7	2.7	2.7	3.4	3.3	3.7	+0.7	+0.6	+1.1
Female	4.7	4.4	5.8	4.8	4.7	5.5	+0.2	+0.2	-0.4
Master and higher									
Both sexes	1.4	1.4	0.0	1.4	1.5	0.0	+0.1	0.0	0.0
Male	1.6	1.8	0.0	1.3	1.3	0.0	-0.4	-0.5	0.0
Female	0.7	0.7	0.0	1.6	1.7	0.0	+1.0	+1.0	0.0

Source: MOLISA labour and employment surveys

Note: Numbers may not sum precisely to totals due to rounding

Box A1

Key Indicators of the Labour Market

KILM 1.	Labour force participation rate
KILM 2.	Employment-to-population ratio
KILM 3.	Status in employment
KILM 4.	Employment by sector
KILM 5.	Part-time workers
KILM 6.	Hours of work
KILM 7.	Employment in the informal economy
KILM 8.	Unemployment
KILM 9.	Youth unemployment
KILM 10.	Long-term unemployment
KILM 11.	Unemployment by educational attainment
KILM 12.	Time-related underemployment
KILM 13.	Inactivity rate
KILM 14.	Educational attainment and illiteracy
KILM 15.	Manufacturing wage indices
KILM 16.	Occupational wage and earning indices
KILM 17.	Hourly compensation costs
KILM 18.	Labour productivity and unit labour costs
KILM 19.	Employment elasticities
KILM 20.	Poverty, working poverty and income distribution

Source: ILO, 2007, *Key Indicators of the Labour Market*, 5th edition.

Box A2

Selected Key Indicators of the Labour Market in Vietnam

KILM 1.	Labour force participation rate
KILM 2.	Employment-to-population ratio
KILM 3.	Status in employment
KILM 4.	Employment by sector
KILM 6.	Hours of work
KILM 8.	Unemployment
KILM 9.	Youth unemployment
KILM 11.	Unemployment by educational attainment
KILM 14.	Educational attainment and illiteracy

Source: ILO, 2007, *Key Indicators of the Labour Market*, 5th edition.