



Employment and labor market in Vietnam during the COVID-19 pandemic

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Abstract

The COVID-19 pandemic has a comprehensive and profound impact on all countries in the world. Vietnam is also one of the countries affected. COVID-19 has seriously influenced all socio-economic fields, including a direct effect on employment in Vietnam. Therefore, this article will focus on the employment change in Vietnam under the impact of COVID-19, thereby suggesting some solutions to support businesses and employees. The results show that the year 2020 marks a decline in the workforce of more than 2 million people - an unprecedented decrease in the past decade. The workforce has declined mainly in rural areas and female employees. The second quarter of 2020 also witnessed a sharp decline in the number of employed workers aged 15 and over, and the underemployment rate increased sharply. The unemployment rate was the highest in the past ten years, of which the rate of unemployment increases most in the group of workers with low technical and professional qualifications.

Keywords: COVID-19, labor, job, Vietnam

Introduction

COVID-19, an acute respiratory infection caused by a new strain of coronavirus, was first detected in Wuhan city, Hubei province, China in December 2019. After that, the translation has spread to many cities and provinces of China. More than 200 countries/regions globally have reported covid-19 cases. COVID-19 pandemic has affected comprehensively and extensively all over the world, and continues to have very complicated developments. According to the base scenario of Citi Research published on April 7, 2020, the world economy will be on a recession. China's GDP growth is only about 2.4%, compared with an increase of 6.1% in 2019. The US's GDP growth dropped 2.6%, compared to an increase of 2.3% in 2019. Japan's GDP growth declined 1.9% in 2020 compared with an increase of 0.7% in 2019. The countries in Europe dropped 8.4% compared to the growth 1.2% in 2019.

The Vietnamese economy's large openness and extensive international integration have also been affected by the COVID-19 epidemic. In the first quarter of 2020, Vietnam's GDP increased by only 3.82%, the lowest level in the last ten years. By the second quarter of 2020, Vietnam's GDP increased by 0.36% over the same period last year, this rate is also the lowest increase rate of the second quarter of years in the period 2011-2020. Of which, some industries are heavily affected by the impact of the Covid-19 epidemic such as the total retail sales of goods and consumer services revenue decreased by 4.6%; revenue from accommodation and catering services decreased by 26.1%; passenger transport decreased 44.4%. The labor force decreased by more than two million people compared to the previous quarter and the same period last year, the unemployment rate among working-age in urban areas was the highest in 10 years. through (4.46%) (General Statistics Office, 2020). Thus, COVID-19 has seriously affected all socio-economic sectors, disrupting supply chains and trade flows, and stalling production,

business and service activities. Many businesses go bankrupt, dissolve, suspend operations, and shrink their scale. As a consequence, the labor and the number of jobs are affected. This article will examine the impact of the Covid-19 pandemic on Vietnam's labor and employment situation, thereby give some recommendations to support businesses and employees in their recovery production and improve the labor and employment situation in Vietnam.

The impact of the Covid-19 pandemic on Vietnam's labor and employment

The impact of the Covid-19 pandemic on the Vietnamese workforce

According to the General Statistics Office (2020b), the labor force aged 15 and over in the second quarter of 2020 is 53.1 million people, a decrease of 2.2 million people from the previous quarter and a decrease of 2.4 million people compared to the previous quarter with the same period last year. 2020 is the year that recorded a record profound decrease in the workforce ever. Specifically, the labor force in the second quarter of the years in the period 2012 - 2019 increased continuously compared to the previous quarter (except for 2016, the labor force in the second quarter decreased by 43.5 thousand people compared to the previous quarter) and continuously increased compared to the same period last year (except for 2015, the labor force in quarter 2 decreased by 7.1 thousand people over the same period in 2014). Meanwhile, the second quarter of 2020 marked a decrease in more than 2 million people in the workforce - an unprecedented reduction in the past decade (General Statistics Office, 2020). During the second quarter of 2020, the workforce decreased mainly in rural areas and female. The workforce in rural areas decreased by 4.9% compared to the first quarter of 2020 and by

about 6% from the third quarter of 2019, higher than the decrease in urban areas (about 4.6%). The female workforce decreased by

4.4% from the first quarter of 2020, higher than the male workforce's decline (about 3.5%) (Table 1).

Table 1: Labor force by urban, rural, and sex

Unit: Thousand people

Socio-economic region	Quarter 3, 2019			Quarter 4, 2019			Quarter 1, 2020			Quarter 2, 2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	54.605,4	28.963,0	25.642,4	54.895,7	28.862,8	26.032,9	54.213,3	28.715,6	25.497,7	51.811,2	27.530,7	24.280,5
Northern Midlands and Mountains	7.531,2	3.846,6	3.684,5	7.705,2	3.897,1	3.808,2	7.649,1	3.881,4	3.767,7	7.342,3	3.741,8	3.600,5
Red river delta	8.146,1	4.136,5	4.009,5	8.212,9	4.126,7	4.086,2	7.950,1	4.040,4	3.909,7	7.645,9	3.882,1	3.763,8
North Central Coast and Central Coast	11.424,1	5.942,7	5.481,4	11.502,2	5.945,9	5.556,3	11.230,1	5.872,3	5.357,8	10.773,6	5.615,9	5.157,7
Highlands	3.380,8	1.797,1	1.583,7	3.474,4	1.817,8	1.656,5	3.428,8	1.802,4	1.626,4	3.289,0	1.747,2	1.541,8
South East	5.377,2	2.932,9	2.444,3	5.329,9	2.876,2	2.453,7	5.387,6	2.919,9	2.467,7	5.154,4	2.790,7	2.363,7
Mekong River Delta	9.601,0	5.438,9	4.162,2	9.687,3	5.449,1	4.238,3	9.589,8	5.434,4	4.155,4	9.078,1	5.231,1	3.846,9
Hanoi	4.247,5	2.179,9	2.067,6	4.244,0	2.165,6	2.078,4	4.173,4	2.145,2	2.028,2	3.949,3	2.025,6	1.923,7
Hochiminh	4.897,5	2.688,4	2.209,2	4.739,7	2.584,4	2.155,3	4.804,5	2.619,6	2.184,9	4.578,5	2.496,3	2.082,2
Urban	17.589,8	9.342,4	8.247,3	17.716,3	9.339,0	8.377,4	17.638,7	9.259,5	8.379,2	17.040,9	9.014,3	8.026,5
Rural	37.015,6	19.620,5	17.395,1	37.179,3	19.523,8	17.655,5	36.574,6	19.456,1	17.118,5	34.770,3	18.516,4	16.253,9

Source: The General Statistics Office (2020)

For both the in-age and out-of-age workforce, the female workforce has always been the most affected group compared to the male workforce in the Covid-19 epidemic, with a profound impact on Vietnam's labor market. According to the General Statistics Office (2020), in the second quarter of 2020, the female workforce in the age group decreased by 4.9% from the previous quarter and 5.5% from the same period last year compared with the decrease in the male labor force in the age group (down 3.9% q-o-q and 3.6% y-o-y). For the non-working age group, while the female workforce recorded a decrease of 1.8%, the male workforce outside age increased slightly (up to 0.8%).

The impact of the Covid-19 epidemic on Vietnamese employed labor

Employed workers aged 15 and over in the second quarter of 2020 were 51.8 million people, a decrease of 2.4 million people from the previous quarter and a decrease of nearly 2.8 million people compared to the third quarter of 2019, the biggest reduction in the past ten years. In particular, the number of employed workers in rural areas decreased mainly in rural areas and female workers, the number of employed people in rural areas decreased by 1.8 million people compared to the previous quarter and female workers decreased by 1.2 million people compared with that last quarter (table 2).

Table 2: Employed workers aged 15 and over by sex, urban / rural residence and economic region

Unit: %

	Quarter 3, 2019			Quarter 4, 2019			Quarter 1, 2020			Quarter 2, 2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	55.714,1	29.524,1	26.189,9	56.004,6	29.461,8	26.542,8	55.331,5	29.254,8	26.076,7	53.147,4	28.222,2	24.925,3
Urban	18.120,7	9.613,3	8.507,3	18.248,1	9.624,5	8.623,6	18.175,3	9.506,6	8.668,8	17.807,2	9.401,7	8.405,5
Rural	37.593,4	19.910,8	17.682,6	37.756,4	19.837,3	17.919,1	37.156,2	19.748,2	17.407,9	35.340,2	18.820,4	16.519,7

Source: The General Statistics Office (2020)

Employed employees in the second quarter of 2020 decreased correspondingly with the decrease in the labor force. This shows that the Covid-19 epidemic has caused the majority of workers to lose their jobs to temporarily leave the labor market during the spread of the epidemic, especially in April 2020 when the measures for communal separation. Assembly is applied seriously and thoroughly. Some industries with a sharp decrease in the number of employees against the same period last year were processing and manufacturing (down 324.6 thousand people); accommodation and catering services (down 156.9 thousand people); education and training sector (a decrease of 122.7 thousand people); the wholesale and retail industry, repairing cars, motorcycles, motorbikes (a decrease of 120 thousand people).

The General Statistics Office (2020) also suggested that trained workers at the "elementary" level or higher in the second quarter of 2020 were estimated at 12.3 million, accounting for 23.8% of

the total number of employees. The rate of trained, employed workers in the second quarter of 2020 increased by 0.4% from the previous quarter and by 1.3 percentage points against the same period last year. Occupations requiring only simple labor attract the most workers in the Vietnamese labor market, accounting for 32.9% of the employed population nationwide. The proportion of people doing simple jobs is still high in the context of professional and technical training (from "elementary vocational" level and above) for workers is low (about 24.0% for the labor force. and 23.8% for employed workers). Nationwide, about 1% of employees work as "Leaders in industries, levels and units", equivalent to about 526.1 thousand people. This proportion in men is 2.3 times higher than that of women (1.4% versus 0.6% respectively), in urban areas three times higher than in rural areas (respectively 1.9% versus 0.6%) and most of these people have had professional and technical training (reaching 98.3%).

The impact of the Covid-19 epidemic on unemployment and lack of jobs in Vietnam

Underemployment

According to the General Statistics Office (2020b), the number of underemployed people aged 15 and over in the second quarter of 2020 is nearly 1.5 million, an increase of 363.9 thousand people over the previous quarter and an increase of 726.6 thousand people compared to that of the last quarter in the same

period last year. Compared to the previous quarter, underemployed male workers increased higher than female underemployed: an increase of 250 thousand men underemployed and an increase of 113.9 thousand female underemployed; Compared to the same period last year, the corresponding increase was 412.4 thousand men and 314.2 thousand women (Table 3).

Table 3: Number of underemployed people in the second quarter of 2020 compared to the first quarter of 2020 and the same period last year

Unit: Thousand people

	Compared to the previous quarter	Compared to the same period last year
15 years old and over	363,9	726,6
Urban	182,8	218,2
Rural	181,1	508,4
Male	250,0	412,4
Female	113,9	314,2
In working age	292,0	648,4
Urban	166,6	199,4
Rural	125,4	448,9
Male	226,3	393,3
Female	65,7	255,0
Out of working age	72,0	78,2
Urban	16,2	18,8
Rural	55,7	59,5
Male	23,8	19,1
Female	48,2	59,1

Source: The General Statistics Office (2020)

According to the General Statistics Office (2020b), comparing among occupational groups, the underemployment rate of workers in the age group of "low level" occupations is the highest with 4.73%, 1.7 times higher compared to the same period last year; followed by the "intermediate level" occupations with the rate of 2.59%, 2.8 times higher than the same period last year.

Comparing by professional and technical qualifications, the underemployment rate of workers in the age without professional or technical qualifications is the highest with 3.43%, 2.1 times higher than the same period last year; The underemployment rate for the primary qualification group was 2.74%, 3.6 times higher than the same period last year (General Statistics Office, 2020).

Unemployed labor

The working-age unemployment rate in the second quarter of 2020 was 2.73%, of which the working-age unemployment rate

in urban areas was 4.46%, the highest in the past ten years, 1.36 percentage points higher than the same period last year (General Statistics Office, 2020b).

The unemployed workers aged 15 and over of the group of workers with intermediate technical and technical qualifications from an intermediate level or higher in the second quarter of 2020 decreased compared to the first quarter of 2020. Meanwhile, the unemployed workers aged 15 and over, the group of workers with low technical and technical qualifications (elementary) or no technical and professional qualifications increased against the previous quarter and compared with the same period last year (Table 4). This shows that when the economy is in shock, workers with low or unskilled have more difficulty in job opportunities than workers with intermediate and high-level technical and professional qualifications.

Table 4: Unemployed workers aged 15 and over by urban/rural residence and professional and technical qualifications

Unit: Thousand people

	Quarter 3, 2019	Quarter 4, 2019	Quarter 1, 2020	Quarter 2, 2020
Total	1.108,7	1.108,9	1.118,2	1.336,2
1 No technical expertise	769,8	744,1	685,6	938,5
2 Vocational training for 3 months or more	18,5	32,6	38,9	83,3
3 Intermediate	47,6	54,7	72,2	56,7
4 College	84,8	88,1	113,0	85,2
5 University or higher	188,0	189,5	208,5	172,5
Urban	530,9	531,8	536,6	766,4
1 No technical expertise	335,6	322,4	263,4	493,6
2 Vocational training for 3 months or more	8,6	15,2	21,7	51,7
3 Intermediate	26,3	27,6	45,2	40,8
4 College	36,8	48,0	64,4	49,9
5 University or higher	123,6	118,6	141,9	130,4
Rural	577,8	577,1	581,6	569,8

1	No technical expertise	434,2	421,7	422,1	444,9
2	Vocational training for 3 months or more	9,8	17,4	17,3	31,6
3	Intermediate	21,3	27,1	27,0	15,9
4	College	48,0	40,1	48,6	35,2
5	University or higher	64,5	70,9	66,6	42,2

Source: The General Statistics Office (2020)

Conclusion and some solutions to support enterprises and employees to restore production to improve the labor and employment situation

The Covid-19 epidemic has made it more difficult for workers to participate in the labor market and contribute their labor force in the chain of goods and services produced for society. Up to now, Vietnam has achieved remarkable achievements in the fight against the Covid-19 epidemic and realized its dual goal of fighting against epidemics, restoring, and developing the economy. Although the GDP growth rate in the second quarter of 2020 was a record low for many years, it was a positive growth that many countries in the world could not achieve. However, the epidemic Covid-19 in the world is going complicated with many risks of a second outbreak in many countries around the world, which will continue to have negative effects on the labor and employment situation and income of workers in Vietnam. In order to support enterprises, workers recovering production from contributing to improving the labor and employment situation, it is necessary to implement some of the following solutions:

1. Continue to synchronously and effectively implement appropriate mechanisms and policies, especially in terms of finance, money, and social security to support people, businesses, and employees, especially Small and medium enterprises overcame the difficulties of the COVID-19 pandemic, quickly recovering and developing socio-economic. Implement the exemption policy and reduce the number of tax obligations for some sectors and subjects that suffer heavy losses due to the COVID-19 pandemic in 2020.
2. Research to develop specific support packages for disadvantaged groups of workers, including female workers and workers without technical and professional qualifications who are hurt by the unpredictable development of the Covid-19 epidemic to help them overcome difficulties and stabilize their lives soon.
3. Accelerate the effective implementation of policies to support enterprises, production, and business establishments to recover all industries' economic activities, especially those positively affected by Covid- 19 such as processing and manufacturing industries; Wholesale and retail; accommodation and catering services; carriage...
4. Ensure social security, create jobs, train human resources in line with new trends. Effectively implement policies to support social protection, create jobs, create conditions for employees to return to the market soon, ensure enough workforce when entering the stage of increasing production. business after translation. Focusing on supporting employers to train and retrain employees to meet new requirements; to step up the connection of domestic labor supply and demand, and link to the international labor market
5. Enterprises and employees need to grasp the labor demand of the economy in the context of changing production methods to meet new requirements after the Covid-19

epidemic to train and improve their skills to meet labor needs in society.

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