



► Policy Brief

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Enhancing the gender responsiveness of the proposed revisions to the Employment Law in Viet Nam¹

Key points

- The revision to the Employment Law is an important opportunity to accelerate Viet Nam's progress in ensuring equality in the world of work as a fundamental right. Simultaneously, leveraging a 'gender dividend' can be instrumental in enabling Viet Nam to realize its ambitious development goals.
- Applying a gender lens reveals the extent to which the labour market is a gendered structure, with women and men often positioned in different sectors and different types of work, and with significant gender gaps along several indicators.
- Women tend to be clustered in the most marginalized segments of the labour market in Viet Nam, including in the rural economy, in informal employment, among workers seeking jobs abroad, among older populations and youth. Intersectional analysis reveals that when gender constraints are compounded by other markers of disadvantage such as rural location, low income, disability, age ethnicity, or remoteness of the region, women's vulnerabilities are even more acute.
- A critical barrier to equitable outcomes is in the labour market is the disproportionate share of unpaid care work in the home that is shouldered by women.
- Recommendations to strengthen the gender responsiveness in the law revisions include (i) establishing the importance in the law of improving sex disaggregated data collection. This will enable sufficient granularity to identify gender gaps, and will also ensure that all labour market trends can be analysed with a gender lens; (ii) analysing gender-specific barriers which may prevent women's full enjoyment of rights and opportunities in the revised law; and (iii) promoting substantive equality through 'special measures' in various provisions in the law.

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► Introduction: Harnessing a ‘gender dividend’

Gender equality has an intrinsic value, enabling women and men in Viet Nam to enjoy equal opportunities and treatment as a matter of fundamental human rights and justice. Thus, the revisions to the Employment Law represent a new opportunity to further strengthen Viet Nam’s obligations and commitments to ensuring the full realization of rights for women and men in the world of work. At the same time, reshaping the labour market landscape to overcome the fault-lines of inequality and vulnerability which currently characterize much of female employment will be crucial to enable Viet Nam to achieve its far-sighted development ambitions.

With the overwhelming wealth of international evidence, it is now largely uncontested in development narratives that women are major contributors to economic growth and development in a myriad of ways.

For instance, their increased income has been shown to result in higher spending on children’s welfare (thus enhancing future human capital formation), stimulate aggregate demand, and reduce poverty over multiple dimensions. Harnessing the ‘gender dividend’ can power innovation, increase productivity, and make better use of Viet Nam’s human capital through mobilizing women’s largely untapped potential in skills, entrepreneurship, and leadership.

This becomes even more important as Viet Nam confronts shifting demographics of a rapidly aging and a dwindling working age population in the future. In the context of the Employment Law revisions, gender-responsive measures and provisions will not only benefit women and their families but can also translate into significant boosts to current and future economic growth.

► Applying a gender lens to the labour market

Strengthening the gender-responsiveness of the revisions to the law should be grounded in an analysis that recognizes that the economy and the labour market are gendered structures which can both reflect and reinforce inequalities and wider norms, or conversely, with appropriate policy responses, can support inclusion and equitable outcomes.

Viet Nam has made impressive strides in equality, yet significant gaps remain, and women and men are often positioned in different part of the economy and are clustered in different sectors and different types of jobs. The latter issue – occupational segregation – is illustrated by the fact that women are often disproportionately crowded in low paid, less productive, and often lower skilled jobs². A World Bank study, for example, reveals that women dominate in services and sales jobs in Viet Nam, which pay considerably less than male dominated jobs³. Women are also less likely to be in decision-making positions. For instance, in 2022, only 16.8 per cent of middle

or senior management positions were held by women in Viet Nam⁴.

The labour market indicator ‘Status in employment’ reveals further gender segregation. In the higher quality types of work such as employers, the share of men is more than double that of women (2.8 per cent for men and 1.1 per cent for women). Similarly, in the category of wage employees there is a six-percentage point gap between men and women (56.6 per cent for men, and 50.5 per cent for women). In contrast, in the contributing family worker category (one of the lowest quality types of work), women have more than double the share of men (15.4 per cent and 6.9 per cent respectively)⁵.

Delving even deeper through further disaggregation provides a more in-depth picture of vulnerable employment (covering the categories of own-account workers and contributing family workers). Notably, rural areas have a higher percentage of vulnerable employment than urban areas. The rates of vulnerable employment are

² UN Women-ILO-ADB, 2021. [Country Gender Equality Profile – Viet Nam](#). UN Women, Ha Noi.

³ World Bank 2018. [Vietnam’s Future Jobs: the Gender Dimension](#). IBRD/World Bank. Washington.

⁴ ILO STAT accessed December 2023

⁵ ILO STAT data from 2022. Accessed November 2023.

strikingly high in several provinces, with women having a percentage higher than 50 per cent in four regions. Of particular concern is the very high percentage of vulnerable employment for both women and men in the 65 years+ age group, at over 80 per cent⁶.

Sectoral segregation – where women and men are clustered in different sectors and subsectors – is evidenced at a broad level by the fact that women are more likely to be working in agriculture than men (particularly in subsistence work), despite ongoing structural shifts away from agricultural employment in the wider economy. The share of women in services (where the quality of work is variable) is also higher (at 38.5 per cent), than men's share, (at 33.2 per cent, in 2022)⁷. Furthermore, while there has been significant growth in manufacturing employment for women over the last decades, men still have a higher share of employment in industry at 34.3 per cent, compared to 26.6 per cent for women⁸.

These different types of gender segregation, as well as differences in educational attainment, differential access to

resources and jobs (including through discrimination), are among the factors which underlie gender wage and income gaps.

A recent study provides evidence that the weighted gender pay gap based on monthly wages was 13.7 per cent. When

disaggregated further based on monthly wages by occupation, the data reveals that in certain occupations women employees experience pay gaps up to twice as large as the aggregate value. For example, average monthly gender pay gaps for skilled workers in agriculture, forestry and fisheries was 28.4 per cent in 2019. This is despite similar working hours and negligible differences in education levels between women and men⁹. The same report reveals some of the sizeable gender gaps in earnings. For example, for the self-employed in certain categories such as elementary occupations the gender gap is as high 54.3 per cent, and for craft and related trades, the gap is 53.8 per cent¹⁰.

► Strengthening inclusion and equity in the revised law

The pervasiveness of gender gaps in the labour market call for comprehensive and explicit approaches to reducing and eliminating these disparities in the labour market. In many areas, solutions will involve deep-seated systemic change across multiple policy areas and will not be resolved through the revisions in the Employment Law alone. Nevertheless, strengthening the gender-responsiveness of the law revisions offers an important opportunity to transform existing inequalities into inclusive and equitable growth. Three main thrusts can enhance the responsiveness of the law: (i) establishing that all data requirements in the law must be disaggregated by sex, at a minimum; (ii) analysing gender-specific barriers that may limit the capacity of women to enjoy the rights and opportunities which will be provided for in the law; and (iii) adopting special measures to promote substantive equality in the different provisions of the law.

Ensuring sex-disaggregated data

Data collection disaggregated by sex, at a minimum, is vital to monitor results of the law and feed into policy formulation. Aggregate data does not provide sufficient granularity to identify gender gaps in labour market trends and to show evidence for their progressive elimination. Establishing that all data requirements in the Employment Law must be disaggregated by sex, and ideally by other markers of disadvantage including age, disability, ethnicity, rural and provincial location, will considerably enhance Viet Nam's capacity to identify vulnerability in the labour market and develop appropriate measures for inclusion.

⁶ Calculations by Evangelia Bourmpoula based on ILO harmonized microdata from the Viet Nam Labour Force Survey

⁷ ILO STAT accessed December 2023

⁸ ILO STAT accessed December 2023

⁹ Barcucci, Valentina, William Cole and Rosina Gammarano. 2021. [Gender and the labour market in Viet Nam: an analysis based on the Labour Force Survey](#). Research Brief. ILO Country Office for Viet Nam, Hanoi.

¹⁰ *ibid*

Analyzing gender-specific barriers to inclusion

A complex interplay of gender-specific barriers underly the inequalities discussed previously. Among them are deeply-embedded norms about the roles of women and men, which in turn are channelled into differential access/choices regarding technical skills and jobs; information deficits among women; and limited awareness and capacity among labour market institutions to address gender gaps.

On the demand side, factors include direct discrimination (while Viet Nam has made considerable progress in setting up robust architecture for non-discrimination, at the same time, enforcement and compliance remain an issue); indirect discrimination, and perceptions that women are only secondary income earners, or that they are costly to hire because of maternity responsibilities; societal undervaluing of jobs where women are concentrated; workplaces that do not sufficiently take into account the needs of workers with family responsibilities, or incentivize the transformation of gender norms.

Another crucial area which hampers decent employment for women, is limited gender-responsiveness within sectoral policies¹¹. Viet Nam is on the cusp of structural transformations including towards knowledge-intensive jobs, green jobs, higher value-added manufacturing, digital, and other highly productive jobs. Growth in these sectors is likely to be supported by public and private investments, various incentives, subsidies, improvements in infrastructure, and linkages with other supports, all of which can integrate specific gender-responsive dimensions¹².

While the list of gender barriers noted here is not exhaustive, they highlight that women experience different constraints to men, both before they enter the labour market and throughout their working lives.

One major driver of inequitable outcomes will be expanded upon here: the disproportionate share of unpaid care work in the home which women shoulder.

This gender division of labour acts as a key determinant of women's more limited access to decent work and training opportunities; it can also hinder career progression; and may compel women to temporarily disengage from the labour force to care for families, or forego paid work altogether, thereby also contributing to women's weak pension coverage in old age. Additionally, it has a cascading effect on women's enjoyment of a range of other rights; it hampers their opportunities to engage in public life, it curbs their leisure time, and can be detrimental to their overall health and well-being. Women from poor households and those in rural areas face even greater challenges in balancing paid and unpaid work as a result of the limited outreach of public goods and services, and the inadequacy of infrastructure and utilities in rural areas. While unpaid care work (also termed reproductive work) is vital resource for an economy because it reproduces the labour force on a daily and long-term basis, it is often inadequately considered in policy making.

Recent data reveals the heavily skewed distribution of care responsibilities in the home, though the figures are not untypical for the Asia-Pacific region. In Viet Nam, women spend nearly twice as long as men in such work. On average, women engaged in 20.2 hours per week on household work, whereas men spent only 10.7 hours. Close to one fifth of men did not spend any time on these activities at all¹³. This key constraint, among others, will invariably mean that women will not be able to access the opportunities in the Employment Law to the same extent as men, and hence the law (or the implementation plan for the law) will need to develop appropriate measures to support women's participation in the various provisions.

Adopting special measure to promote substantive equality

The proposed revised law has significantly strengthened non-discrimination principles by elaborating the specific grounds in which discrimination is prohibited, in Article 9, including on the grounds of sex discrimination. This *formal* equality can be considerably enhanced by promoting *substantive* equality through special measures. Viet Nam's 2006 Gender Equality Law provides for special measures (Article 5), to accelerate progress towards equality,

¹¹ The ILO is launching a new tool on Gender Responsive Sectoral Strategies (GENSEC) which provides guidance in embedding equality objectives in sectoral policies, to maximise access to decent work for women, while minimizing the negative aspects of structural transitions. See Esquivel, V. and Marzia Fontana, forthcoming.

¹² Ibid.

¹³ Barucci et.al. 2021. *ibid*.

particularly where there are wide disparities. The use of temporary special measures is enshrined in both the ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111), under Article 5, as well as Article 4 in the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW).

A wide range of positive action measures can be developed within the Employment Law to promote substantive equality, including through target setting for gender

balance in various provisions of the law, quotas where relevant, developing gender-responsive action and implementation plans, ensuring gender-responsive allocation of resources for implementation, public awareness raising among others.

The following section sheds light on selected gender issues in the different provisions in the law, and highlights measures to enhance gender-responsiveness.

► Gender dimensions in specific provisions

Expanding credit

Weak access to formal finance is a key driver of the low productivity in women's livelihoods. Women need access to a variety of financial products including credit and savings mechanisms to maximise their productive capacity and to bolster their household finances. In Section 3 of the law on Loans for Overseas Employment, can significantly bolster access to this key productive resource. Widely disseminating women's right to these credit opportunities, ensuring eligibility documentation is simplified, and taking a comprehensive approach which links loans to financial literacy courses, business development services, as well as widely disseminating information about public and private investments in high growth sectors, will enable credit access to have a much larger impact.

Rural transformation

While Viet Nam has made exceptional strides in reducing poverty in a relatively short time, it is in rural areas that the deepest pockets of deprivation remain. Although this affects both women and men, women's marginalization is often even more acute because of gender-based factors. Several studies in Viet Nam reveal that women in rural areas are less likely to access training and extension services, have greater difficulty in accessing credit and technology, have more limited land ownership, are engaged in less lucrative production and crops, and have more limited access to market and other information¹⁴. It is also in rural areas that gender norms tend to be the most

rigid, and where inadequate infrastructure intensifies unpaid care responsibilities.

Ethnic minority groups mainly reside in remote mountainous regions and are prevalent amongst the poorest population segments in the country. According to the World Bank, of the remaining poor in 2020, ethnic minorities comprise 79 per cent despite being 15 per cent of the population¹⁵. While considerable efforts are being made to close gaps between minority and majority communities through laws and policies, a comprehensive, gender-responsive approach will be required to support the socio-economic development of ethnic minority communities.

Section 4 of the proposed revised law, on job mobility for rural workers could be strengthened by setting targets for women's participation in job counselling, and credit opportunities, explicitly referencing women-owned enterprises, and putting in place gender-responsive measures (such as allowances for transport, childcare, as well as stipends to offset loss of daily income) to ensure women's access to vocational training (including in non-traditional skills). Aligning skills development for rural women with labour market demand is also critical, as the structural transition away from agricultural employment continues and better-quality jobs emerge.

Public employment policy

Public employment programmes are particularly important for rural women since they can provide opportunities for

¹⁴ See for example UN Women 2021. [Promoting gender mainstreaming in the National Target Program on New Rural Development and the National Target Program on Sustainable Poverty Reduction in the 2021-2025 period](#). UN Women, Hanoi.

¹⁵ World Bank 2022 [From the last mile to the next mile. Vietnam Poverty and Equity Assessment 2022](#) IBRD/World Bank, Washington

developing new skills, engaging with formal work for the first time, and improving rural household incomes. When the assets that are created through such programmes are gender responsive – through for example generating infrastructure that alleviates paid and unpaid work can have substantial impact on women's empowerment. This is evident in **India**, for example, where the rural employment guarantee programme has had a major impact on women. The foundations for its success include mandating quotas for women's participation in the law, and facilitating women's participation through childcare options and subsidies, transport allowances, among other measures¹⁶.

Section 5 on Public Employment Policies in the revised law could set targets or quotas for women's participation, include measures which support their participation, and ensure that infrastructure and local assets created through these policies respond to women's paid and unpaid work needs.

Youth employment supports

Young people are one of the most high-risk groups for being in informal employment in Viet Nam because of youth-specific vulnerabilities which hinder their chances of finding quality jobs. These include protracted transitions from school to work, limited work experience, competition with older adults in finding work, limited access to resources to start a business, and information deficits about the labour market.

Equally worrying is that some young people are not engaging with economic life at all. ILO STAT¹⁷ data shows, that while the total NEET rate (that is: not in education, employment, or training) for both young women and men between the ages of 15 and 24 has dropped between 2021 and 2022 (from a total of 14.9 per cent to 11.3 per cent), a gender gap remains. The NEET rate in 2022 was 12.7 per cent for young women compared to 10 per cent for young men. Evidence from around the world suggests that gender gaps are often a result of the extent of women's unpaid household responsibilities, and that young women are more likely than young men to be responsible for the care of siblings and elders, thus foregoing opportunities for income and for further education and skills acquisition.

Even more than young men, young women are likely to have more limited access to labour market information,

have fewer 'in-demand' skills, and face greater discrimination and disadvantage in finding employment, particularly in cases where employers are reluctant to hire women of child-bearing age. Young women are also less likely to engage in apprenticeships and other work-training experience opportunities. These barriers can result in labour market scarring, where young women's chances of finding decent work erode over time due to long periods of inactivity.

Younger women have benefited from Viet Nam's impressive strides in educational achievement in a short time. Still, they face obstacles in entering the labour market, including limited engagement to emerging STEM fields. Section 6 on Employment supports for youth employment could set targets for the participation of young women in each of the provisions, ensure the results of the measures are monitored through disaggregated data, facilitate young women's access to non-traditional training opportunities linked to industrial and sectoral policies and investments, and ensure that young women are provided with gender-responsive job counselling and work experience.

Other support policies

A range of employment supports are provided in Section 7 of the revised law including for: older workers; those seeking work abroad; support for formalizing the informal economy; and crisis-response supports. In each of these categories' women are amongst the most vulnerable segments in Viet Nam.

Older women face a high risk of poverty due to life cycle breaks which impact their earnings and pension coverage. Only 16 per cent of women aged over 65 and over receive a social insurance pension, compared to 27.3 per cent of men. At older ages, the gap is even wider¹⁸. The value of men's pensions is also higher because of different earnings capacities of women and men in their working lives. The resulting gap is as high as 19.8 per cent in value¹⁹. Furthermore, weak levels of basic education constrain their opportunities for lifelong learning and upskilling. Viet Nam's rapid aging trajectory also risks that women will disengage from the labour market to care for elderly relatives in the absence of paid care options.

¹⁶ For more details see: Government of India, Ministry of Rural Development website. [The Mahatma Gandhi National Rural Employment Guarantee Act 2005](#).

¹⁷ ILO STAT. Accessed September 2023.

¹⁸ UN Women-ILO-ADB 2021. *ibid*.

¹⁹ ILO 2019 [Gender gaps in the social insurance system](#). ILO Office in Viet Nam.

Similarly, women seeking work overseas face gender-based constraints such as a low level of skills and concentration in less valued and low-paid work. Regarding informal employment, while there is a larger share of men than women in the country, at the same time, women are clustered in the more marginalized segments, in vulnerable employment. GSO data shows that the proportion of female workers in low-earning informal jobs was nearly double that of men (61.2 per cent compared to 35.7 per cent)²⁰. Finally, in terms of crisis response, the pandemic revealed that the most severe labour market impacts were experienced by women because of pre-existing inequalities and because of their position and location in hard hit sectors of the economy.

All the measures in Section 7 therefore require explicit reference to the needs and constraints of women and targeting of measures to overcome disparities.

Labour Market Information Systems

LMIS have an essential role to play in monitoring all gender gaps and trends in the labour market (including for example wage gaps and skills gaps). Gender-responsive labour market forecasting is particularly important in the context of shifting sectoral patterns of employment growth. The green economy, the digital economy and the paid care economy are anticipated to expand significantly. Additionally, magnified trade flows through the RCEP²¹ and CPTPP²² are likely to create significant employment opportunities and intensify Viet Nam's engagement in global supply chains, including in higher-value manufacturing and knowledge intensive sectors.

LMIS need to ensure that all data is collected and analysed by sex. Additionally, intersectional analysis which enables deeper levels of aggregation along other markers of disadvantage, enables policy makers to identify those groups most at risk of being left behind in Viet Nam's development.

► Conclusion

The proposed revisions are wide-ranging and thus provide considerable opportunity to comprehensively support gender equality through institutional strengthening, as

Skills Development

Skills development can be a key means of breaking down occupational segregation and can help reshape societal perceptions about women's and men's work. For example, through continuing the process of revising curricula to eliminate stereotypes, ensuring gender-responsive job counselling, expanding digital skills opportunities for women, encouraging more women into STEM fields, and incentivizing and setting targets and quotas for non-traditional skills training for both women and men. Such measures can also address the problematic 'supply-driven' nature of much skills acquisition by women which contribute to their position in low-paid and often 'feminine' types of occupations. International experience has shown the importance of integrating specific measures to overcome gender barriers to skills acquisition, for example, strict prohibition on sexual harassment, encouraging skills providers to develop flexible training schedules to enable those with family responsibilities to engage with training, as well as ensure appropriately flexible pedagogical techniques, and where relevant, provide transport, childcare, accommodation, and stipends.

Employment Services

Strengthening the capacity of employment services in Viet Nam can support several inclusive outcomes such as facilitating inactive and discouraged segments of the population to (re)enter the labour market, among them, youth, women, disabled persons, and ethnic minority groups. They also have a potentially large role to play in supporting shifts to the formal economy and enabling low-income women and other vulnerable groups to access emerging job opportunities, shift into higher value work, facilitate their re-skilling (particularly those at risk of technological displacement), and help break down occupational and sectoral segregation.

well as specific outcomes related to diverse labour market issues ranging from skills development, access to credit, strengthening employment services, transforming rural

²⁰ GSO. 2022. [Overall Situation of Workers in Informal Employment in Viet Nam](#).

²¹ The Regional Comprehensive Economic Partnership, which came into force in 2022.

²² The Comprehensive and Progressive Agreement for Trans-Pacific Partnership which came into force 2018.

employment, supporting older workers and youth, facilitating durable transitions to the formal economy, among others. A key element in the revision process is identifying gender-specific barriers such as unpaid care work which may hinder women's full participation in the rights and opportunities proposed in the law and developing appropriate and explicit measures to counter

these constraints in the various provisions proposed in the law.

This would enable the revised law to make an invaluable contribution to transforming existing inequalities into new drivers of inclusive growth that can further propel Viet Nam's remarkable development trajectory.

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