

# VIET NAM

## SWTS country brief

December 2016

The ILO Work4Youth project worked with the General Statistics Office of Viet Nam to implement the School-to-work transition survey (SWTS) in 2012-2013 (December-January) and 2015 (May-June). The results of the first survey were published in Nguyen Ngoc Anh, Nguyen Than Thuong, Nguyen The Ha, Trinh Thi Thu Nga and Nguyen Van Thuy (2015): *Labour market transitions of young women and men in Viet Nam*, Work4Youth Publication Series No. 27 (Geneva, ILO). The objective of this country note is to offer a general summary of youth labour market trends in Viet Nam based on the SWTS. Youth is defined as 15-29.

## Main findings of the ILO SWTS

### *Human capital and mismatch*

- Almost all of the surveyed youth had attended school or a training programme at some point in their lives (97.5 per cent in 2015). About half of the youth population (32.7 per cent) was enrolled in school in 2015 with the remaining having either completed school (35.9 per cent) or left school before graduation (28.9 per cent). There is little gender gap when it comes to access to education as well as the tendency to leave school before completion.
- SWTS results showed a strong correlation between the levels of educational attainment and a young person's labour market transition: youth educated at the university level needed an average of 7.3 months to complete the transition from school to a first stable or satisfactory job, while the equivalent figure for general secondary education was 17.8 months.
- A slight majority of employed youth is adequately educated for the job they were doing (50.5 per cent of young workers with qualifications matching to those expected for the occupation in 2015). Yet not all educated youth is able to find a job that matched their level of qualifications; 26 per cent of working youth were overeducated for their job in 2015. At the same time, undereducation of young workers remains a problem in the country, impacting as much as 23.5 per cent of young workers.
- Almost two-thirds (64.2 per cent) of young students in 2015 stated a preference for work in the government/public sector. While the attraction of public sector employment is understandable given concerns with job security, the ability of the sector to absorb a significant number of young workers is limited.

The ILO **School-to-work transitions surveys (SWTS)** are implemented as an outcome of the Work4Youth (W4Y) project, a partnership between the ILO and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for five years to mid-2016. Its aim is to “promote decent work opportunities for young men and women through knowledge and action”. The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market.

See the website [www.ilo.org/w4y](http://www.ilo.org/w4y) for more information.

### *Underutilization of the youth labour potential remains a top concern*

- The SWTS registered a high – but declining – youth labour underutilization rate: it was 47 per cent in 2013 and 43.1 per cent in 2015. In 2015, the share of underutilized labour potential consisted of 34 per cent of the youth population in irregular employment (either in self-employment or paid employment with contract duration less than 12 months), 4.2 per cent unemployed and 4.9 per cent inactive non-students.
- The youth unemployment rate (strict definition)<sup>1</sup> increased from 2.8 per cent in 2013 to 3.4 per cent in 2015, remaining well below the regional youth unemployment rate for South-East Asia & the Pacific of 12.4 per cent for the same year.<sup>2</sup>
- The unemployment rate of youth increased with the level of educational attainment. The unemployment rate of youth educated at the university level was 4.7 per cent compared to 3 per cent for graduates at the secondary general level. The highest rate in 2015, however, was for youth with primary education only at 6.4 per cent.
- The share of youth neither in employment nor in education or training (NEETs) in Viet Nam decreased between 2013 and 2015 from 11.1 to 7.8 per cent. The share of NEETs among young women was higher than that of young men at 9.6 and 6 per cent, respectively, reflecting primarily the inability of some young women to go to school and the early age of family formation in the country.

### *Low quality jobs remain a strong hindrance to the country's productive transformation*

- Two-thirds of young Vietnamese (66.3 per cent) were employed in 2015, with many working from a very young age; 18.3 per cent of young adolescents aged 15–17 were out of school and working.
- A majority of young workers (58.6 per cent) were in paid employment, yet still more than one in three (34.6 per cent) employed youth remained in vulnerable employment as own-account workers (12.9 per cent) or unpaid family workers (21.7 per cent). At the same time, nearly half (43.9 per cent in 2015) of youth in paid employment were engaged without a written contract.
- Youth employment in Viet Nam was in 2015 was fairly evenly distributed among the three sectors: agriculture (33.3 per cent), industry (33.4 per cent) and services (32.6 per cent).
- Informal employment affected four out of five (79.5 per cent) young workers in Viet Nam with higher rates for young men than young women.
- Almost one-third (31.4 per cent) of working Vietnamese youth worked excessively long hours (more than 50 hours per week), while 18.3 per cent worked part time (less than 30 hours).

## **Selection of data tables**

**Table 1. Youth population by educational status and sex, 2013 and 2015 (%)**

Educational status	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Never attended school	2.2	3.2	2.5	2.5	1.9	3.9
Dropped out before graduation or completion of school	25.8	25.9	29.5	28.9	22.1	22.9
Currently attending school	31.2	33.6	28.1	32.7	34.2	34.4
Education completed	40.9	37.3	40.0	35.9	41.8	38.7
Total	100	100	100	100	100	100

<sup>1</sup> The “strict” definition of unemployment refers to persons without work, available to work and actively engaged in a job search. The “broad” definition excludes the job search criteria. The youth unemployment rate is the number of unemployed persons divided by the youth labour force (employed plus unemployed).

<sup>2</sup> ILO, *World Employment and Social Outlook: Trends for Youth 2016* (Geneva). Note, the regional figure covers youth aged 15–24 while the data on the SWTS refer to youth aged 15–29. The youth unemployment rate in Viet Nam for the age range 15–24 was 4.1 per cent in 2015 based on the SWTS.

**Table 2. Key youth labour market indicators – traditional distribution by sex, 2013 and 2015 (%)**

	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Employed	64.1	66.3	68.7	68.8	59.6	63.8
Unemployed	1.9	2.3	1.9	2.4	1.8	2.3
Inactive	34.0	31.4	29.4	28.8	38.6	34.0
Total youth population	100	100	100	100	100	100
Youth labour force participation rate	66.0	68.6	70.6	71.2	61.4	66.0
Youth unemployment rate (strict definition)	2.8	3.4	2.7	3.3	2.9	3.4

**Table 3. Key youth labour market indicators – alternative distribution by sex, 2013 and 2015 (%)**

	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
In regular employment	28.6	30.8	30.8	30.7	26.5	30.8
In irregular employment	35.3	34.0	37.7	37.0	33.0	31.1
Unemployed (broad definition)	3.3	4.2	2.8	3.6	3.7	4.9
Inactive students	24.4	26.1	21.2	25.6	27.5	26.7
Inactive non-students	8.4	4.9	7.5	3.1	9.2	6.6
Total youth population	100	100	100	100	100	100
Youth labour force participation rate	67.3	69.0	71.3	71.3	63.3	66.7
Youth unemployment rate (broad definition)	4.9	6.1	3.9	5.0	5.9	7.4
Youth labour underutilization rate	47.0	43.1	48.0	43.7	46.0	42.6

**Table 4. Youth neither in employment nor in education or training (NEETs) by sex and composition, 2013 and 2015 (%)**

Sex	2013			2015		
	NEET rate	of which:		NEET rate	of which:	
		Inactive non-students	Unemployed non-students		Inactive non-students	Unemployed non-students
Total	11.1	9.4	1.7	7.8	5.7	2.1
Male	9.9	8.0	1.8	6.0	3.7	2.2
Female	12.4	10.8	1.5	9.6	7.6	2.0

**Table 5. Employed youth by status in employment and sex, 2013 and 2015 (%)**

Status in employment	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Wage and salaried workers (employees)	58.3	58.6	61.2	60.1	55.0	56.9
Employers	1.5	1.1	2.0	1.2	0.9	1.0
Own-account workers	14.5	12.9	12.3	13.1	16.9	12.6
Contributing (unpaid) family workers	25.2	21.7	23.7	21.2	27.0	22.2
Not classified	0.5	5.8	0.8	4.5	0.2	7.3
Total employed youth	100	100	100	100	100	100

**Table 6. Young wage and salaried workers by type of contract and sex, 2013 and 2015 (%)**

Type of contract	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Written agreement	55.1	56.1	43.9	42.0	69.2	72.1
Oral agreement	44.9	43.9	56.1	58.0	30.8	27.9
Unlimited duration	54.5	49.4	53.1	48.1	56.3	50.8
Limited duration	45.5	50.6	46.9	51.9	43.7	49.2
<i>Of which:</i>						
– Less than 12 months	57.5	50.1	64.9	57.4	47.5	41.3
– 12 months to less than 36 months	37.3	42.4	30.7	37.2	46.3	48.8
– 36 months or more	5.1	7.4	4.4	5.4	6.1	9.9
Total young wage and salaried workers	100	100	100	100	100	100

**Table 7. Distribution of youth employment by sector, aggregate and 1-digit level, and sex, 2013 and 2015 (%)**

Sector	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
<b>Agriculture</b>	<b>32.6</b>	<b>33.3</b>	<b>34.3</b>	<b>34.3</b>	<b>30.6</b>	<b>32.2</b>
<b>Industry</b>	<b>30.9</b>	<b>33.4</b>	<b>30.5</b>	<b>34.0</b>	<b>31.3</b>	<b>32.8</b>
<b>Services</b>	<b>36.3</b>	<b>32.6</b>	<b>35.1</b>	<b>30.9</b>	<b>37.7</b>	<b>34.4</b>
Agriculture, forestry and fishing	32.6	33.5	34.3	34.6	30.7	32.4
Mining	0.7	0.1	1.1	0.0	0.2	0.1
Manufacturing	22.5	26.1	16.7	21.4	29.1	31.2
Electricity, gas, steam	0.5	0.1	0.8	0.1	0.1	-
Construction	0.2	0.2	0.0	0.2	0.5	0.1
Wholesale and retail trade	7.0	7.2	11.9	12.5	1.5	1.7
Transport	12.7	10.8	13.5	10.4	11.7	11.2
Accommodation	3.5	2.3	5.1	3.7	1.7	0.7
Information and communications	5.8	4.3	4.4	4.1	7.3	4.5
Financial activities	0.7	1.4	0.9	2.0	0.5	0.9
Professional scientific activities	0.9	1.6	0.8	1.2	1.1	2.0
Administrative and support activities	0.1	0.2	0.1	0.2	0.2	0.1
Public administration	1.1	0.9	1.5	1.3	0.8	0.6
Education	0.7	1.1	0.6	0.7	0.8	1.6
Health and social work	3.5	2.0	4.7	2.5	2.1	1.5
Arts and entertainment	3.2	3.2	0.9	0.9	5.7	5.7
Other services	1.2	1.8	0.4	1.4	2.2	2.2
Private households	0.2	0.7	0.3	0.6	0.2	0.8
Activities of extraterritorial organizations	2.4	2.3	2.0	2.1	2.9	2.4
Not classified	0.2	0.6	0.1	0.7	0.3	0.5

**Table 8. Youth informal employment by composition and sex, 2013 and 2015 (%)**

	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Youth formal employment	23.6	20.5	19.5	16.3	28.2	25.1
Youth informal employment	76.4	79.5	80.5	83.7	71.8	74.9
<i>Of which:</i>						
– Informal employment outside the informal sector	45.4	48.4	49.1	48.9	40.9	47.7
– Employment in the informal sector	54.6	51.6	50.9	51.1	59.1	52.3

**Table 9. Employed youth by overeducation, undereducation or matching qualifications and sex, 2013 and 2015 (%)**

Qualifications match	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Undereducated	23.7	23.5	23.7	25.1	23.6	21.8
Overeducated	23.2	26.0	25.2	22.5	20.7	29.7
Matching qualifications	53.2	50.5	51.0	52.4	55.7	48.5
Total employed youth	100	100	100	100	100	100

**Table 10. Youth unemployment rates by level of completed educational attainment and sex, 2013 and 2015 (%)**

Educational attainment	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Less than primary (including no schooling)	0.7	1.7	1.1	1.5	-	2.0
Primary	1.6	6.4	1.8	5.6	1.3	7.4
Secondary vocational	2.6	2.1	4.6	1.3	1.2	3.2
Secondary general	1.8	3.0	2.0	5.0	1.5	1.2
Post-secondary vocational	12.9	5.9	11.4	12.8	13.6	0.8
University and postgraduate studies	7.6	4.7	9.0	3.4	6.4	5.6

**Table 11. Unemployed youth by duration of job search and sex, 2013 and 2015 (%)**

Duration of job search	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
Less than a week	6.7	5.1	7.6	3.2	5.8	7.1
1 week to less than 1 month	15.5	30.8	20.6	39.1	10.1	22.2
1 month to less than 3 months	38.9	22.3	34.2	26.2	44.0	18.3
3 months to less than 6 months	26.9	18.5	31.6	19.1	21.9	17.8
6 months to less than 1 year	4.7	17.8	3.7	8.2	5.8	27.8
More than a year	7.3	5.5	2.3	4.3	12.5	6.8
Total unemployed youth	100	100	100	100	100	100

**Table 12. Youth population by stages and subcategories of transition and sex, 2013 and 2015 (%)**

Stage of transitions	Total		Male		Female	
	2013	2015	2013	2015	2013	2015
<b>Transition completed</b>	<b>46.2</b>	<b>45.8</b>	<b>49.8</b>	<b>46.0</b>	<b>42.7</b>	<b>45.7</b>
Transited to stable employment	25.6	26.9	28.7	26.7	22.6	27.1
Transited to satisfactory temporary employment	4.7	4.4	5.4	5.5	4.0	3.2
Transited to satisfactory self-employment	15.9	14.6	15.7	13.8	16.1	15.4
<b>In transition</b>	<b>27.6</b>	<b>28.3</b>	<b>27.0</b>	<b>28.8</b>	<b>28.2</b>	<b>27.8</b>
Unemployed (broad definition)	2.8	3.1	2.4	2.9	3.2	3.3
In non-satisfactory temporary employment	4.7	4.4	5.5	5.9	3.8	2.8
In non-satisfactory self-employment	6.8	8.3	6.8	9.3	6.9	7.3
Active students	6.9	8.6	7.0	8.0	6.8	9.2
Inactive non-students with aim to work in the future	6.4	3.9	5.3	2.6	7.6	5.3
<b>Transition not yet started</b>	<b>26.2</b>	<b>25.8</b>	<b>23.3</b>	<b>25.2</b>	<b>29.0</b>	<b>26.5</b>
Inactive students	24.3	25.1	21.1	24.8	27.4	25.4
Inactive non-students with no plans to work in the future	1.9	0.7	2.2	0.4	1.6	1.0
<b>Total youth population</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Note: Unless other specified, the categories exclude current students.