

THE CAPACITY TO TRAIN HIGH-QUALITY HUMAN RESOURCES OF VIETNAM'S CURRENT HIGHER EDUCATION SYSTEM TO MEET THE GROWING NEEDS OF THE LABOR MARKET

*Nguyễn Mậu Hùng

Abstract

Vietnam currently possesses a large workforce. As of December 31, 2019, Vietnam's population is estimated at 96,880,645 people (1.25% of the world's and ranked 15th on the earth). Around 68% of them is at the age of 15-64 and 56.12 million people are of the working age. 76.60% of these are joining the labor force. That means Vietnam is in the period of golden demographic structure. Sectoral employment structure changed very positively in the period of 2009-2019. The proportion of employees in the agriculture, forestry, and fishery decreased from 53.9% in 2009 to 35.3% in 2019 and has been lower than that of the service sector since then. By the first quarter of 2020, about 19.5 million people worked in the service sector (36%), 18.2 million in the agriculture, forestry and fishery (33.5 %), and 16.5 million in the industry and construction (30.5%). That means not only does Vietnam possess an abundant human resource, but the human resource demand of the economy is also rising and there are a number of fundamental changes to restructure the profession composition and quality of expertise. In order to meet people's learning needs and train human resources for the labor market, Vietnam often dedicates her best resources to education and training. As a result, Vietnam's national education system has not only been increasingly improved, but the rate of literate people aged 15-60 also reached 97.65% in 2000. Nevertheless, the proportion of Vietnamese population over 64 has accounted for 7.7% and the aging rate is increasing rapidly. Simultaneously, although the proportion of Vietnamese population with technical expertise in 2019 increased by 5.9% compared to that of 2009, around 80.8% of the population over 14 have no technical-professional qualification, never undergone any professional skill training course, and no certificate. It means the training capacity of Vietnam's national education system is still quite limited. Nearly 4 out of 5 Vietnamese labors have no technical qualification and professional skill. This disadvantage will lead to serious consequences in the global competition for human resources of the knowledge economy and the automation value supply chain of the Industrial Revolution 4.0.

Key words: training capacity, high-quality human resource, increasing demands, labor market, higher education system

1. Introduction

The quality of human resources is one of the most decisive factors for the competitiveness and success of all countries in the economic development and international integration. This is especially important in the industrialization and modernization of the countries with low starting points such as Vietnam, because in addition to the limited scientific and technological resources, the unfavorable working environment, the instable recruitment demand of the labor market, and the developing level of the economy, the developing countries in general and Vietnam in particular are also facing a lot of obstacles to attract globally high-quality human resources as well as keep positive factors in their workforce from falling into the hands of more attractive labor markets that the media often describe as the brain drain. In such a context, the higher education system plays a very important role in the training of human resources to directly serve the immediate urgent needs and long-term reality of the national economy as well as the country's labor market. To what extent can the current higher education system of Vietnam meet the human resource training needs of the national economy? This issue has clearly received the attention of both international scholars and internal authorities, but there are still many controversial questions that have not only been fully discussed, but have also not received the complete consensus from stakeholders. It is therefore based on analysis results of several sources of documents by qualitative and quantitative methods as well as specialized and interdisciplinary approaches, the paper analyzes the current situation of Vietnam's human resources, recruitment needs of the labor market, and the higher education system's capacity to train the human resources to see the true nature of the trilateral relationship between the country's human resource potential, the labor demand of the economy, and the human resource supply capacity of the domestic higher education institutions over the past few years.

2. The growing needs of the labor market and the responding ability of the Vietnamese higher education system

2.1. The current situation of Vietnam's human resources

Vietnam has an abundant human resource and workforce which are young in age, enthusiastic and dynamic in labor attitude. As of April 1, 2019, Vietnam had a total

population of 96,208,984 million people,¹ the third most populous country in Southeast Asia. Of these, there were 47,881,061 males (49.8%) and 48,327,923 females (50.2%).² By the first quarter of 2020, the labor force of working age in Vietnam was 48.9 million. This number decreased by about 351,200 people compared to that of the fourth quarter of 2019 and increased by around 4,000 people compared to that of the first quarter of 2019. Of these, the labor force of working age in urban areas was 16.5 million people (33, 7%) and the female labor force of working age was 22 million people (45%). In the first quarter of 2020, Vietnam's labor force over 14 years of age was 55.3 million people. This figure decreased by about 673,100 people compared to that of the fourth quarter of 2019 and declined by 144,200 people compared to that of the first quarter of 2019. This is the first time that the labor force witnessed a decrease compared to that of the same period of last year after a series of 5 constantly increasing years (2015- 2019).³

The total number of employed people in Vietnam in the fourth quarter of 2019 was 55.01 million.⁴ Of these, the total number of employed workers aged over 14 was 54.2 million. This number decreased by around 682,400 people compared to that of the fourth quarter of 2019 and decreased by 154,600 people in comparison to that of the first quarter of 2019. In which, the number of employed people in rural areas decreased by approximately 604,700 people compared to that of the fourth quarter of 2019 and decreased about 269,100 people in comparison with that of the first quarter of 2019.⁵ The first quarter of 2020 was the first time the participation rate of the population in the labor force aged over 14 was at the lowest level within the past 10 years (about 75.4%). This figure decreased by around 1.2% compared to that of the fourth quarter of 2019 and 1.3% in comparison to that of the first quarter of 2019.⁶

* University of Sciences, Hue University

¹ Ban Chỉ đạo tổng điều tra dân số và nhà ở Trung ương, *Tổng điều tra dân số và nhà ở thời điểm 0 giờ ngày 1 tháng 4 năm 2020, Tổ chức thực hiện và kết quả sơ bộ*, 17, 49 (Nhà xuất bản Thống kê, Hà Nội, 2019).

² Tổng cục Thống kê, *Thông cáo báo chí Kết quả Tổng điều tra Dân số và Nhà ở năm 2019*, Trang thông tin điện tử Tổng cục Thống kê (Dec. 19, 2019), available at: <https://www.gso.gov.vn/default.aspx?tabid=382&idmid=2&ItemID=19440>, accessed on June 17, 2020.

³ Tổng cục Thống kê, *Tình hình lao động việc làm quý I và 4 tháng đầu năm 2020*, Con số & Sự kiện (Apr. 24, 2020, 11:29 AM), available at: <http://consosukien.vn/tinh-hinh-lao-dong-viec-lam-quy-i-va-4-thang-dau-nam-2020.htm>, accessed on June 17, 2020.

⁴ Tổng cục Thống kê, *Bản tin cập nhật thị trường lao động Việt Nam*, Số 24, Quý 4 năm 2019, 1-8 (Apr. 24, 2020).

⁵ Tổng cục Thống kê, *supra* note 3.

⁶ *Id.*

Vietnam is currently in the period of *golden demographic structure or window of demographic opportunity*.⁷ The total number of working-age people is two times bigger than that of the non-working population.⁸ However, this advantage will disappear when the number of people over 65 will account for more than 15% of the population around 2040.⁹ The reality shows that the aging index of Vietnam has tended to increase rapidly over the past two decades. Vietnam was home to around 12.22 million elderly people in 2019, of which 7.99 million people were over 65 years of age (8.3% of the population).¹⁰ The total population of Vietnam will reach 108.5 million people at the medium level with the current growth rate, 104.7 million people at the low level, and 112.1 million people at the high levels by 2049. Vietnam's working-age workforce will decrease to 64.1%, while the proportion of the non-working population will increase to 35.9% by 2049.¹¹

In summary, the golden population structure is offering Vietnam significant advantages of human resources. On average, there are currently one dependent for two working age people. This opportunity is basically given to all countries only once in their development to modernity. Taking advantage of this opportunity of a golden population and an abundance of human resources is therefore one of the key factors for Vietnam's development in the coming time.¹² However, this workforce, which is abundant in quantity but needs to be improved in quality, is facing many difficulties both at home market and in the international integration. The causes of this situation are various, but the economy's ability to create job opportunities, the consumption capacity of the labor market, and the level of response to the training needs of the national education system play a clearly important role.

⁷ Tổng cục Thống kê & Quỹ dân số Liên hợp quốc, *Dự báo dân số Việt Nam 2014 - 2049*, 29 (Nhà xuất bản Thông tấn, Hà Nội, 2016).

⁸ *Cơ cấu tuổi và giới tính của dân số Việt Nam: bằng chứng từ cuộc điều tra dân số và nhà ở giữa kỳ 2014*, UNFPA Vietnam, 3 (2016), available at: https://vietnam.unfpa.org/sites/default/files/pub-pdf/PD_Factsheet_Age%20%26%20Sex%20structure%20in%20Viet%20Nam_printed%20in%202016_VIET_0.pdf, accessed on Oct. 18, 2020.

⁹ Tổng cục Thống kê & Quỹ dân số Liên hợp quốc, *supra* note 7 at 29.

¹⁰ Nguyễn Quốc Anh, *Từ xu hướng già hóa dân số nhanh ở Việt Nam cơ hội và thách thức*, Tuyên giáo (Mar. 12, 2020, 14:38 PM), available at: <http://tuyengiao.vn/dan-so-va-phat-trien/tu-xu-huong-gia-hoa-dan-so-nhanh-o-viet-nam-co-hoi-va-thach-thuc-127050>, accessed on June 17, 2020.

¹¹ Tổng cục Thống kê & Quỹ dân số Liên hợp quốc, *supra* note 7 at 25, 29.

¹² T.Chung, *Việt Nam đang ở thời kỳ cơ cấu dân số vàng*, Đại đoàn kết (Dec. 20, 2019, 06:00 AM), available at: <http://daidoanket.vn/xa-hoi/viet-nam-dang-o-thoi-ky-co-cau-dan-so-vang-tintuc455143>, accessed on June 17, 2020.

2.2. Human resource needs of the economy and the labor market in Vietnam

Economy in the broadest sense can be all activities that create values for human societies through trading and exchange relationships in many different forms and degrees. However, in the current conditions of Vietnam's economy, this understanding is sometimes too complicated for many relationships that have not been fully marketized. The concept of employer in the labor market seems therefore more meaningful. In this respect, employers in Vietnam can be divided into three main groups.

The state apparatus usually handles two tasks in the labor market. On the one hand, it is the state management agencies in all areas of social life, but it is also a very potential and attractive labor market on the other hand. It is specifically out of around 11 million people receiving salaries from the state budget as of 2016, approximately 2.8 million people were civil servants and public employees of the state apparatus.¹³ Vietnam had totally about 5.2 million labors in the public sector, 2.5 million public employees, and about 1 million civil servants, excluding the number of employees in state-owned enterprises,¹⁴ accounting for 9.4% of the labor force, 22% of wage earners in the second quarter of 2018, 9.5% of the total employed population,¹⁵ and 4.8% of population.¹⁶ In 2017, employers in this system used around 50% (more than 400.000 billion VND) out of a total number of approximately 862,600 billion VND of the national budget for recurrent expenditure and 31% of total state budget expenditure (about 1,219,500 billion VND) to pay salaries for this workforce.¹⁷ By 2019, the total number of civil servants decreased by 6.75% and the number of public employees declined by 3.87% compared to that of 2015 with a total number of 41,268 people.¹⁸ The proportion of employees working in the state sector decreased by 10.4% to only 9.8% (including employees working in the state-owned enterprises) of the total workforce in

¹³ Hoàng Thanh & Phương Nguyễn Zing News, *Luong công chức nặng gánh ngân sách ra sao?* (May, 10, 2018, 05:38 AM), available at: <https://news.zing.vn/luong-cong-chuc-nang-ganh-ngan-sach-ra-sao-post841170.html>, accessed on Oct. 19, 2018.

¹⁴ *Việt Nam đông công chức, viên chức nhất Đông Nam Á*, VnExpress (Nov. 13, 2017, 01:39 AM), available at: <https://vnexpress.net/tin-tuc/goc-nhin/ban-thao/viet-nam-dong-cong-chuc-vien-chuc-nhat-dong-nam-a-3669338.html>, accessed on Oct. 18, 2020.

¹⁵ Hoàng Thanh & Phương Nguyễn, *supra* note 13.

¹⁶ *Việt Nam đông công chức, viên chức nhất Đông Nam Á*, *supra* note 14.

¹⁷ Hoàng Thanh & Phương Nguyễn, *supra* note 13.

¹⁸ *Nâng cao chất lượng đội ngũ cán bộ, công chức, viên chức gắn với tinh giản biên chế*, Tạp chí Tổ chức Nhà nước (July, 1, 2019, 02:46 AM), available at: <https://tcnn.vn/news/detail/43519/Nang-cao-chat-luong-voi-tinh-gian-bien-che>, accessed on June 17, 2020.

the period 2012-2017.¹⁹ Nevertheless, the state apparatus system was reported to be in redundancy of 57,175 staff members in 2018.²⁰ It is therefore planned to reduce 10% of the labor force in the state apparatus and at least 65% of state employees will be moved to professional sectors by 2021,²¹ but only 0.59% of civil servants (1,690 people) and 0.38% (4,244 people) of public employees were assessed for failure to complete their missions in 2018.²² Meanwhile, the number of state employees in the areas requiring high professional qualifications such as health care and education is overall in shortage, but locally redundant.²³ That means even though the state administrative apparatus has been in redundancy of a lot of people unable to work effectively, it lacks a huge number of experts. The demand for high quality human resources in this area is therefore still enormous.

The business system: Vietnam was home to more than 714,000 active businesses as of December 31, 2018. More than 10 thousand new enterprises were annually established in the previous 3 years. As of December 31, 2017, Vietnam had a total number of 560,417 operating enterprises with production and business results.²⁴ Of these, around 70% (362,000) were service businesses.²⁵ As of December 31, 2019, Vietnam had 758,610 businesses in operation. This figure increased by 6.1% compared to that of the previous year. Up to 67.1% (508,770 enterprises) of which were operating in the service sector, 31.6% (239,755 enterprises) in the industry and construction, 1.3% (10,085 enterprises) in the agriculture, forestry, and fishery.²⁶ In 2017, the business sector generated 876.7 trillion VND of pre-tax profits. As of July 31, 2017, a total number of 14.51 million people were working in the

¹⁹ Viện Khoa học Lao động và Xã hội & International Labour Organisation, *Xu hướng lao động và xã hội Việt Nam*, 21 (Nhà xuất bản Thanh niên, Hà Nội, 2018).

²⁰ *Năm 2018, giảm 1,7% biên chế công chức và 2,5% biên chế sự nghiệp*, Bộ Nội vụ (Apr. 13, 2018, 07:42 AM), available at: <https://moha.gov.vn/tin-tuc-su-kien/diem-tin/nam-2018-giam-1-7-bien-che-cong-chuc-va-2-5-bien-che-su-nghiep-37960.html>, accessed on Oct. 18, 2020.

²¹ *Nâng cao chất lượng đội ngũ cán bộ, công chức, viên chức gắn với tinh giản biên chế*, *supra* note 18.

²² Văn Duẩn, *Chỉ có 0,59% công chức và 0,38% viên chức không hoàn thành nhiệm vụ*, Người Lao động (May 29, 2019, 08:38 AM), available at: <https://nld.com.vn/thoi-su/chi-co-059-cong-chuc-va-038-vien-chuc-khong-hoan-thanh-nhiem-vu-20190523075811859.htm>, accessed on June 17, 2020.

²³ *Nâng cao chất lượng đội ngũ cán bộ, công chức, viên chức gắn với tinh giản biên chế*, *supra* note 18.

²⁴ Kiều Linh, *Lao động doanh nghiệp Nhà nước có thu nhập cao nhất*, VnEconomy (July 10, 2019, 14:55 PM), available at: <http://vneconomy.vn/lao-dong-doanh-nghiep-nha-nuoc-co-thu-nhap-cao-nhat-20190710140834716.htm>, accessed on June 17, 2020.

²⁵ Kiều Linh, *2.700 doanh nghiệp Nhà nước đang hoạt động*, Vn Economy (Jan. 19, 2018, 13:25 PM), available at: <http://vneconomy.vn/2700-doanh-nghiep-nha-nuoc-dang-hoat-dong-20180119121233502.htm>, accessed on Oct. 18, 2020.

²⁶ Trâm Anh, *Công bố Sách trắng doanh nghiệp Việt Nam năm 2020*, Kinh tế & Đô thị (Apr. 28, 2020, 11:36 AM), available at: <http://kinhtedothi.vn/cong-bo-sach-trang-doanh-nghiep-viet-nam-nam-2020-382652.html>, accessed on June 20, 2020.

operating enterprises with business results. This figure increased by 3.6% compared to that of 2016.²⁷ The business sector attracts averagely 6.1% more employees every year.²⁸

The total number of employees working in industrial enterprises has increased by 2.1% since the beginning of February 2020 compared to that of the same period of last year. Of these, the total number of employees in the state-owned enterprises decreased by 2.6%, but that of the non-state enterprises increased by 0.6%, while that of the FDI enterprises grew at 3.6%.²⁹ More specifically, as of January 1, 2017, Vietnam had 2,701 state-owned enterprises,³⁰ accounting for 0.5% of the number and 28.4% of the total capital of the entire enterprise sector. This number declined by 18.4% and the number of employees also went down by 23.1%³¹ compared to the start of the equitization policy. As of December 31, 2017, Vietnam had 2,486 operating state-owned enterprises with business results which accounted for 0.4% of the number of nationwide enterprises and declined 6.6% compared to that of 2016.³² As of December 31, 2018, Vietnam had 2,260 operating state-owned enterprises with production and business results. This figure only accounted for 0.4% of the total number of nationwide enterprises and decreased by 9.1% in comparison with that of the previous year.³³ As of December 31, 2017, the state-owned enterprise sector created jobs for 1.2 million workers, accounting for 8.3% of the total number of employees in the enterprise sector, a decrease of 6.5% compared to that of 2016.³⁴

As of July 31, 2017, the non-state sector had 541,753 enterprises. This number accounted for 96.7% of the total number of the country's enterprises.³⁵ At the beginning of 2017, the total number of non-state enterprises increased by 52.3% and the total number of employees went up by 27.9%.³⁶ As of December 31, 2018, Vietnam was home to 591,499

²⁷ Kiều Linh, *supra* note 24.

²⁸ Phúc Nguyên, *Cả nước có 561.064 doanh nghiệp đang hoạt động*, Thời báo Tài chính Vietnam online (Feb. 6, 2018, 11:43 AM), available at: <http://thoibaotaichinhvietnam.vn/pages/kinh-doanh/2018-02-06/ca-nuoc-co-561064-doanh-nghiep-dang-hoat-dong-53582.aspx>, accessed on Oct. 18, 2020.

²⁹ T.Đông, *Lao động khu vực doanh nghiệp nhà nước giảm 2,6%*, Người lao động (Mar. 9, 2020, 02:12 AM), available at: <https://nld.com.vn/cong-doan/lao-dong-khu-vuc-doanh-nghiep-nha-nuoc-giam-26-20200308194053441.htm>, accessed on June 17, 2020.

³⁰ Kiều Linh, *supra* note 25.

³¹ Hạnh Nguyên, *Doanh nghiệp Nhà nước chiếm nguồn vốn lớn, chủ yếu là vốn vay*, VnEconomy (Sept. 19, 2018, 20:46 PM), available at: <http://vneconomy.vn/doanh-nghiep-nha-nuoc-chiem-nguon-von-lon-chu-yeu-la-von-vay-20180919152955158.htm>, accessed on Oct. 18, 2020.

³² Kiều Linh, *supra* note 24.

³³ Trâm Anh, *supra* note 26.

³⁴ Kiều Linh, *supra* note 24.

³⁵ *Id.*

³⁶ Hạnh Nguyên, *supra* note 31.

non-state enterprises. This number accounted for 96.9% of the total number of enterprises in the country and increased 9.2% compared to that of the previous year.³⁷ In 2016, private businesses created around 62% of new jobs³⁸ and accounted for 72.2% of the recruitment demand of the entire economy in the second quarter of 2018.³⁹ As of July 31, 2017, non-state enterprises created jobs for 8.8 million workers. This number accounted for 60.6% of the total number of nationwide employed workers and increased 2.7% compared to that of the previous year.⁴⁰ More than 85% of Vietnam's total employment was provided by private enterprises.⁴¹ Only in the period from February to the end of April 2020, 1,945 enterprises registered to recruit 13,562 employees. Of these, there were over 5,500 workers, 1,000 salesmen, 500 housekeepers and guards, 300 accountants... These were very positive information of the labor market in the context of the global health crisis. The labor recruitment demand of Vietnamese enterprises is expected to be very large in the coming years with this growth momentum.⁴²

As of July 31, 2017, Vietnam's FDI sector had 16,178 enterprises. This number accounted for 2.9% of the total number of the country's enterprises.⁴³ As of December 31, 2018, Vietnam had 16,878 FDI enterprises. This number accounted for around 2.7% of all nationwide enterprises and increased 4.3% compared to that of the previous year.⁴⁴ Although the FDI sector contributed an average of 18 billion VND per enterprise to the state budget (only equal to 17% of the average amount of state-owned enterprises), it was the largest labor recruiters and the number of recruited labors increased continuously in the years of 2012-2017. The number of FDI enterprises grew 54% and the total number of employees in this sector went up 62.8% in the period of 2012-2017. The number of FDI enterprises increased by an average of 9% and the total number of employees rose by 10.2% per year in the period

³⁷ Trâm Anh, *supra* note 26.

³⁸ Trần Kim Chung & Tô Ngọc Phan, *Vai trò động lực của kinh tế tư nhân trong phát triển kinh tế Việt Nam*, Tạp chí Tài chính (Feb. 15, 2018, 04:00 AM), available at: <http://tapchitaichinh.vn/tai-chinh-kinh-doanh/tai-chinh-doanh-nghiep/vai-tro-dong-luc-cua-kinh-te-tu-nhan-trong-phat-trien-kinh-te-viet-nam-134872.html>, accessed on Oct. 18, 2020.

³⁹ Tổng cục Thống kê, *Bản tin cập nhật thị trường lao động Việt Nam*, Số 18, Quý 2 năm 2018, 6 (2018).

⁴⁰ Kiều Linh, *supra* note 24.

⁴¹ Viện Khoa học Lao động và Xã hội & International Labour Organisation, *supra* note 19 at 20.

⁴² Thành Công Dân sinh, *Nhu cầu tuyển dụng của doanh nghiệp trong tháng 5 và tới đây dự báo sẽ rất lớn*, (May 18, 2020, 09:42 AM), available at: <http://baodansinh.vn/nhu-cau-tuyen-dung-cua-doanh-nghiep-trong-thang-5-va-toi-day-du-bao-se-rat-lon-20200516223119071.htm>, accessed on June 19, 2020.

⁴³ Kiều Linh, *supra* note 24.

⁴⁴ Trâm Anh, *supra* note 26.

of 2012-2017. This figure was two times higher than the average growth rate of state-owned enterprises.⁴⁵ By 2017, Vietnam's FDI enterprises were creating jobs for approximately 3.6 million direct workers and around 5-6 million indirect labors in various forms and degrees.⁴⁶ Employees in the FDI sector accounted for 3.3% in 2012 and rose to 5% in the second quarter of 2017.⁴⁷ As of July 31, 2017, the FDI sector attracted 4.5 million workers. This number accounted for 31.1% of the total number of employees in the business sector and increased by 8.6% in comparison with that of the previous year.⁴⁸ At the beginning of 2020, up to 25 out of 33 FDI enterprises in the province of Thanh Hóa announced their need to recruit more workers. In which, Sunjade Vietnam Co., Ltd and Anora Vietnam Co., Ltd were in demand of recruiting around 1,000 employees.⁴⁹ At the same time, FDI enterprises in the electronics industry have planned to move their factories from China to Vietnam, but have been facing a great number of challenges in recruitment. Meanwhile, many FDI enterprises in the electronics sector in Hải Phòng and Bắc Ninh have also been planning to expand their scales of production. Additionally, many new FDI enterprises will also officially come into operation every year. That means human resources in the electronics industry are very scarce for FDI enterprises. In the wave of shifting from China to Vietnam and the plan to expand the scale of electronics production, the demand for human resource recruitment of FDI enterprises is estimated to continuously increase in the coming time. The most typical of these are middle and senior personnel in the positions of factory management, supervision, and assistance for the office sector.⁵⁰

In 2018, Vietnam had 65,823,656 people of 15-64 years of age (32,850,534 males/32,974,072 females). According to other source of data, Vietnam was home to 23,942,527 young people under 15 years of age (12,536,210 males/11,406,317 females) in the same year.⁵¹ In the school year of 2017-2018, the country had nearly 23 million pupils

⁴⁵ Hạnh Nguyên, *supra* note 31.

⁴⁶ Hải Minh, *Khu vực FDI đầy mạnh thu hút nhân sự chất lượng cao*, Báo mới (2018), available at: <https://baomoi.com/khu-vuc-fdi-day-manh-thu-hut-nhan-su-chat-luong-cao/c/26615735.epi>, accessed on Oct. 16, 2020.

⁴⁷ Viện Khoa học Lao động và Xã hội & International Labour Organisation, *supra* note 19 at 20.

⁴⁸ Kiều Linh, *supra* note 24.

⁴⁹ Duy Tuyên, *Thanh Hoá: Hàng chục doanh nghiệp FDI có nhu cầu tuyển dụng lao động*, Tin247.com (Feb. 27, 2020, 13:07 PM), available at: <https://www.tin247.com/thanh-hoa-hang-chuc-doanh-nghiep-fdi-co-nhu-cau-tuyen-dung-lao-dong-15-26876352.html>, accessed on June 19, 2020.

⁵⁰ Thông tấn xã Việt Nam, *Nhu cầu tuyển dụng nhân sự quản lý tăng do tác động của nguồn vốn FDI*, Tuổi trẻ online (Jan. 17, 2019, 15:22 PM), available at: <https://tuoitre.vn/nhu-cau-tuyen-dung-nhan-su-quan-ly-tang-do-tac-dong-cua-nguon-von-fdi-20190117154416739.htm>, accessed on June 19, 2020.

⁵¹ See: <http://thegioibantinh.com/dan-vie%CC%A3t-nam-nam-2018.html>, accessed on Oct. 18, 2020.

and students.⁵² If the number of people under 14 (25%) and over 60 years of age (10%) is taken into account, the non-working group accounted for 35% of the national population.⁵³ In 2014, the proportion of working children by age was as follows: 15.4% at the age of 5-11, 17.0% at the age of 12-14 and 18.5% at the age of 15-17. Generally, the rate of child labor between 5-17 years old was 16.4%. Of these, 7.8% worked in hazardous conditions.⁵⁴ In Vietnam, people of 60 years of age are often considered as elderly and there have been more than 8.4 million people over the age of 60⁵⁵ and 5,262,699 people (2,016,513 males/3,245,236 females) who are over 65 years old. This number is equivalent to around 10.9%⁵⁶ of the population in 2018. The participation rate of women over 55 and men over 60 years of age in Vietnam's labor force is 46.24%. This figure grew from 44.89% to 46.24% in the period of 2012-2016.⁵⁷ Approximately 74% of the 8.4 million people over the age of 60 have been living in rural areas⁵⁸ and over 70% of these are earning living by their own labor powers.⁵⁹ In addition, Vietnam has currently over 500,000 workers abroad under contract in more than 40 countries and territories.⁶⁰ The year 2019 also witnessed 152,530 Vietnamese people more who chose to work abroad under signed contracts, but 35.9% of them were female workers. Of these, 82,703 (54.2%) went to Japan, 54,480 people (35.7%) came to Taiwan, 7,215 (4.7%) arrived in Korea, 3,478 (2.3%) landed in Romania, and the remaining markets attracted 3.1% Vietnamese workers.⁶¹

Even though Vietnam had around 1,063,800 unemployed people, accounting for 2.15% of the total number of people in working age, and about 598,800 underemployed people in the fourth quarter of 2019,⁶² the whole country's 6,317 institutions were locally and

⁵² Tổng cục Thống kê, *Thông cáo báo chí về tình hình kinh tế - xã hội năm 2017*, 11 (Hanoi, 2017).

⁵³ Lâm Văn Bé, *Những biến động dân số Việt Nam*, 5 (2010), available at: <http://namkyluctinh.com/axhdsong/lybe-biendongdansovn.pdf>, accessed on Oct. 18, 2020.

⁵⁴ Tổng cục Thống kê, MICS, Unicef, *Việt Nam điều tra đánh giá các mục tiêu trẻ em và phụ nữ 2014*, UNICEF, 13-14 (2014), available at: https://www.unicef.org/vietnam/sites/unicef.org/vietnam/files/2018-07/MICS2015_Brochure_VN.pdf, accessed on Oct. 18, 2020.

⁵⁵ *Cơ cấu tuổi và giới tính của dân số Việt Nam: bằng chứng từ cuộc điều tra dân số và nhà ở giữa kỳ 2014*, *supra* note 8.

⁵⁶ See: <http://thegioibantinh.com/dan-vie%CC%A3t-nam-nam-2018.html>, accessed on Oct. 18, 2020.

⁵⁷ Viện Khoa học Lao động và Xã hội & International Labour Organisation, *supra* note 19 at 15.

⁵⁸ Lâm Văn Bé, *supra* note 53 at 4-5.

⁵⁹ Trung tâm đào tạo, bồi dưỡng, Tổng cục Dân số - KHHGD, *Tài liệu môn dân số và phát triển* (Tài liệu dung cho các lớp bồi dưỡng nghiệp vụ Dân số-Kế hoạch hóa gia đình đạt chuẩn viên chức dân số), 45-46 (Hà Nội, 2014).

⁶⁰ Viện Khoa học Lao động và Xã hội & International Labour Organisation, *supra* note 19 at 3.

⁶¹ Tổng cục Thống kê, *supra* note 4 at 4-5.

⁶² *Id.* at 1, 4-5.

regionally in need of urgent labor recruitment in 2019.⁶³ Although 4 provinces which had the largest number of enterprises were Ho Chi Minh City (239,623), Hanoi (155,940), Bình Dương (31,599), and Danang (22,566),⁶⁴ the localities which have most institutions in demand of recruitment were Lâm Đồng (1,125) and Vĩnh Long (1,125). Đồng Tháp needed to recruit 47,022 workers, but 46,363 ones had no certificate and 33,618 people (71.5%) worked in the industrial sector. Trà Vinh needed to recruit 44,383 workers, but 43,541 ones without certificates and 44,333 people (99.8%) worked in the industrial sector. Nghệ An was in need of 38,552 workers, but 36,084 ones had no qualifications and 36,688 people (95.2%) worked in the industrial sector. Lào Cai needed to recruit 22,989 workers, but 21,902 ones without certificates and 22,438 (97.6%) worked in the industrial sector.⁶⁵

In a similar development, operating businesses in the province of Đồng Nai needed to recruit around 260,000 employees in the years of 2015-2020. Of these, FDI enterprises wanted to recruit 60% of vocationally trained workers with about 20,000 people per year. Non-state enterprises needed to recruit approximately 9,000 employees annually. The majority of enterprises have been in need of recruiting a large number of vocationally trained workers, but this legitimate and practical demand of the business system does not seem to have been fully and smoothly met at a basic level both over the past few years and in the coming time. Especially, the labor structure of Đồng Nai province has so far only met around 40% of the total number of trained technical workers. The remaining figure is expected to be attracted from other regions in the country.⁶⁶ This fact shows that the labor recruitment demand of localities is very abundant and diverse. However, the capacity to meet the human resource needs of the labor market as well as the higher education system of Vietnam is still inadequate compared to the potential of the economy and the reality of social life.

In terms of each specific sector, manufacturing and information technology were in the highest recruitment demands in the first three months of 2020. Recruitment demands of manufacturing industries increased by 27% compared to that of 2019. It is also in the first quarter of 2020, the demand for recruiting middle and senior personnel of Japanese

⁶³ Tạp chí Giáo dục, *Nhu cầu tuyển dụng lao động của doanh nghiệp*, Tạp chí Giáo dục (July 16, 2019, 15:47 PM), available at: <https://tapchigiaoduc.moet.gov.vn/vi/dao-tao-viec-lam/dao-tao-viec-lam/nhu-cau-tuyen-dung-lao-dong-cua-doanh-nghiep-65.html>, accessed on June 17, 2020.

⁶⁴ Trâm Anh, *supra* note 26.

⁶⁵ Tạp chí Giáo dục, *supra* note 63.

⁶⁶ Lê Hiền, *Doanh nghiệp FDI ở Đồng Nai cần tuyển 120.000 lao động*, Bình Định online (Jan. 3, 2014, 15:40 PM), available at: <http://baobinhdinhhinh.com.vn/viewer.aspx?macm=24&macmp=24&mabb=15812>, accessed on June 20, 2020.

enterprises in Vietnam stayed stable. By the second quarter of 2020, the labor market was reported to be even more active, especially the increasing recruitment demand of Japanese enterprises in the manufacturing industries and information technology.⁶⁷ Simultaneously, 138,139 enterprises were newly established in the whole country in 2019. This figure increased by 5.2% compared to that of 2018. Up to 99,548 of these enterprises registered to operate in the service sector, 36,562 enterprises in the industry and construction sector, and 2,029 enterprises in the agriculture, forestry, and fishery.⁶⁸ Labor recruitment demand of enterprises in the second half of 2020 was reported to grow strongly.⁶⁹ When the Covid-19 pandemic was in control, recruitment demand exploded, as businesses needed human resources to revive production and business activities.⁷⁰

To sum up, Vietnam's labor market has many positive changes in terms of job positions. The proportion of wage earners and salaried workers increased from 17,847 million people (34.7% of the total employed population) in 2012 to 22,839 million people (42.8%) out of 53,403 million people in the second quarter of 2017. The remaining 30.6 million workers (57.2%) worked informally in different professions.⁷¹ At the same time, Vietnam has been trying to build an attractive business environment to have one million enterprises by the end of 2020.⁷² However, while the unindustrialized provinces have increased the recruitment of simple workers and mainly without training certificates, the business system of urban centers have been more inclined to recruit highly qualified human resources. In the fourth quarter of 2019, the whole country had 89,500 vacant jobs registered by businesses. This number decreased by 30,900 people (25.7%) compared to that of the third quarter of 2019. Of these, female workers accounted for 63.1%. This figure increased by 9.5% compared to that of the third quarter of 2019. The recruitment demand of private enterprises accounted for 73.4%, FDI enterprises accounted for 14.6%, and state-owned enterprises accounted for

⁶⁷ Thị Hồng, *Nhu cầu tuyển dụng trong ngành sản xuất tăng 27% so với cùng kỳ*, Đầu tư online (Apr. 18, 2020, 14:22 PM), available at: <https://baodautu.vn/nhu-cau-tuyen-dung-trong-nganh-san-xuat-tang-27-so-voi-cung-ky-d120326.html>, accessed on June 17, 2020.

⁶⁸ Trâm Anh, *supra* note 26.

⁶⁹ Trần Oanh, *Tháng 5, nhu cầu tuyển dụng của doanh nghiệp sẽ rất lớn*, Kinh tế & Đô thị (May 7, 2020, 10:37 AM), available at: <http://kinhtedothi.vn/thang-5-nhu-cau-tuyen-dung-cua-doanh-nghiep-se-rat-lon-383543.html>, accessed on June 17, 2020.

⁷⁰ Hoa Quỳnh, *Nhu cầu tuyển dụng sẽ “bùng nổ” khi dịch Covid-19 được kiểm soát*, Công thương (Apr. 18, 2020, 10:30 AM), available at: <https://congthuong.vn/nhu-cau-tuyen-dung-se-bung-no-khi-dich-covid-19-duoc-kiem-soat-136078.html>, accessed on June 17, 2020.

⁷¹ Viện Khoa học Lao động và Xã hội & International Labour Organisation, *supra* note 19 at 15-16.

⁷² Trâm Anh, *supra* note 26.

10.3% of the total recruitment needs⁷³ of the entire enterprise system. All of them prove that Vietnam's both immediate and long-term economy has been in need of a large number of high quality human resources.

2.3. Human resource training capacities of Vietnam's current higher education system

Although the current national education system of Vietnam is relatively complete, the ability to train human resources for the labor market only focuses on higher education institutions. This system is divided into 3 main groups as follows:

Direct-practice labor training institutions: Vietnam's network of 1,917 vocational training institutions spread across the country with 400 colleges, 492 intermediate schools, and 1025 centers in 2019.⁷⁴ As of December 31, 2016, the country had 67,686 vocational teachers. This number increased by 11.35% (6,902 people) compared to that of 2015.⁷⁵ In 2019, the system of vocational training institutions recruited around 2,338,000 learners. Of these, about 568,000 people studied intermediate and college training programs. This number reached 103.5% compared to that of the enrollment plan of the year. This achievement made the enrollment work of Vietnam's vocational education system exceeded the plan for the third consecutive year.⁷⁶ In 2017, the system of vocational education institutions of Vietnam provided the labor market with 2,038,672 trained people. Of these, around 488,672 people have vocational education of college and intermediate level. About 1,550,000 remaining people had elementary vocational qualifications and under three months-vocational training certificates.⁷⁷ This achievement contributed to improving the total number of skilled workers in Vietnam to 5% of the total number of national workforce in 2016.⁷⁸ At the same time, approximately 80-85% of vocational learners were employed within six months with an

⁷³ Tổng cục Thống kê, *supra* note 4 at 4-5.

⁷⁴ Đỗ Hòa, *Cả nước có gần 2.000 cơ sở giáo dục nghề nghiệp*, Hải quan online (Sept. 20, 2019, 20:34 PM), available at: <https://haiquanonline.com.vn/ca-nuoc-co-gan-2000-co-so-giao-duc-nghe-nghiep-111905.html>, accessed on June 17, 2020.

⁷⁵ National Institute for Vocational Education and Training (2018), *Vietnam Vocational Education and Training Report 2016*, Hanoi, p. 58.

⁷⁶ VP TCGDNN, *Tổng cục Giáo dục nghề nghiệp tổng kết năm 2019, phương hướng, kế hoạch năm 2020*, Directorate of Vocational Education and Training (Jan. 10, 2020), available at: <http://gdnn.gov.vn/AIAdmin/News/View/tabid/66/newsid/37608/seo/Tong-cuc-Giao-duc-nghe-nghiep-tong-ket-nam-2019-phuong-huong-ke-hoach-nam-2020/Default.aspx>, accessed on June 17, 2020.

⁷⁷ Tổng cục Thống kê, *Bản tin cập nhật thị trường lao động Việt Nam, Số 16, Quý 4 năm 2017, 6 (2017)*.

⁷⁸ Yên Nhi, *Thị trường lao động Việt: Chất lượng chưa tương xứng với bằng cấp!*, VnMedia.vn (June 28, 2017, 15:26 PM), available at: <http://vnmedia.vn/kinh-te/201706/thi-truong-lao-dong-viet-chat-luong-chua-tuong-xung-voi-bang-cap-572146/>, accessed on Oct. 18, 2020.

average income of around 7-10 million per month. The proportion of being employed of particular occupational learners even reached 100%.⁷⁹

Human resource training for academic practice: Vietnam was home to 237 universities and institutes in 2019. Of these, there were 172 public ones, 60 private ones, and 5 100% foreign invested universities. In addition, Vietnam's higher education system also included 31 colleges of education and 2 intermediate schools for pedagogy.⁸⁰ 16,514 out of 72,792 Vietnamese university lecturers achieved doctoral degrees and 43,065 ones possessed master degrees in the school year of 2016-2017.⁸¹ The remainder were primary and secondary specialists (557 people), bachelor and college degrees (12,507 people), and other qualifications (149 people). The proportion of doctoral lecturers in the school year of 2016-2017 increased by 19.74% compared to that of the previous school year, while the total number of faculty members increased by 4.6% in the same period. Of these, 57,634 lecturers worked in public universities and 15,158 ones were members of non-public universities.⁸² In the school year of 2019-2020, 1,518,986 students enrolled in Vietnam's higher education system.⁸³ Around 43% of them studied economics and law, but only about 15% chose basic sciences and technology sciences for their future professions.⁸⁴ Every year, the Vietnamese higher education system provides the labor market with approximately 300,000 graduate experts.⁸⁵

Human resource training for academic theory: out of a total number of 237 Vietnam's higher education institutions in 2019, most universities were licensed to open

⁷⁹ Đỗ Hòa, *supra* note 74.

⁸⁰ Thủy Linh, *Những con số nổi bật của giáo dục đại học Việt Nam*, *Giáo dục Vietnam* (Aug. 17, 2019, 07:23 AM), available at: <https://giaoduc.net.vn/giao-duc-24h/nhung-con-so-noi-bat-cua-giao-duc-dai-hoc-viet-nam-post201566.gd>, accessed on June 17, 2020.

⁸¹ Huy Quang, *Những con số biết nói trong bức tranh giáo dục đại học Việt Nam*, *Tiền phong* (Aug. 15, 2017, 09:43 AM), available at: <https://www.tienphong.vn/giao-duc/nhung-con-so-biet-noi-trong-buc-tranh-giao-duc-dai-hoc-viet-nam-1176124.tpo>, accessed on Oct. 14, 2020.

⁸² Xuân Diệp, *Năm học 2016-2017: Số lượng giảng viên tăng*, *Công lý* (Aug. 22, 2018, 22:32 PM), available at: <https://congly.vn/xa-hoi/giao-duc/nam-hoc-2016-2017-so-luong-giang-vien-tang-223048.html>, accessed on June 17, 2020.

⁸³ Hạnh Thảo & Hà Hạnh, *Hơn 22 triệu học sinh bắt đầu năm học mới 2019 - 2020*, *Thời báo Tài chính Việt Nam* online (Sept. 5, 2019, 10:49 AM), available at: <http://thoibaotaichinhvietnam.vn/pages/xa-hoi/2019-09-05/hon-22-trieu-hoc-sinh-bat-dau-nam-hoc-moi-2019-2020-75938.aspx>, accessed on June 17, 2020.

⁸⁴ Đinh Thị Nga, *Đầu tư của nhà nước cho giáo dục, đào tạo: Thực trạng và một số đề xuất*, *Tạp chí Tài chính* (Oct. 29, 2017, 03:00 AM), available at: <http://tapchitaichinh.vn/nghien-cuu-trao-doi/dau-tu-cua-nha-nuoc-cho-giao-duc-dao-tao-thuc-trang-va-mot-so-de-xuat-125673.html>, accessed on Oct. 19, 2018.

⁸⁵ Lê Phương, *Góc nhìn đại biểu: đào tạo nguồn nhân lực chưa đáp ứng yêu cầu thực tiễn*, (Oct. 15, 2019), available at: <http://quochoi.vn/UserControls/Publishing/News/BinhLuan/pFormPrint.aspx?UrlListProcess=/content/tintuc/Lists/News&ItemID=42321>, accessed on June 19, 2020.

master degree training or joint programs. Most specialized and leading universities⁸⁶ as well as 41 scientific research institutes were allowed to offer doctoral training programs.⁸⁷ The number of enrollments at postgraduate degrees increased continuously until the school year of 2018-2019.⁸⁸ In 2017, this system trained 105,801 master students, 13,587 doctoral students,⁸⁹ and granted degrees for more than 1,000 doctors.⁹⁰ In the school year of 2018-2019, Vietnam's higher education system was training 108,134 postgraduate learners, of which around 11,000 students were trained in doctoral programs.⁹¹ A total number of 35,918 masters and doctorates (1,234) graduated from Vietnam's higher education institutions in the school year of 2016-2017. This number increased to 38,021 in the school year of 2017-2018, including 1,545 doctorates. If the number of graduates from universities of security, defense, and international owners in Vietnam is included, this figure is certainly significantly bigger.⁹²

In summary, Vietnam has built up a comprehensive education system with a full range of education levels and types of training in all parts of the country. However, while the number of faculty members of non-public universities has been increasing by around 600 people, this number of public universities has declined by nearly 3,000 people over the past few years.⁹³ Simultaneously, approximately 1.3 million people are working in Vietnam's education system, but around 40,000-50,000 people need further training or retraining.⁹⁴ This reality made the total number of graduates who possess at least a university degree and are ready to join the workforce decrease from around 300,000 per year in 2016 to only 235,000 to 267,000 in 2019.⁹⁵ While the labor market as well as the economy itself is in need of recruiting high quality human resources and the quality of training of Vietnam's higher

⁸⁶ Thùy Linh, *supra* note 80.

⁸⁷ Thùy Linh & Trinh Phúc, *Số lượng sinh viên đang chờng lại và giảm sút*, Giáo dục Việt Nam (Aug. 17, 2018, 11:06 AM), available at: <https://giaoduc.net.vn/giao-duc-24h/so-luong-sinh-vien-dang-chung-lai-va-giam-sut-post188997.gd>, accessed on June 19, 2020

⁸⁸ Minh Giảng, *Mỗi năm có hơn 1.500 tiến sĩ, hơn 36.000 thạc sĩ tốt nghiệp*, Tuổi trẻ online (May 7, 2020, 17:15 PM), available at: <https://tuoitre.vn/moi-nam-co-hon-1-500-tien-si-hon-36-000-thac-si-tot-nghiep-20200507161650656.htm>, accessed on June 19, 2020.

⁸⁹ Huy Quang, *supra* note 81.

⁹⁰ Nghiêm Huê, *Toàn cảnh "bức tranh" tiến sĩ Việt Nam*, Tiền phong (Nov. 29, 2017, 06:25 AM), available at: <https://www.tienphong.vn/giao-duc/toan-can-h-buc-tranh-tien-si-viet-nam-1212927.tpo>, accessed on Oct. 18, 2020.

⁹¹ Minh Giảng, *supra* note 88.

⁹² *Id.*

⁹³ *Id.*

⁹⁴ Đức Duy, *Khoảng 500.000 giáo viên cần phải đào tạo lại*, Infonet (Sept. 7, 2019, 11:49 AM), available at: <https://infonet.vietnamnet.vn/gioi-tre/khoang-500-000-giao-vien-can-phai-dao-tao-lai-13275.html>, accessed on June 19, 2020.

⁹⁵ Minh Giảng, *supra* note 88.

education system is also improving clearly, the number of graduates is tending to go down. This fact shows that the Vietnamese labor market tends to be more differentiated among lower education levels. Meanwhile, Vietnam's higher education institutions have not been able to fully meet the training needs of an increasingly improved human resource in both quantity and quality of the labor market.

3. Conclusion

In conclusion, Vietnam is currently in possession of a very rich and abundant labor force. The average age of the Vietnamese population is 32.5.⁹⁶ The proportion of the people aged 15-64 still accounts for around 68% of the total population.⁹⁷ Vietnam's labor force in the fourth quarter of 2019 was 56.12 million people.⁹⁸ That means Vietnam's population is in the period of golden structure.⁹⁹ Of Vietnam's 56.12 million workers in the fourth quarter of 2019, the labor force participation rate was 76.60%.¹⁰⁰ In the period of 2009-2019, the proportion of employment by sector had a very positive shift towards reducing the proportion of labor in the agriculture, forestry and fishery from 53.9% in 2009 to 46, 3% in 2014 and 35.3% in 2019. In 2019, the number of employees in the service sector was higher than that of the agriculture, forestry and fishery combined.¹⁰¹ By the first quarter of 2020, 19.5 million people worked in the service sector (36%), an increase of up 0.4% compared to that of the same period of the previous year (35.6%), 18.2 million people worked in the agriculture, forestry, and fishery (33.5%), a reduction of 1.7% in comparison with that of the same period of the previous year (35.2%), and 16.5 million people earned living in the industry and construction (30.5%), a rise of 1.3% compared to that of the same period of the previous year (29.2%).¹⁰² The demand for human resources of the economy is both increasing and undergoing fundamental changes towards restructuring the structure of profession and quality of qualifications. In order to meet the increasing needs of human resource training for the labor market, Vietnam has invested in building a relatively comprehensive higher education system. In practice, the proportion of the population with technical expertise was improved

⁹⁶ See: *Dân số Việt Nam* (June 18, 2020), available at: <https://danso.org/viet-nam/>, accessed on June 18, 2020.

⁹⁷ T.Chung, *supra* note 12.

⁹⁸ Tổng cục Thống kê, *supra* note 4 at 1-8.

⁹⁹ T.Chung, *supra* note 12.

¹⁰⁰ Tổng cục Thống kê, *supra* note 4 at 1-8.

¹⁰¹ Tổng cục Thống kê, *supra* note 2.

¹⁰² Tổng cục Thống kê, *supra* note 3.

around 5.9% in the period of 2009-2019. Nevertheless, approximately 80.8% of Vietnam's population of over 14 years of age had no professional or technical qualifications in 2019.¹⁰³ This means that although Vietnam's size of population is relatively large and the workforce is very abundant, nearly 4 out of 5 of Vietnam's population have currently no officially recognized technical qualification or professional skill. This disadvantage will result in uncomplicated consequences in the global competition of the knowledge economy and the automated value chain of the Industrial Revolution 4.0. This forces Vietnam to simultaneously implement policies to adapt to the aging population and take advantage of the golden human resources for economic development to overcome the middle income trap¹⁰⁴ that many developing countries are suffering.



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¹⁰³ Tổng cục Thống kê, *supra* note 2.

¹⁰⁴ T.Chung, *supra* note 12.