



# **PUBLIC EMPLOYMENT SERVICES AND ACTIVE LABOUR MARKET POLICIES – AN IMPORTANT CONTRIBUTION TO SOCIO-ECONOMIC RECOVERY AND DEVELOPMENT IN VIET NAM**

*MA. Ngo Xuan Lieu  
Director of National Center for Employment Services  
Department of Employment – MOLISA*

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# OUTLINE

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A glance at Viet Nam's labour market

2

Public employment services in Viet Nam

3

Active labour market policies

4

Ways forward

# A glance at Viet Nam's labour market

## SOME LABOUR MARKET INDICATORS <sup>(1)</sup>

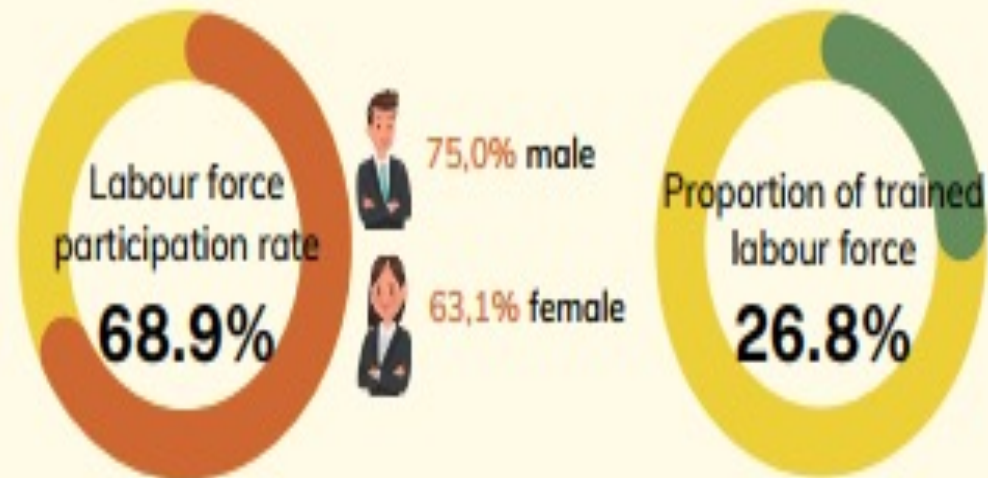
### LABOUR FORCE

**52.3 million people**

participating in the labour force


↗ 100 thousand people compared to Q1/2023


↗ 0.7 million people compared to Q2/2022



### EMPLOYMENT

 Service **39.7%**

 Industry and construction **33.4%**

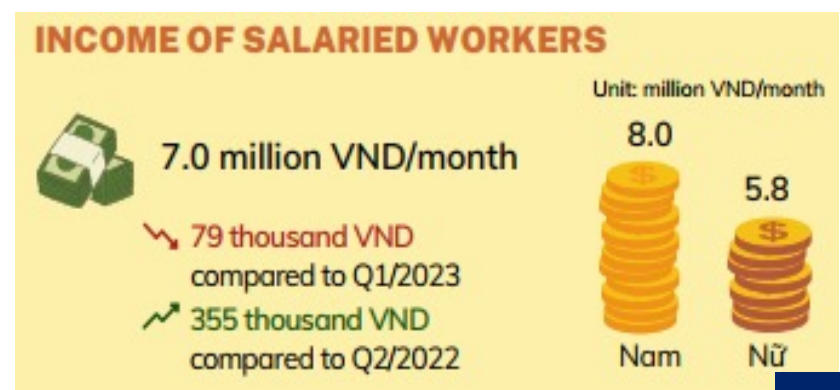
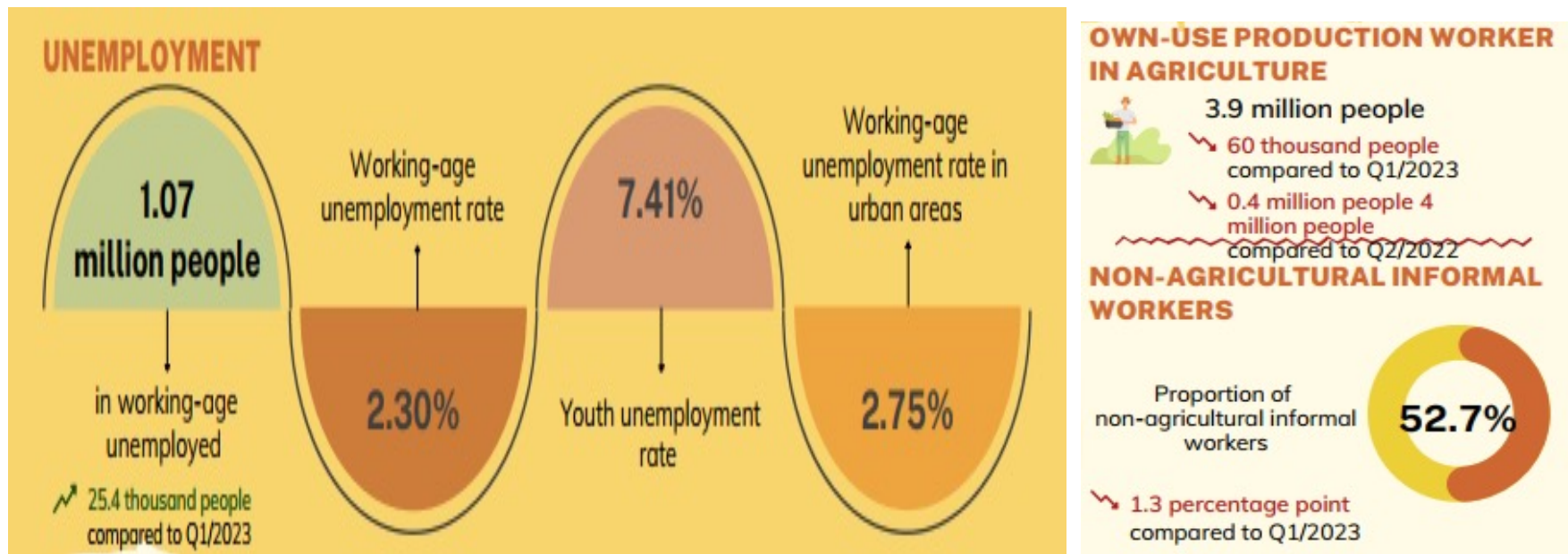
 Agriculture, forestry and fishery **27.0%**

**51.2 million employed people**

↗ 83.3 thousand people compared to Q1/2023

↗ 691.4 thousand people compared to Q2/2022

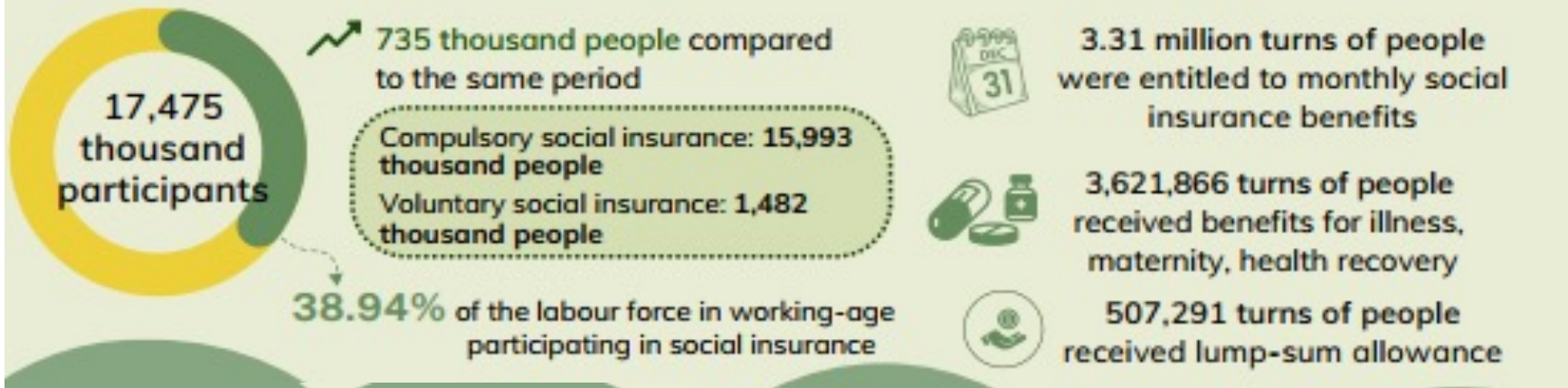
# A glance at Viet Nam's labour market



# A glance at Viet Nam's labour market

## SOCIAL INSURANCE AND UNEMPLOYMENT INSURANCE

### SOCIAL INSURANCE (ESTIMATED TO 31/5/2023)<sup>(2)</sup>

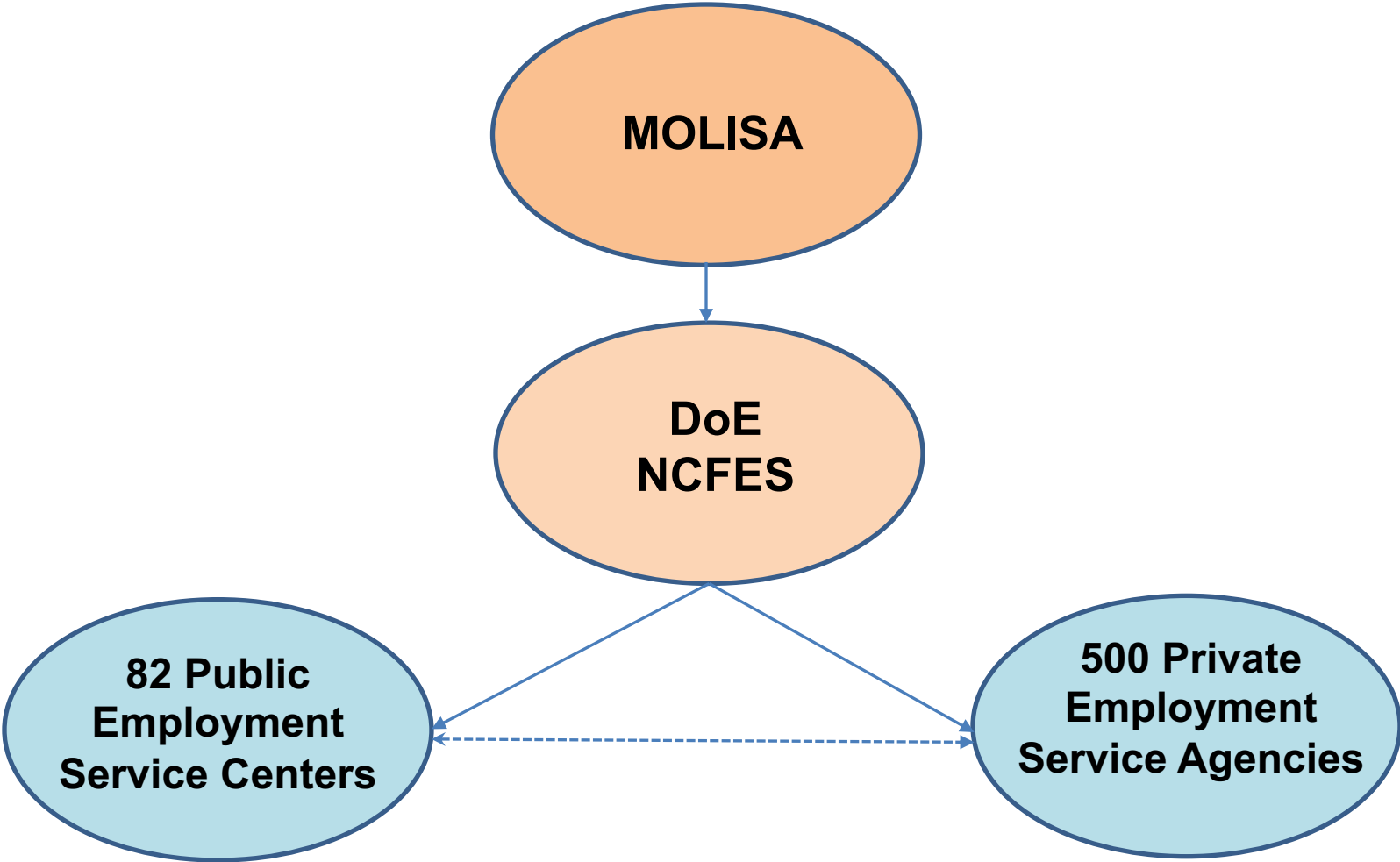


### UNEMPLOYMENT INSURANCE<sup>(3)</sup>



(2) Data source: Department of Social Insurance

# Public employment services in Viet Nam



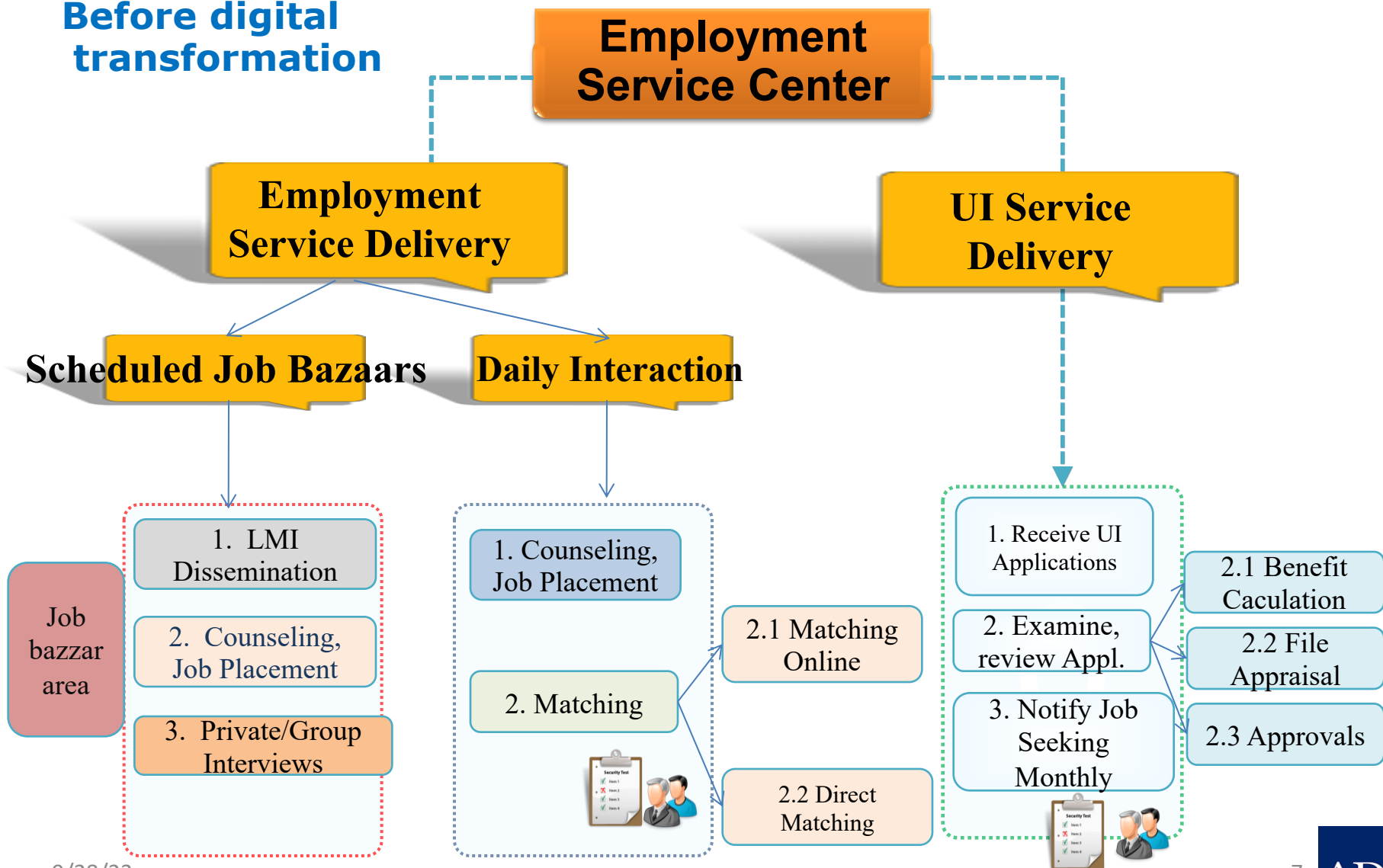
# Public employment services in Viet Nam

## Core tasks and functions

- Provide services of career guidance, job consultation, vocational training and the consultation of related policies;
- Provide job placement, recruitment and labour supply in accordance with employer's demand;
- Collect, analyze, forecast and provide labour market information (LMI);
- Provide training on job search skills, skills development and vocational training;
- Implement unemployment insurance schemes;
- Support labour/skills mobility;
- Implement employment promotion programs

# Public employment services in Viet Nam

Before digital transformation



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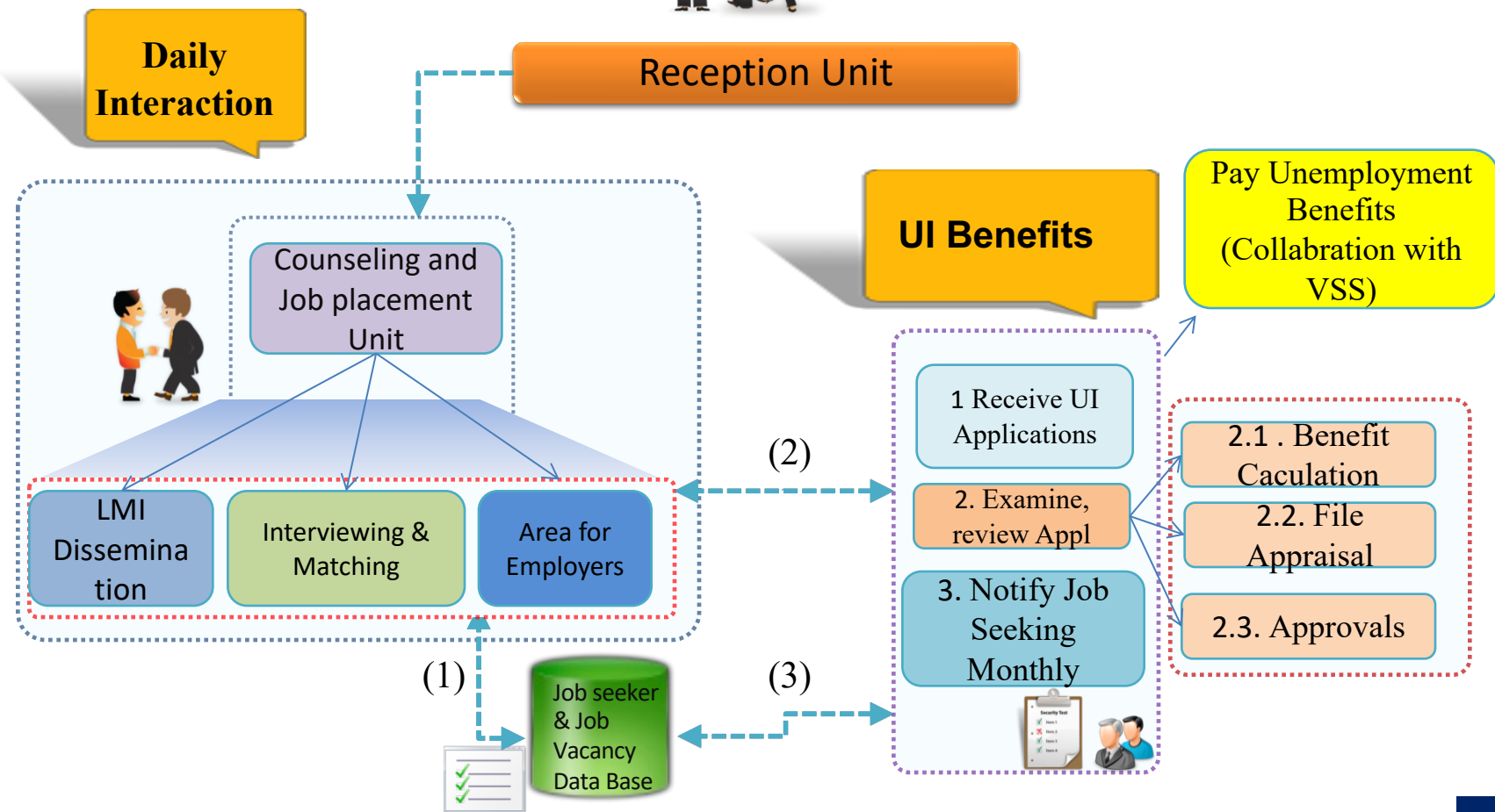


# Public employment services in Viet Nam

... in process of digital transformation



*Job Seekers (including the unemployed) and Employers*



# Public employment services in Viet Nam

Diversify of service delivery through:

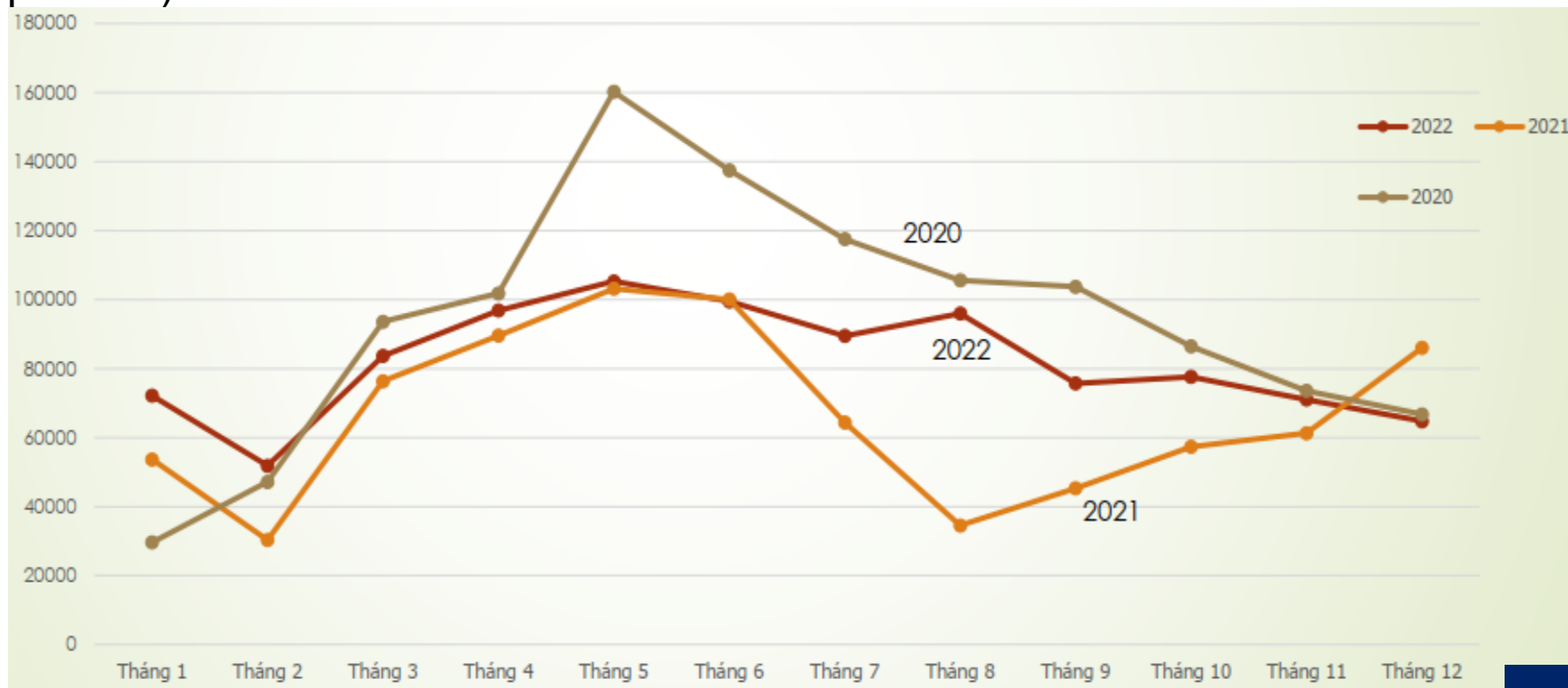
- Job fairs;
- Job matching sessions;
- Currently, job bazaars (both in persons and online) with job matching sessions held regularly by ESCs nationwide.



# Public employment services in Viet Nam

## The service delivery to the unemployed, 2020 - 2022

The total number of the unemployed applying for unemployment benefits nationwide in 2022 is 983.810 persons, an increase of 22.7% compared to 2021 (801.925 persons), and a decrease of 12.4% compared to 2020 (1,123,546 persons).



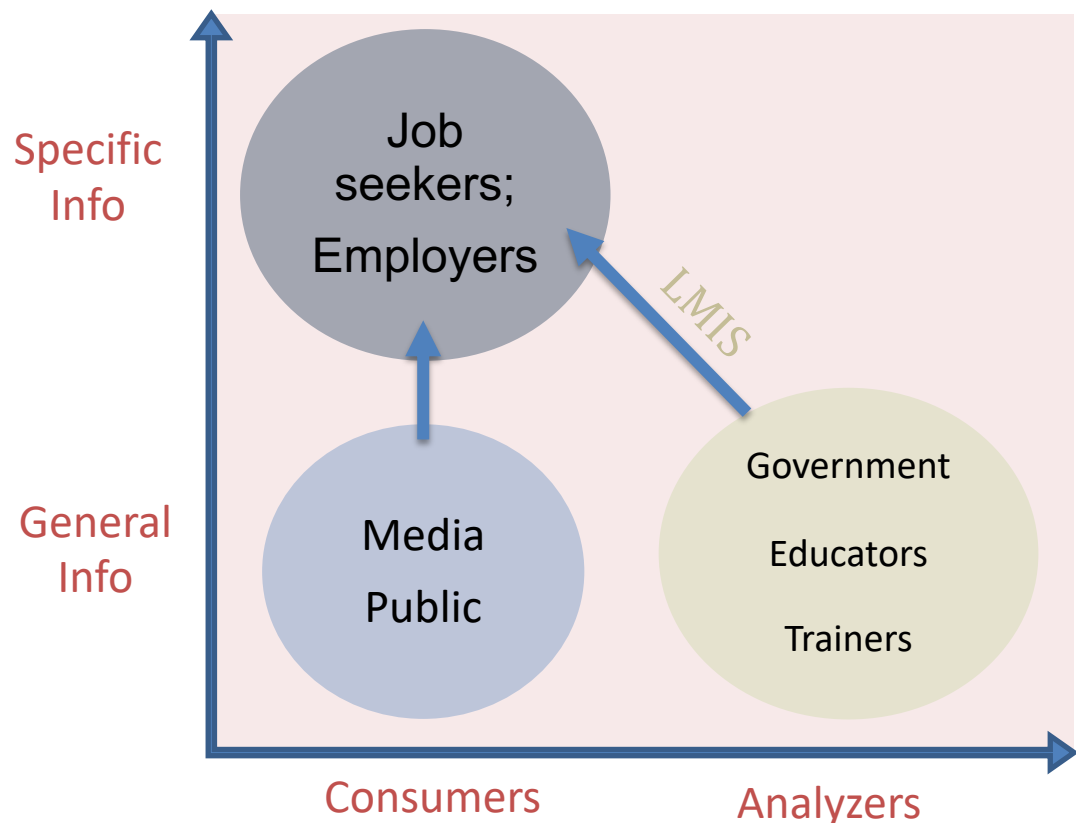
# Public employment services in Viet Nam

## What LMI is provided by the PES?

Information about labor demand and supply:

- Skills and task content of occupations;
- Occupational trends;
- Job seekers and Job vacancies;
- Trends of recruitment needs;
- Labor mobility, earnings, career progression, education and training options, ...

LMIS provide labor market stakeholders with up-to-date information for better decision making

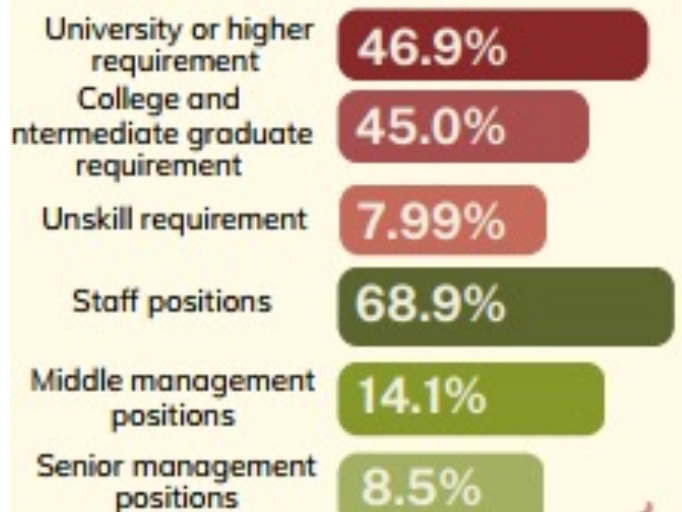


# Public employment services in Viet Nam

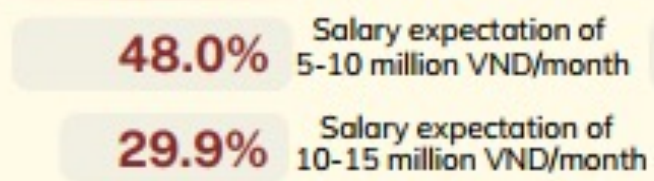
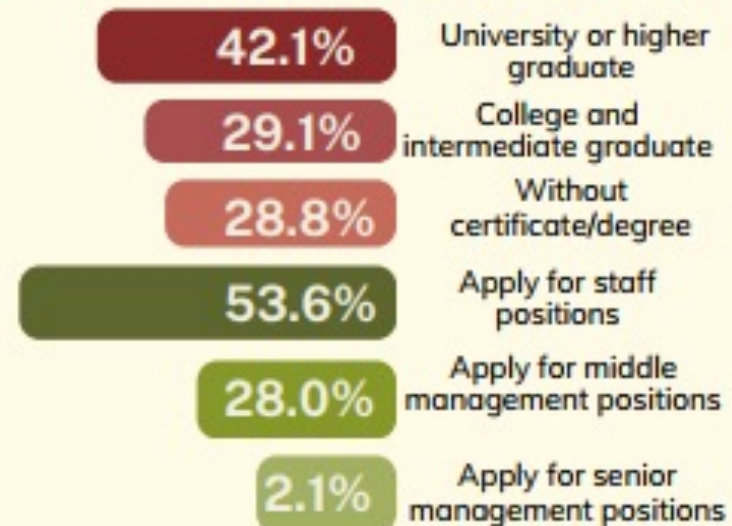
## RECRUITMENT AND JOB SEEK TRENDS <sup>(5)</sup>

Analysis of recruitment data of enterprises and job search data of workers from the internet in Q2/2023: 20,144 turns of recruit for 70,504 workers, 78,074 workers are searching for jobs

### RECRUITMENT TRENDS








### CHARACTERISTICS OF JOB SEEKERS



# Public employment services in Viet Nam

## TOP 5 INDUSTRIES WITH THE HIGHEST RECRUITMENT DEMAND

Information and communication	17.54%	
Financial, banking and insurance activities	13.35%	
Whole sale and retail trade; repair of motor vehicles and motorcycles	11.66%	
Other service activities	8.78%	
Administrative and support service activities	8.10%	

## TOP 5 OCCUPATIONS WITH THE HIGHEST RECRUITMENT DEMAND

Senior expert	27.50%
Leadership and management in the enterprise	24.73%
Mid-level specialist	20.46%
Service and sales staff	7.60%
Machine assemblers and operators	6.08%

## TOP 5 OCCUPATIONS WITH THE HIGHEST RECRUITMENT DEMAND

Accountant

Administrative and office staff

IT-Software engineer

Customer service

Advertising, marketing

## TOP 5 OCCUPATIONS WITH THE HIGHEST JOB SEEK

Real estate broker

Textile

Food & Beverage

Transportation and storage


Insurance

# Public employment services in Viet Nam

## THE LABOR MARKET OUTLOOK Q3/2023<sup>(5)</sup>



**51.5 million people**  
have jobs

 **267 thousand people**  
compared to Q2/2023

### FORECAST OF +/- JOB DEMAND IN SOME INDUSTRIES

Food Service

**+114 thousand people**

Wholesale (except for cars, motorcycles,  
motorbikes and other motor vehicles)

**+105 thousand people**

Manufacture of electrical equipment

**+69,7 thousand people**

Production of costumes

**-123 thousand people**

Agriculture and related service  
activities

**-78 thousand people**

Retail (except for automobiles, motorcycles,  
motorbikes and other motor vehicles)

**-32 thousand people**

# Public employment services in Viet Nam

The challenge as well as the way forward for Viet Nam PES is to digitalize service delivery



# What kinds of active labour market polices are available in Viet Nam?

## GOVERNMENT'S SUPPORTIVE POLICY FRAMEWORK FOR DIGITAL ECONOMY DEVELOPMENT

### Program for National Digital Transformation towards 2025, vision for 2030

- Promote three pillars: digital government, digital economy and digital society
- Establish Vietnamese digital businesses with global capacity

### National Strategy for Digital Economy and Society towards 2025, vision for 2030

- Digital economy to account for 20% of GDP by 2025 and 30% of GDP by 2030
- Digital economy to account for at least 10% of each sector/industry by 2025 and at least 20% by 2030

### National Master Plan on E- Commerce (2021-2025)

- 55% of the population participate in online shopping
- Non-cash payment in e-commerce reaches 50%

## TRENDS

1

**Online shopping is surging**

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2

**Online payment services are booming**

3

**E-commerce & digital economy is growing**

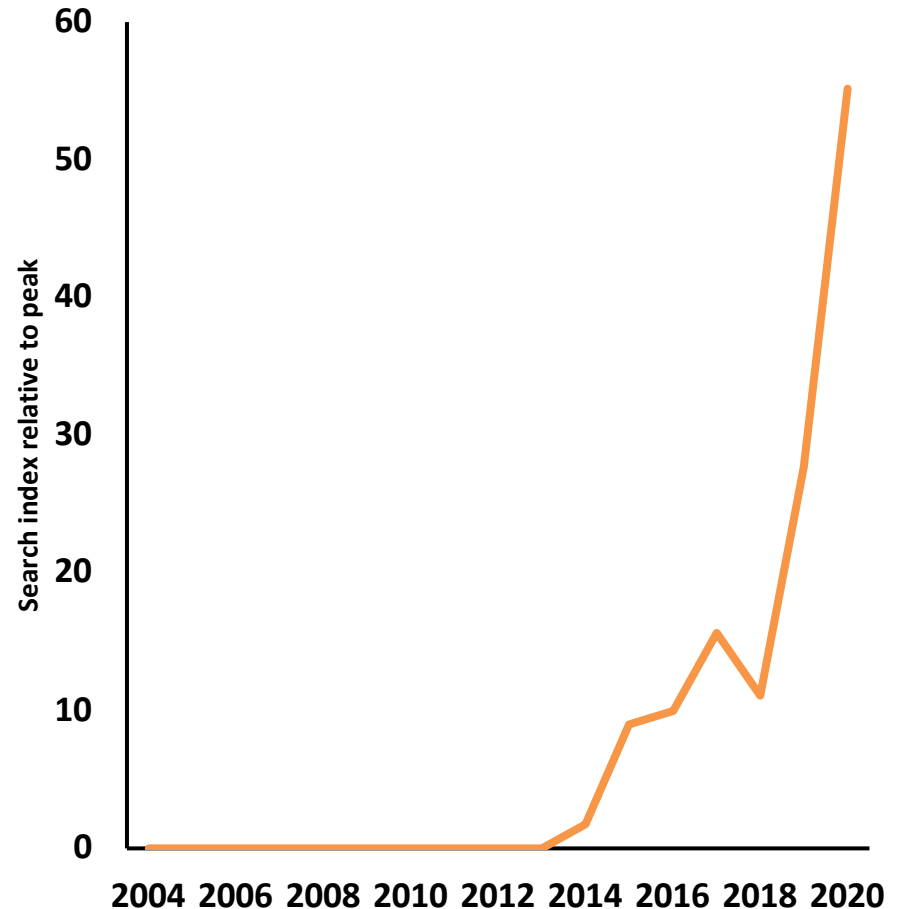
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# ..... And how do they work?

## **Digitization is creating new jobs. Many new jobs are in ICT and data-related positions**

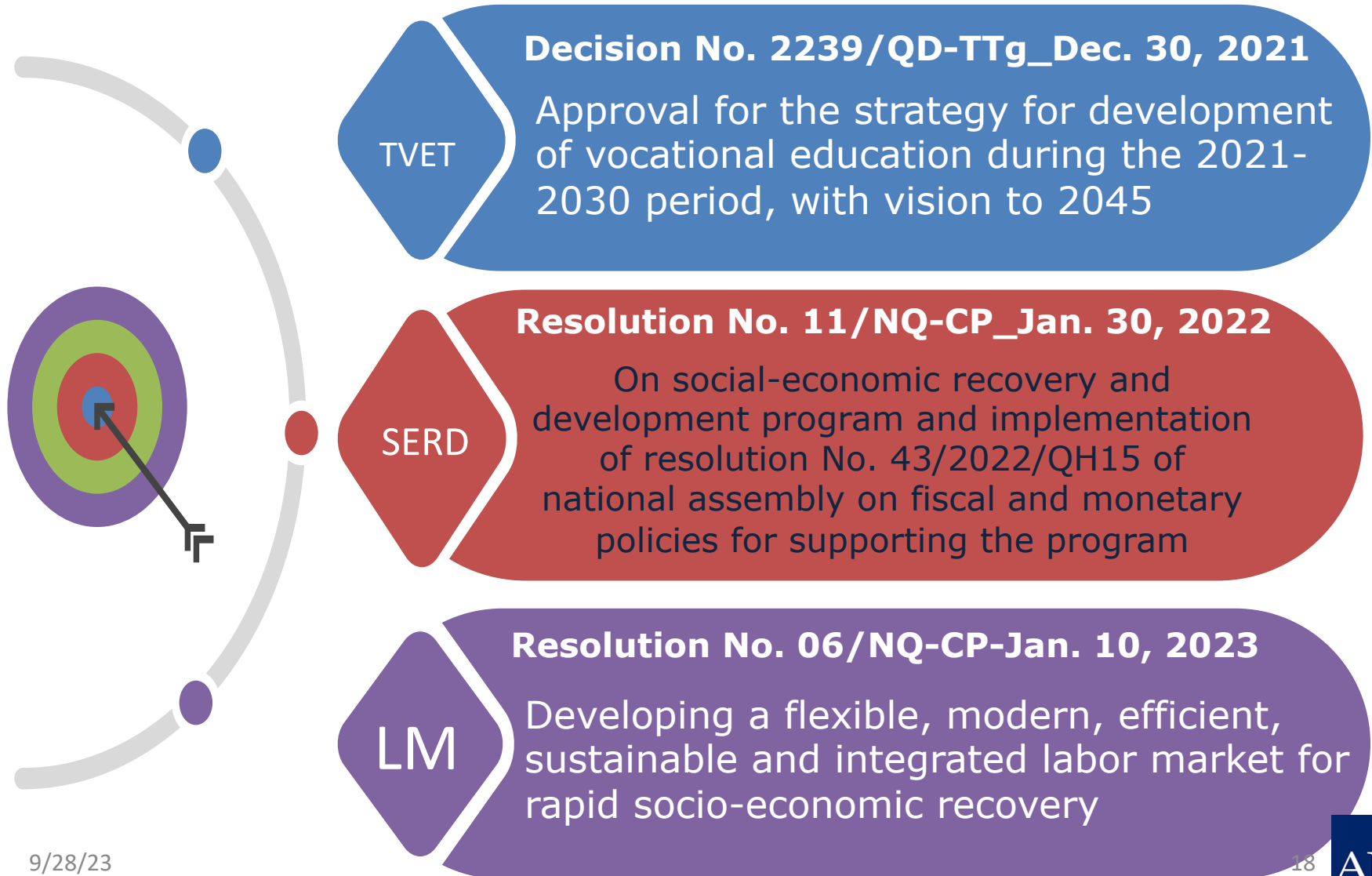
- For example, Google searches for “full stack developer” appeared for the first time in Vietnam in 2014, but have increased sharply since then.
- 68% of jobs in Viet Nam require digital skills.
- By 2030 more than 1 million IT workers needed
- By 2045, an estimated 10 million net new jobs created, mainly in modern services (finance, communication and tourism).

Google searches for “Full Stack Developer” in  
Vietnam, 2004-2020



Source: Google Trends

# ...And how is Viet Nam levelling up its labour force to meet the demand of growing economy?



# Decision No. 2239/QD-TTg\_Dec. 30, 2021: Approval for the strategy for development of vocational education during the 2021-2030 period, with vision to 2045

1. Formulate complete regulatory policies, improve the effectiveness and efficiency of state management of vocational education.
  2. Accelerate digital transformation, modernize facilities and equipment, and innovate new training programs and methods
  3. Develop a team of teachers, artisans, experts, trainers and administrators involved in vocational education activities
  4. Closely link vocational education with businesses and the labor market
  5. Scientific research and technology transfer; career guidance, entrepreneurship and innovation
  6. Increase mobilization and improve the efficiency of financial investments in vocational education
  7. Communicate and enhance the images, brands and social values of vocational education
  8. Take initiative in and improve the efficiency in international integration in the vocational education field
- Rapidly develop vocational education to meet various needs of the LM, the people and the increasing requirements as to the quantity, structure and quality of skilled human resources**

# **Resolution No. 11/NQ-CP\_Jan. 30, 2022: On social-economic recovery and development program and implementation of resolution No. 43/2022/QH15 of national assembly on fiscal and monetary policies for supporting the program**

## **OBJECTIVES**

- Restoring and rapidly developing business and production, stimulating growth motives, giving priority to several important industries and fields, striving to achieve objectives in the 2021 – 2025 period: the average GDP growth rate will be 6.5 – 7%/year, the public debt indicators will be below the warning level that the National Assembly gives its permission to achieve by the National Assembly's Resolution No 23/2021/QH15, the unemployment rate in urban areas is below 4%; maintaining the macro-economic stability and ensuring the major balances in medium and long term.
- Reducing costs, supporting cash flow, ensuring the proactiveness and creating favorable conditions for enterprises, economic organizations and people
- Effective preventing and controlling of COVID-19; ensuring social security and people's life, especially workers, the poor, weak people and people heavily affected by COVID-19; ensuring national defense, security, social order and safety.

# Resolution No. 11/NQ-CP\_Jan. 30, 2022 (Continued...)

## SPECIFIC TASKS AND SOLUTIONS

- Open the economy in association with investment in improving the health capacity and Covid-19 prevention and control
- Ensure social security and employment support
- Support recovery of enterprises, cooperatives and household businesses
- Invest in development of infrastructure
- Reform institutions, reform administration and improve investment and business environment

## .... How to ensure social security and support for employment

- Renting houses/ accommodation for workers who are working in the enterprises in industrial parks, export processing zones or key economic zones.
- Continue reviewing, studying and adopting policies to promptly support people and workers who face difficulties caused by COVID-19.
- Support loan interest of 2% in the 02-year period of 2022-2023 for loans with interests of more than 6% per year disbursed by the Vietnam Bank for Social Policies in the period of 2022-2023. Total interest support capital is up to **VND 3.000 billion.**
- Continue refinancing to the Bank for Social Policies for lending to employers for payment of furlough and production recovery wages and ensuring its feasibility and quick implementation.
- Invest in reinforcing the connection between the national labor supply and demand on the online platform to serve the job consultancy and job placement and labor supply; building, renovating, upgrading, expanding and modernizing vocational training and job creation facilities, especially a high quality college, and carrying out the digital transformation in the field of occupational education; raise capacity of first-line facilities in the system of social assistance facilities to care for people undergoing traumatic events, street homeless people and vulnerable people affected by COVID-19.
- Equip tablet computers according to the “Sóng và máy tính cho em” Program. Total funding is up to **VND 1.000 billion.**

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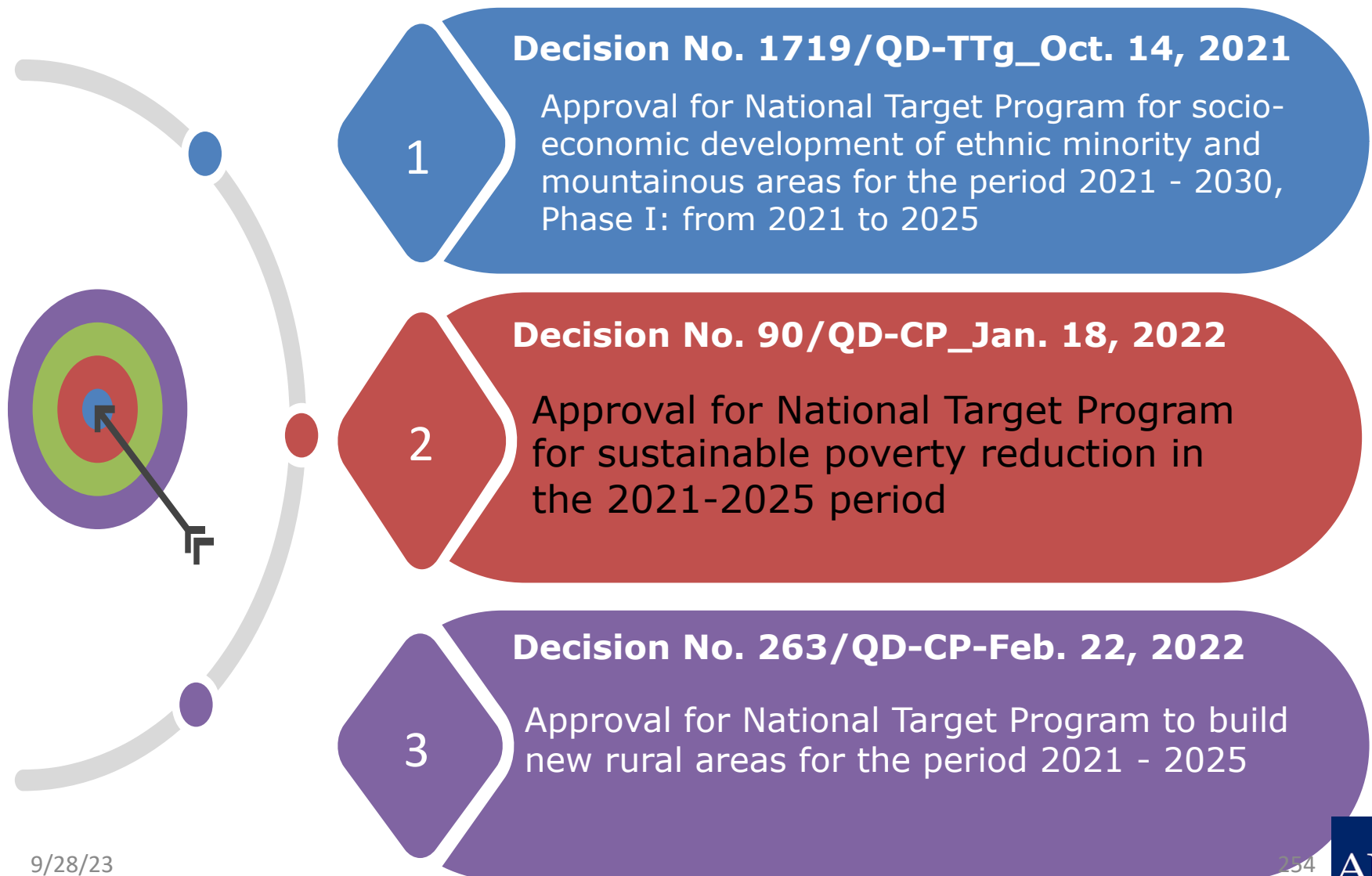
ADB

## .... How to ensure social security and support for employment

- Effectively implement policies on preferential loans by Vietnam Bank for Social Policies:
  - Policy on loans applied for job creation, maintenance and extension. The total loan capital is up to **VND 10.000 billion**.
  - Policy on loans applied for purchase, lease-purchase of social housing, workforce housing; construction or renovation of houses according to policies on social houses. The total loan capital is up to **VND 15.000 billion**.
  - Policy on loans applied for purchase of computers, online learning equipment and cover for learning costs for pupils and students. The total loan capital is up to **VND 3.000 billion**.
  - Policy on loans applied for execution of the national target Program for socio-economic development in ethnic minority and mountainous areas for the period of 2021-2030. The total loan capital is up to **VND 9.000 billion**.
  - Policy on loans applied for non-public preschools or primary schools that are suspended for at least 01 month to meet anti-covid requirements. The total loan capital is up to **VND 1.400 billion**.
  - Policy on subsidy on interest rate and management cost of up to **VND 2.000 billion** to arrange concessional loan under the Program according to the mechanism for subsidization of interest rates and management cost specified in the Vietnam Bank for Social Policies' financial management regulation.



# ...And how is Viet Nam levelling up its labour force and creating new jobs?



# Ways forward

## **Reform institutions, reform administration and improve investment and business environment**

- Continue reviewing and removing institutional, structural, policy-related and regulatory barriers to business and production; accelerate the roadmap to reduce and simplify administrative procedures and improve business environment and investment climate; **strengthen the handling of administrative procedures on the online platform**; continue studying and implementing breakthrough solutions, encouraging innovation, **digital transformation** and developing digital economy, green economy and circular economy in association with sustainable development; promptly research and remove difficulties related to structure, policies, laws, planning and land fund related to social housing and workforce housing.
- Concentrate on raising capabilities of state management, social governance, qualifications and capabilities of officials at all levels; intensify supervision and examination and strictly handle violations.

## A video clip on queuing for unemployment benefits in Ha Noi ESC



Source: VnExpress, 2020



**THANK YOU FOR YOUR  
ATTENTION!**