



► Policy Brief

June 2022

Skills development and lifelong learning in Viet Nam Challenges for trade unions¹

Key points

- Taking advantage of a young population, Viet Nam's dynamic labour market has enabled the economy to make significant progress since the reforms of the 1980s.
- In a testament to its economic competitiveness, the economy grew by 2.9 per cent in 2020, when most other economies were suffering contractions.
- Having made impressive inroads into such areas as high-technology manufacturing, the skill needs look set to grow. However, the supply of highly skilled workers is still behind those of other major high-technology exporters.
- Persistent gaps in the skills development framework have diminished the extent of the demographic dividends.
- The training rate is still low (General Statistics Office, 2020, table 60).
- As low-skilled workers continue to be concentrated in agriculture, any reskilling effort would have to contend with their large numbers occurring in a primary sector.
- A significant new addition to the Labour Code in 2021 is the extension of legal protection to employees who do not have a written employment contract.
- There is an ongoing effort to formulate a new Vietnamese Vocational Training Strategy (2021–2030).
- The new Labour Code and Training Strategy should provide opportunities for trade unions to take on a greater role in skills development efforts, such as through helping segments of the workforce in need gain improved access to training.

► Introduction

This brief examines skills development and lifelong learning in Viet Nam. The approach takes a

macroeconomic perspective on the main challenges and the outcomes in terms of labour market performance.

The economy is the sixth largest in South-East Asia in dollar terms and the fifth largest in purchasing power parity-adjusted terms. Despite the COVID-19 pandemic, Viet Nam's economy grew by 2.9 per cent in 2020, the best

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growth performance in East Asia, the Pacific and South Asia combined. It was one of the fastest rates in the world, in a year when most economies – including the United States – experienced negative growth.

In 1986, Viet Nam adopted the policies of Doi Moi and embarked upon a transformation into a market-driven, socialist State. Between 1986 and 2020, GDP per capita (in constant 2010 US dollars) rose from \$384 to \$2,123.

The economy underwent rapid industrialization, turning into a major production powerhouse that was able to compete with the world's thriving manufacturing hubs as a destination for outsourcing. One area that Viet Nam has risen to prominence in is high-technology products. Between 2007 and 2019, the country's exports in this area grew 30 times, propelling it into the ranks of the top high-technology exporters in the world.

This approach was mainly built on the attraction of cheap and abundant labour, not unlike the early years of Singapore's or the Republic of Korea's economic experiences. This remarkable economic performance has been characterized by strong productivity growth.

Signs of the benefits of economic progress include a reduction in poverty. The poverty rate has dropped sharply since the 1990s, with half the entire country's population lifted out of this group since. In 1992, 52.3 per cent of the population lived with less than \$1.90 a day (2011 purchasing power parity). By 2018, only 1.8 per cent did so.

With millennials² accounting for a quarter of its population, Viet Nam's economy continues to rely on the potential of its relatively young workforce.

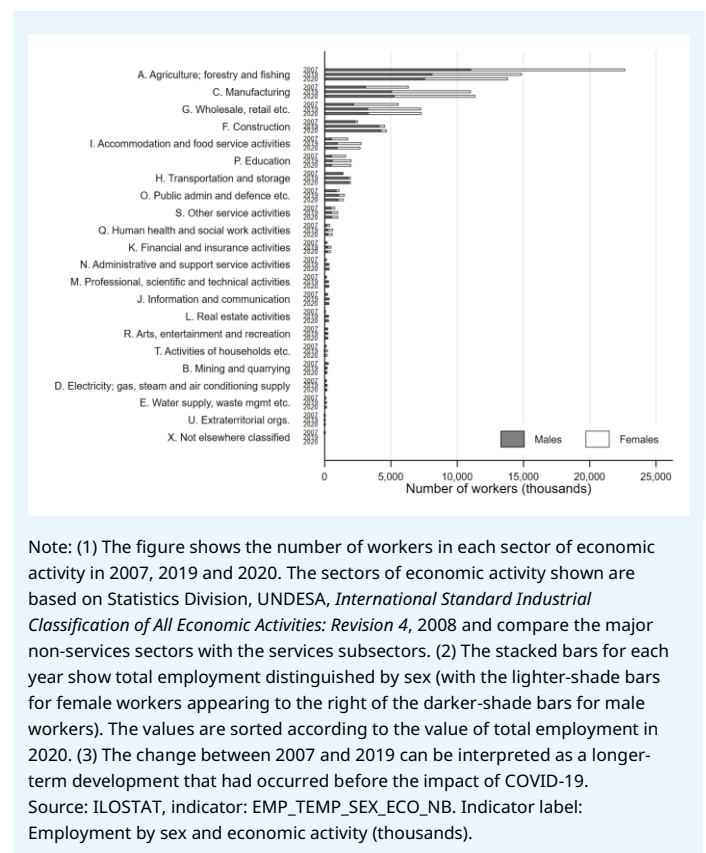
More than 60 per cent of the population is rural, only slightly smaller than the proportion in India. The main cities are hosts to large populations of transient workers from rural villages that provide workers for labour-intensive industries.

Viet Nam's workforce has proven to be dynamic and highly adaptable. For at least the past three decades, Viet Nam has maintained one of the highest labour force participation rates in the world, between 75 per cent and 78 per cent. The fall in its labour force participation rate due to the COVID-19 pandemic between 2019 and 2020 was a negative 1.7 per cent, better than the average of

negative 2.2 per cent that lower-middle-economies experienced on average.

There is a low level of diversity in distribution of the workforce across economic sectors, with the workforce concentrated in a few sectors, led by agriculture, manufacturing and wholesale and retail. The next-largest employment sector, construction, has less than half of the workforce size of manufacturing (figure 1).

► **Figure 1. Employment, by sex and sector, 2007, 2019 and 2020**

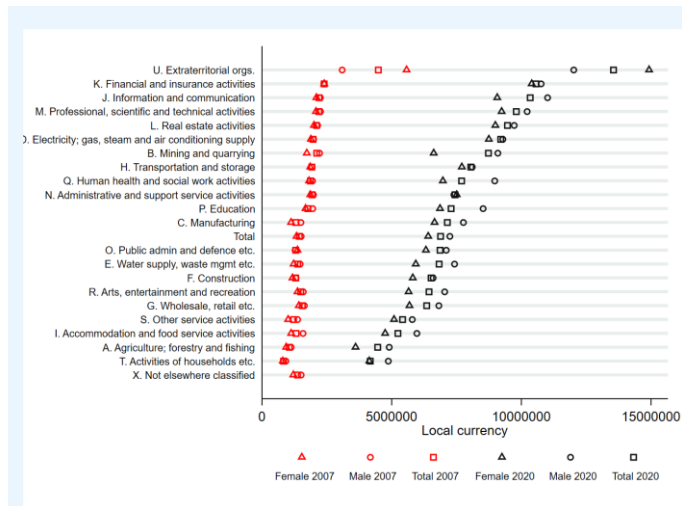


The most noticeable changes since 2007 have been the decline of employment in agriculture and the corresponding increases in manufacturing as well as the other non-agriculture sectors to some extent. At least part of the movement out of agriculture can be explained by differences in earnings across sectors.

None of the top employing sectors and services subsectors mentioned earlier are close to the ones that have the highest earnings. Instead, the top earners are found in sectors with much smaller workforces, such as finance and insurance (figure 2).

² Those born in or after 1982 and who reach adulthood from year 2000 on.

► **Figure 2. Average monthly earnings, by sex and sector, 2007 and 2020**



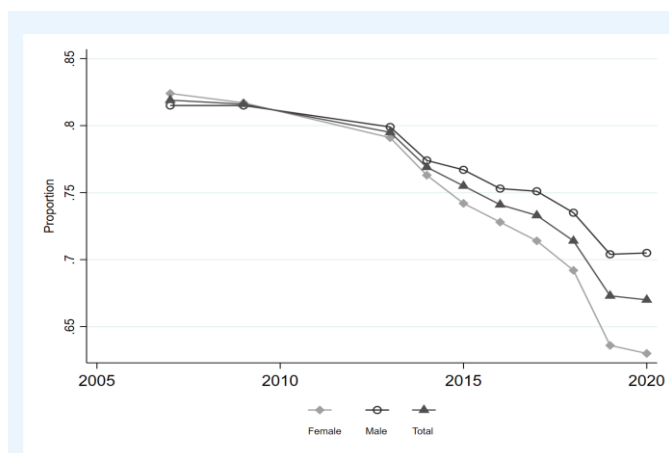
Note: (1) See note 1 to figure 1. (2) The comparisons show male (circle), female (triangle) and all workers square) for 2007 (red marker) and 2020 (black marker). The ordering of the economic sectors is in descending order by value of mean earnings of all workers in 2020 (black square marker). (3) The local currency unit is the Vietnamese dong. The dong was revalued in the 1980s. Its value has been affected by severe inflation.

Source: ILOSTAT, indicator: EAR_4MTH_SEX_ECO_CUR_NB. Indicator label: Mean nominal monthly earnings of employees by sex and economic activity.

While manufacturing earnings are above the overall economy average, both construction and wholesale and retail are not. However, all three are doing better than agriculture, which is languishing at almost the bottom of the earnings comparison.

There are other signs of labour market progress. Most notably, the proportion in informal employment has fallen by more than 10 percentage points since 2007 (figure 3).

► **Figure 3. Informal employment, by sex, 2005–20**



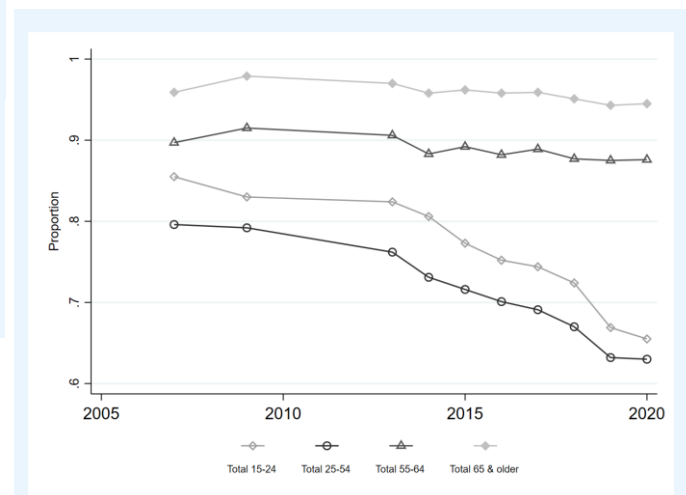
Note: The figure shows time-series plots of the number of informally employed workers as a fraction of total number employed from 2007 to 2020,

distinguished by sex. Male workers are more likely to be in informal employment.

Source: ILOSTAT, indicator: EMP_NIFL_SEX_AGE_RT. Indicator label: Informal employment rate by sex and age (percentage).

With close to 70 per cent of the workforce remaining informally employed, however, this represents a challenge for workforce skills development. The largest falls in informal employment rates have accrued to the younger segments of the workforce (figure 4). While this is a positive sign, it remains to be seen whether the improvement can be sustained.

► **Figure 4. Informal employment, by age group, 2005–20**



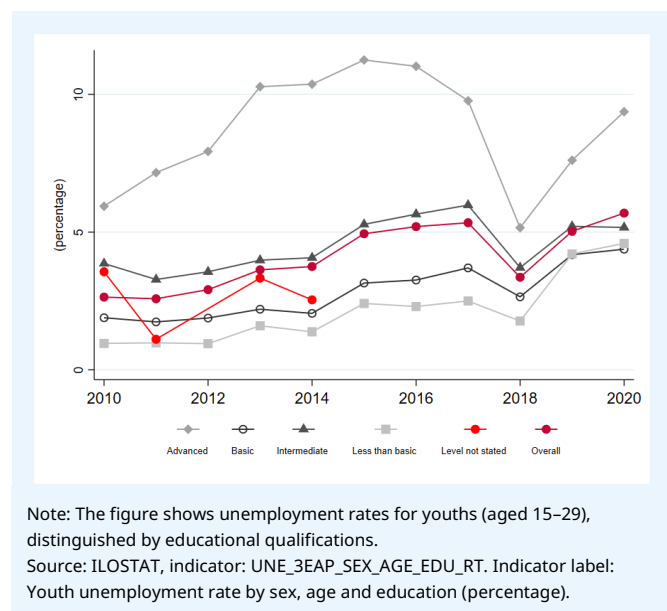
Note: This is an alternative representation of the same data from figure 4 showing groups of the workforce distinguished by age. There is a clear age difference, with older workers more likely to be in informal employment.

Source: ILOSTAT, indicator: EMP_NIFL_SEX_AGE_RT. Indicator label: Informal employment by sex and age (percentage).

Overall, unemployment has remained relatively stable, at about 2 per cent since the 1990s. But the youth unemployment rates show worrying signs of deterioration. Since 2010, the youth segment with the worst unemployment record has been the group with advanced educational qualifications, and this is the segment that appears to be driving the decline (figure 5).

Taken together with the declining proportion of youths in informal employment, part of the decline could be due to an increase in the number of youths seeking formal employment.

► **Figure 5. Youth unemployment, by education, 2010–20**



► TVET policy development

Viet Nam's technical and vocational education and training (TVET) strategy is led by the Ministry of Labour, Invalids and Social Affairs (MOLISA) and involves close coordination with the Ministry of Education and Training and other ministries, such as the Ministry of Industry and Trade.

In the late 1990s, Viet Nam had embarked on collaborative projects with multiple international partners, several of which focused on developing and implementing improvements to its TVET strategy. In 2001, the Communist Party Congress devoted one of the eight sections of its declaration of the Socio-Economic Development Strategy for 2001–2010 to the topic of "Development of Education and Training and Science and Technology".³ In it, specific mention was made of the need "to attach importance to training a pool of highly skilled

workers, good practical [sic] engineers and business people".

In 2005, the Education Law⁴ was amended, and in 2006, a new Law on Vocational Training⁵ was enacted. With these laws and the skills standards as the foundation, the MOLISA introduced a new framework for National Occupational Skills Standards in 2008.⁶ By identifying the core skills for different types of occupations, it enabled employers to determine training needs, helped workers to understand their training needs and guided vocational education and training institutes in the development of their courses and curriculum. It was also intended to achieve alignment with the skills standards within the Association of Southeast Asian Nations (ASEAN) region.

By 2012, about 122 sets of National Occupational Skills Standards for occupations relating to the fields of industry, agriculture, construction and transport in Viet Nam were officially established. By the end of 2015, 195 skills standards had been developed. The targets specified that by 2020, the training of all core occupations at the national, regional and global levels and in all high-quality vocational schools and in all vocational training centres must be controlled by national quality standards, by which date, 400 sets of the National Occupational Skills Standards, including 150 sets for national occupations have been issued.

In a major step forward in improving access to TVET, the Employment Law (No. 38/2013/QH13) enacted in 2013 included the roll-out of an unemployment insurance scheme. This provides for unemployment insurance for all workers who have employment contracts. The benefits of unemployment insurance explicitly cover an unemployment allowance, job counselling and recommendation support, vocational training support and support for training and retraining to improve qualifications of occupational skills for job maintenance for workers (article 42).

In 2014, the National Assembly passed the Law on Vocational Education,⁷ to take effect from 1 July of the following year, annulling the 2006 version. The entities covered include "vocational training centres, vocational secondary schools, colleges, enterprises and agencies,

³ See www.chinhphu.vn/portal/page/portal/English/strategies/strategiesdetails?categoryId=29&articleId=3065.

⁴ No. 38/2005/QH11.

⁵ Ministry of Labour, Invalids and Social Affairs (MOLISA), "Law on Vocational Education, Law No.76/2006/QH11" (2006).

⁶ UNESCO-UNEVOC, and MOLISA, *TVET Country Profile: Vietnam 2018* (VOCEDplus, 2018).

⁷ MOLISA, "Law on Vocational Education, Law No. 74/2014/QH13" (2014).

organizations and individuals involved in the vocational training in Viet Nam".⁸ This law aimed at improving outcomes in a number of specific areas for these entities, ranging over detailed aspects such as the ability of individuals to perform job-related tasks,⁹ eligibility of certain categories of training participants for support fee exemption¹⁰ and accreditation of vocational training institutions based on quality assessments.¹¹

In a clear sign of recognition of the needs of certain segments of the labour force, attention was paid to "universalize vocational education to the youth" and to "ethnic minority groups".¹²

Among the initiatives was the increase of training capacity by expanding private sector involvement, including those established and operated by "foreign entities, overseas Vietnamese".¹³

Although the law referred to the importance of engaging with technology, there has been a glaring omission in terms of pursuing technological innovations for TVET purposes. Another aspect that the law did not address is financing. While there is some reference to accountability for government-allocated budgets, there is no stipulation of whether and/or how stakeholders such as the government, employers or workers should be responsible for the costs of training.

► National Qualifications Framework

Level	Academic qualifications	TVET qualifications
1	5 credits	Certificate I
2	15 credits	Certificate II
3	25 credits	Certificate III
4	Secondary diploma	Secondary vocational diploma
5	-	College diploma
6	Bachelor degree	(Practice) Bachelor degree
7	Master degree	-
8	Doctor	-

Source: UNESCO-UNEVOC, and Ministry of Labour, Invalid and Social Affairs, *TVET Country Profile: Vietnam 2018* (VOCEDplus, 2018), <http://hdl.voced.edu.au/10707/530741>.

In October 2016, a National Qualifications Framework was launched by the Prime Minister. This specifies the different levels of qualifications and the generic job descriptions of skills for each level in order to achieve them.

Regulated by both the Ministry of Education and Training and the MOLISA, the framework has eight levels (see the table above). Under levels 1, 2 and 3 qualifications, it refers to 5, 10 and 15 credits of academic qualifications. Certificates I, II and III are classified under TVET qualifications, respectively. At level 4, a secondary diploma is the same level as a secondary vocational diploma. At level 5, it refers to a college diploma. There is no equivalent qualification stated under academic qualification. At level 6, a bachelor's degree is equivalent to a (practice) bachelor's degree. At level 7 and 8, there is no equivalent TVET qualification. Academic qualification levels 7 and 8 refer to a master's degree and doctorate qualification respectively.

In 2020, the Prime Minister issued a formal decision to develop standards for higher education qualifications (universities) for 2020–2025.¹⁴ The main aim of this Vietnamese Qualifications Framework was to ensure that Vietnamese diplomas, certificates and qualifications are recognized on the same level as regional and international qualifications, as part of the ASEAN Qualifications Reference Framework. It also covered the promotion of lifelong learning.

Finally, the 2014 law on vocational education makes explicit provision for apprenticeships. While the legal framework exists, there is no nationwide apprenticeship framework. Some companies provide apprenticeship programmes, but the numbers reported are usually small.

Under the law, companies are mandated to be involved in the training of vocational students. They have to offer paid internships and increase collaboration with TVET institutes in training vocational students and to update their internal training programmes. Currently, internships are compulsory in vocational programmes at all levels but the cooperation between companies and schools are still

⁸ Article 2 of Law No. 74/2014/QH13.

⁹ Article 4 of Law No. 74/2014/QH13.

¹⁰ Article 62 of Law No. 74/2014/QH13.

¹¹ Article 65 of Law No. 74/2014/QH13.

¹² Article 6 of Law No. 74/2014/QH13.

¹³ Article 7 of Law No. 74/2014/QH13.

¹⁴ Decision No. 436/QĐ-TTg dated 30 March 2020 on introducing plan for implementation of higher education qualifications of the Vietnamese Qualifications Framework for the 2020–25 period.

weak, thus affecting the quality and quantity of internships. Companies are not very involved in the training of students because there is no comprehensive guideline given by the Government regarding the corporate training obligations. Also, the companies are not interested in collaborating because they do not see the benefits.

Nonetheless, there have been some positive developments with the establishment of several Sector Skills Councils in collaboration with the business sector. In 2019, the setting of several Sector Skills Councils was announced, including for agriculture and supported by the International Labour Organization.¹⁵

Role of trade unions

The role of trade unions in training is relatively small in Vietnam, compared to, say, The Philippines. The director of the international department of the Vietnam General Confederation of Labour (VGCL) had reiterated that the top priorities for Vietnamese trade unions were "collective bargaining and social dialogue".¹⁶ Although this did not preclude promoting skills development, the activities of trade unions currently do not focus on training issues that are considered of concern to the Government and employers.

Until recently, trade unions at the company level had been dominated by employers. Under the last edition of the Labour Code, which was adopted in 2012, all workers' representative organizations, such as trade unions, had to be affiliated with the VGCL.

On 1 January 2021, a new Labour Code came into force.¹⁷ Adopted in November 2019 following ratification in June 2019 of ILO Right to Organise and Collective Bargaining Convention, 1949 (No. 98), the new Labour Code allows workers to form independent workers' representative organizations, which do not have to be affiliated with the VGCL. Workers are also free to choose which organization to join.

A significant new addition to the Labour Code is the extending of legal protection to employees who do not

have a written employment contract. This and other changes represent promising advances towards helping individuals to progress in their jobs and will be beneficial to their skills development prospects as well.

An important policy initiative is the formulation of the Vietnamese Vocational Training Strategy (2021–2030).¹⁸ This is an ongoing effort to update the version of the strategy that was in place for 2011–20. Among those involved in consultations have been trade union representatives, such as those from the VGCL.

Despite this and other advances that have been made in the years since the 2014 law on vocational education, there continues to be an acknowledgement both internally and by external observers that gaps remain.

► Evidence of policy outcomes

In 2006, the document *Vietnam's Education and Training Development Strategy Till 2010* was promulgated. This gave a blunt assessment of what it referred to as "weaknesses" in the country's education and training sector, beginning with the observation that "the quality of education at all levels is still low" and went on to uncover a list of the "causes of the weaknesses", which included the finding that "educational inspection activities have been so weak".¹⁹

Fifteen years on, the report by the Australia–World Bank Group Strategic Partnership in Vietnam continued to echo similar concerns about the "quality of teaching and facilities".²⁰

The quality of TVET outcomes has been discussed in both official and unofficial forums. An example is the G20 Training Strategy project. One of its reported aims is the enhancement of education and training outcomes in term

¹⁵ See www.ilo.org/skills/projects/g20ts/viet-nam/WCMS_732512/lang--en/index.htm.

¹⁶ IndustriALL, "Unions in Vietnam build capacity on labour relations", 2021. The article attributes the quote to Thai Quynh Mai Dzung.

¹⁷ Labour Code of 2019 (in Vietnamese).

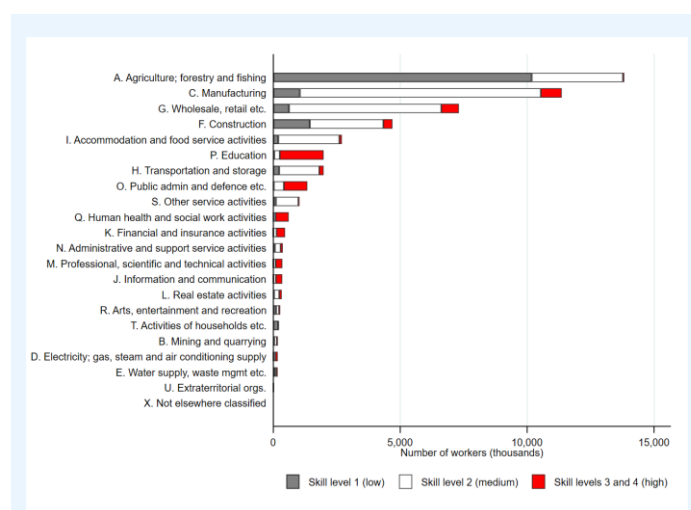
¹⁸ Federal Institute for Vocational Education and Training, *Assessment of the Implementation of the Vietnamese Vocational Training Strategy 2011–2020 and Recommendations for the Vietnamese Vocational Training Strategy 2021–2030*, Report to GIZ GmbH (July 2020).

¹⁹ See www.chinhphu.vn/portal/page/portal/English/strategies/strategiesdetails?categoryId=29&articleId=3064.

²⁰ World Bank, *Vibrant Vietnam: Forging the Foundation of a High-Income Economy*, Main report by the Australia–World Bank Group Strategic Partnership in Viet Nam (May 2020).

of relevance to labour market demands.²¹ A comparison of the skills profiles of workers in the services subsectors with other non-services major sectors reflects an unusual picture: not only is the majority of the workforce in agriculture low-skilled but the vast majority of the low-skilled workers in the entire country are concentrated in that one sector (figure 6). This contrasts sharply with the Republic of Korea, for instance, which also has an important agriculture sector and in which most workers are middle-skilled. The contrasting skills profiles is just one aspect of the challenges that Viet Nam is facing in extending the reach of its skills development efforts.

► **Figure 6. Workforce skills profile, 2020**



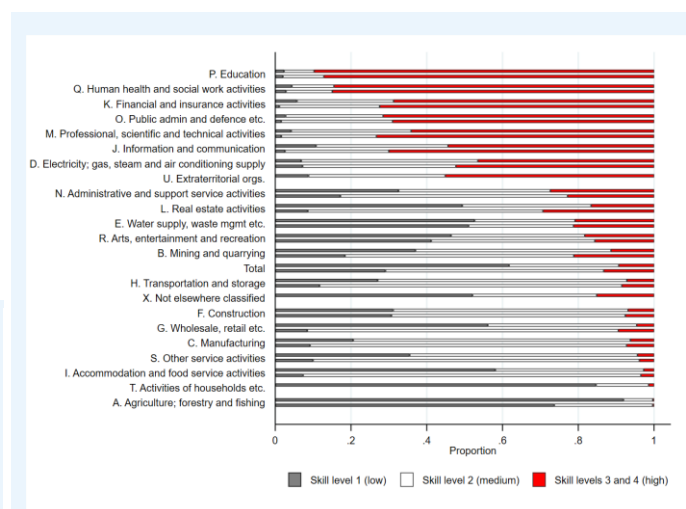
Note: (1) See note 1 to figure 1 for classification scheme of sectors. (2) This figure shows the breakdown of employment by skills level in each of the non-services sectors as well as the services subsectors. In each case, the total number of workers employed at all three skills levels is given by the total length of the bar, while the number at each skills level is given by the corresponding shaded segment within each bar, ordered with low-skilled followed by medium-skilled and finally high-skilled from left to right. Data on workers with unclassified skills occur in only a small number of cases and have been excluded.

Source: ILOSTAT, indicator: EMP_TEMP_ECO_OCU_NB. Indicator label: Employment by economic activity and occupation (thousands).

The concentration of low-skilled workers in agriculture and the resulting lack of diversity in the profiles of the low-skilled segment of the workforce make reskilling them a challenge. One of the predictions of the classical Lewis model is that an underdeveloped country's manufacturing sector would benefit from surplus labour in its agriculture sector.²² With Viet Nam's rapid climb into higher-value manufacturing and the corresponding demands then for

high-skilled manufacturing workers, the capacity of its manufacturing sector to continue to absorb surplus labour from agriculture becomes questionable.

► **Figure 7. Proportion of workforce at each skill level, by sector, 2007 and 2020**



Note: (1) See note 1 to figure 1 for classification scheme of sectors. (2) This figure shows the breakdown of employment by skills level in each of the non-services sectors as well as the services subsectors. In each case, there are two sets of stacked bars, representing data for 2007 and 2020, respectively, with the proportion of workers for all three skill levels summing to one (or 100 per cent). Data on workers with unclassified skills occur in only a small number of cases and have been excluded. (3) Derivation by author, using data on employment at each skill level from figure 6.

Source: ILOSTAT, indicator: EMP_TEMP_ECO_OCU_NB. Indicator label: Employment by economic activity and occupation (thousands).

Even though there have been improvements, Viet Nam continues to lag behind countries like India and the Philippines in terms of the proportion of highly skilled workers.²³ Between 2007 and 2020, the increase in highly skilled workers as a proportion of the overall workforce was only about 5 percentage points (figure 7).

Youth employment

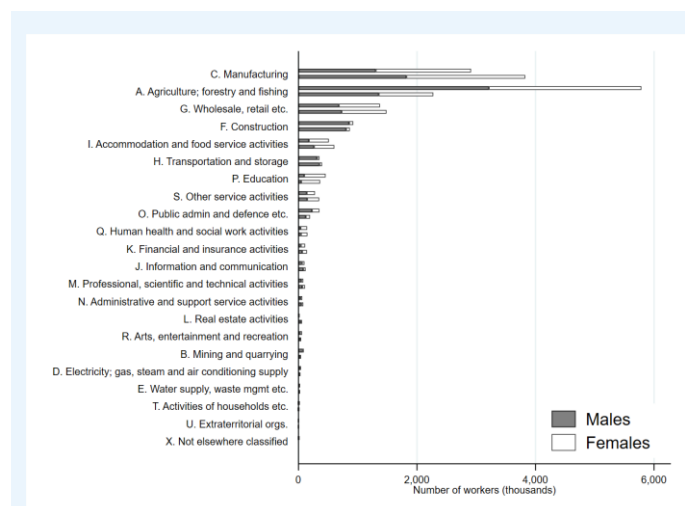
Viet Nam has seen significant changes in youth employment over the past decade, with falling numbers in recent years, mirroring a trend seen in many other countries. In 2020, the number was 11.2 million, comprising 5.1 million female youths and 6.1 million male youths. These figures represent decreases from 13.7 million, 7.4 million and 6.3 million in 2012, respectively.

²¹ ILO, "Social partners discuss sectoral Skills governance strategies in Viet Nam" (2018).

²² Arthur W. Lewis, "Economic Development with Unlimited Supplies of Labour", *The Manchester School* 22 (2) (1954), 139–191, doi:10.1111/j.1467-9957.1954.tb00021.x.

²³ According to data from ILOSTAT on workforce composition by skills levels, in 2019, the proportion of the workforce comprising high-skilled workers was 18.1 per cent for the Philippines, 17 per cent for India and 13.5 per cent for Viet Nam.

► **Figure 8. Youth employment, by sex and sector, 2012 and 2020**



Note: (1) See note 1 to figure 1 for classification scheme of sectors. (2) This figure shows the number of youths aged 15–29 employed in each of the non-services sectors as well as the services subsectors, with a breakdown by sex. In each case, there are two sets of stacked bars, representing data for 2012 and 2020, respectively. For example, in 2020, the total number of youths employed in manufacturing was close to 4 million and is made up of more females than males.

Source: ILOSTAT, indicator: EMP_3EMP_SEX_AGE_ECO_NB. Indicator label: Youth employment by sex, age and economic activity (thousands).

The sector that had the largest number of youths in employment in 2020 was manufacturing (figure 8). Comparing the subsectors of services with other non-services sectors shows that after manufacturing, agriculture was the second-largest employer, followed by the wholesale and retail services subsector.

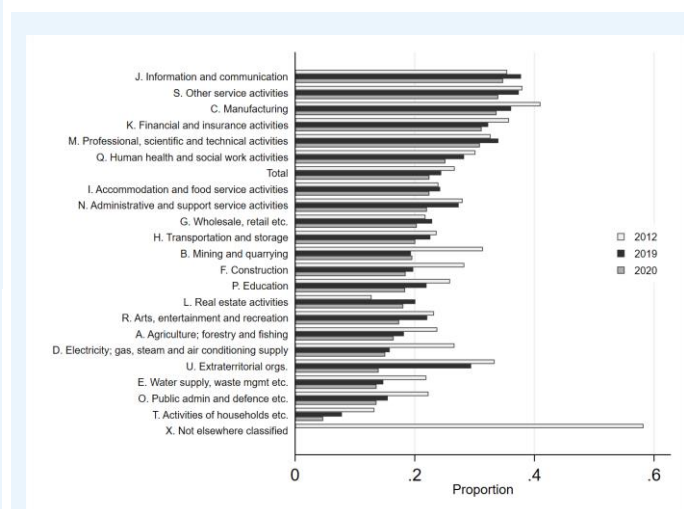
The proportion of the workforce consisting of youths has also been steadily declining, from 27 per cent in 2012 to 22 per cent in 2020 (figure 9).

The same applies to manufacturing, construction and agriculture as well as almost all the services subsectors with a handful of exceptions. Of the sectors and subsectors in figure 9, most have proportions of youths in their workforces that are below the economy average of 22 per cent in 2020. Of the ones with above-average proportions of youth workers, all have relatively small workforces except for manufacturing.

The fact that Viet Nam's TVET strategy for 2011–2020 had set explicit targets for youth training was clearly appropriate in recognizing this as a significant challenge.

Despite the targets, the problem of inadequate training remains evident. In 2010, 14.7 per cent of the labour force was trained. In 2020, this had only risen to 24.1 per cent. Not surprising, the same figures also show that females as well as persons in rural areas had fewer, if any, opportunities for training than men and urban residents.²⁴

► **Figure 9. Youth employment, by sector, 2012, 2019 and 2020**



Note: (1) See note 1 to figure 1 for classification scheme of sectors. (2) This figure shows the proportion of youths aged 15–29 employed in each of the non-services sectors as well as the services subsectors. In each case, there are three bars, representing data for 2012 (white), 2019 (black) and 2020 (grey). (3) Derivation by author, using the indicator for youth employment and overall employment corresponding to figure 1.

Source: ILOSTAT, indicator: EMP_3EMP_SEX_AGE_ECO_NB. Indicator label: Youth employment by sex, age and economic activity (thousands).

The economic activity with the largest proportion of trained workers was education and training, in which more than nine in ten workers were classified as trained in 2020. The economic activity with the smallest proportion of trained workers was agriculture, forestry and fishing, where only 5.6 per cent were classified as trained. The large variation in the proportion of trained workers across sectors of economic activity means that the opportunities for movement across sectors are diminished. This concern was noted in the labour force report 2019, when it warned

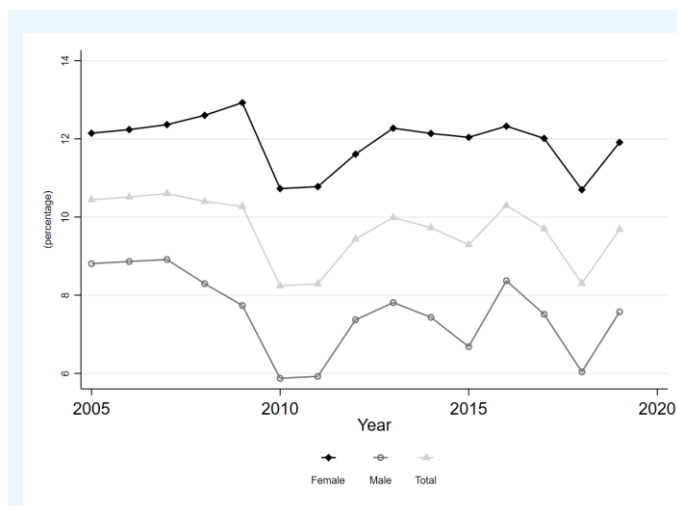
²⁴ General Statistics Office (GSO), *Report on Labour Force Survey 2019* (Department of Population and Labour Statistics, 2020). See table 60 on the percentage of trained labour force by sex and by residence.

that "Vietnam's labour force is young and abundant, but with low skills and technical specialization".²⁵

With the fall in the proportion of youths in Viet Nam's population, the decline in the youth share of employment was inevitable.

The gradual reduction of the youth population coupled with the persistence of a lack of trained workers will continue to deprive Viet Nam of the full benefit of the demographic dividends it should have been entitled to.

► **Figure 10. Youth not in education, employment or training, 2005–20**



Note: This figure shows the proportion of youths (aged 15–29) not in employment, education or training over time, distinguished by sex. The unit of measurement is in percentage points.

Source: ILOSTAT.

There are further subtle but potentially worrying signs related Viet Nam's young population. While it is not surprising that the youth employment rate is high, standing at 60 per cent in 2020, this figure has fallen from its peak of 66 per cent in 2018.

By itself this may not be a cause for concern. However, when combined with the fact that the proportion of youth not in education, employment or training has also risen since 2018, there is indication that there may be complex societal issues related to the engagement of youth that the existing approach to TVET is unable to accommodate (figure 10).

The proportion of youths not in education, employment or training had been hovering around 10 per cent for more than ten years, and thus it is not a new problem. One

possible avenue for increasing engagement with youths is to leverage on technology. The outreach to youths may benefit from exploiting their natural affinity with technological innovations.

► Conclusion

The need for a coherent up-to-date framework for skills development and lifelong learning is particularly urgent in the case of Viet Nam. With one of the youngest populations in the world, Viet Nam has enjoyed the benefits of its demographic dividends for more than a decade.

Despite its good growth performance, Viet Nam could be falling short of its potential peak growth because of persistent skills deficits. These deficits can be traced to inadequate education resources, which is a problem that has been exacerbated by the continuing shortfalls in training. The country continues to be hampered by a large proportion of untrained workers, which is a problem that the Government has clearly recognized and focused on through various policy initiatives.

At the moment, trade unions still have a limited role in promoting workforce skills development. While this is traditionally considered the domain of government policymakers and employers, there is scope for trade unions led by the VGCL to initiate tripartite forums where the needs and concerns of workers about training and skills development issues can be considered in policy discussions at the national level. Given the potentially differing needs in skills development of various segments of the workforce in Viet Nam's fast-developing economy, it is critical that a detailed consideration of the differences be aired. Trade unions are well-positioned to represent the interests of workers in this regard.

The next decade provides valuable opportunity for trade unions to develop such a role. While there is a legislative policy framework for TVET, it is not clear if this translates into a coherent and effective strategy in practice. The highly anticipated update of its TVET strategy for 2021–2030 is a critical juncture for coming to grips with this issue, as the age profile inevitably evolves. While the strong growth that the economy has achieved over the

²⁵ GSO, *Report on Labour Force Survey 2019*, 19.

past decade provides opportunities for dealing with the resource constraints, the need for urgent action combined with the size of the low-skilled workforce indicate that major challenges continue to lie ahead.

There is also scope for greater efforts to be made to explore the design and use of technological platforms that cater to youths for skills development and lifelong learning in the updated strategy. This is another area in which trade unions can take on an important advocacy role

In addition, while the 2014 law on vocational education covers apprenticeships, there is no nationwide scheme to ensure a supply of apprenticeship positions nor a systematic mode of placement at a scale that would be in line with the size of the number of youths in employment. From this perspective, there are grounds for considering an apprenticeship scheme at the national level rather than the selective ones that are now available. Doing so would be a momentous undertaking with significant resource needs. With the involvement of trade unions to relay the needs of workers based on their actual experiences in practical settings, a national-level implementation would be much more sustainable in the long run.

Several sectors and subsectors with large workforces have average earnings significantly below the top-paying sectors. While this is a competitive advantage, the narrow concentration will likely become a source of concern over time.

An updated framework for skills development and lifelong learning must anticipate the needs of the workforces in these sectors as they transit into higher-value-added activities. It also must go beyond the current limited range of skills development opportunities and provide all workers with opportunity to upgrade in a range of skills that such high-value-added activities require.

It is particularly important that there are organizations representing workers, such as trade unions, that can take on a mediating role. Trade unions can have several important roles, beginning with informing policy implementation so that the benefits of economic success are more evenly distributed. They can also look out for the impact of policies on workers. And they can ensure that policy implementation systematically and effectively responds to workers with certain needs, such as those with skill deficits.

Contact

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