



Changing the world through Education



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## Employability & Entrepreneurship Potential Assessment

Lao Cai & Hoa Binh (Vietnam)

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Due to time constraint, the research process cannot avoid some shortcomings. We hope to receive comments from readers to further improve our report.

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## Abbreviations

AEA	Aide et Action
ILO	International Labour Organization
MOLISA	Ministry of Labour, Invalids and Social Affairs
DOLISA	Provincial Department of Labour, Invalids and Social Affairs
BOLISA	District Bureau of Labour, Invalids and Social Affairs
DARD	Provincial Department of Agriculture and Rural Development
EEPA	Employability and Entrepreneurship Potential Assessment
VTC	Vocational Training Centre
GSO	General Statistics Office of Viet Nam
PSO	Province's Statistical Office
PPC	Provincial People's Committee

## EXECUTIVE SUMMARY

Viet Nam's rapid economic growth in the last few decades was driven predominantly by productivity increases that came in the wake of a rapid shift of employment out of low productivity agriculture into higher productivity non-farm jobs. Viet Nam's economy began to industrialize and modernize. Poverty fell dramatically. But Viet Nam is facing new challenges. The pace of economic growth and the reallocation of jobs away from agriculture have slowed in the wake of structural problems in the enterprise and banking sectors and macroeconomic turmoil in recent years.

While the youth make up the majority of the country's workforce (around 51%); employment for them is increasingly challenging. Annually, about 1.2 to 1.6 million young people enter the workforce; however, many of them are either unemployed or underemployed. Besides, the quality of the workforce is poor, with limited number of skilled workers (only 43.1% of workers have gone through vocational training) (UNFPA, 2018). A large number of young people are struggling with finding stable jobs due to lack of appropriate skills required by employers. Equipping its workforce with the right skills will, therefore, be an important part of Viet Nam's efforts to accelerate economic growth and further its economic modernization in the coming decade and more.

Judging by the experience of Aide et Action (AEA) in other South-east Asian countries, the organization believes that economic modernization will involve a shift in labour demand from today's predominantly manual and elementary jobs towards more skill-intensive non-manual jobs and we aspire to be the forerunners of Skill Training and Development of youth in Viet Nam. Hence, AEA conducted an intensive Employability and Entrepreneurship Potential Assessment (hereafter referred to as EEPA or assessment) to study the job market and youth aspiration in Lao Cai and Hoa Binh provinces. AEA believes that the target youth are an invaluable source of insight into the program's effectiveness and beneficiary perceptions are an underdeveloped source of information that can improve practice, leading to better outcomes. Youth is involved in our various assessments in order to assess the value of an activity as perceived by project beneficiaries and to integrate findings into the project activities. Our EEPA is designed specifically to undertake the opinion of target youth and other stakeholders by giving preference to their priorities and concerns.

The assessment was conducted in June 2019 in Lao Cai and Hoa Binh by AEA internal assessment team. Primary information was collected through qualitative and quantitative research methods including focus group discussion, informal interviews and surveys. The EEPA followed an exploratory approach to assess the prevailing situation demand and supply in the market. Secondary information was used as a source of reference for arguments in analysing and comparing with information collected in the field. In additions, in 2020, a baseline survey was conducted by external consultant team. Therefore, some parts of this report will be analysed based on data of two surveys of 2019 and 2020.

Key findings from the assessment are as follows:

- *There is a big gap between labour demand and supply.* Enterprises are in high demand of workers, but they need skills and experiences. Nevertheless, many young people have just graduated, graduated with irrelevant qualifications, or even had no vocational



training yet. Education and training program of our formal education system and vocational training institutions still contain an imbalance between theory and practice. These findings are further confirmed in the baseline survey in 2020. As a result, graduates face difficulties in dealing with job interviews and starting their new jobs. This explains why there are many unemployed or underemployed youths while companies are looking for a large volume of staff;

- *Young people have no or limited working and life skills.* Low educational qualification is one of the causes of high rate of unemployment and unstable jobs among the local young people. The number of young people with technical and vocational education and training certification remains very low. The majority of surveyed youths (i.e 71 of 130 in Lao Cai and 54 of 109 in Hoa Binh) had no technical skills and qualification. The group of targeted young people is also lack of other soft skills such as foreign languages and computer skills, which are necessary for their employment application process. In addition, young people also face other difficulties during their search for a job such as lack of job information, lack of a clear direction on future career, etc.
- *Stable jobs and self-employment are the most desirable by many young people to have better income.* Currently, their family income is low. Average monthly income of youths' whole family is VND8,361,591, with the family size of 5 members. **The Baseline survey in 2020 shows the average income of youth people at community of Hoa Binh and Lao Cai provinces counted from 3 to 5 million Vietnam dong per person per month. It is because most people in rural areas are doing low-wage manual and unstable jobs.** It is difficult for youths to find stable and high-income jobs due to lack of job information, relevant qualifications and experiences, and lack of available jobs in their home areas. They also lack soft skills such as computer knowledge, communication and English. To have sustainable incomes, youth desire to have permanent jobs or do their own business.
- *Youths prefer shorter time for vocational training.* A lot of government vocational training and even universities keep their curriculum for five to ten years without any change while the labour market keeps changing all the time. Though many young people would like to undergo some kind of vocational training and willing to pay a certain amount for it in order to get absorbed in the skilled labour force, most of them want to learn while working to earn some extra money to support their family and pay for school expenses or short courses of from 1 to 3 months, preferably near their home.
- *Retail & Market and Hospitality are the top trades for skill training for youths both in Hoa Binh and Lao Cai* that match youths' aspirations, economic factors, social parameters, competency of individuals, remuneration and future/career growth, industry requirements and the status of education of respondents. Following trades in Hoa Binh are Automobile, Construction, Fashion Designing, and Animal Husbandry. Following trades for Lao Cai are Animal Husbandry, Construction, Automobile, and Tours and Travels. **However, career orientation among youth people participated in the baseline survey 2020 showed that hospitality and service sectors are ranked at number one, the second is automobile, construction, and car/taxi drive.**

- *Vocational training has not been effective as expected.* The vocational training system has been improved and developed, providing more training courses relevant to youths' and market's preference. Vocational training institutions are developing according to a nationwide plan, with diverse forms of ownership and types of training. **However, the quality of vocational training has yet to meet the needs of the labour market in terms of professional and soft skills such as working manner and teamwork ability. These findings are reconfirmed in the baseline survey 2020. Training structures and vocational qualification levels are very well designed, failing to meet the labour demands of sectors and localities as well as the requirements for high-skilled workers of the labour market. There's a lack of vocational teachers and training facilities both in terms of quantity and quality;**
- *There are challenges in implementing government policies.* Government policies and programs supporting youths' vocational training and employment have been in place and implemented in localities. Provinces have also developed specific interventions to meet provincial targets on these issues. However, there remain difficulties, during the implementation of these policies and interventions, including limited funding, lack of coordination among implementing agencies, lack of detailed guidelines for the implementation, limited coverage of policies, and inappropriate training program/curriculum.

In order to address the above issues, the assessment team recommends that:

Local governments and departments in charge of vocational training and youth employment:

- Should create a platform for enterprises and VTCs to link together. While enterprises are in high need of workers, many people are still unemployed or underemployed, not regarding to a large number of people are working with low salary. Therefore, it is necessary to shorten the gap by promoting linkage between the demand for employment of youths and the demand for staff of businesses;
- Implement policies (such as scholarship) to support EM youth to study in VTCs;
- Conduct annual market assessment on job skills that are most demanded to inform youths as well as VTCs regarding vocational training;
- Provide necessary support to vocational training and investment for employment of sectors that have potential to promote employability and entrepreneurship opportunities. With reference to the above analysis & findings, the top selected trades for skill training in Hoa Binh includes Retail and Marketing, Hospitality, Automobile, Construction, Fashion Designing, and Animal Husbandry. Those for Lao Cai are Retail and Marketing, Hospitality, Automobile, Construction, Fashion Designing, and Animal Husbandry;
- Promote opportunities and create an enabling environment for self-employment/ entrepreneurship to be promoted. Many youths are enthusiastic to become entrepreneurs in trades. Some of them have even started their own business. However, they were struggling in making their business growing due to lack of business management skills, funding, output market, and updated market information/trend.

While self-employment is good alternative option for the youth in local province, it should be encouraged and provided with support in terms of legal information and process, business planning, business skills, and capital;

- Strengthen coordination and partnership among stakeholders in improving the quality of vocational training and employment for youths. Stronger and better-informed linkage among local authorities, vocational trainings institutions, parents will provide valuable support and orientation for youths in terms of career choice, vocational training and job. Youths' interest, expectation and capability should be put in the centre for the government to have practical policies and investment, for training institutions to provide them with appropriate vocational training courses, and for parents to have meaningful advice and support to their children in selecting vocational training courses as well as their future jobs.

#### Vocational training centres and institutions:

- Should conduct regular review/revise of training program to respond to the market demand. Market based working skills should be a focus of vocational training institutions as well as government policies and programs.
- Increase linkage with business sector (training contract with enterprises, for example);
- Operate short-term training programs on top ranking businesses to meet the demand of local market;
- Invite business representatives to participate in designing or providing inputs and feedback on training curriculum and internship program for students;
- Pay attention to develop life skills for students to help them be capable to show their professional working attitude and behavior;

#### Aide et Action:

- Conduct study on job market, youth's capacity and expectation and entrepreneurship potentiality at local context to understand gaps and opportunities facing EM youths;
- Pilot vocational training and entrepreneurship model in the provinces;
- Connect VTCs in the provinces with wider system nationally;
- Support with review/revise training program;
- Supporting training of VTC teachers.

AEA will take into careful consideration the above findings and recommendations in the development of program activities to ensure that our interventions will address raised issues to effectively foster the quality of vocational training and employment of young people in program areas in particular and in the country in general. At this stage, we recommend AEA to consider two models that have been implemented successfully in other regions of AEA International:

- (1) iLEAD model: The model has been successfully implemented in India, Sri Lanka and Philippines where more than 300 young entrepreneurs have been supported to start their own enterprise. They have not only started their own enterprise, but they are also

creating jobs for others as well and the model has also been designed in a way where they are also acting as trainers in their own communities. In Viet Nam, based on this EIPA analysis total 7 potential trades have been identified, and the innovative processes need to be identified to implement the livelihood program according to the Vietnamese context;

- (2) Rural Eco Tourism model – My Gakidh Village: My Gakidh Village is an Initiative with the overall goal to curb rural-urban youth migration by providing livelihood skills and opportunities within their own rural communities in Bhutan which is being successfully implemented and have been appreciated by the local government and agencies as well. While Hoa Binh and Lao Cai have advantage of natural landscape, interventions of community-based eco-tourism and environmental conservation projects promise high potentiality for economic development and job creation for local people.

## I. INTRODUCTION

### 1. Aide et Action, iLEAD and the assessment

Aide et Action (AEA) - an international development organization working for the cause of education in more than 32 countries - has been involved in promoting livelihood education among the youth from poor families and those with low educational qualifications through short term trainings. iLEAD (Initiative for Livelihood Education and Development) - the employability and entrepreneurship enhancement programme through vocational education is one of the largest programmes of AEA, which has established a number of training centres catering to the youth in new and emerging occupations like IT enabled services, customer relations management, sales and marketing, bed side nursing assistance, automobile repairs, air conditioning and refrigeration repairs, electrical and electronics, garment and apparel, beauty care, plumbing, welding and fitters etc. The programme is highly sensitive to market demand and takes up only those employable trades which have demand in the local market. The training curriculum is also designed in consultation with the local business establishments and enterprises. This not only ensures a match between the market or industry expectations and the skills of the trainees but also helps them to attain entry level jobs easily.

Till today iLEAD has trained over 235,000 youths in India, Sri Lanka, Nepal, Bhutan and Philippines since its inception in 2005, out of which 75% are from marginalized section of the society and 41% are women. More than 76% trained youth are significantly contributing to their family income including 10% who have started their own enterprises through iLEAD's Enterprise model.

AEA has been collaborating with various bilateral and corporate/ private agencies to run its flagship - iLEAD program. Some of the prominent partners are UNICEF, Children International - US, Fidelity Foundation, Microsoft, Lanco, L'Oreal, Schneider Electric, Chanel Foundation and State and Central governments in the countries of implementation.

AEA is helping various organisations in building their capacity in the implementation of skills training programme since many years at national and international levels. The partners of American India Foundation in India and Agencies of Children International in India, Philippines, Dominican Republic, Ecuador, Guatemala and Honduras have been capacitated by AEA and they are implementing the livelihood programmes successfully.

Included in the international objectives of the organization and looking at the need for the programme to be expanded, a discussion was started with the South East Asian team. With the support of Viet Nam office, it was decided to design a detailed action plan of the livelihood programme with an assessment of the opportunities in Viet Nam to support vocational education and also to explore innovative solutions to the problem of unemployment and underemployment in Viet Nam. This Employability and Entrepreneurship Assessment (EEPA) was then used as to provide that required information to inform for the livelihood supporting program development in AEA Viet Nam, basing on the results from identifying the possible trade for training, employment opportunities, potential employers and collaborators.

### 2. Assessment objectives

AEA believes that the target youth are an invaluable source of insight into the program's effectiveness and beneficiary perceptions are an underdeveloped source of information that

can improve practice, leading to better outcomes. Youth is involved in our various assessments in order to assess the value of an activity as perceived by project beneficiaries and to integrate findings into the project activities. Our assessment is designed specifically to undertake the opinion of target youth and other stakeholders by giving preference to their priorities and concerns.

Specifically, the EEPA was carried out for the purposes of:

- Having overview about employment situation, especially among young people aged 16-30 years old<sup>1</sup> in Hoa Binh and Lao cai;
- Identifying the needs of the youth basing on their aspirations and capacity for jobs and vocational training;
- Understanding the actual use and management of human resources as well as the demand of local enterprises, from that to know skills set required by employers;
- Evaluating the government policies at different levels for vocational training and employment for youth, and the effectiveness of local vocational training system;
- Identifying the process which can be adopted by Aide et Action in Viet Nam, through which an iLEAD model can be developed which is suitable to the Vietnamese context. It will also identify the requirement at AEA level to establish this process.

### 3. Methodology

The process commenced with the formation of teams for data collection from both the employer and youth inhabiting locations. Both secondary and primary data has been collected for undergoing this research in two phases – Phase I and Phase II.

Phase-I covered the formation of team, time frame, secondary data collection which also contributed in sampling for the study and Phase-II covered primary data collection.

#### 3.1 Team composition, location, and time frame

Effective team formation is essential to achieving the set objectives of EEPA. 10 members who were AEA's experienced program staffs were divided in 2 groups to conduct EEPA in the identified sample districts in Hoa Binh and Lao Cai provinces, with the guidance of AEA's international livelihood expert Dr. Aishwarya Mahajan, who has already conducted similar exercises in many parts of India, Nepal, Sri Lanka, Bhutan, Philippines, Cambodia, Dominican Republic and many other countries.

After the orientation of the team about the process and building their perspective and understanding about the iLEAD programme and EEPA, tools to collect primary information were revised with the support from one external researcher from MOLISA (Ministry of Labor, Invalids and Social Affairs) and the AEA team in Viet Nam. Aspirations of youth and need assessment from community's side were carried out in the two provinces, Lao Cai and Hoa Binh. Subsequently looking at the dearth of employment in these provinces, newer locations were

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<sup>1</sup> Youth Law 2005 prescribes the age of young people are between 16 to 30 years old. The Law on Protection Child Protection, Care and Education provides that children are persons under 16 years of age

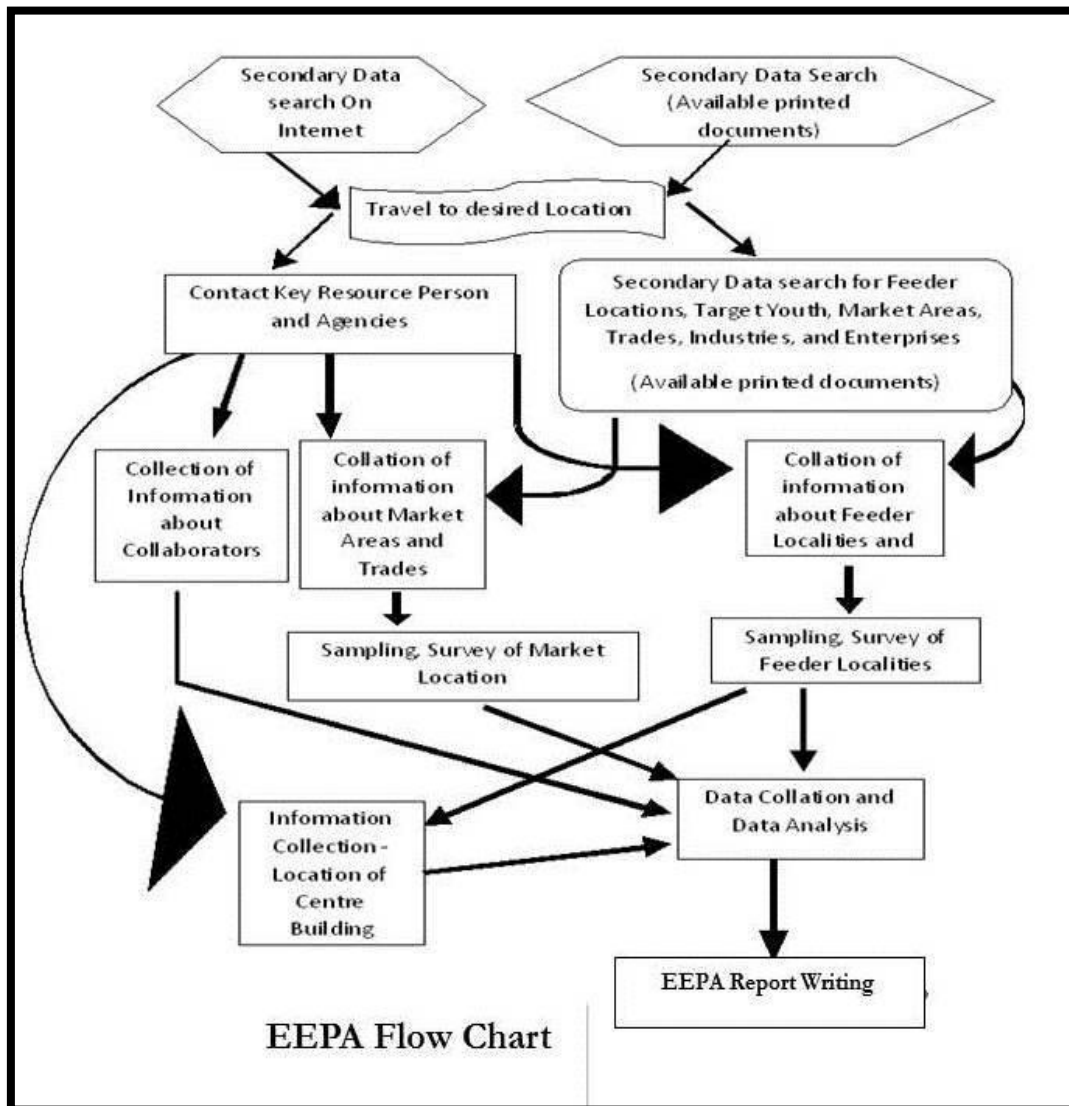
identified, and market was scanned where ample opportunities are and will continue to be available in the upcoming years.

Work was carried out according to the decided time frame, including 5 days of intensive field work during 10-14 June 2019 and 20 June 2019 to collect the raw data for the study in the following location:

- Hoa Binh province: Hoa Binh city, Ky Son district, and Da Bac district
- Lao Cai province: Lao Cai city, Bac Ha district, and Sapa district

### 3.2 Assessment Methods

EEPA specifies methods and procedures for acquiring the information needed to structure or to solve problems pertaining to the said objectives of *iLEAD*. It gives overall operational pattern or framework of the project that stipulates what information is to be collected, from which sources, and by what procedures.



In order to address the study objectives, there is a need to obtain both quantitative and qualitative information. Information on socio-demographic characteristics of local farmer communities, economic aspects, the sources and patterns of livelihoods as well as community's perceptions of human resource development opportunities will need to be gathered and analysed. Socio-demographic and economic information are amenable for individual response and quantification. However, issues concerning livelihood sources and strategies, as well as the exploration of alternative livelihood/local economic opportunities are better informed through facilitated group discussions and qualitative approach. These two approaches are viewed as complementary and serve as a way of consolidating the results of the quantitative study. Primary and secondary data were collected from both the community (Potential youth focussing women and Community leaders) and the industries. The secondary data was collected from sources like government websites, various previously published reports of government, MOLISA, NIVET, etc. The primary data was collected mainly through schedules and personal interviews.

### 3.3 Sample Size and Tools for the Primary Data Collection

Entire EEPA is based on the study of the two important aspect of employment generation i.e., Community/Youth and Industries.

- a) **Community/Youth:** This study covered 239 youths (113 females and 126 males) which not only included those from deprived and marginalized communities who have dropped out of education system but also the privileged youth who are in search of job after the completion of education. In addition, the study also involved 41 parents who have children under either unemployed or underemployed situation. Our study included the following ethnic groups namely Kinh, Mông, Thai, Tay, Giay, Xa Pho, Nung, Dao, Phu La etc in both Lao Cai and Hoa Binh provinces.

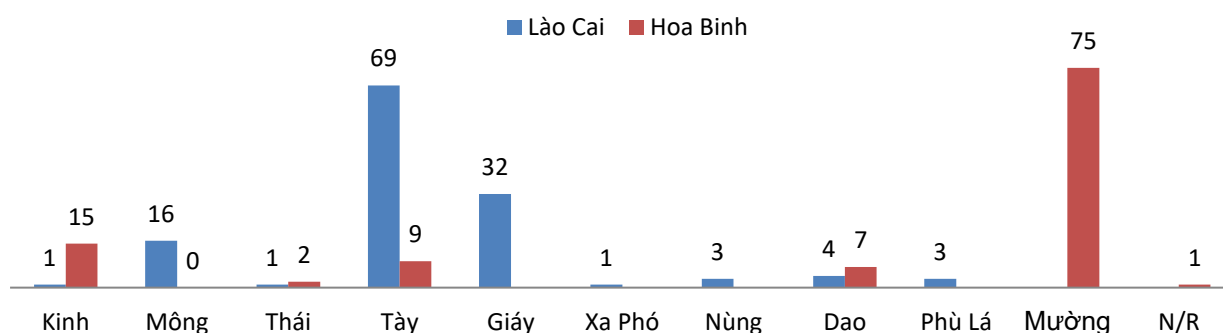


Figure 1. Number of assessment respondents by ethnicity

Tools used for the study:

- Schedule for Youth
- In-depth interview with parents

Tỉnh/ Province	Male	%	Female	%	Total



Lào Cai	53	41	77	59	130
Hòa Bình	73	67	36	33	109
<b>Total</b>	<b>126</b>	<b>53</b>	<b>113</b>	<b>47</b>	<b>239</b>

Table 1. Number of youths interacted with schedule tool

Objective of the use of these tools is to assess the aspiration and interest of the youth. At the same time, it aims to evaluate acceptability of the blue collar and supervisory jobs in the society. **Schedules (Survey Questionnaire)** were employed to get some in-depth information related to the livelihood needs, supply and demand, access to resources and markets, aspirations for better employment and livelihoods and so on. The details of existing skill sets, which the District would have possessed, augmented and created, through the use of semi structured and structured questionnaires.

**In-depth interviews:** In-depth interviews revolved around structured questionnaires to understand parents' knowledge and expectation towards and support for their children's career orientation, vocational training and employment. Interviews have addressed the subtleties involved in the activities based on backward and forward linkages.

Province	Parent Interviewed
Lào Cai	21
Hòa Bình	20
<b>Total</b>	<b>41</b>

Table 2. Number of parents interviewed

- b) **Employer/ Industry:** The study focused on the identification of the skill set required by the industries and the potential available in the market. And to assess these two crucial sides, it was essential to acquire the knowledge about the industrial scenario in the districts. It included the evaluation of the employer's expectations and demand for skilled human resources. As such, the research team conducted interviews with representatives from 43 companies from different business scales (big, medium, small), types (private, cooperative, joint stock, and limited), and areas (garment, construction, hospitality services, engineering, etc).

Province	Employers Interviewed
Lào Cai	20
Hòa Bình	23
<b>Total</b>	<b>43</b>

Table 3. Number of employers interviewed

- c) **Local authority and other stakeholders:** The team applied in-depth interview to discuss with 20 representatives from related local authorities to understand the local context,

policy environment, and support of local governments towards youth employment and vocational training. Interviewees included leaders from DOLISA, DARD, Provincial Youth Union, and district/city VTCs.

### 3.4 Some limitations during the process of collecting information

The assessment still contains some limitations as below:

- Number of samples selected for young group, parent group, and local business group was 239, 41, and 43 respectively. This might not be big enough to represent the whole province of Lao Cai and Hoa Binh<sup>2</sup>. However, the number of samples was sufficient to represent the researched locations;
- Some assessment questions were qualitative and therefore being answered based on personal perspective; besides, some business representatives did not know all information about their companies, thus some numbers were estimated, not exact ones;

To overcome those limitations, the assessment team collated information with other sources to ensure that they do not affect the validity of the analysis, findings, and recommendations in this report.

## II. KEY FINDINGS

### 1. Socio-demographic profile

#### At country level:

Viet Nam is witnessing rapid demographic change. With its population of nearly 100 million of which 70% are under 35 years of age, the country is well-positioned to supply a young, quality, and competitive-cost workforce (pwc, 2017; World Bank, 2019).

As per GSO statistics in 2017, the whole economy gained an increase of 6.81%. The structure of the economy has experienced a positive shift, of which the share of the agriculture, forestry and fishery sector accounted for 15.34%; the industry and construction sector made up 33.40%; the service sector was 41.26%. Private sector (non-state sector) has gradually developed and affirmed its important position and role in the economy, which made up 43.22% of GDP in 2015, accounted for 42.56% in 2016, estimated 41.74% in 2017 and the number of newly established enterprises hit the new record with 126.9 thousand enterprises and total registered capital reached 1,295.9 trillion VND, an increase of 15.2% in number of enterprises and 45.4% in registered capital over 2016.

In quarter I-2019, employed population under working age was about 48,8 million people, of which those in urban areas accounted for 34.7% and those in rural areas made up 65.3%; the rate of female labourers was 45.6% of the country's labourers. Employment structure has shifted from agriculture, forestry and fishery to industry, construction and services. Employed people of 15 years old and above in agriculture, forestry and fishery sector accounted for

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<sup>2</sup> Total population in Lao Cai Province and Hoa Binh province in 2018 is 705,628 people and 854,131 people, in which youth accounts for about 20% (Hoa Binh & Lao Cai PSO, 2018).

35.4%; industry and construction 28.6%; and service sector 36.0% (compared to 38.6%, 26.7%, and 34.7% in the same period last year). The rate of people participating in the labour market between rural areas and urban areas is noticeably different, with 81.2% and 68.7% respectively, especially among those of 15-24 years old and those of 50 years old and above. This data indicates that people in rural areas join the labour market much earlier and leave it much later than those in urban areas (GSO, 2019).

### **About Lao Cai:**

Lao Cai is a mountainous border province located in North-western Viet Nam. It is 296 km far from Hanoi on railway and 345 km on road. It borders Ha Giang province in the east; Son La and Lai Chau provinces in the west; Yen Bai province in the south and Yunnan province (China) in the north by a borderline of 203 km long. The natural area of the province is 638,389.59 ha, accounting for 1.93% of the total area of Viet Nam, ranking 19 out of 64 provinces and cities.

Lao Cai Province consists of 8 districts, one city, 143 communes, 12 wards and 9 towns. The population of Lao Cai Province is of 705,628 persons, with 35 ethnic minority groups living together, of which 65.4% consist of ethnic minorities; the rural population accounts for 76.83%. In the province, Mong people account for the highest proportion (23.8%) among ethnic minorities, followed by Tay (15.3%), Dao (14.4%), Giay (4.7%), Nung (4.2%), Phu La (1.5%), Ha Nhi (1.5%) and Thai (0.3%) (Lao Cai PSO, 2018).

The province has the advantage of temperate crops, especially flowers, fruit, herbs and fish of cold countries. The province has large mineral potential (iron ore in Lao Cai City, Van Ban District, Bao Yen district; kaolin, fen spat, graphite, apatite in Lao Cai City; copper ore in Bat Xat district; molybdenum in Sapa) and potential for tourism and economic development on the border (AEA & SNV, 2016).

Lao Cai is one of the provinces constantly ranked top in the Provincial Competitiveness Index (PCI) in recent years. A survey carried out by VCCI in 2014<sup>3</sup> shows that the province has 87 enterprises operating in the fields of agriculture, forestry and fisheries; mining; manufacturing and commercial services. An evaluation based on 7 index components, which are: market entry, transparency, time costs, fair competition, business supports, labour and legal institutions, shows an upward trend in Lao Cai's index compared to previous years. In other words, the dynamism and creativity of the local government in governing is highly praised by the business community and in fact Lao Cai claims itself a high ranking as a province with fair and competitive environment in the country.

In terms of economic structure, from 2010 to 2015, the economy of Lao Cai noted a remarkable reduction in the share of agriculture-forestry-fisheries sectors, from 29.4% in 2010 to 15.7% in 2015. Meanwhile, manufacturing and service sectors experience strong growth, especially in the service sector, with its share increased from 33.05% to 41.2%.

<b>Economic sector</b>	<b>2010</b>	<b>2014</b>	<b>2015</b>
Agriculture-Forestry-Fisheries	29.40%	16.07%	15.70%

<sup>3</sup>[http://www.danang.gov.vn/portal/page/portal/danang/chuyen\\_de/pci/diphuong?p\\_pers\\_id=&p\\_folder\\_id=78037336&p\\_main\\_news\\_id=78131700&p\\_year\\_sel=](http://www.danang.gov.vn/portal/page/portal/danang/chuyen_de/pci/diphuong?p_pers_id=&p_folder_id=78037336&p_main_news_id=78131700&p_year_sel=)

Manufacturing-Construction	37.55%	42.77%	43.10%
Service	33.05%	41.16%	41.20%
<b>Total</b>	<b>100.00</b> <b>%</b>	<b>100.00</b> <b>%</b>	<b>100.00%</b>

Table 4: Economic structure of Lao Cai province<sup>4</sup>

### About Hoa Binh:

Hoa Binh is a mountainous province in the Northwest Viet Nam and borders three regions of northwest, northeast and north central coast of Viet Nam. Being a mountainous province, about more than 70km from Hanoi, along the highway No.6, Hoa Binh is an ancient land and rich in tourism potential. Here, not only beautiful natural landscapes, spectacular and interesting caves, but villages of ethnic minorities with special cultural features have been an ideal destination of domestic and international tourists.

According to Hoa Binh PSO statistics, the population of Hoa Binh in 2018 was 854,131 people. There are 6 ethnic groups living in the province, including 63.3% of Muong people, 27.73% of Kinh people, 3.9% of Thai people, 1.7% of Tay people, 0.52% of Mong people and Chinese people living scattered in districts of the province. Notably, most of ethnic groups in Hoa Binh maintained their own language and have so far used in their daily life. Vietnamese (Kinh) today is the common language in Hoa Binh, which most people here can understand and communicate in.

Hoa Binh has the natural area of 4,684.2 square kilometres. It is a mountainous province adjacent to Red River Delta with many roads, waterways connecting provinces of Phu Tho, Ha Tay, Ha Nam, and Ninh Binh; and it is the gateway of the Northwest region. Hoa Binh shares the border with Phu Tho and Ha Noi in the north, Ninh Binh and Thanh Hoa is the south, Ha Noi and Ha Nam in the east and Son La in the west (Hoa Binh PSO, 2018). In addition, the river system in the province is distributed relatively evenly with the large rivers namely Da river, Boi river, Buoï river, Lang river and Bui river.

Due to geographical features adjacent to the Red River Delta and Hanoi, the natural conditions, soil, mineral resources, rich cultural characteristics, Hoa Binh economy has advantage to develop some strengthening industries. In terms of production of building materials, with the large reserves of limestone and clay, the current production of building materials is one of the key industries of the province, providing building materials for the region and neighbouring provinces. In addition, the province has three cement factories with the capacity of 8.8 thousand tons/year in Luong Son, Yen Thuy and Hoa Binh city. In terms of agro-forestry products, Hoa Binh owns types of soil suitable for planting many industrial crops (sugarcane, cassava, tea, bamboo etc.), orchards (orange, tangerine, pineapple, longan etc.). Therefore, the province can develop agro-processing industry such as sugar, starch, dried tea, canned fruits. Besides, the forest area accounts for 55% in which the area of green forest is about 41% with many economic swatches which allows growing and exploiting for forest product processing. In terms of mechanics, electronics, garment and footwear, based on the location adjacent to the major industrial centres of Hanoi and the abundant potential labour in which the rural labour

<sup>4</sup>Lao Cai statistic office: <http://laocai.gov.vn/sites/cucdongke/Tintucsukien/tintrongtinh/Trang/20151225162905.aspx>

accounts for 84% while the usage is only 74%, therefore Hoa Binh can develop electronic mechanics industry, garment and footwear. Currently, in the province there are some factories such as Song Da Garment Company, May 3/2 Garment Company, Ban Dai factory (producing electrical accessories), and Sankor electric company.

In 2018, Hoa Binh provided domestic jobs for 12,880 people, including 5,430 workers in industry and construction sector, 4,760 in agriculture, forestry and fishery, and 2,690 in trading and service. Particularly, Hoa Binh has high potentiality for tourism due to its geographical position, natural landscape, and history. According to statistics from Hoa Binh provincial Department of Culture, Sport and Tourism, there are 3,120 workers in tourism sector (Hoa Binh DOLISA, 2018).

One of the challenges Hoa Binh is facing is that enterprises are mostly at small size and disaggregated. In industrial zones, big companies use a large quantity of workers, but they are unskilled labour performing simple work like sewing and assembling.

## 2. Emerging employment issues in Viet Nam

Viet Nam's rapid economic growth in the last few decades was driven predominantly by productivity increases thanks to a rapid shift of employment out of low productivity agriculture into higher productivity non-farm jobs. But Viet Nam is facing new challenges. The pace of economic growth and the reallocation of jobs away from agriculture have slowed in the wake of structural problems in the enterprise and banking sectors and macroeconomic turmoil in recent years. Capital investments, and not productivity, have become the main source of economic growth. This is not a sustainable model for ensuring continued rapid economic growth. It means that Viet Nam cannot continue to rely on the size of its workforce for continued success; it needs to focus on making its workforce more productive and alleviating skills barriers to labour mobility. A skilled workforce is central to Viet Nam's economic modernization. Equipping its workforce with the right skills will, therefore, be an important part of Viet Nam's effort to accelerate economic growth and further its economic modernization in the coming decade and more.

Unlike many countries around the world today, Viet Nam does not suffer from low labour demand; its employers are seeking workers, but they cannot find the workers that match their skill needs. The number of Viet Nam's labourers is big (54.5 million people) but labour quality and educational level remain modest. Only 23.67% of them have qualifications or certificates, regardless of irrelevant qualifications or unreasonable qualifications for different levels (ILO, 2018). A large proportion of them are not trained to do jobs with high demand. Young people having not participated in any vocational training accounts for 85.8%. The youth who have senior qualifications (college and university qualification and above) is at only 6.4%. There's now more movement in investing in colleges and universities in Viet Nam. A lot of young people want to go to college, but meanwhile there's a huge gap in supply and demand for skilled workers, so there's a mismatch in the labour market. There are more managers than steel workers. This problem indicates that in order to tackle youth's unemployment situation, there requires more effective and practical policies on supporting vocational training and employment for young people.

Employers identify job specific technical skills as the most important skill they are looking for when hiring both white- and blue-collar workers. For example, next to job specific technical

skills, working well in teams and being able to solve problems are considered important behavioural and cognitive skills for blue collar workers. When employers hire white collar workers, they are expecting that they can think critically, solve problems, and present their work in a convincing manner to clients and colleagues. In short, in order to be successful in the future, workers also need more advanced skills that help them to be responsive to changes in workplace demands.

While Viet Nam remains largely a rural population, it is gradually shifting toward being more urban. Looking at the employed population, several important trends have been detected. Viet Nam is still very much a rural country, despite having several large cities. Thus, agriculture remains the most important economic sector, though its proportion of total employment did recede by about 13 percentage points between 1997 and 2007, to about 52% of total employment (GSO website). This also implies that there has been growth in the industrial sectors of the country, with percentage gains in manufacturing, construction, and much of the services sector.

But the rural nature of the country and the persistently heavy dependence upon agriculture means that a very large proportion of total employment is in two categories of the indicator of status in employment, namely own-account and unpaid (family) work. Taken together, somewhere between two-thirds and three-fourths of total employment in 2007 was in these two categories, which translates into a very high degree of total employment that is vulnerable, that is, at risk of lacking decent work.

The proportion of women in unpaid jobs is an astounding statistic because it means quite explicitly that more than half of all employed women in Viet Nam do not receive earnings for the work they perform. What is not known is the extent to which the family income is derived from their work.

### **3. Unemployment and underemployment situation among young people**

The 1st draft of Viet Nam National Youth Report (UNFPA, 2019) shows that in 2018, the youth accounted for 24.6% of the country's total population and constituted the majority of the workforce (around 26%). Every year, about 1.2 to 1.6 million young people enter the workforce. However, many of them are either unemployed or underemployed. The unemployment rate in quarter I-2019 was 2.24%, in which the youth aged 15-24 years old accounted for 40.4%. The rate of young people having jobs in rural areas is higher than that in urban areas: the rate of unemployed youth was 6.28%, in which that rate of those in urban areas was 10.49%. Unemployment rate of female youth is higher than that of male youth. Noticeably, according to GSO report in 2009, the unemployment rate among female labourers was highest in female youth group (under 30 years old), accounting for 54.2%. The main reason was that female youth was more difficult in finding jobs that were relevant to their expectation and capacity while they had to do housework as well. The unemployment rate among the youth is three times higher than that of other groups (7%) because young people tend to find jobs that are more relevant to their qualification and expectation. According to the international standards, people who do not have jobs yet and are looking for jobs are considered as unemployed; this makes unemployment rate among the youth is higher than the average one (GSO, 2019). The demand for labourers in informal economic sector is high though the productivity is low, thus people are easy to find jobs (usually with low income and stability). Therefore, the unemployment rate

of Viet Nam is low; but this does not reflect the quality and condition of employment need to be improved in the country (ILO, 2018).

The underemployment rate among people in working age in quarter I-2019 was 1.21%, of which that rate in urban areas was 0.60% and in rural areas was 1.53%. Most of unemployed people were in agriculture, forestry and fishery sector (making up 71.1% of the total unemployed population). The unemployment rate of labourers in this sector was 2.4%, 6 times higher than that of those working in service, industry and construction sector.

In addition, youth migration within Viet Nam contributes significantly to the growing urbanization process in the country. Motivated by economic reasons and educational opportunities, internal migration flows are dominated by young female people aged 15-24, migrating mainly to urban areas. Young migrants aged 25 and over are attracted to both urban and rural areas.

While unemployment and underemployment rates are not high, quality and productivity of employment are posing a big challenge for the whole country especially in the context of global competition and integration processes. This is reflected through high rate of people working in vulnerable areas (56.5% of workers doing informal jobs), low wage, high rate of workers not accessing to policies on social insurance, unemployment insurance, and other policies on labour safety.

Though the rate of young workers having professional qualifications and technical skills is much higher now, many of young people are facing difficulties in finding stable jobs due to lack of appropriate vocational skills. According to the national report on Vietnamese youth in 2015, 85.8% of young people aged 16-30 years had never gone through any professional and technical training. This rate in rural areas was even higher than in urban areas, i.e. 92% versus 74.7%. Besides, due to the lack of funds and unemployment, two third of young people in rural areas often have to leave their homeland in search of work elsewhere. This creates a strong migration shift to urban and industrial areas. Some current difficulties of young people in rural areas are: low educational level making it hard to find a job (68.4%), no ownership of land for production and business (53.1% ), lack of production and business experience (26.5%), lack of information about the labour market (23.3%), and difficult access to capital (22.3%)<sup>5</sup> (AEA&SNV, 2016).

In Hoa Binh and Lao Cai provinces, the unemployment rate has been decreased and job creation has been better. In Lao Cai, that rate in 2018 was 2.0%, 0.01-point decrease comparing to that of the previous year. The entire labor force of the province in 2018 was 48,5 million people, increasing by 556,6 thousand people comparing to 2017<sup>6</sup>. In Hoa Binh province, unemployment rate in urban areas was less than 3%<sup>7</sup>. However, demand for labour is still increasing, especially skilled labour. Most employed workers either have low salary or unstable jobs because they lack technical skills or experience as required by enterprises.

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<sup>5</sup>“Vocational training for Vietnamese youth in rural area: “Situation and solutions”,  
<http://vssr.vass.gov.vn/noidung/tapchi/Pages/baiviet.aspx?UrlListProcess=/noidung/TapChi/Lists/Baiviet&ItemID=137&page=0&allitem=1>

<sup>6</sup> <https://enternews.vn/can-giai-bai-toan-thua-van-thieu-cua-thi-truong-lao-dong-134264.html>

<sup>7</sup> <http://laodongxahoi.net/hoa-binh-thuc-hien-hieu-qua-cong-tac-giai-quyet-viec-lam-1311049.html>

#### 4. Employment and income of young people

To assess the labour and income situation of young people, family size, marital status, number of earning members and average monthly family income of youth were analysed by asking questions about their employment status. When it came to financial questions, there was a vast difference in the responses as an unemployed youth might have a different view as compared to the employed youth. Our survey revealed that the average family size in Lao Cai and Hoa Binh province is 5 and generally half of the family is involved in some kind of work and the average family income of Lao Cai and Hoa Binh are VND7,203,182 and VND9,520,000 respectively.

Province	Avg Family Size	Avg Earning members in Family	Monthly Avg Family Income
Lào Cai	5	2.4	7,203,182
Hòa Bình	5	2.9	9,520,000
<b>Total</b>	<b>5</b>	<b>2.6</b>	<b>8,361,591</b>

Table 5. Family size and average income of youth

Baseline survey in 2020 shows that average income of youth at community from 3 million to 5 million Vietnamdong per month (13/29 or 49% youth at community). Youth at community had monthly income from 5-10 million counted 7/29 or 24 %; the group who those had monthly income < 3 million Vietnam dong count for 7/29 or 31%. Due to limited sample size with youth community in baseline survey in 2020 so income data should consider as reference things.

It was interesting that marital status somehow affected respondents' answers. It was observed that respondents who were married might respond to questions differently than those who were separated or divorced, particularly females. For instance, if you asked a single woman about her priorities, her answers were highly likely to circulate around herself and her parents. On the other hand, if you asked a married woman what her priorities were, her answers were likely to be about her children, husband and home. Hence, it was an essential feature of our survey to cover the various demographic details of target youth. We surveyed a total of 104 never married, 132 married, 0 widows and 3 divorced youth in both Lao Cai and Hoa Binh provinces.

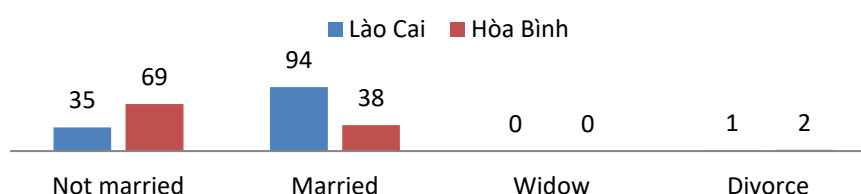


Figure 2. Marital status of youth respondents

Of the 239 youths surveyed in the Lao Cai and Hoa Binh provinces, 165 were engaged in some kind of meaningful employment and 74 were financially dependent on their family for their survival. Gender, ethnicity, location, income and regions play a crucial role in explaining discrepancies in youth employment outcomes. For instance, young males were more likely to



work as informal workers whereas young females were more likely to be neither in employment nor in education or training.

In terms of employment types, nearly 26% of the surveyed youths was engaged in paid jobs in various sectors.

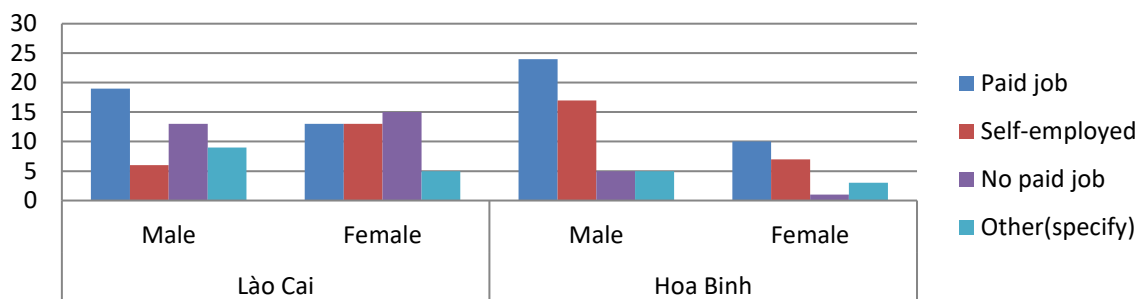


Figure 3. Type of employment engagement by gender

Most of youths interviewed (83%) said they had difficulties in finding jobs, because of the following main reasons:

- Lack of information about jobs and enterprises in demand;
- Do not have relevant qualifications, skills and experience required by enterprises or do not have technical certificate at all;
- There were not many enterprises and businesses in their areas so not many jobs were available.

Difference with baseline survey helped in 2019, most youth people in VTCs and communes surveyed of Hoa Binh and Lao Cai provinces in 2020 reported that they can find the job information easily thank to popularly internet and Social networks such as Facebook or Zalo. 67.5% of youths have learned about post-graduation job/career opportunities.

Baseline survey in 2020 shows the trend of vocational learning and job seeking after high school graduation of students and youths is on the rise. The trend of going to university is strongly decreasing, while the trend of receiving vocational training and going to work immediately after high school is on the rise in the group of students at ethnic boarding school and vocational training center. In Hoa Binh, only 5% of high school students enroll in university. In Sapa, 60% of students did not take the university entrance exam (academic year 2018-2019). These data can refer that vocational education and orientation for youth plays an important role.

## 5. Education, training, and technical skills of youth

To better understand the causes relating to income, unemployment and unstable employment issues among young people, we studied factors relating to educational and skill levels of this group.

Education plays a foremost role in the lives of the Vietnamese. Not only is the dedication to learning one of society’s central values, but education is as well recognized as a chance of progression. Among all Vietnamese education problems, outmoded teaching systems are one of the chief issues plaguing the Vietnamese instruction system. Teachers frequently place emphasis more on discipline in the school room than on active interaction and discussions. Censorship as well as interference from the government are dominant and can make a stifling

teaching atmosphere. Our survey revealed that majority of the youth had opted for higher education, 78 in Lao Cai and 77 in Hoa Binh, total 155 out of 239 and extremely few had never enrolled in educational system or had not completed primary education. 45 in Lao Cai and 32 in Hoa Binh were pursuing lower secondary education.

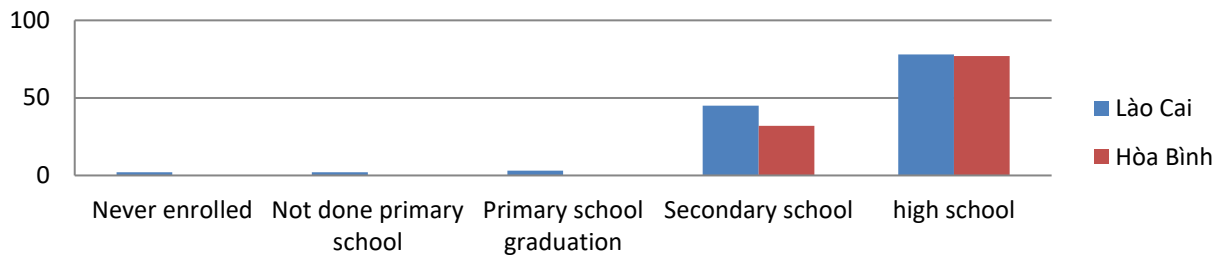


Figure 4. Education level of youth respondents

To further understand about difficulty in finding jobs among young people, we also looked at their technical skills and qualifications as well as their readiness, willingness and capacity for paying for vocational training. The general trend which was observed amongst the surveyed youth was that majority i.e., 71 in Lao Cai and 54 in Hoa Binh had no technical skill and qualification. Of the surveyed 239, very few had technical skills (6 in Lao Cai and 2 in Hoa Binh) and a small section had Vocational Intermediate training of 2 years (22 in Lao Cai and 8 in Hoa Binh). A large section of surveyed youth had opted for formal college (24) and University (37) education and had not enrolled them in VTC.

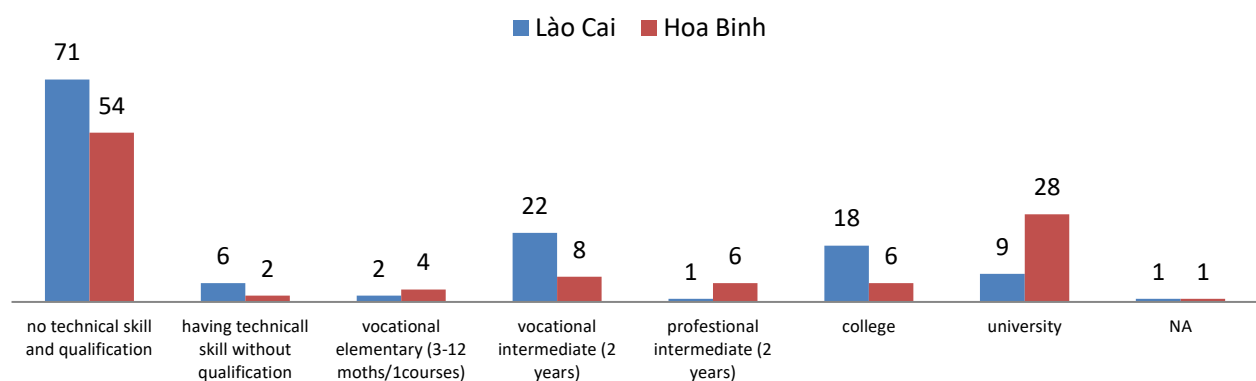


Figure 5. Qualification and technical skills of youth respondents

In Lao Cai, a total of 54 (30 males and 24 females) whereas in Hoa Binh, a total of 65 (42 males and 23 females) were enrolled in Vocational Education. Hence, we can conclude that of the surveyed 239, nearly 50% has opted to undergo some vocational training.

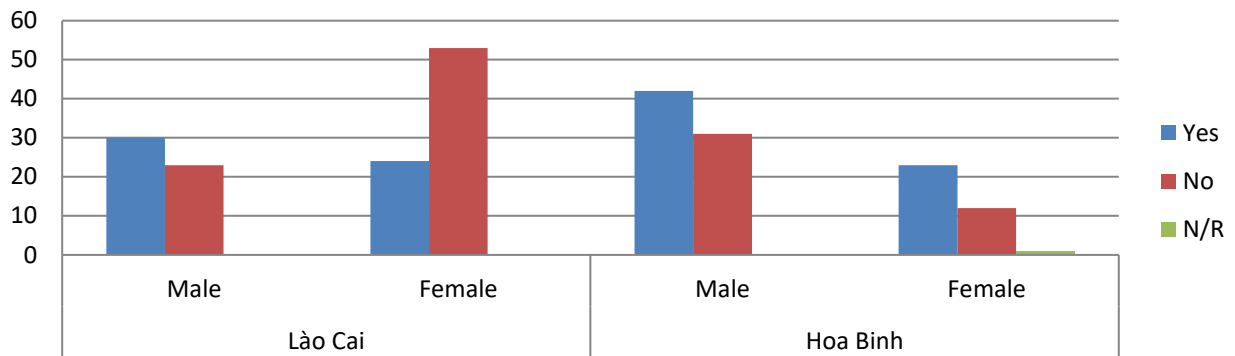


Figure 6. Percentage of youth opting to undergo vocational training

Information from Figure 4, 5 and 6 indicate that the issue of education and vocational training/skills relate to unemployment and unstable employment among young people in the local areas where number of young people having technical/secondary vocational certificates is very low.

The assessment of soft skills covering topics such as communication, computer knowledge, teamwork, conflict management, critical thinking, and leadership, among others, was carried out while surveying youth in Lao Cai and Hoa Binh. Efficient communication was significantly lacking in the respondents along with capacity to work in team. 36 youth in Lao Cai and 14 in Hoa Binh had basic Computer skill. Other skills like leadership, conflict management and critical thinking was observed in the surveyed youth, nearly 83 youth in Lao Cai and 86 youth in Hoa Binh showed varying degrees of aforementioned skills. The general observation was that women had more potential in terms of soft skills and leadership skills as compared to their male counterpart. The following chart depicts how many candidates had soft skills.

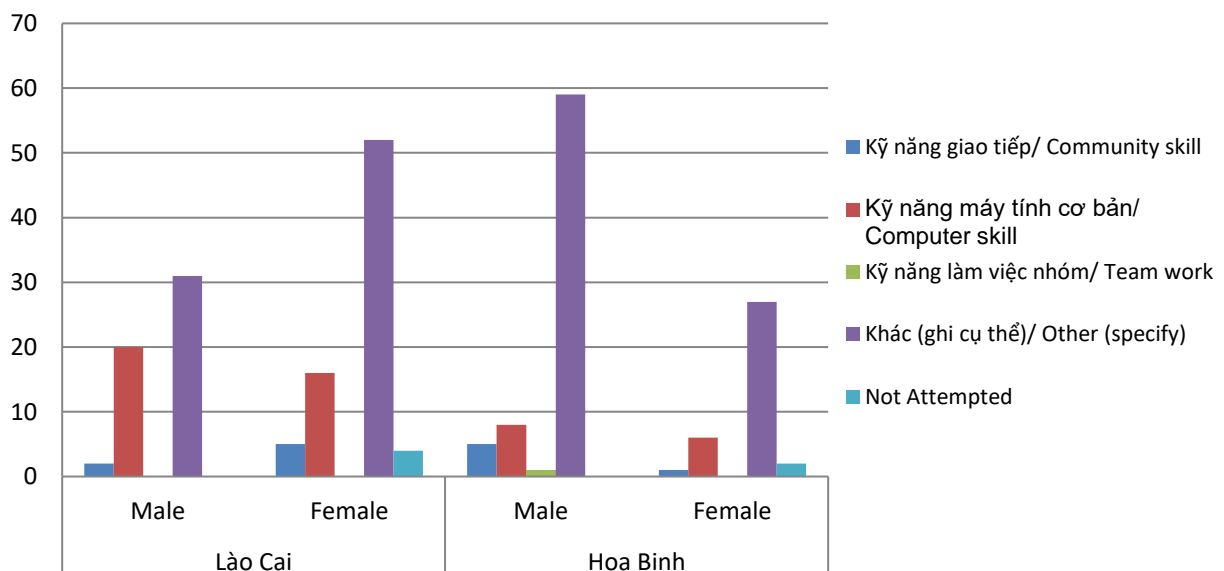


Figure 7. Soft skills of youth respondents

A lot of government vocational training and even universities keep their curriculum for five to ten years without any changes while the labour market keeps changing all the time. In Viet Nam, family members, especially parents, often want to send their kids to a university or college. It's in the culture and the way of thinking. But gradually, looking at the growing

requirements of employers and businesses, the shift is seen towards market-driven jobs. 213 out of 239 youth surveyed showed willingness to take up vocational training and get absorbed in the skilled labour force. 26 youth were still not sure about the course of action they would follow to obtain work. Nevertheless, only a small number of young people wanted to spend full time on learning; while most of them wanted to learn while working to earn some extra money to support their family and pay for school expenses or short courses of from 1 to 3 months, preferably near their home.

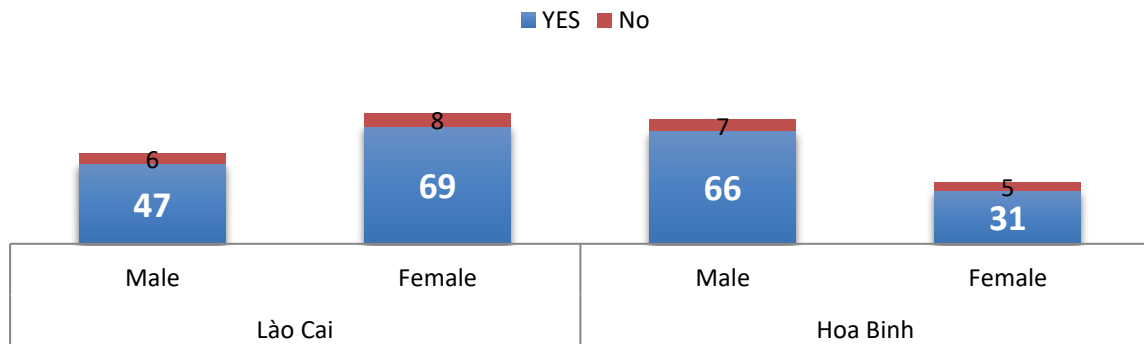


Figure 8. Youths' readiness for vocational training

78% of the youth respondents in both provinces showed willingness to pay for the vocational training they would undertake whereas the rest expected the vocational training to be free or have nominal charges.

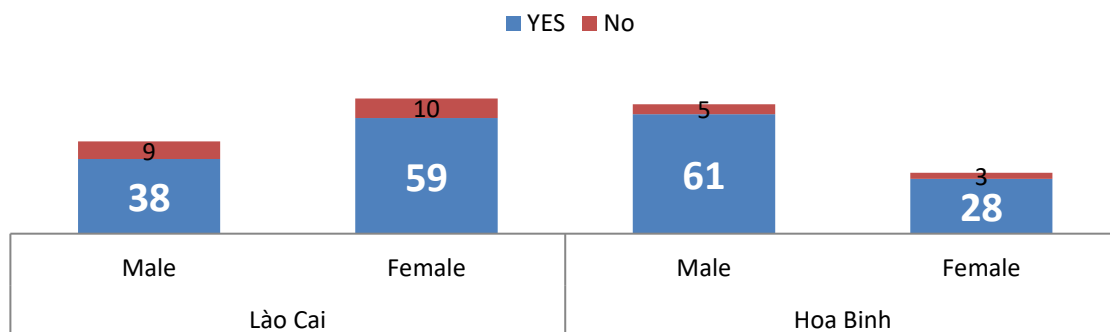


Figure 9. Youths' willingness to pay for vocational training

101 were willing to pay around 2 million VND (or 87 USD) for the 90 days skill training, 53 were willing to pay 3 to 5 million VND (or 130 USD to 217 USD) and 17 were willing to pay around 5 to 7 million VND (or 217 USD to 304 USD). Willingness to pay for training between men and women was different because demand for training by men was related to civil engineering which required longer time for training and more specialized equipment and device, thus, higher tuition fees.

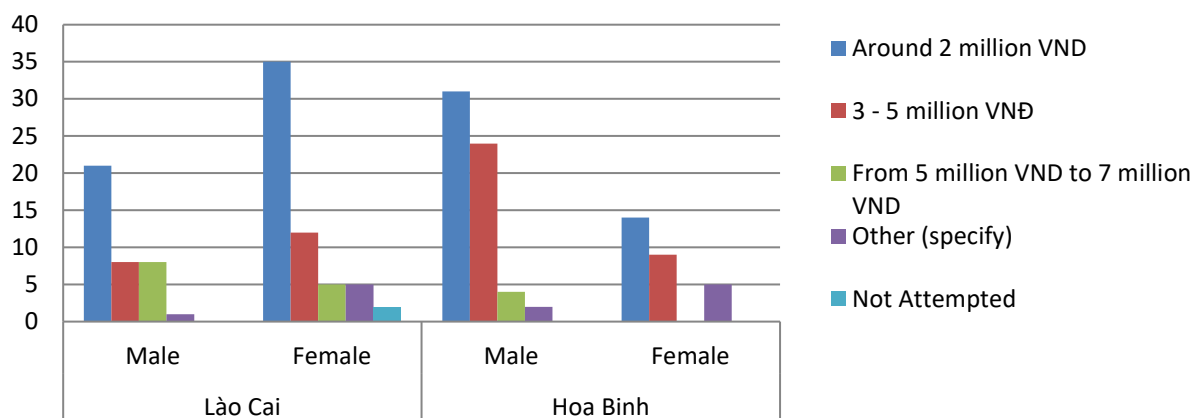


Figure 10. Capacity of paying for vocational training

## 6. Youths' aspirations in employment and career development

### 6.3 Aspiration for sustainable income

To assess the aspiration of youth in the two provinces, the employability opportunities were segregated into three heads namely, permanent jobs, self-employment and working abroad. It was observed that for sustainable income, 46% of the respondents were interested in permanent jobs with fixed monthly salaries and 36% were willing to venture into starting their own enterprise.

In Lao Cai, females were almost equally interested in starting their own enterprise as well as salaried jobs. In Hoa Binh, a permanent job was preferred by both female and male respondents, but they were also open to take up enterprise of their own and become self-employed. Very few respondents also showed interest in working abroad.

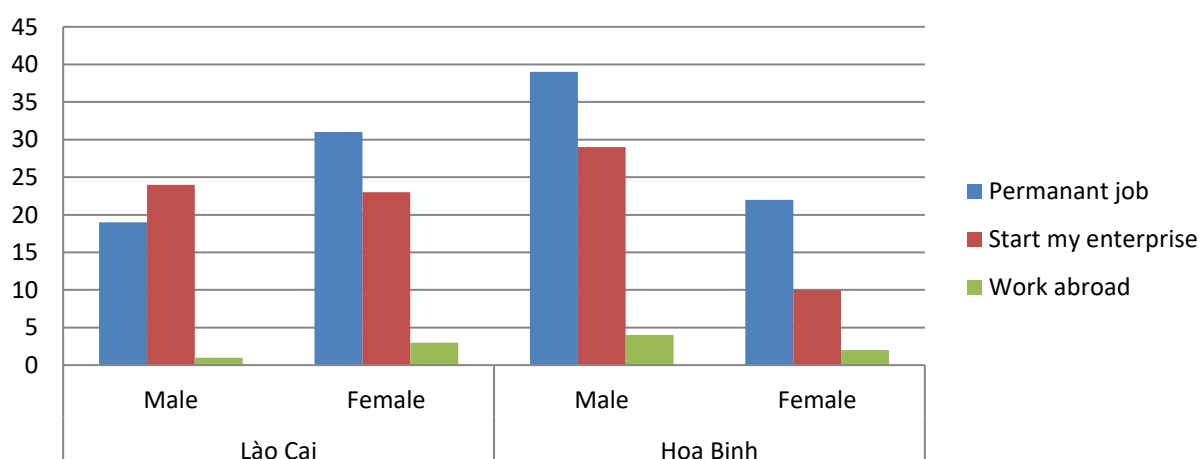


Figure 11. Youth's aspiration for stable income by types of job

### 6.4 Aspiration for designation in professional life

The youth were approached for their response regarding their preference of designations when they join the work force. Of the 239 youths assessed in both provinces, majority (61%) wanted to enter the job market as skilled workers and officer/worker. The preference of the job title of

the youth assessed was very realistic and matched their background, educational qualification, work experience and existing skill set.

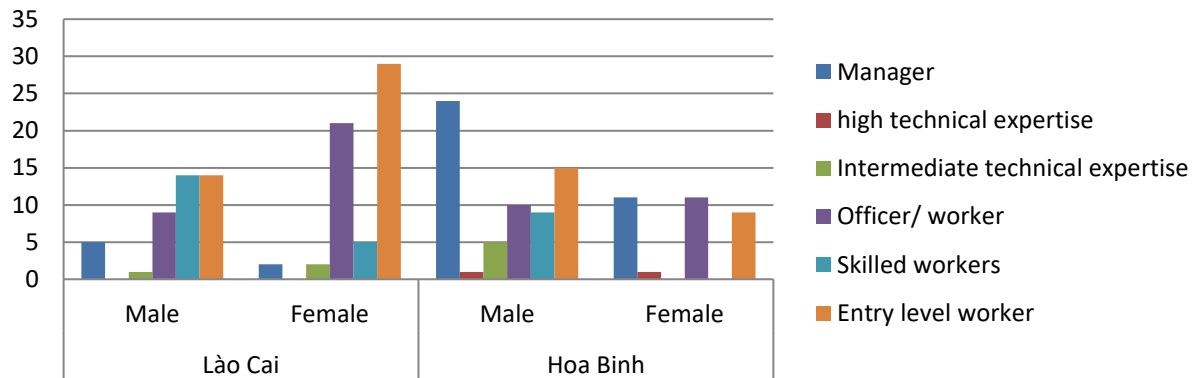


Figure 12. Youth's aspiration for job titles

### 6.5 Aspirations for workplace

On mapping the youth aspiration in terms of preference of workplace, it was established that 43% youth preferred to work in their hometown and 41% youth wanted to work within their province. 41 males in Hòa Bình were inclined to work in their hometown as compared to 23 males in Lào Cai. In Hòa Bình, 17 females and 16 males whereas in Lào Cai, 41 females and 25 males said it was fine to them to work away from their hometown but within their province. In general, most of them would prefer to work near their home; but they can accept working far from home in case of better income.

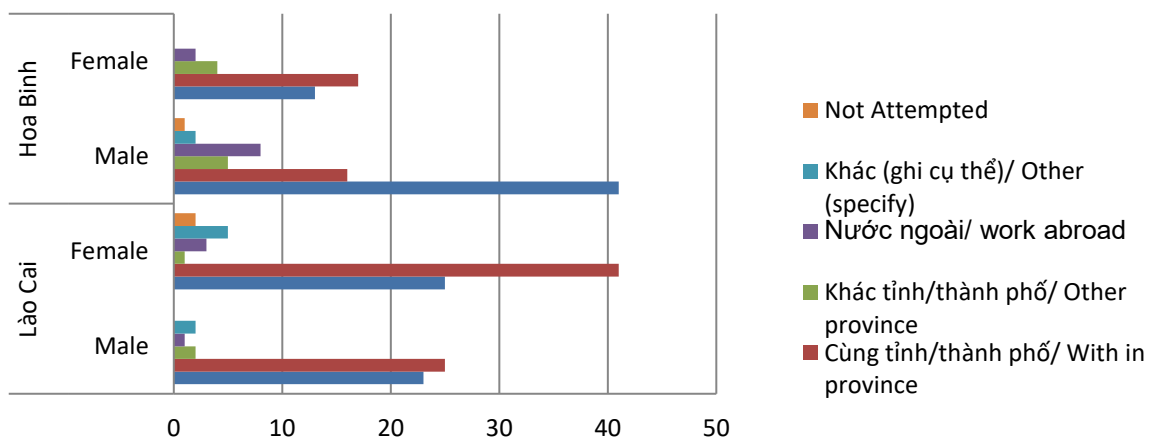


Figure 13. Youth's aspiration for working location

Similarity, findings from baseline survey 2020 continues support for conclusion that youth community prefer work at their hometown rather than work far from home. Living cost when working out of residence are the most considerations of EM youth of Lào Cai and Hòa Bình provinces. These findings support for star -up initiatives aims at local job creation are appropriate with target groups of two project provinces.

### 6.6 Aspiration for monthly salary

The study concluded that the concurrent trends of technological advancements, digitization, globalization and demographic shifts were transforming the employment landscape in Viet Nam. Disruptive changes are recasting business models, production processes, employment relations, and the nature of work itself. The urban youth in Viet Nam remains overwhelmingly pessimistic about job prospects. Besides finding a job, matching salary expectations remain another challenge for the younger generation. The survey revealed that 92% of the youth respondents expected a salary of more than 5 million VND (or 217 USD). While average income per capital in 2018 in Hoa Binh province was 4,17 million VND (or 180USD)<sup>8</sup> and in Lao Cai was 5,15 million VND (or 222 USD), this implied that current income of surveyed youths was low. Thus, better employment can promise better income for them.

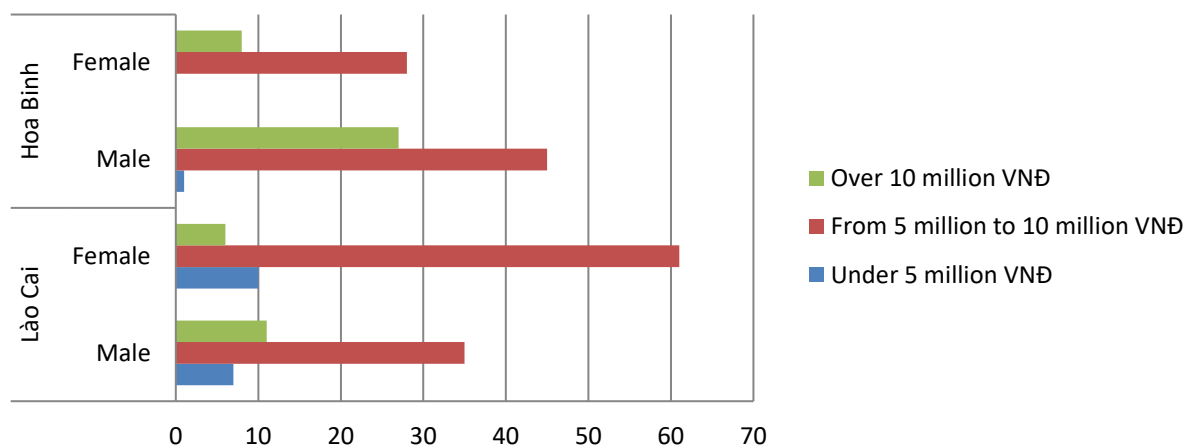


Figure 14. Youth's aspiration for monthly salary<sup>9</sup>

## 6.7 Aspiration for vocational training

Over the last 30 years, Viet Nam has been transformed from one of the poorest countries in the world to a rapidly developing nation. Income levels have shifted from lower income to middle-income status when the \$1000 (or 23,2 million VND) per capita income threshold was reached in 2009. The iLEAD programme is targeted at endowing youth with relevant skill set to participate in the secondary and tertiary sector along with encouraging self-employment for youths. In this context, this study attempts to understand the aspirations of youth in the Lao Cai and Hoa Binh provinces, so to assess the linkage between the youth's vision for their own careers and the avenues available to them for livelihoods to facilitate the participation of youth within the workforce.

In Hoa Binh, the inclination of youth was more towards acquiring training in Animal Husbandry, Retail and Marketing, Agriculture and Automobile. On the other hand, the youth respondents in Lao Cai wanted training in Retail and Marketing and Animal Husbandry followed by Beauty Therapy. In a broader picture, such trend in expectation for training is consistent with the trend in social – economic development in the localities where the study is conducted.

<sup>8</sup> <http://www.dangcongsan.vn/thoi-su/hoa-binh-can-phat-huy-the-manh-de-thuc-day-phat-trien-kinh-te-515578.html>

<sup>9</sup> 1 million VND = 43.05 USD

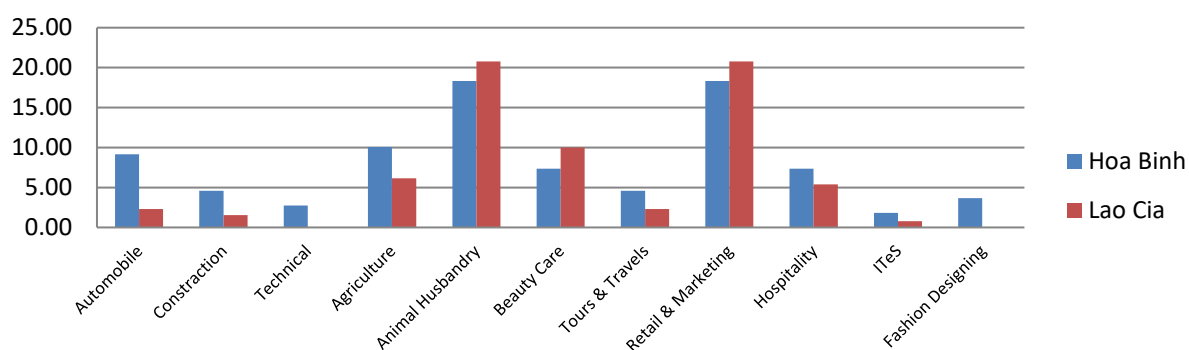


Figure 15. Youth's aspiration for vocational training by sectors

Sector	Hoa Binh	Ranks	Lao Cai	Ranks
Automobile	9.17	3	2.31	5
Construction	4.59	5	1.54	6
Technical	2.75	7	0.00	
Agriculture	10.09	2	6.15	3
Animal Husbandry	18.35	1	20.77	1
Beauty Care	7.34	4	10.00	2
Tours & Travels	4.59	5	2.31	5
Retail & Marketing	18.35	1	20.77	1
Hospitality	7.34	4	5.38	4
ITeS	1.83	8	0.77	7
Fashion Designing	3.67	6	0.00	

Table 6. Youth's aspiration ranking by sectors

Comparison with the survey 2019, career orientation trend among youth people in 2020 had been changing. Baseline survey 2020 found that the common point of youths tends to prefer modern developing careers in recent years. The occupations chosen by many students at high schools and vocational training centres are: (i) Tourism (Sapa, Mai Chau, Lao Cai city), specifically hotel/restaurant manager, tour guide, room servant); (ii) Service industries such as cooking (chef), cosmetology (hairdressing, makeup), bartender. The occupations expected by youths in communities include driving (taxi, truck, bulldozer), bartending, civil construction, electricity, water, electronics, refrigeration. A small number of young women in the community mention hairdressing, agriculture, and cooking.

Table 6a. List of career Youth's aspiration ranking

#	Profession	Frequency	Percentage (%)
1	Cook	22	16.7
2	Commerce (tourism, pharmacy)	18	13.6
3	Hotel and restaurant management	15	11.4



4	Healthcare (doctor, pharmacist)	14	10.6
5	Tour guide	13	9.85
6	Armed forces (army, public security)	8	6.06
7	Arts (singer)	6	4.55
8	Technology (informatics, environmental technology, car repair and assembly)	5	3.79
9	Accounting	5	3.79
10	Fashion design	3	2.27
11	Interpreter (English, Chinese)	3	2.27
12	Hairdressing	3	2.27
13	Garment and textile	2	1.52
14	Teacher	2	1.52
15	Farmer	2	1.52
16	Civil electricity	1	0.76
17	Make-up	1	0.76
18	Professional gamer	1	0.76
19	Construction	1	0.76
20	Agricultural engineer	1	0.76
21	Motorbike repair and assembly	1	0.76
22	Insurance	1	0.76
23	Receptionist	1	0.76
24	Programmer	1	0.76
25	Driver	1	0.76
26	Youtuber	1	0.76
	Total	132	100

Source: Questionnaire survey with upper-secondary students

Focus group discussion with youth people at commune and VTCs as well as students in high schools supplemented list of career this group want to work in the future.

Table 6 b. List of career Youth's aspiration ranking

#	Profession	Young males	Young females
1	Cook, bartender	X	X
2	Open restaurants or work in/manage restaurants	X	X
3	Driver (taxi, truck/bulldozer operator)	X	
4	Farming	X	X
5	Repairmen in electronics/refrigeration/civil electricity	X	
6	Workers at FDI factories		
7	Construction worker	x	

In general, the information of both surveys conducted in 2019 and 2020 showed that career orientation among youth population have been changing. The common points from these surveys continues show that tourism is still an attractive industry with many youth people in Hoa Binh and Lao Cai provinces whatever pandemic of COVID 19 are negative affect on this sector. The main reason can be considered to explain for this phenomenon is EM youth in this survey prefer work within their hometown where tourism is the most developing sector of Sapa and Mai Chau.

## 6.8 Aspiration for enterprise initiative

Viet Nam is being hailed as 'Asia's next tiger' and there's a growing eco-system to support social entrepreneurs. But the EEPA survey of Lao Cai and Hoa Binh discovers that the youngsters are yet to be convinced that social enterprise could be a great career path.

When thoroughly assessed the youth showed interest in taking training in business start-ups in 3 main sectors - Animal Husbandry, Retail and Marketing, Agriculture followed by Beauty Therapy, Hospitality and Automobile. The details are depicted in table as follows:

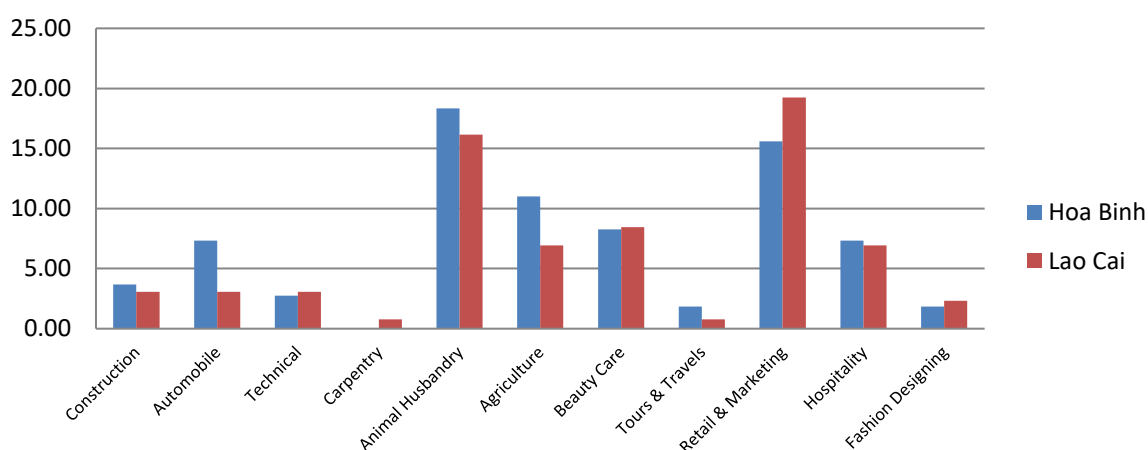


Figure 16. Youth's aspiration for business start-up by sectors

When being asked about additional support that they need, most of respondents said that they hoped to receive support in terms of finance/funding, technical training and coaching, and output market. In fact, many youths had business initiative and aspiration, but they did not know how to start and were worried very much about sustainability of their business regarding finance, effective management, and market for their products.

## 7. Business employment situation and demand

Employers were surveyed as part of the study to assess the demand of skilled workforce in the labour market. A total of 43 employers from different types of business ownership were contacted in the 2 provinces, 20 in Hoa Binh and 23 in Lao Cai.

Province	Type of ownership					Total
	Private enterprise	LTD	Foreign enterprise	Other		
				Cooperative	JSC	
<b>Hoa Binh</b>	16		1	1	2	20

<b>Lao Cai</b>	21	0		1	1	23
<b>Total</b>	37	1	1	3	1	43

Table 7. Types of business ownership

An analysis of the year of establishment of the enterprises which were covered during the assessment revealed that 6 were established in Hoa Binh and 13 were established in Lao Cai respectively between 2011 and the present.

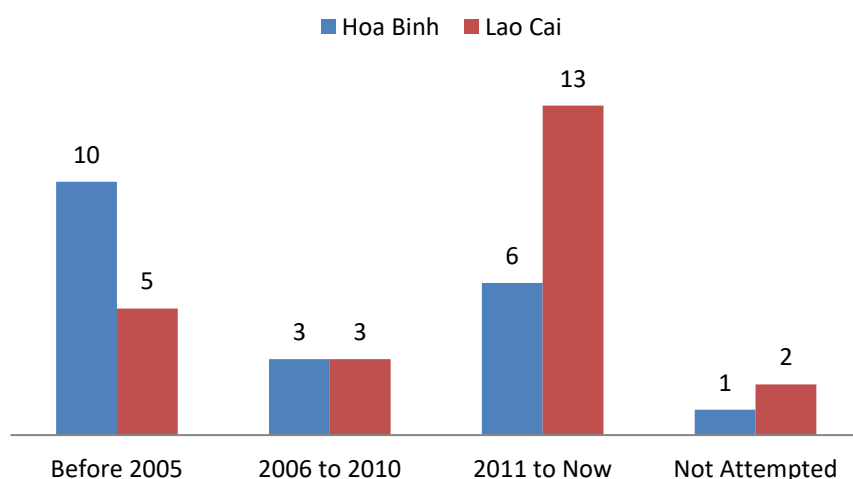


Figure 17. Year of business establishment

### 7.1 Recruitment of employees in last 3 years

The survey studied the frequency of annual staff recruitment of local businesses on the last three years in order to see the frequency of change in personnel in business as well as opportunities for jobs. According to representatives from businesses, reasons for new recruitment came mainly from either business expansion or staff leave. The detailed frequency is described in the table below.

Provinces	An average frequency of recruitment of each year				Total
	1 Times	2 Times	3 Times	More than 3 Times	
<b>Hoa Binh</b>	4	4	1	9	18
<b>Lao Cai</b>	2	5	3	11	21
<b>Total</b>	6	9	4	20	39

Table 8. Frequency of annual staff recruitment

The team also realized that big enterprises had low frequency of staff recruitment because their staff turnover rate was low because of good salary and good benefits for staffs. They only recruited in case of business expansion or personnel rearrangement.

The survey of the two provinces also covered the various modes of recruitment preferred by the employers and how effective these means were. The resources studied were job service center, organizations brokerage, direct notification (using banners, message boards etc.), display of banners and advertisement of requirement around the unit, through schools and training institutions, advertisement in local newspaper, radio and job portals, through other

firms and businesses, through unions and associations and any other method. However, these modes were mainly used to recruit junior or medium-level staffs; senior/management positions were recruited through personal relation or company website more frequently. For any position, there was no discrimination between ethnic majority and minority groups.

The study revealed that direct notification at the unit (use of banners, message boards, websites), display of banners and advertisement in the area around the unit and posting advertisements in newspapers, radio announcements and use of online job portals were the mostly commonly used modes of recruitment and were also efficient in giving results. This reflects the way local people normally approach employment information.

Province	Scale	Via Job Service Center / Enterprises	Via individuals / organizations / brokers / agency jobs	Direct notification at (banners, boards, website)	Banners & ads in areas around the unit	Via training institutions, schools	Ads on newspapers, radio, websites	Via other units and businesses	Via associations, unions	Other
Hoa Binh	YES	3	1	10	9	3	4	4	1	9
	Efficiency		1	6	5	1	3	1	1	7
	Normal	1		4	4	1		4		2
	Ineffective	2				1				
Lao Cai	YES	9	5	11	10	2	17	1	0	0
	Efficiency		3	7	7	1	14			
	Normal	8	2	4	3	1	2	1		
	Ineffective	1								

Table 9. Means of recruitment used by local businesses

## 7.2 Requirements for qualification, experience and skills

While there were 35% of enterprises saying it was not difficult to recruit new staffs, most interviewed businesses thought it was hard to recruit employees who had relevant qualification and experience; especially skilled engineers and technical officers. Even though many youths graduating from colleges and universities, the education program that focuses more on theory make them have little practical and market-driven skills. Therefore, when recruiting, employers assess candidates' qualification relevance, communication skills, commitment, and working attitudes more than work experience and practical skills. Businesses then would provide more training and coaching to new staffs for them to perform their work effectively as required.

However, enterprises also have minimum requirements for the candidates regarding educational, professional levels and skills. Half of the enterprises require a minimum educational level of Technical/ Secondary Vocational Training; 40% businesses require the applicants to graduate from High School; only a handful of businesses require College/University degree. Almost all businesses require no qualification or certificate for low-wage such as guard and cleaner. Besides educational requirements, some businesses also set a minimum working experience as a requirement for the candidates.

In term of staff training, 60% of enterprises said they did not provide training for their employees while the remaining 40% say they do provide training, mostly in the form of

on-job training in the business. Some companies – usually big ones - also provided formal training courses to their staffs, especially for senior managers. The baseline survey in 2020 shows that enterprises confirmed that although they do not have fund or resources for new staff training but they have to re-training all new staff, particularly for group of new young staff. The enterprises emphasised that most youth people lack communication skills and language. For EM youth language is a big constrain them enter work force actively. Enterprises consulted in the baseline 2020 complained that vocational training of state institutions are not meet with business’s requirements. Vocational training courses have more theories and less practice.

When being asked about whether the enterprise is willing to sponsor training programs in the future and in what form of support, about a half of enterprises said they are willing to support by providing the venue, retraining facilities, and training experts. The rest said they did not have plan or budget for those activities.

### 7.3 Factors affecting work output

The various factors hampering the efficiency and output of a particular enterprise was also surveyed keeping the manpower as the basis of the research. It revealed that the various factors which had a direct influence on the enterprise’s output were absenteeism (of employees) or not reporting on time at work, lack of work experience, lack of team skills, lack of soft skills, behavioural issues (like lack of work etiquettes, courtesy and proper dressing) and health issues.

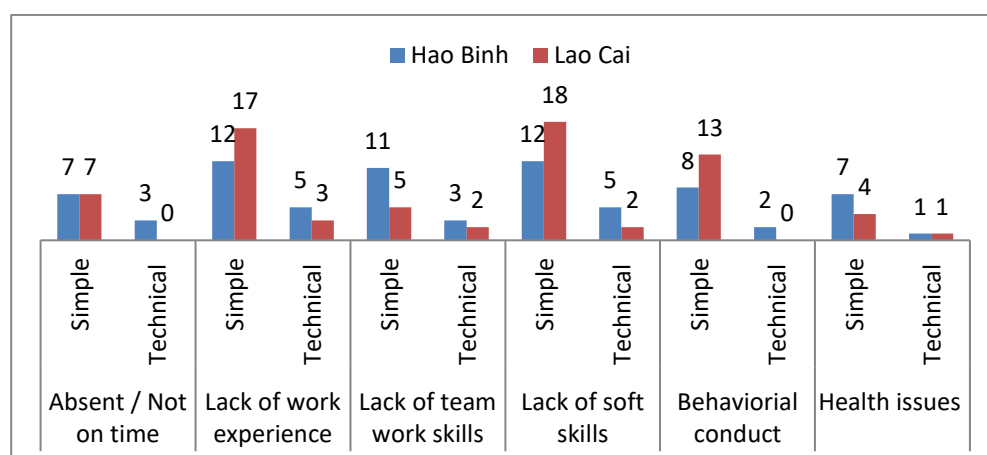


Figure 18. Factors affecting work productivity

Lack of work experience, lack of soft skills and behavioural conduct proved to be detrimental in influencing the work output for both simple and highly technical works in Lao Cai and Hao Binh provinces.

### 7.4 Employable age range

The exhaustive study of Lao Cai and Hoa Binh tried to map the age group of employees in various sectors across the job market and concluded that the most employable age range was 25-30 years followed by 30-35 years. Sectors like Accounts, Education, Hospitality, Management, Retail and Marketing, Security services etc., were inclined to hire youth in the age ranging between 25-35 years.

Age Group of Employees in various sector

Sectors	18-25(1)		25-30(2)		30-35(3)		Trên 35(4)		Total	
	Hoa Binh	Lao Cai	Hoa Binh	Lao Cai	Hoa Binh	Lao Cai	Hoa Binh	Lao Cai	Hoa Binh	Lao Cai
Accounts		5	27	27	23	7	11	1	61	40
Construction	10	6		2	4		3		17	8
Driver - Automobile	4		3		68		148		223	0
Education			7						7	0
Hospitality	14	95	224	98	16	36	28	5	282	234
Management	3		80	19	98	15	74	18	255	52
Medical			1	6					1	6
Retail & Marketing	11	25	23	65	116	50	67		217	140
Security				102	1	2	33	7	34	111
Technical		15		53	23	29	10		33	97
Tours & Travels			2		2	3	1		5	3
<b>Total</b>	<b>42</b>	<b>146</b>	<b>367</b>	<b>372</b>	<b>351</b>	<b>142</b>	<b>375</b>	<b>31</b>	<b>1135</b>	<b>691</b>

Table 10. Employee age range

## 7.5 Salary offered across sectors

Along with the analysis of employable age group of youth, the salary offered to them in various sectors of work was also assessed. From the data collected from the two provinces i.e., Lao Cai and Hoa Binh, it can be concluded that Hoa Binh offered a higher salary range across the work sectors. Most respondents fell in the VND5M-7M range followed by VND3M-5M. The survey also indicated that higher salary is offered to management positions or those with technical skills.

The survey also considered the current educational level of workers in local enterprises. The majority (over 40%) of workers in these enterprises have graduated from high school and junior high school. Over 30% employees have technical and secondary vocational certification, whereas only 20-25% of employees graduated from colleges and higher education. Business representatives also shared that employees with technical and secondary vocational certificates often did office work such as accounting, finance or management. Whereas, those only graduated from high school or having no vocational certificates were often seasonal workers without a long-term contract or holding low-salary positions.

Salary offered to Employees in various sector										
Sectors	3M-5 M(1)		5M-7 M(2)		7M-10 M(3)		Over 10 M(4)		Total	
	Hoa Binh	Lao Cai	Hoa Binh	Lao Cai	Hoa Binh	Lao Cai	Hoa Binh	Lao Cai	Hoa Binh	Lao Cai
Accounts	4	5	25	23	23	12	9		61	40
Construction	10	0	3	2	4	6	0	0	17	8
Driver - Automobile	66		155		2				223	0
Education	7								7	0
Hospitality	218	41	26	153	38	6	0	34	282	234

Management	17		137	14	38	11	63	27	255	52
Medical	1			6					1	6
Retail & Marketing	178	20	17	110	21	9	1	1	217	140
Security	32	10	2	101					34	111
Technical	5	4		61	28	28		4	33	97
Tours & Travel	2		3			3			5	3
Total	540	80	368	470	154	75	73	66	1135	691

Table 11. Salary offered by sectors

Regarding incentive scheme for the employee, over 90% business respondents said they had a policy on remuneration and incentives for their employees. Other than holiday bonuses and insurance as required by the law, increases in pay-rate and promotion largely depend on the employees.

### 7.6 Percentage of employees in various sectors

The EEPA of Lao Cai and Hoa Binh attempted to cover as many employable sectors as possible. It included Accounts, Construction, Driving, Education, Hospitality, Management, Medical, Retail and Marketing, Security services, Technical services and Tours and Travels. The sector in which the maximum number of respondents was contacted was Hospitality, Retail and Marketing and Management. In sectors like Construction, Education, Medical and Tours and Travels less numbers of respondents was contacted exhibiting less potential.

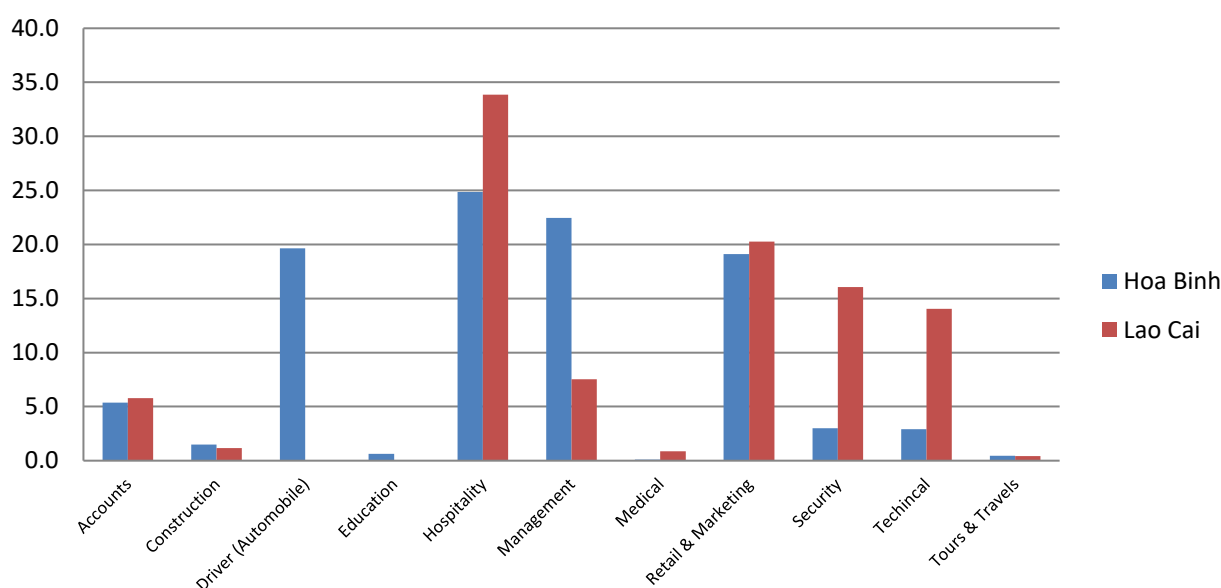


Figure 19. Percentage of employees by sectors

## 8. Viewpoint and knowledge of parents towards youth's employment

In order to understand knowledge, expectation and support of parents for their children's employment and training, the team conducted in-depth interview with 41 parents of the youth who were either unemployed or underemployed. The survey showed that about 85% of parents had no knowledge about or did not carry out career orientation of their children.

Rather, they let their children do what they would like to do and choose to continue vocational training or higher education or stay at home. The rest guided their children to become workers in garment companies, vehicle repairing, sales person, police and doctor. All of them expected their children to have stable and high-income jobs such as teacher, engineer or government official, though they knew that it was very difficult for them to find such kind of jobs. A half of interviewees wanted their children to work near home, especially daughters; the rest said they did not care whether near or far, only about having job or not.

Surprisingly, 60% of them did not know what their children were actually doing apart from farming work. This came from their attention to their children's employment and other issues but also from long-lasting habit; they had been too busy earning that did not have much time spending for their children. This relates to above finding that parents do not have knowledge about career orientation and their children's job, and let children do what they like to do. As a result, their children lack support and orientation from parents for their career choice. Findings from baseline survey 2020 reconfirmed this conclusion. Minority of parents of EM youth want to their children to get married early to stabilize the family. When being asked about their support for youth's self-employment, 90% of parents interviewed had doubt about their children's capacity but agreed to support in terms of personnel, partial financing, and advice. Yet, they were aware that there would be big challenges relating to land area, capital and output market if their children did business by themselves. Moreover, almost all of parents had no information about support from local government for business start-up or youth's employment.

## 9. Operations of vocational training centers in Viet Nam

In recent years, the vocational training system has undergone strong reforms, from a system of two-courses training (short-term and long-term) to a four-levels system (elementary, secondary, college, and regular vocational training); moving away from supply-based training to demand-pull training that matches the needs of the labour market. Since the effective date of the Law on Vocational Training (31 July 2007), the system of vocational policies and incentives has been improved and developed, marking an important turning point in career development for workers. Two-courses training system is converted to four-levels training system: Elementary Vocational Training (EVT), Intermediate Vocational Training (IVT), Vocational Colleges (VC), formal and regular vocational training. Accordingly, vocational training institutions are developing according to a nationwide plan, with diverse forms of ownership and types of training. The number of public and private vocational training institutions increases rapidly (AEA & SNV, 2016).

In general, each province has at least one vocational school. In some districts, there are technical/secondary vocational schools. In particular, following Decision 1956/QĐ-TTg of the Prime Minister dated 27 November 2009 approving the "Scheme for Vocational Training for Rural Workers until 2020", the network of district-level vocational training centres has been extended. However, the distribution network of vocational training institutions remains inadequate. Vocational schools and training centres are mostly located in urban areas, industrial parks and key economic regions. Meanwhile, in rural areas, the number of vocational schools and training centres is only a few. Until now, more than 150 districts have not owned any public vocational training centres at district level and yet to create favourable conditions for people in these areas to receive apprenticeship nor implement vocational policies.



The Law on Vocational Education and Training stipulates which colleges under higher education, vocational colleges, vocational secondary schools, professional secondary schools; centres for general technical education – career guidance and vocational training centres (VTC) are to be practically merged. However, due to the lack of guiding documents, institutes still followed regulations established under the Education Law, the Law on Higher Education, and the Law on Vocational Training 2006. Therefore, professional secondary schools and professional colleges did not change much, the network was not re-planned, and the youth did not benefit from Vocational Education and Training.

*The proposed provincial Vocational Training Centers (VTC) has few differential advantages over the other VTC in Lao Cai. The provincial VTC has 5 major functions i.e.*

*Vocational Training,*

*Cultural Teaching (10-12),*

*Informatics, Foreign Languages, Ethnic Minority Languages*

*Training & Re-Training Class: Standardizing local labor resources*

*Overseas Study and International Relation*

*The long-term courses at provincial VTC will be 2 years degree programme in the streams of Electrical, Restaurant, Tourism & Reception, etc. They will also cooperate with VT College in Hanoi and Hai Phong city, accounting to a total of 230 VTCs in Vietnam. The short-term courses available with these VTCs will be 3-5-month certification courses with a 100% job assurance in the areas of Cooking, Planting, Sailing, etc. The teaching material for these VTCs is produced by DOLISA and gets approved by the people committee and the material is revised every year. We seek the cooperation of AeA to establish a smaller VTC to teach 3-5 months short-term courses at community level.*

*In Lao Cai, we seek the support from AeA for the infrastructure for 350-450 short-term learners of the vocational training centers that accounts to around 220 VND currently including schooling fee, meals & teachers.*

*Mr.Do Hai Tung,  
Vice Director  
VTC Lao Cai*

In Hoa Binh province, district/city VTCs are responsible for recruiting students for trainings and designing academic curriculum and cooperate with other training institutions (colleges) in the province or in Hanoi to deliver vocational training courses. The contacted training institutions are responsible for designing training program and content and deliver the trainings. By 2018, there were 34 vocational training institutions, providing training for 15,000 to 16,000 workers every year. In Da Bac and Ky Son districts, each VTC recruits 100 to 150 students for training courses mostly on electricity engineering and agriculture production (husbandry & plantation).

In Lao Cai province, the network of vocational training institutions has been strengthened in terms of quantity and quality of training. By 2018, the province had 43 vocational training

institutions/centers and 2 job placement centers with vocational service<sup>10</sup>. The vocational training system has been constantly invested and upgraded in terms of facilities and equipment for vocational training, thus meeting the demands for training by local workers. In addition, the province also has 25 businesses and cooperatives providing vocational training service (Lao Cai DOLISA, 2015). On average, Lao Cai province provides training for more than 1,000 people annually. Over 2 years of implementing Decision 1956/QĐ-TTg on vocational training for rural workers, every year, Lao Cai has trained over 16,000 employees, where the Technical (Secondary) School with 9 vocational categories has trained over 2,500 people with the majority being policy beneficiaries and people with merits. Besides an increase in number, 100% of teachers in all departments and divisions are qualified as national standard vocational teachers, where 100% have university degree and 22% have master degree. At the same time, many vocational institutions are linked with businesses and production facilities to help students find internship and jobs later on. Some effective job-creation models include lean pork breeding in Muong Khuong commune, cattle breeding in Nghia Do, Yen Son (Bao Yen), Luong Phuong chicken breeding in Gia Phu, Son Ha, Son Hai (Bao Thang), cold-water aquaculture and aquatic production in the districts of Sa Pa and Bat Xat ... (AEA & SNV, 2016).

Two of four interviewed VTCs also partner with enterprises to organize some vocational consultation sections or provide jobs for graduates. Training courses are usually organized at commune centres or villages, not at VTCs, except for academic/formal education classes. However, VTCs in surveyed districts lack of infrastructure and facilities for trainings. For agriculture courses, trainees' own plants and animals are used for experiment/exercise. There are not many permanent teachers/trainers at VTCs while these teachers cannot provide special training courses as required by enterprises' criteria. Thus, VTCs normally cooperate with external training institutes/teachers to deliver specialized training courses when needed, as mentioned earlier.

However, the quality of vocational training has yet to meet the needs of the labour market in terms of professional and soft skills such as working manner and teamwork ability. Professional skills and capacity of Vietnamese workers are far behind the standards in developed countries in the region and over the world. Training structures and vocational qualification levels are not well designed, failing to meet the labour demands of sectors and localities as well as the requirements for high-skilled workers of the labour market. The conditions to ensure the quality of vocational training are inadequate. There's a lack of vocational teachers in terms of quantity and quality<sup>11</sup>.

## 10. Government policies and programs on youth's employment

While the youth makes up the majority in the country's workforce, employment for them is increasingly challenging. Annually, millions of young people need jobs, which requires attention and support from the government. The government has realized the urgent need of improving the quality of human resources thus issued policies and programs to support vocational training and employment for the youth. These include:

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<sup>10</sup> <https://enternews.vn/can-giai-bai-toan-thua-van-thieu-cua-thi-truong-lao-dong-134264.html>

<sup>11</sup> Report on vocational training in Vietnam in 2012

- Youth Law No. 53/2005/QH11: Article 18 regulates responsibility of family, society and the state in creating jobs and favourable conditions/mechanism for youth's employment;
- Decree No. 61/2015/ND-CP dated 09/7/ 2015 by the Government on policy on supporting job creation and State Fund for employment, especially Chapter 4 on Supporting job creations and business start-up for youths;
- Decree No. 86/2015/ND-CP by the Government on mechanisms for collecting and managing tuition of public education and training institutions and policy on tuition remission from the academic year 2015-2016 to 2020-2021 for students at vocational schools and colleges;
- Decision No. 53/2015/QĐ-TTg dated 20/10/2015 by the Prime Minister on supporting for boarding students at vocational schools and colleges;
- Decision No. 1665/QĐ-TTg dated 30/10/2017 by the Prime Minister on approving the Project "Supporting students on business start-up till 2025" for those studying in universities, colleges, and vocational training institutions; and
- Decision No. 1956/QĐ-TTg dated 27/11/2009 by the Prime Minister on approving the Program on vocational training for youths in rural areas until 2020 and Decision No. 971/QĐ-TTg dated 01/7/2015 on supplementary for Decision No. 1956/QĐ-TTg).

At provincial level, PPC integrates these policies and programs into their 5-year Social Economic Development Plans (SEDP) and have projects and guidance for the implementation. They also set targets such as over 60% of employees having technical expertise by 2020 (Lao Cai DOLISA, 2016). DOLISA and BOLISA are then responsible to implement activities relating to vocational training, employment, and entrepreneurship for youths. Lao Cai and Hoa Binh provinces have implemented policies giving priority to the development of vocational training, increasing the number of skilled workers, creating more jobs, especially for unskilled workers, and improving the quality of human resources. The specific solutions include promoting infrastructure development for labour-intensive sectors, increasing supports through job consultations for unemployed and underemployed persons, providing vocational training, job placement and labour export supports, and enhance local production to create more jobs.

The government has allocated considerable amount of funding for vocational training. According to the report by Ministry of Finance, during the period of 2011 - 2013, the state budget for the national target program on employment and vocational training was 9,261.2 billion VND, 42.7% increase compared to the previous period of 2008-2011. The government has also supported Youth Union to establish and operate career counselling and orientation centres for youth. From 2008 to 2011, 10 centres had been invested with 698 billion VND. Besides, Youth Union cooperated with Social Policy Bank to give priority loans to youth, with total debit balance of over 11,000 billion VND by April 2013.

However, there have been difficulties, specifically as below:

- Funding for supporting youth's employment (training/job fairs) is limited, which cannot meet the demand/requirements of the market and enterprises;
- Formal training courses provided in vocational schools, colleges and universities lack of practical and market-based skills; therefore, enterprises, especially big and foreign companies, have to re-train employees;

- There are assessments on labour demand of enterprises and job fairs at provincial, district and communal levels every year, but not many young people can find jobs in companies. Even in some job fairs no enterprise is successful in recruiting employee because candidates do not meet their requirements.
- Forecast about labour demand-supply has not been correct and scientific due to lack of consistent and comprehensive monitoring and assessment system.
- Lack of coordination among stakeholder agencies in the implementation of policies and programs. In Vietnam, MOET is in charge of education system in which career orientation is part of; MOLISA is in charge of vocational training, that should be continuous from career orientation. However, unclear mechanism for coordination among these two stakeholders have constraint the effectiveness of youth's vocational training and employment.
- Lack of detailed guidelines for the implementation of policies and programs;
- Limited accessibility of a large number of people to policies on labour, employment, salary, social insurance, unemployment insurance, and labour safety. For example, policy on salary can cover only about 40% workers;
- Lack of regular and effective monitoring, consultation and feedback on policies relating to vocational training and employment for youth.

### III. TRADE ANALYSIS

After the development of list of trades it was necessary to identify some important trade in which training can be provided. It was done by sectorial Analysis (based on Porters analysis). Various parameters have been developed on the basis of which all the potential trades have been ranked and evaluated. These parameters were identified on the basis of the local needs and conditions and have been developed with an experience of working in various countries and demographics.

It was also observed during EEPA that there are several jobs, which have high demand in the market but our potential candidates (when asked) are not giving it a preference for training purpose. On the other hand, demand for some jobs are very high but potential employers are few in number.

All these factors have been taken into consideration and have divided these parameters into three major sub heads, which are:

#### 1. Economic Parameters

##### A. Adequate Number of Employments

Economic reforms and greater outward orientation are giving rise to extensive structural change in the Vietnamese economy. Because of the leverage that global markets can exert on an emerging economy, such adjustments will be particularly significant in the composition of domestic supply and demand. As domestic protection levels are reduced and external market access increases, trade growth and shifting trade patterns will have pervasive effects on income

distribution in Viet Nam. Hence, growth of trade and the interest of youth were taken as parameters of this analysis in Hoa Binh and Lao Cai provinces.

This is an important factor which implies the probability of interest of candidates against the growth of a particular sector. This parameter also shows the size of sector, based on which it can be identified that which sector is an established one and which has scope of growth. Thus it has highest value of 15.

A= HR GROWTH IN ORGANIZATION + Trade Specific Detail (Potential Requirement in 3 yrs, Current no of Employees, attrition rate) + Projected Growth opportunities.

In Hoa Binh, Hospitality, Retail and Marketing and Automobile got the weightage of 13, 12 and 11 respectively out of 15. In Lao Cai, Hospitality, Retail and Marketing, and Fashion Designing got the highest weightage in that order followed by Beauty trade and Automobile.

<b>Hoa Binh</b>	<b>Youth Interest</b>		<b>in Secondary Data</b>		<b>Final Outcome</b>
<b>Sector</b>	<b>In %</b>	<b>Ranks</b>	<b>Growth in Sector</b>	<b>Ranks</b>	
<b>Automobile</b>	9.17	3	24.40	9	11
<b>Construction</b>	4.59	5	29.59	3	8
<b>Technical</b>	2.75	7	23.60	7	5
<b>Agriculture</b>	10.09	2	-12.18	10	2
<b>Animal Husbandry</b>	18.35	1	-10.18	9	3
<b>Beauty Care</b>	7.34	4	NA		5
<b>Tours &amp; Travels</b>	4.59	5	24.10	6	6
<b>Retail &amp; Marketing</b>	18.35	1	24.60	4	12
<b>Hospitality</b>	7.34	4	45.31	1	13
<b>IteS</b>	1.83	8	23.67	8	4
<b>Fashion Designing</b>	3.67	6	40.18	2	9
<b>Lao Cai</b>					
<b>Sector</b>	<b>In %</b>	<b>Ranks</b>	<b>Growth in Sector</b>	<b>Ranks</b>	<b>Final Outcome</b>
<b>Automobile</b>	2.31	5	24.40		8
<b>Construction</b>	1.54	6	29.59	3	7

Technical	0.00		23.60	7	7
Agriculture	6.15	3	-12.18	10	2
Animal Husbandry	20.77	1	-10.18	9	4
Beauty Care	10.00	2	NA		8
Tours & Travels	2.31	5	24.10	6	6
Retail & Marketing	20.77	1	24.60	4	12
Hospitality	5.38	4	45.31	1	13
ITeS	0.77	7	23.67	8	6
Fashion Designing	0.00		40.18	2	9

Table 12. Sector ranking by youth interest

## B. Expected earning / Salary

Youth Unemployment Rate in Viet Nam increased to 6.40% in the second quarter of 2019 from 6.29% in the first quarter of 2019. Youth Unemployment Rate in Viet Nam averaged 6.77% from 2011 until 2019. One of the many reasons for this unemployment is that the salary expectations of Vietnamese youth are out of sync with the local job market.

About 71% of the 239 youths surveyed expected a monthly salary of 5 million- 10 million VND and over 58% wanted to be paid as much as 5 million -10 million VND, based on the survey. Viet Nam's average annual income was around \$2,200 last year. However, the average monthly salary on offer for new starters currently stands at 5 million VND per month.

Income is an important economic parameter influencing the trade selection pattern of youth as well as absorption pattern of the industry. Income here is analysed by taking into account the expectation of salary from youth point of view, along with the salary offered by the industry and also the minimum salary an individual is supposed to get as per government rules. This also has highest value of 15.

B= Trade Specific Detail (Salary Offered), prospects of employee growth in org ( initial salary and current salary) +Distance-wise expected Salary

In Hoa Binh, Automobile got the highest weightage followed by Hospitality, Retail and Marketing and Agriculture. Whereas, in Lao Cai too, Hospitality got the highest weightage followed by Retail and Marketing and Animal Husbandry.

Sectors	3M-5M (1)		5M-7M (2)		7M-10M (3)		Over10M (4)		Total		Final Outcome	
	Hoa Binh	Lao Cai	Hoa Binh	Lao Cai	Hoa Binh	Lao Cai	Hoa Binh	Lao Cai	Hoa Binh	Lao Cai	Hoa Binh	Lao Cai
Automobile	66		155		2				223	0	14	0

Construction	10	0	3	2	4	6	0	0	17	8	7	5
Technical	5	4		61	28	28		4	33	97	7	9
Agriculture	17		137	14	38	11	63	27	255	52	10	6
Animal Husbandry	32	10	2	101					34	111	8	10
Beauty Care	1			6					1	6	4	5
Tours & Travel	2		3			3			5	3	6	5
Retail & Marketing	178	20	17	110	21	9	1	1	217	140	11	13
Hospitality	218	41	26	153	38	6	0	34	282	234	13	14
ITeS	4	5	25	23	23	12	9		61	40	7	5
Fashion Designing	7								7	0	6	

Table 13. Sector ranking by salary level

### C. Future Growth of Trade

38 million Vietnamese jobs are in family farming, household enterprises, or uncontracted labour. These traditional jobs tend to be characterized by low productivity, low profits, meagre earnings, and few worker protections. While they have been a path out of poverty, they will not provide the means to reach the middle-class status that Viet Nam's citizens aspire to. Ethnic minorities, women, and unskilled workers cluster in these jobs. Hence, emerging sectors were identified which had potential of growth in future. The selected trades had manpower demand in the current scenario but did not guarantee a sustainable future. There could be trades which may see growth and some may have lesser demand in the coming years. This can pose as a problem for the candidates in future and they might have to either diversify or venture into an altogether new trade. This is also an area of concern and therefore it has been given 10 points for evaluation.

C= current demand but won't sustain after few years. This will be a problem for the candidates as they have to venture into new trades. This is also an area of concern therefore it has been given 10 points for evaluation.

In Hoa Binh, Fashion Designing and Hospitality received equal weightage followed by Retail and Marketing and Construction. In Lao Cai, Hospitality and Fashion Designing got the maximum weightage followed Retail and Marketing and Construction. Automobile, Technical services, Tours and Travel and IT enabled Services also showed potential of future growth.

Hoa Binh			Lao Cai		
Sector	Future Growth	Number out of 10	Sector	Future Growth in Sector	Number out of 10

	in Sector				
Automobile	24.40	7	Automobile	24.40	7
Construction	29.59	8	Construction	29.59	8
Technical	23.60	7	Technical	23.60	7
Agriculture	-12.18	4	Agriculture	-12.18	4
Animal Husbandry	-10.18	4	Animal Husbandry	-10.18	4
Beauty Care	NA		Beauty Care	NA	
Tours & Travels	24.10	7	Tours & Travels	24.10	7
Retail & Marketing	28.20	8	Retail & Marketing	27.60	8
Hospitality	45.31	9	Hospitality	45.31	9
ITeS	23.67	7	ITeS	23.67	7
Fashion Designing	40.18	9	Fashion Designing	40.18	9

Table 14. Sector ranking by growth potentiality

#### D. Career Growth opportunities

Viet Nam's economy grew and significantly transformed over the past two decades, leading to a substantial shift in what people do for a living. This was manifested in the changing composition of the labour market, characterized by a declining share of jobs in agriculture and an increasing number of people working for pay (wage jobs). With this paradigm shift we tried to analyse the career growth opportunities in the various sectors undertaken for the study.

A trade may have satisfactory future growth but the work for which the candidates are trained may not have ample opportunities of promotions or career growth. For the sake of analysis, career growth opportunities have been given weightage of 10 marks.

D = Problems that are faced by employees (Salary Increment, HR Facilities, Incentive, Capacity Building).

In Hoa Binh, Hospitality and Retail and Marketing seemed to be promising and in Lao Cai, Fashion Designing, Hospitality and Construction trades seemed to have evolved to provide career opportunities and further growth.

Sector	Hoa Binh	Lao Cai
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	Future Growth in Sector	#	Future Growth in Sector	#
<b>Automobile</b>	24.40	7	24.40	7
<b>Construction</b>	29.59	8	29.59	8
<b>Technical</b>	23.60	7	23.60	7
<b>Agriculture</b>	-6.54	2	-7.65	3
<b>Animal Husbandry</b>	-5.68	2	-9.27	4
<b>Beauty Care</b>	NA		NA	
<b>Tours &amp; Travels</b>	24.10	7	24.10	7
<b>Retail &amp; Marketing</b>	40.20	9	39.41	7
<b>Hospitality</b>	45.31	9	45.31	8
<b>ITeS</b>	23.67	7	23.67	7
<b>Fashion Designing</b>	25.18	7	35.68	9

Table 15. Sector ranking by opportunity for career development/promotion

## 2. Social Parameters

### E. Desirability

The better jobs – typically a wage job with a contract -are taken up by the more educated. That means older, rural and especially ethnic minorities, are largely left behind. Less than 25% of people with lower secondary education have a wage job. Yet, youth aspires for high paying jobs overlooking the fact that they require higher education and additional skill. We realized that desirability to work and/or get trained in a particular trade is a parameter, which is solely decided by a candidate based on his interest area. And this desirability can help candidates excel in a particular field. Candidate can whole-heartedly participate in training only when she/he enjoys the process of training, and they will enjoy only when it is of their choice. Thus 15 points have been given to this parameter due to this reason.

E= Interest for a trades (Youth)

On analysis, it has been derived that in Hoa Binh, the candidates desired to opt for Animal Husbandry, Retail and Marketing and Agriculture related training and in Lao Cai, Retail and Marketing, Animal Husbandry, Beauty Therapy, Agriculture and Hospitality were the preferred trades for undergoing training.

Sector	Hoa Binh	#	Lao Cai	#
<b>Automobile</b>	9.17	9	2.31	8
<b>Construction</b>	4.59	7	1.54	7

<b>Technical</b>	2.75	5	0.00	
<b>Agriculture</b>	10.09	10	6.15	10
<b>Animal Husbandry</b>	18.35	12	20.77	12
<b>Beauty Care</b>	7.34	8	10.00	11
<b>Tours &amp; Travels</b>	4.59	7	2.31	8
<b>Retail &amp; Marketing</b>	18.35	12	20.77	12
<b>Hospitality</b>	7.34	8	5.38	9
<b>ITeS</b>	1.83	5	0.77	6
<b>Fashion Designing</b>	3.67	6	0.00	

Table 16. Sector ranking by youths' desirability

## F. Accessibility

For the modern age employee, a decent salary and an appropriate set of responsibilities aren't necessarily enough to make a job worth pursuing. A job offer is worth consideration and even more exciting if the workplace is easily accessible for the employee. It is important that their working place should not be too far away so that they can afford fare and other extra expenses. This is a desired parameter, not a necessary parameter; therefore, it is given only 5 points.

F= Distance for Training and Placement.

The candidates surveyed were from economically weaker section and the jobs they would bag would mostly be at entry level. It is important that their working place should not be far away so that they can afford fare and other extra travel related expenses. This is a desired parameter not a necessary parameter therefore only 5 points have been given to this parameter.

Sector	Hoa Binh	Lao Cai
<b>Automobile</b>	4.00	4.00
<b>Construction</b>	3.00	2.00
<b>Technical</b>	3.00	2.00
<b>Agriculture</b>	3.00	4.00
<b>Animal Husbandry</b>	4.00	4.00
<b>Beauty Care</b>	3.00	3.00
<b>Tours &amp; Travels</b>	3.00	3.00
<b>Retail &amp; Marketing</b>	4.00	4.00
<b>Hospitality</b>	4.00	4.00

<b>ITeS</b>	3.00	2.00
<b>Fashion Designing</b>	3.00	3.00

Table 17. Sector ranking by accessibility of employees

### G. Image in Society (Acceptance)

Every work has an image associated with it in the society and everybody wants to do such work which give them social recognition and prestige. This is a secondary parameter in choosing the job for an unemployed youth, so we have given 5 points to it.

G= Community Leader + Parental Approval through FGD +Recorder

Most jobs offered after the skill-based training are entry level jobs and candidates in Hoa Binh and Lao Cai were open to taking them up irrespective of the image of a particular job in their family, amongst peer and society at large. Image of the job is neither the primary nor the secondary concern for the candidates surveyed.

Sector	Hoa Binh	Lao Cai
<b>Automobile</b>	3.00	4.00
<b>Construction</b>	2.00	3.00
<b>Technical</b>	3.00	3.00
<b>Agriculture</b>	4.00	4.00
<b>Animal Husbandry</b>	4.00	4.00
<b>Beauty Care</b>	3.00	2.00
<b>Tours &amp; Travels</b>	2.00	3.00
<b>Retail &amp; Marketing</b>	4.00	4.00
<b>Hospitality</b>	4.00	4.00
<b>ITeS</b>	4.00	2.00
<b>Fashion Designing</b>	3.00	3.00

Table 18. Sector ranking by social recognition and prestige

### H. Working Condition

Working condition is important because person cannot work in hostile conditions for very long. Working in a positive environment presents many benefits to both employees and the enterprise which employs them. It starts with better health, absence of stress and other negative factors. Better health also leads to less employee absenteeism, which can have a negative impact on productivity and the bottom line. A clean work environment without much

clutter allows employees to focus on their goals. This parameter has been accredited with 5 points.

H= Work Culture + HR Policy +Job Satisfaction +Infrastructure facility

Therefore, working condition is important as a person cannot work in unfriendly conditions for long. For female employees, working condition is very important because they cannot work in an environment where they don't feel safe and comfortable. The attrition rate is mainly governed by this factor. This parameter has been accredited with 5 points.

In Hoa Binh, Construction sector was primarily considered not very friendly in terms of work environment and in Lao Cai, respondents considered the working conditions of Fashion Designing, Beauty Care and Construction not very favourable.

Sector	Hoa Binh			Lao Cai		
	Familiar for M	Familiar for F	#	Familiar for M	Familiar for F	#
Automobile	80	40	2.30	80	35	2.10
Construction	75	35	1.90	75	35	1.90
Technical	70	60	2.70	65	60	2.50
Agriculture	60	50	1.90	75	55	2.70
Animal Husbandry	80	65	3.30	85	70	3.70
Beauty Care	40	80	2.30	35	70	1.70
Tours & Travels	75	45	2.30	75	35	1.90
Retail & Marketing	85	75	3.90	75	70	3.30
Hospitality	90	80	4.30	80	75	3.70
ITeS	75	75	3.50	75	70	3.30
Fashion Designing	40	80	2.30	30	75	1.70

Table 19. Sector ranking by working condition

### 3. Other Parameter

#### 1. Self-Employment

Self-employment is an option for workers in many career fields and industries. It can help one start, advance, or round out your career. Leaving behind the comfort and familiarity of a regular job and a reliable pay-check is a daunting prospect for youth. Indeed, the fear of becoming self-employed often scuppers many great, profitable ideas. But if one is persistent, determined and

resourceful, then being self-employed offers a potential lifestyle one can never realize as an employee.

This parameter is important because if a candidate does not get a decent job, she/he can start independently. Moreover, there are many youths who don't want to work under someone so they will get an alternative career as entrepreneurs. Self-employment also creates more jobs because some more people may be hired by the individual, who decides to start a new business. 10 points have been provided to this parameter.

I= willingness to work in future (youth) + Major Livelihood Options (Community Leader) + Self Employment Format (Employer)

Youth in Hoa Binh were enthusiastic to become entrepreneurs in trades like Animal Husbandry, Retail and Marketing and Automobile. In Lao Cai, respondents opted to take Animal Husbandry, Retail and Marketing and Agriculture independently with hand holding and technical support.

Sector	Hoa Binh			Lao Cai		
	Interested in	Scope in %	#	Interested in	Scope in %	#
<b>Automobile</b>	7.33945	80.00	8.7	3.076923	75	7.8
<b>Construction</b>	3.669725	75.00	7.9	3.076923	80	8.3
<b>Technical</b>	2.752294	50.00	5.3	3.076923	40	4.3
<b>Agriculture</b>	11.00917	75.00	8.6	6.923077	80	8.7
<b>Animal Husbandry</b>	18.34862	75.00	9.3	16.15385	80	9.6
<b>Beauty Care</b>	8.256881	75.00	8.3	8.461538	40	4.8
<b>Tours &amp; Travels</b>	1.834862	60.00	6.2	0.769231	60	6.1
<b>Retail &amp; Marketing</b>	15.59633	75.00	9.1	19.23077	75	9.4
<b>Hospitality</b>	7.33945	65.00	7.2	6.923077	50	5.7
<b>ITeS</b>						
<b>Fashion Designing</b>	1.834862	50.00	5.2	2.307692	50	5.2

Table 20. Sector ranking by self-employment opportunities

## J. Investment in Training

Some of the trade requires numerous and heavy equipment for the training and hence the initial investment to undertake training is comparatively more. On this parameter, we have analysed the trades which we can offer. 5 points have been given to this parameter.

J= Cost of Training Equipment + Self Employment.

In Hoa Binh, setting up training and practical demonstration will cost low in Automobile and Retail and Marketing whereas Fashion Designing, Tours and Travels, Animal Husbandry, Agriculture, and Technical Services would require high investment. In Lao Cai, the same trend seems to be observed as in Hoa Binh.

Sector	Hoa Binh		Lao Cai	
	T Investment	#	T Investment	#
<b>Automobile</b>	LOW	4.0	LOW	4.0
<b>Construction</b>	MEDIUM	3.0	MEDIUM	3.0
<b>Technical</b>	HIGH	2.0	HIGH	2.0
<b>Agriculture</b>	HIGH	2.0	HIGH	2.0
<b>Animal Husbandry</b>	HIGH	2.0	HIGH	2.0
<b>Beauty Care</b>	MEDIUM	3.0	MEDIUM	3.0
<b>Tours &amp; Travels</b>	HIGH	2.0	HIGH	2.0
<b>Retail &amp; Marketing</b>	LOW	4.0	LOW	4.0
<b>Hospitality</b>	MEDIUM	3.0	MEDIUM	3.0
<b>ITeS</b>	MEDIUM	3.0	MEDIUM	3.0
<b>Fashion Designing</b>	HIGH	2.0	HIGH	2.0

Table 21. Sector ranking by cost in training

## K. Skill Set Required

Job-specific skills are those abilities that allow a candidate for employment to excel in a particular job. Some skills are attained by attending school or training programs. Others can be acquired through experiential learning on the job. Different trades have different level of skill set requirement. For example, a mud work artist needs less good drawing skill; on the other hand a metal craft artist needs technicality and physical strength as is required by the nature of work. This parameter has been given 5 weightage points for evaluation.

K= Skill set in the organization in entry level job (minimum eligibility criteria and preference) + Trade specific detail (expected skill set) + reasons for attrition (Revise schedule).

Effective communication and soft skills were found desirable across all work sectors in both provinces. Technical knowledge of a particular trade is as added advantage for easy absorption into the work force.

Sector	Hoa Binh			Lao Cai		
	Skill Set Required	Other Skills	#	Skill Set Required	Other Skills	#

<b>Automobile</b>	Hard & Technical Skills		3	Hard & Technical Skills		3
<b>Construction</b>	Hard & Technical Skills		3	Hard & Technical Skills		3
<b>Technical</b>	Technical Skills	Communication	4	Technical Skills	Communication	4
<b>Agriculture</b>	Hard Skills		2	Hard Skills		2
<b>Animal Husbandry</b>	Hard Skills		2	Hard Skills		2
<b>Beauty Care</b>	Technical & Soft Skills	Communication	4	Technical & Soft Skills	Communication	4
<b>Tours &amp; Travels</b>	Soft Skills	Communication	3	Soft Skills	Communication	3
<b>Retail &amp; Marketing</b>	Soft Skills	Communication	4	Soft Skills	Communication	4
<b>Hospitality</b>	Soft Skills	Communication	4	Soft Skills	Communication	4
<b>ITeS</b>	Technical & Soft Skills	Communication	4	Technical & Soft Skills	Communication	4
<b>Fashion Designing</b>	Hard & Technical Skills	Communication	4	Hard & Technical Skills	Communication	4

Table 22. Sector ranking by skills set required

The table below shows the different parameters of analysis.

<b>Code</b>	<b>Parameter</b>	<b>Value</b>
<b>A</b>	Adequate number of employment	15
<b>B</b>	Expected earning	15
<b>C</b>	Future growth of trade	10
<b>D</b>	Career growth opportunities	10
<b>E</b>	Desirability	15
<b>F</b>	Accessibility	5
<b>G</b>	Image in society	5
<b>H</b>	Working condition	5
<b>I</b>	Self employment	10
<b>J</b>	Investment in training	5
<b>K</b>	Skill set required	5
	<b>Total Points</b>	<b>100</b>

Table 23. Value of trade analysis parameters

## IV. RECOMMENDATIONS

### 1. Top sectors for interventions

Jobs-friendly segments of the livelihood sector can be a significant source of new good jobs. The best jobs, defined by higher labour productivity and wages and social benefits, are largely in the livelihood sector. They are also inclusive of women and youth. These are the fastest growing jobs in Viet Nam today and, if Viet Nam prepares for the opportunities brought through the trend of short-term courses, they have potential to grow, in quantity and quality, even more. Thus, the challenge is to foster the creation and growth of training institutes that promote employability and entrepreneurship opportunities.

With reference to the above analysis & findings, the study zeroed down the trades for skill training in **Hoà Binh and Lao Cai** with pragmatic approach and in sync with education of youth taken for the purpose of research. Matching the youth aspirations, economic factors, social parameters, competency of individuals, remuneration and future/career growth, industry requirements and the status of education of respondents collectively helped in analysing and selecting the trades to be taken for skill training.

#### For Hoà Binh:

Trade Selection Matrix													
Trade Name	A (15)	B (15)	C (10)	D (10)	E (15)	F (5)	G (5)	H (5)	I (10)	J (5)	K (5)	Total	Rank
Automobile	11	14	7	7	9	4	3	2.3	8.7	4	3	73	3
Construction	8	7	8	8	7	3	2	1.9	7.9	3	3	59	4
Technical	5	7	7	7	5	3	3	2.7	5.3	2	4	51	7
Agriculture	2	10	4	2	10	3	4	1.9	8.6	2	2	50	8
Animal Husbandry	3	8	4	2	12	4	4	3.3	9.3	2	2	54	6
Beauty Care	5	4			8	3	3	2.3	8.3	3	4	41	10
Tours & Travels	6	6	7	7	7	3	2	2.3	6.2	2	3	51	7
Retail & Marketing	12	11	8	9	12	4	4	3.9	9.1	4	4	81	1
Hospitality	13	13	9	9	8	4	4	4.3	7.2	3	4	79	2
ITeS	4	7	7	7	5	3	4	3.5		3	4	48	9
Fashion Designing	9	6	9	7	6	3	3	2.3	5.2	2	4	56	5



Table 24. Trade selection matrix for Hoa Binh

The top 6 trades recommended for Hoa Binh are:

- Retail and Marketing
- Hospitality
- Automobile
- Construction
- Fashion Designing and
- Animal Husbandry

**For Lao Cai:**

Trade Selection Matrix													
Trade Name	A (15)	B (15)	C (10)	D (10)	E (15)	F (5)	G (5)	H (5)	I (10)	J (5)	K (5)	Total	Rank
Automobile	8	0	7	7	8	4	4	2.1	7.8	4	3	55	5
Construction	7	5	8	8	7	2	3	1.9	8.3	3	3	56	4
Technical	7	9	7	7		2	3	2.5	4.3	2	4	48	7
Agriculture	2	6	4	3	10	4	4	2.7	8.7	2	2	48	7
Animal Husbandry	4	10	4	4	12	4	4	3.7	9.6	2	2	59	3
Beauty Care	8	5			11	3	2	1.7	4.8	3	4	43	10
Tours & Travels	6	5	7	7	8	3	3	1.9	6.1	2	3	52	6
Retail & Marketing	12	13	8	7	12	4	4	3.3	9.4	4	4	81	1
Hospitality	13	14	9	8	9	4	4	3.7	5.7	3	4	77	2
ITeS	6	5	7	7	6	2	2	3.3		3	4	45	9
Fashion Designing	9		9	9		3	3	1.7	5.2	2	4	46	8

Table 25. Trade selection matrix for Lao Cai

The top 6 trades recommended for **Lao Cai** are:

- Retail and Marketing
- Hospitality
- Animal Husbandry

- Construction
- Automobile and
- Tours and Travels

## 2. Demand – Supply matching

Interviews with youths and enterprises shows that there is a mismatch between demand and supply. Enterprises are in high demand but difficult in recruiting new staffs who meet their requirements. Many sectors including health care, banking, and finance are scarce of skilful and experienced human resources, even though they offer very high monthly salary of from 2,000USD to 3,000USD. Garment companies are expanding their scale but difficult in finding qualified workers for all levels, especially management positions because of requiring international standards for professional working manner and good English skills. Clean energy sector also needs many more engineers who have good technical expertise and good English skills. Meanwhile, there are many people in need of employment. In quarter 2, 2018, the number of people looking for jobs were 14.4 million, 3 times higher than that of quarter 1, 2018; in which, women accounted for 47%. Among them, number of people did not have qualification or technical certificate made up 22.3% - 2.1 thousand more than that of quarter 1, 2018. This means that there remains a big gap between labour supply and demand. Why enterprises are in high need of workers, many people are still unemployed or underemployed, not regarding to a large number of people are working with low salary. Therefore, it is necessary to shorten the gap by promoting linkage between the demand for employment of youths and the demand for staffs of businesses. The assessment shows that most of local young people only graduate from secondary school or high school with a lack or low level of working skills. These factors make it hard for them to get a long-term job in local business where the requirement is high on education, experience and skill qualification. Thus, market based working skills should be a focus of vocational training institutions as well as government policies and programs.

A skilled workforce is central to Viet Nam's economic modernization. Equipping its workforce with the right skills will, therefore, be an important part of Viet Nam's effort to accelerate economic growth and further its economic modernization in the coming decade and more.

## 3. Self-employment promotion

From the assessment, the team realized that many youths, especially those in Hoa Binh, were enthusiastic to become entrepreneurs in trades. Some of them have even started their own business. However, they were struggling in making their business growing due to lack of business management skills, funding, output market, and updated market information/trend.

Self-employment is good alternative option for the youth in local provinces. It can help one have stable jobs with high income, develop local potentials, and create more jobs for other people. However, as mentioned, young people are facing many challenges in business start-up that need a lot of support from different stakeholders. They should be encouraged to do business by themselves and at the same time provided timely assistance in terms of legal information and process, business planning, business skills, and capital.

#### 4. Triangle partnership strengthening

One of the reasons of unemployment among youths was that they lacked required working skills as well as information about jobs. They also did not have effective support from local government in terms of vocational training and job creation. Besides, youths need more orientation and support from their parents for better choice of their future career. It is therefore necessary to promote the triangle partnership among important stakeholders namely enterprises, government (training institutions) and youths (and their families). Youths' interest, expectation and capability should be put in the centre for the government to have practical policies and investment, for training institutions to provide them with vocational training courses that equip them skills required by enterprises, and for parents to have meaningful advice and support to their children in selecting vocational training courses as well as their future jobs.

Vocational training centres/institutions should develop an appropriate vocational training program for young people, meeting the demand and requirements of the labour market as well as interest and accessibility of youths. For instance, the duration of vocational courses can vary between 3 months to one year with a syllabus consists of 30% theory and 70% practical context in order to enhance learners' skills when they go to actual work. The location for training courses should be in the locality to minimize travel costs and maximize the time for students to serve apprenticeship and apply their learning knowledge in the locality. It is also necessary to change the form of counselling, job placement and course introduction in vocational training centres to promote young people's access to information to choose the right career. In order to do this, connections among vocational training centres and youths with the employers should be improved to give young people an opportunity to obtain relevant qualifications and certificates and have adequate working capability before applying for jobs.

## V. PROPOSED INTERVENTION STRATEGY

### 1. The iLEAD Model Approach

Based on the detailed assessment of the growth industries and the requirement of the trained youth and also looking at the growth in terms of trained numbers in 3 months Vocational education and training courses, the iLEAD model is the best suitable model to be proposed for the intervention in both Lao Cai and Hoa Binh, where based on this EEPA analysis total 7 potential trades have been identified, and the innovative processes need to be identified to implement the livelihood program according to the Vietnamese context. Based on the experiences gained from various countries this model will be a successful model for youth, implementing agencies, industries, communities and also for the government as well.

<https://www.youtube.com/watch?v=yHrBq6WCvu8&t=610s>



Figure 20. iLead model process

## iLEAD - The Enterprise Development Model

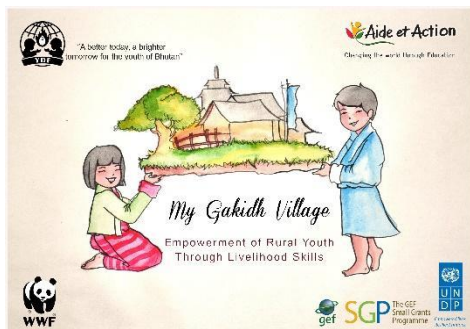
Focusing on employability aspect iLEAD programme has also developed its enterprise development model for making youth enterprising so that they not only become self-sustained but also support others as well. Providing support to such enterprising youth in registering their firms, organizing their business activities, connecting them with other business houses and making them competent in managing their firm's activities is the extended part of EDM training including assisting them with product grants.

The model has been successfully implemented in India, Sri Lanka and Philippines where more than 300 young entrepreneurs have been supported to start their own enterprise. They have not only started their own enterprise, but they are also creating jobs for others as well and the model has also been designed in a way where they are also acting as trainers in their own communities.



<https://www.youtube.com/watch?v=ceEdQ3pSlpk>

## 2. Rural Eco Tourism Model– My Gakidh Village of Bhutan



One of the major challenges identified in Viet Nam today is the rapid rate of rural-urban migration. Rural-urban migration is resulting in alarming environmental effects and threats, such as waste management challenges, air and water pollution, increasing loss of biological diversity, reduction of forest area, and degradation of ecosystem services and also the shift of labour force from agriculture to other sectors as well. Given that over majority of the total population is under the age of 25

years, rural-urban youth migration will continue to pose a serious threat to the long-term sustainability of Viet Nam's urban, rural, and natural environments. It is a therefore proposed to curb rural-urban migration and protect the natural environment through providing rural youth with culturally relevant livelihood skills and employment provided within their own communities.

*My Gakidh Village* is an Initiative with the overall goal to curb rural-urban youth migration by providing livelihood skills and opportunities within their own rural communities in Bhutan which is being successfully implemented and have been appreciated by the local government and agencies as well. Based on the cluster approach, within its first three years of first Phase of the project duration, more than 20 villages benefited economically with the interventions of community-based eco-tourism and environmental conservation projects, reviving traditional arts and crafts through entrepreneurship programmes and providing IT literacy and livelihood skills development programmes to community youth required for the village development. The *My Gakidh Village Tea and Red Rice* are now ready to be launched into international market.

<https://www.youtube.com/watch?v=fKvmsHWa1oo>

## **VI. APPENDIXES**

Appendix 1. Schedule questionnaires

Appendix 2. List of questions for interview with parents

Appendix 3. List of questions for interview with businesses

Appendix 4. List of parent interviewees

Appendix 5. List of business interviewees

Appendix 6. List of interviewees from local authorities

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