

Part 2

MAJOR FINDINGS

I. LABOUR FORCE

The labour force is the part of the population that supplies or is ready to supply labour for production of material goods and services. The labour force has the different name used as “Economically active population”. In this analysis report, the labour force includes employed persons aged 15 and over and unemployed persons aged 15 and over in the reference week.

1. Size and distribution of labour force

At the reference point of the 1/7/2010 survey, the entire country had 50.8 million people aged 15 years and older who belonged to the labour force, accounting for 58.5% of total population and including 49.5 million employed and 1.3 million unemployed people. Among the nation’s labour force, women accounted for a lower share than men (48.6% female and 51.4% male) (Table 1.1). According to the census results, over the past 30 years, the proportion of the labour force comprised of women has changed very little (1989 Census: 48.8%; 1999 Census: 48.2%, 2009 Census: 48%)¹.

The female share of the labour force varies little between urban and rural areas, yet there is variation from the lowest level at 45.7% in the Mekong River Delta, to the highest level at 50.6% in the Red River Delta. The data indicate contrasting labour force participation by sex between the two large delta regions of the country. While in the Mekong River Delta, women account for a smaller share of the labour force than men (45.7% compared to 54.3%), in the Red River Delta the share is almost equal between women and men (50.6% compared to 49.4%). The reason may be that many women in the South (Mekong River Delta and Southeast) mainly perform housework, and do not participate in economic activity.

Over the past 3 decades, although there has been a substantial increase in the proportion of the labour force in urban areas, yet by 2010, approximately three-fourths (72%) of the labour force in Vietnam are still concentrated in rural areas.

Among the 6 socio-economic regions, nearly two-thirds of the nation’s labour force (64.5% of total nation’s labour force) is concentrated in three regions:

¹ The 2009 Population and Housing Census: Major Findings, Chapter 8, Hanoi, 2010.

the Red River Delta, the North and South Central Coast and the Mekong River Delta. Thus, the rural areas and these 3 socio-economic regions are our addressed for national programs to utilize the labour force, create employment and provide occupational training over the coming years.

TABLE 1.1: NUMBER AND DISTRIBUTION OF LABOUR FORCE BY SEX,
URBAN/RURAL RESIDENCE AND SOCIO-ECONOMIC REGION IN 2010

Residence/Socio-economic region	Labour force (<i>Thousand persons</i>)	Proportion (%)			Female share (%)
		Total	Male	Female	
Entire country	50 837.3	100.0	100.0	100.0	48.6
Urban	14 231.0	28.0	28.6	27.4	47.6
Rural	36 606.2	72.0	71.4	72.6	49.0
Socio-economic region					
Northern Midlands and Mountains	6 942.0	13.7	13.3	14.1	50.0
Red River Delta	11 554.5	22.7	21.8	23.7	50.6
North and South Central Coast	11 040.7	21.7	21.3	22.1	49.5
Central Highlands	2 957.5	5.8	5.9	5.8	48.2
Southeast	8 124.6	16.0	16.4	15.5	47.2
Mekong River Delta	10 218.0	20.1	21.2	18.9	45.7

2. Labour force participation rate

Table 1.2 presents the labour force participation rate of the entire country, urban and rural areas and socio-economic regions.

In 2010, out of a total of 65.7 million people aged 15 years and older more than three-fourths (77.4%) participated in the labour force. The labour force participation rate is very different between men and women (82.0% compared to 73.0%) and varies across regions.

The labour force participation rate in 2010 for the population in rural areas was higher than for urban areas by up to 11.5 percentage points (81.0% compared to 69.5%). Both men and women experience this differential, although the differential is larger among women than men.

The labour force participation rate varies from the lowest level in the Southeast (71.4%) to the highest level in the Northern Midlands and Mountains (84.3%). It is important to notice, that while the labour force participation rate is

highest in the two mountainous regions of the Northern Midlands and Mountains and the Central Highlands (83.3%), it is the lowest in the two most economically developed regions of the Southeast and the Red River Delta, with labour force participation rates of 71.4% and 75.6%, respectively. Another feature worth noting is that the labour force participation rate of women is lowest in the two southern regions (Southeast and Mekong River Delta). The data show that in all 6 socio-economic regions, the labour force participation rate of women is always lower than for men. The male-female gap in labour force participation rate increases gradually as we move from north to south, with the Northern Midlands and Mountains having the smallest male-female gap at 2.8%, and the Mekong River Delta having the largest at 16.6%. This finding once again confirms that in the South, many women devote themselves to housework instead of participating in economic activity.

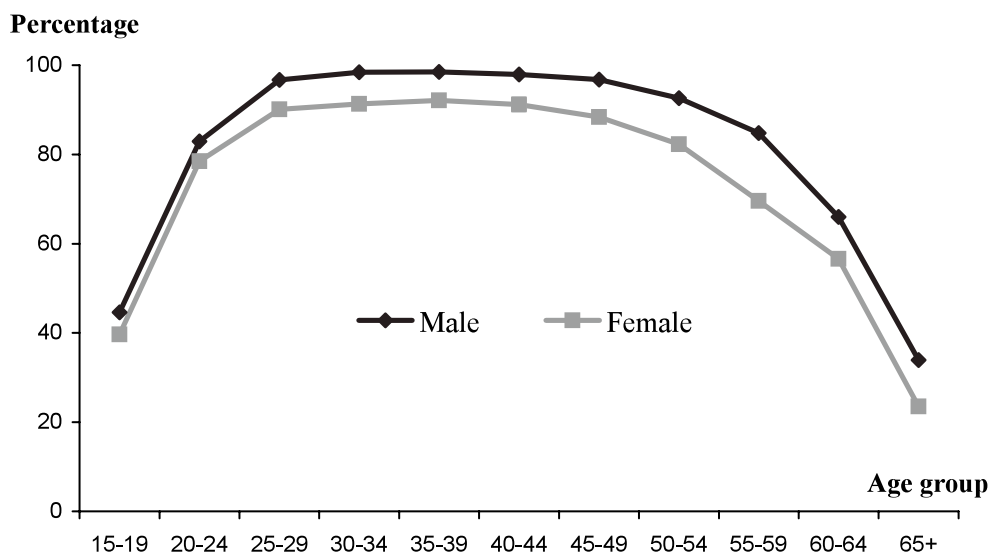
TABLE 1.2: LABOUR FORCE PARTICIPATION RATES BY SEX, URBAN/RURAL RESIDENCE AND SOCIO-ECONOMIC REGION IN 2010

Unit: Percent

Residence/Socio-economic region	Total	Male	Female	Male-female gap
Entire country	77.4	82.0	73.0	9.0
Urban	69.5	75.5	63.8	11.7
Rural	81.0	84.9	77.2	7.7
Socio-economic region				
Northern Midlands and Mountains	84.3	85.8	83.0	2.8
Red River Delta	75.6	77.4	74.0	3.4
North and South Central Coast	78.3	81.8	75.0	6.8
Central Highlands	83.3	86.5	80.1	6.4
Southeast	71.4	79.1	64.3	14.8
Mekong River Delta	77.6	86.1	69.5	16.6

Sex and age specific labour force participation rates are one of the most reliable indicators of changing trends in economic activity, because they are independent of age and sex structure of the population. Figure 1.1 shows that the labour force participation rate of women is lower than men in all age groups. The male-female gap in labour force participation rate reaches its maximum at the age group 55-59 years with a gap of 15.2%. The reason for this is related to women's retirement age being set at 55 years, and the fact that after retirement, women usually do not continue to participate in economic activity.

FIGURE 1.1: LABOUR FORCE PARTICIPATION RATE BY AGE AND SEX IN 2010

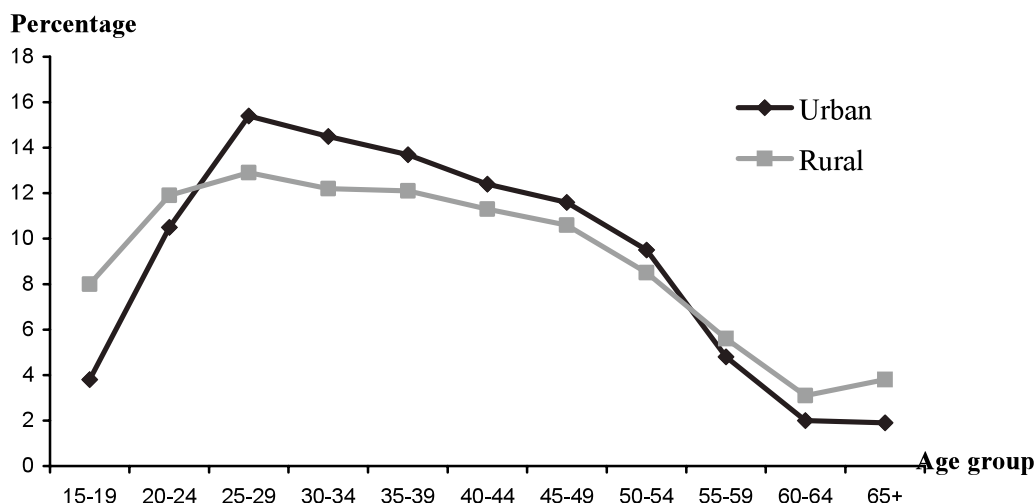


3. Labour force features

a. Age

There are substantial differences in the age structure of the labour force across urban and rural areas. The share of the labour force in young ages (15-24 years) and in older ages (55 years and above) of urban areas is lower than in rural areas. In contrast, the share of the labour force in the main working ages (25-54 years) in urban areas is higher than in rural areas (Figure 1.2). This indicates that urban people tend to enter the labour force later and leave the labour force earlier than people in rural areas. The main reason to explain this phenomenon is that the young population in urban areas tend to spend longer in school and older people in urban areas tend to retire earlier than in rural areas (because retired people in urban areas usually don't continue to participate in economic activities). Figure 1.2 also indicates, Vietnam has a young labour force, with more than half (50.5%) of the labour force in the age group 20-39 years.

FIGURE 1.2: PROPORTION OF LABOUR FORCE BY AGE AND URBAN/RURAL RESIDENCE IN 2010



b. Technique and qualification

Results of the 2010 labour force survey indicate that the proportion of the labour force that has received technique and qualification remains low. Out of 50.8 million workers aged 15 years and older in Vietnam's labour force, only over 7.4 million people have received technical training, accounting for 14.7% of the labour force. In this way, Vietnam's labour force is young and abundant, but with low levels of skills and technical specialization. Currently the entire country has more than 43.2 million workers (accounting for 85.3% of the labour force) who have never received training to achieve any level of technical specialization. This figure places a heavy responsibility for efforts aimed at improving the quality of the labour force to serve industrialization and modernization and global economic integration for Vietnam.

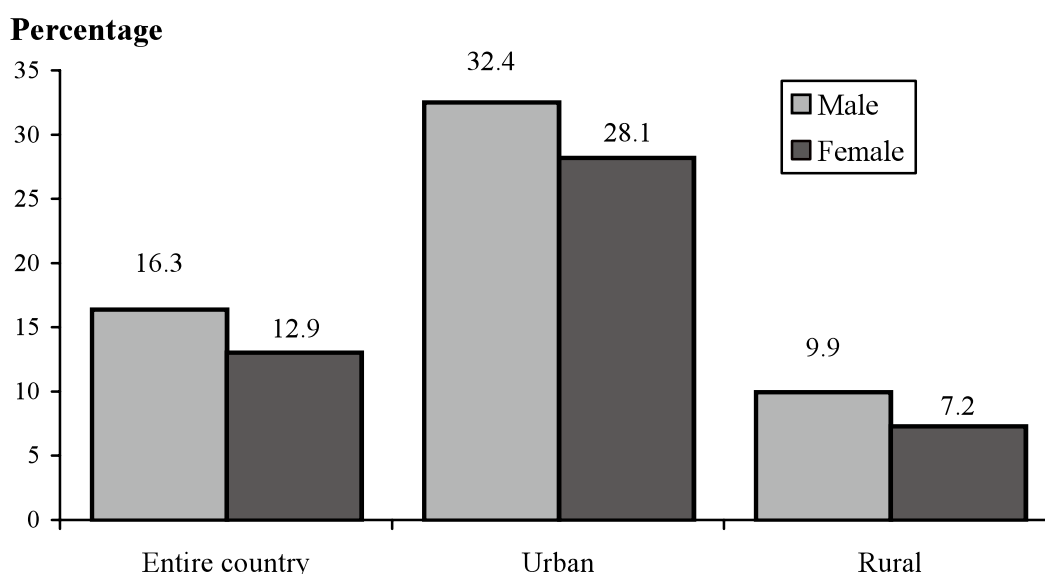
TABLE 1.3: PROPORTION OF THE LABOUR FORCE WITH TECHNIQUE AND QUALIFICATION
BY TECHNIQUE AND QUALIFICATION, URBAN/RURAL RESIDENCE
AND SOCIO-ECONOMIC REGION IN 2010

Unit: Percent

Residence/Socio-economic region	Total	No qualifications	Short-term training	Vocational school	College	University and over
Entire country	100.0	85.3	3.8	3.5	1.7	5.7
Urban	100.0	69.6	6.4	5.7	2.9	15.4
Rural	100.0	91.4	2.9	2.6	1.2	1.9
Socio-economic region						
Northern Midlands and Mountains	100.0	86.5	3.6	4.6	2.0	3.3
Red River Delta	100.0	79.1	6.6	4.2	2.0	8.1
North and South Central Coast	100.0	87.1	3.0	3.8	1.8	4.3
Central Highlands	100.0	89.5	1.9	3.3	1.7	3.6
Southeast	100.0	80.6	4.4	2.8	1.8	10.4
Mekong River Delta	100.0	92.2	1.8	2.1	1.1	2.9

The proportion of workers who have received any technical training is highest in the Red River Delta (20.9%) and lowest in the Mekong River Delta (7.8%). The proportion of the male workers that has received training is higher than for women (Figure 1.3). The proportion of the labour force with university or higher qualifications varies substantially across regions. The region with the highest proportion having university education is the Southeast (10.4%), followed by the Red River Delta (8.1%). Of special interest is the Mekong River Delta, the largest rice basket of the country, but the region with the lowest proportion of the labour force with university or higher qualifications (2.9%).

FIGURE 1.3: PROPORTION OF LABOUR FORCE WITH TECHNIQUE AND QUALIFICATION
BY URBAN/RURAL RESIDENCE AND SEX IN 2010



In comparison with the labour force and employment surveys from 2007 until now, it is found that trained workers with university and over have been increased and currently reaches about 5.7% (2010). Meanwhile, the proportion of trained workers with short-term training and vocational school has trend of being declined.

TABLE 1.4: PROPORTION OF THE LABOUR FORCE WITH TECHNIQUE AND QUALIFICATION
BY TECHNIQUE AND QUALIFICATION IN 2007- 2010

Unit: Percent

Technique and qualification	Survey on		
	1/8/2007	1/9/2009	1/7/2010
Total	17.7	17.6	14.7
Short-term training	5.3	6.3	3.8
Vocational school	5.6	4.4	3.5
College	1.9	1.7	1.7
University and over	4.9	5.2	5.7

Vietnam has begun a period of “demographic window”. The work of exploiting this “demographic window” to create opportunities for socio-economic development has been receiving much attention from researchers and policy-makers. Because of this, in order to have a golden labour force in this period, we must develop a human resource development strategy linked to the socio-economic development strategy in order to more effectively exploit this golden opportunity for development, focused on reforming and adjusting the university, technical and technical specialist training with an orientation towards the market in order to create a technical labour force with skills and qualifications that satisfy demand for skilled labour of the enterprise sector.