





# REPORT

## ASSESSMENT ON EMPLOYABILITY SKILLS GAPS AND GOOD PRACTICES BY BUSINESSES TO UPSKILL MARGINALIZED AND VULNERABLE YOUNG PEOPLE

VCCI AND UNICEF, VIET NAM

Ha Noi, September 2020



## CONTENTS

<b>LIST OF FIGURES</b> .....	<b>i</b>
<b>LIST OF TABLES</b> .....	<b>ii</b>
<b>ABBREVIATION</b> .....	<b>vi</b>
<b>ACKNOWLEDGEMENTS</b> .....	<b>vii</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>1</b>
<b>INTRODUCTION</b> .....	<b>8</b>
1.1. Introduction of the project "Promotion of Children's Rights and Business Principles among Enterprises in Viet Nam." .....	8
1.2. Objectives of the Market Assessment and Analysis .....	8
1.3. Methodology .....	8
1.4. Structure of the Market Assessment and Analysis.....	9
<b>OVERVIEW OF LABOUR FORCE PARTICIPATION AND PROFESSIONAL DEVELOPMENT OF ADOLESCENTS AND YOUTHS IN VIET NAM</b> .....	<b>11</b>
2.1. Young People in Viet Nam's Labour Force.....	11
2.2. Factors Influencing Employability among Young People .....	18
2.3. Roles and Responsibility of Business in Improving Young People's Employability .....	20
<b>KEY FINDINGS</b> .....	<b>23</b>
3.1. Employability skills gaps for adolescents and youth .....	23
3.2. Obstacles faced by marginalized and vulnerable adolescents and youth to meet the labour market demands .....	36
3.3. Good practices by stakeholders to foster skills for employability and create job opportunities with a focus on marginalized and vulnerable adolescents and youth .....	43
<b>LIMITATIONS OF THE ASSESSMENT</b> .....	<b>56</b>
4.1. Issues with online firm survey .....	56
4.2. Issues with qualitative study.....	56
<b>CONCLUSION AND RECOMMENDATIONS</b> .....	<b>59</b>
5.1. Conclusion .....	59
5.2. Recommendations .....	61
<b>REFERENCES</b> .....	<b>64</b>
<b>APPENDIX</b> .....	<b>66</b>
Methodology .....	66
Online Firm Survey Questionnaire .....	71
Qualitative Tool.....	71



## LIST OF FIGURES

Figure 1. Total workforce by age group (2000-2018) .....	11
Figure 2. Number of working people and employment rate by age group (2010-2018) .....	12
Figure 3. Distribution of youth unemployment and youth labour force by educational attainment and sex, 2018.....	13
Figure 4. Percentage of trained working people by age group (2009-2018) .....	14
Figure 5. Probability of occupying a high-risk, automatable job by youth relative to adults ...	17
Figure 6. Proportion of surveyed companies by types of capital sources .....	23
Figure 7. Evaluation of young factory workers aged 15-17 in Apparel & Footwear sector.....	24
Figure 8. Evaluation of workers aged 18-29 years (hard skills) in Apparel & Footwear sector .....	25
Figure 9. Evaluations of workers aged 18-29 (soft skills) in Apparel & Footwear sector .....	26
Figure 10. Apparel & Footwear Enterprises' Employment Planning .....	27
Figure 11. Expected employability skills in Apparel & Footwear sector.....	28
Figure 12. Proportion of workers aged 18-29 in the surveyed tourism and travel firms .....	29
Figure 13. Evaluation of workers aged 18-29's (hard skills) in Tourism & Travel sector .....	29
Figure 14. Evaluation of workers aged 18-29's (soft skills) in Tourism & Travel sector .....	30
Figure 15. Tourism and Travel Enterprises' Employment Planning .....	31
Figure 16. Expected employability skills in Tourism & Travel sector .....	32
Figure 17. Evaluation of workers aged 18-29's (hard skills) in ICT sector .....	33
Figure 18. Evaluation of workers aged 18-29's (soft skills) in ICT sector .....	34
Figure 19. ICT Enterprises' Employment Planning.....	34
Figure 20. Expected employability skills in ICT Sector .....	35
Figure 21. Enterprises' expectation on employability skills for marginalized and vulnerable people .....	36
Figure 22. Recruitment willingness for marginalized and vulnerable people by sector .....	39
Figure 23. Enterprises' concerns towards marginalized and vulnerable people by sector .....	40
Figure 24. Enterprises' concerns towards marginalized and vulnerable people, by type of enterprises .....	40
Figure 25. Employed workers in ICT sector in Viet Nam, by gender .....	42
Figure 26. The UPSHIFT approach .....	51
Figure 27. Suggested model of cooperation between stakeholders .....	61

## LIST OF TABLES

Table 1. Unemployment rates by geographic region (2014-2018).....	12
Table 2. Underemployment rate by geographic region (2014-2018) .....	13
Table 3. Share of workers in informal employment by age group and sex (2014-2016) .....	15
Table 4. Type of enterprises by labour groups.....	37



# ABBREVIATION

ADB	Asian Development Bank
AI	Artificial Intelligence
CRBP	Children's Rights and Business Principles
EM	Ethnic Minorities
FGD	Focus Group Discussion
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GSO	General Statistics Office (of Viet Nam)
HR	Human Resources
ICT	Information And Communications Technology
IFR	International Federation of Robotics
ILO	International Labour Organization
IT	Information Technology
JICA	The Japan International Cooperation Agency
KFW	Kreditanstalt für Wiederaufbau
KII	Key Informant Interview
KSA	Knowledge, Skill, Attitude
METI	Japan's Ministry of Economy, Trade and Industry
MOET	Ministry of Education and Training
MOLISA	Ministry of Labour, War invalids and Social Affairs
NEET	Not in Education, Employment, or Training
NGO	Non-governmental organization
NVCARD	The North Viet Nam College of Agriculture and Rural Development
SDG	Sustainable Development Goals
TVET	Technical/ vocational education, and training
UNICEF	United Nations Children's Fund
VCCI	Viet Nam Chamber of Commerce and Industry
VITAS	Viet Nam Textile & Apparel Association
VSGD	Viet Nam Sustainable Development Goals
YEAC	Ho Chi Minh City's Youth Employee Assistance Centre

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<sup>1</sup> The reference to company policies and practices does not in any way constitute an endorsement of the individual company by UNICEF, VCCI or MDRI.



# EXECUTIVE SUMMARY

## Introduction

The “Promotion of Children’s Rights and Business Principles among Enterprises in Viet Nam” (CRBP) project is a multi-year initiative from the Viet Nam Chamber of Commerce and Industry (VCCI), with support from UNICEF, spanning from 2019-2021. It aims to strengthen the knowledge, capacity and commitment among key businesses that may affect children and related stakeholders to create an enabling environment for businesses to respect and support the rights of children in Viet Nam.

This research explores the current and future-projected employability skills<sup>2</sup> required for young people among three industries: apparel and footwear, travel and tourism, and information-communication technologies (ICT). It will also summarize good practices from different stakeholders to improve young people’s employability and provides recommendations for stakeholders to offer decent jobs and employability-enhancing activities for young people, with a focus on marginalized and vulnerable groups.

The research employs a mixed-method design, which includes desk research, and online firm survey, and qualitative interviews. The desk research provides a broad overview of the Vietnamese youth labour market and its current and future trends. The firm survey collects information on their assessments on young workers’ skills and share their hiring plans, desired skills, and policies to hire or support disadvantaged young workers. For the qualitative component, we conducted focus group discussions (FGDs) and key informant interviews (KIIs) to further contextualize our other findings. The FGDs and KIIs were conducted with key stakeholders, including government offices, business associations, businesses, and universities. FGDs were organized with adolescents aged 15-17 and young people aged 18-29.

## Main findings

**Young Vietnamese (15-24), as a cohort, is participating in the workforce at decreasing rates and have the lowest employment rates of any age cohort.** The low youth workforce participation rate may be explained by increasing enrolment in tertiary education and lower birth rates. However, the high youth unemployment rate suggests that youths who want to work still have a harder time doing so compared to older cohorts. Furthermore, highly educated young people take up a disproportionate share of unemployed youths, reflecting possible knowledge and skills gaps that hamper graduates’ chance to find a fitting employer (and vice versa).

**Youth employment is predominantly informal and insecure, with 60% of young workers aged 15-24 taking up informal employment.** As the COVID-19 pandemic continues to wreak havoc on Viet Nam’s economy and labor force, efforts to transition youths out of informal

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<sup>2</sup> In this study, we take a competence-centered approach to the concept of “employability”, meaning a combination of personal qualities and beliefs, knowledge, skills, and the ability to reflect critically and productively on work experiences; all of which needs to be frequently renewed during a person’s working life. According to Ornellas et al. (2017), the skills that favour employability includes soft and transversal skills (cognitive, methodological, social) and subject-specific skills.

employment will be increasingly difficult. While young Vietnamese are tech-savvy, many still lack formal technical training and soft skills necessary to keep up with the 4<sup>th</sup> Industrial Revolution. This fact is especially worrisome since Vietnamese youths are more likely than adults to occupy jobs at high-risk of automation.

**Education is key to open up opportunities to decent, less automobile jobs, but employers still value experience and skills rather than attainment.** Even though educational attainment can be used to predict labor market performance and vulnerability to automation, in reality, firms still report a wide gap between formal qualifications and actual performance. This gap leads firms to value experience over education in hiring, which may favor older workers over new graduates. However, firms have also offered more in-house training and/or apprenticeships for their new and prospective hires to catch them up with their colleagues.

**Globally, transferable skills<sup>3</sup> are expected to be in higher demand than technical skills<sup>4</sup> in the future**, according to ManPower Group, a multinational human resources consulting firm who is a key research participant in this project. ManPower's survey of employers across 44 countries indicates that, due to greater automation, human/transferable skills like **communication, collaboration, problem-solving, and critical thinking will be much more sought after than technical expertise**. ManPower's research also emphasizes the importance of learnability, which is the ability to quickly take-up new, unfamiliar skills or knowledge, especially since skills in-demand today may quickly be outdated in a few years.

**Across all three sectors, surveyed employers are generally satisfied with their young employees' hard skills including basic literacy, numerical, and computer skills across all sectors and in the soft-skills category, teamwork is usually rated highly.** Particularly, in the Apparel & Footwear sector, young office staff's hard skills are evaluated best in terms of computer literacy/basic IT skills, reading and understanding documents, and basic numerical skills. Factory workers are rated highest at manual dexterity and adaptation skills. For both groups, customer handling and teamwork are assessed as their most satisfactory soft skills. In the Travel and Tourism sector, basic numerical and computer literacy/basic IT skills are among the hard skills to be evaluated the best. In terms of soft skills, customer handling, teamwork, and sales skills are among the most highly rated skills. When it comes to the ICT industry, young workers scored the highest in computer literacy/basic IT skills. Similar to the other two sectors, teamwork is also assessed highly.

**Foreign language and advanced IT skills are often evaluated as young employees' weakest "hard" skills. Management and communication skills are generally rated among the weakest soft skills**, though these evaluations vary more across sectors. **FDI companies are more likely to give lower evaluations compared to domestic ones in most skills.** In the Apparel & Footwear sector, both office and factory groups are rated the weakest in foreign

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<sup>3</sup> In this study, the research team uses the term "transferable skills" instead of "soft skills" when it comes to the overview while in detailed analysis, both terms could be used alternately. According to UNICEF (2019), transferable skills, also known as life skills, 21st century skills, soft skills, or socio-emotional skills, allow young people to become agile, adaptive learners and citizens equipped to navigate personal, academic, social, and economic challenges; transferable skills include problem solving, negotiation, managing emotions, empathy, and communication and support crisis-affected young people to cope with trauma and build resilience in the face of adversity.

<sup>4</sup> Similarly, the term "technical skills" could be used in lieu of "hard skills", which refers to job-specific skills and associated with occupations. In the analysis, these terms could be used alternately.

language proficiency. For soft skills, their speaking skills are marked the lowest. The reasons for these low evaluations may be due the low entry standards. About 20-25 per cent of the total annual garment workers hold formal qualifications while the others are unskilled labor. In the Travel and Tourism sector, the lowest scores are given to goal-setting skills and human resources planning. In the ICT industry, advanced or specialist IT skills, manual dexterity, and critical thinking skills are among the three skills that need the most improvement.

**Creativity, teamwork, and active listening are expected employability skills across all three sectors in the 4.0 Industrial Revolution.**

**In each sector, about 75 per cent to 88 per cent of surveyed firms suggested that young workers should possess creativity to enhance their employability, followed by coordinating with others and active listening.** It is noted that firms in all three sectors do not appreciate some skills such as people management or negotiation as they are not necessarily required for young workers, instead particularly needed for older workers at management levels. Since automation will continue to take over manually intensive, repetitive tasks, most firms are placing more value in soft skills that are difficult to automate. While a plurality of firms say they will keep current workers and provide more in-house training, a significant number of firms are also interested in hiring more employees with different knowledge and skills. Therefore, supporting in-house training and investing in tertiary education will be essential to improve youth employability and upskill the workforce.

**Despite demanding some similar skills in the future, there are some variations across each sector.** Specifically, in the Apparel and footwear industry, according to Viet Nam Textile and Apparel Association, there is a need of the new knowledge and skills such as **industrial sewing techniques** for smart production and preparation using programming machines, designing sewing lines using digital technology, sample design by 3D technology, operating the digital technology application sewing line. Travel and tourism firms emphasize **customer service skills**. ICT firms values **technical skills in technology infrastructure and service, along with cognitive flexibility skills**.

**Many obstacles stand in the way of formal employment for youths from 15-17 and marginalized groups, which come from both demand and supply sides.**

**On the demand side, a lack of understanding on child rights, especially the right to legally work under protections of 15-17 aged youths from companies poses a barrier to their employment.** While firms in Viet Nam can hire workers from 15-17 with specific restrictions set by the law, most firms do not know that they have this option or think it is simpler to just hire workers over 18. Among 169 surveyed firms, only one company in the Apparel and Footwear sector reported employing workers from this group. In order not to get involved in any violations of protections of young workers, some firms are serious not to hire this age group, as they may face severe consequences if caught.

**In addition, the lack of inclusive recruitment policies in enterprises for workers with disabilities is another hurdle to their employment.** One of the reasons is partly attributed to the fact that recruiting vulnerable groups is not a strategic pivot in firms' mission and vision. The regulations require firms that recruit people with disabilities to ensure a suitable working environment so that some enterprises, especially SMEs face difficulties in investing friendly facilities for the disabled workers. Besides, the tax incentives for hiring the marginalized and

vulnerable groups is not attractive enough for the companies to build up such recruitment policies for them.

**Further, concerns about the capacity of marginalized and vulnerable group discourage firms from hiring them, though FDI enterprises are more likely to recruit vulnerable and marginalized people than domestic peers.** They express anxiety about these worker's physical/mental capacity and ability to integrate. Among three surveyed sectors, ICT firms are most willing to recruit people with disabilities (77 per cent), compared to Apparel & Footwear firms (48 per cent) and Travel & Tourism firms (39 per cent). A similar pattern is also evident for Ethnic minorities and LGBTQ groups. Most noticeably, people with HIV are least likely to be recruited in all three sectors, suggesting on-going anxiety/discrimination towards this group.

**On the supply side, marginalized youths face significant barriers, one of which is the gap in their education and training.** Most adolescents aged 15-17 who are out-of-school have yet to finish their lower-secondary education. Since they did not graduate, it is difficult for them to enroll in free vocational training programs by the government.

**Besides, lack of accessible and supportive educational facilities, vocational programs, and career orientation hampers marginalized and vulnerable youths' ability to secure decent work.** Without formal qualifications and life skills, vulnerable youths are more likely to find jobs and work in the informal sector, without full protection of decent work. For those aged over 18 with disabilities, specialized training schools have not yet existed in their locality. Instead, they have to participate in schools/courses which are designed for non-vulnerable people while they may need more special support and time to pursue the study.

**Moreover, they are unaware of the necessary employability skills in the 4th Industrial Revolution.** Some could only name few key words or ideas such as internet connection, social media, live-streaming sales. Out-of-school youths expressed their limited understanding of robotics and automation. Consequently, it would endanger their employment chances.

**Gender stereotypes and inequities also drive away many competent female workers in traditionally male-dominated fields like ICT.** One of the surveyed ICT firms disclosed that their female workers' performance is better than that of the male peers. However, the proportion of female candidates applying to their enterprise is just one-third of the total applicants. This aligns with the findings from Graduate Women International Organization and statistic from General Statistics Office of Viet Nam that female workers in ICT sector accounts for 1/3 of the sector's total workforce. Besides, young women face various gender stereotypes and biases when they work in the ICT sector, discouraging them from staying in the sector or applying in the first place.

**Different stakeholders have implemented some "good practices," i.e., successful or promising programs, to tackle youth employability. However, most of these practices and initiatives are still small-scale and disjointed, hampering overall effectiveness.** Some firms and business associations have long worked with universities and vocational to provide internships and job placements for new graduates. Most firms provide on-the-job training to its new hires, and a few, like Enablecode, specifically designed their recruitment and training process to accommodate applicants with disabilities. NGOs and youth associations have many programs to directly support and provide training and job placements for vulnerable youths, like UPSHIFT or REACH. Schools and the government, meanwhile, have expanded eligibility for vocational training and provide financial/material support for students in need.

## Conclusions

**From the findings, employers face many difficulties finding young workers who possess the in-demand skills, suggesting skill-gaps in the labor market that hampers youth employability.** It is clear that soft skills, in particular will be in higher demand in the future due to globalization and greater automation of routine jobs. These soft-skills include creativity, self-learning, communication, collaboration, and critical thinking, and their in-demand status paradoxically suggest a shortage of these skills amongst current young workers.

**These gaps arise from problems with the quality of the education and training system and an overall lack of career guidance, support and matching for youths.** A lack of awareness from both firms and youths about the labor market and legal frameworks further hamper employability for young people. For youths from disadvantaged and vulnerable groups, these existing obstacles are magnified, leading to even worse exclusion from the formal labor market.

## Recommendations

**Colleges, universities, and vocational training institutions should collaborate with firms and integrate soft-skills training, career guidance and longer apprenticeships/internships into their curriculum.** Such reforms will help schools better gauge employers' demand for skills and adapt their program to meet those demands. Students will certainly benefit from being better prepared, from a soft-skill and experiential standpoint, when they graduate and enter the workforce. Even though Viet Nam's vocational training system has vastly improved over the last decade, the importance of vocation training, especially as a viable alternative to colleges/universities, should be reinforced.

**The government should introduce robust platforms, incentives, and financial support for firms to hire young workers, particularly those in vulnerable and marginalized groups.** The government can partner with existing employment platforms or develop a new job-seeking platform that caters to youths, particularly those from disadvantaged backgrounds. As firms may incur extra costs to hire marginalized workers or those with disabilities, larger tax incentives or financial/wage support should be introduced to encourage firms to hire more from these groups. Financial incentives can go hand-in-hand with a systematic outreach effort about Corporate Social Responsibility (CSR) and recruitment/workplace anti-bias training, which can increase awareness among employers and the population at large.

**Non-governmental organizations (NGOs) should continue to provide research, policy advocacy, and pilot new training and job-placement programs for marginalized youths.** NGOs are an important bridge and source of support between vulnerable youths and employers. NGOs have long been the pioneers of interventions and training/job support programs for vulnerable youths, and they should continue to be empowered by the government and other stakeholders to do so. NGOs can also provide valuable data and policy recommendations to the government from their own research and experiences.

**Business associations should leverage their connector role to increase awareness about CSR and inclusive workplace practices, as well as scaling up promising youth employability initiatives.** Business associations can bring firms together, figuratively and literally, to facilitate cross-firm learning and discussions regarding best practices and concerns in hiring young workers, particularly those from marginalized backgrounds. They can also help scale up employability initiatives, whether that be internship/job placements to training

programs, by getting more member firms involved. For firms, it is necessary to develop **inclusive recruitment policy and CSR efforts, which offers an inclusive workplace helps them reach out talented and skilled but vulnerable workers.** In order to implement this, it is required that enterprises have to root out prejudices and rethink their CSR approach, consequently build good image and reach new customers by publicizing its CSR efforts.

**Most importantly, better coordination and collaboration between stakeholders will be a key to these recommendations' effectiveness.** While our research indicates that many stakeholders have implemented separate programs to address youth employability, these initiatives exist in a vacuum and therefore are ineffective at comprehensively enhancing youth employability (including vulnerable youths). Thus, broad-based, intentional collaborations will allow stakeholders to draw on each other's unique perspectives, expertise, and resources to address this complex issue.



# CHAPTER I: INTRODUCTION





# INTRODUCTION

## 1.1. Introduction of the project "Promotion of Children's Rights and Business Principles among Enterprises in Viet Nam."

During the 2019-2021 period, the Office for Business Sustainable Development - Viet Nam Chamber of Commerce and Industry (VCCI/SDforB), with support from UNICEF, is carrying out the project "Promotion of Children's Rights and Business Principles among Enterprises in Viet Nam" (CRBP Project). The project seeks to create an enabling environment for businesses and strengthen business knowledge, capacity, and commitment to respect and support the rights of children in Viet Nam. Hence, the project would contribute to VCCI's objective to fulfil its assigned Sustainable Development Goals No. 12.6 and 16.5, aiming at promoting responsible and sustainable business practices and social accountabilities for poor and marginalized groups, including marginalized and vulnerable adolescents and youths.

## 1.2. Objectives of the Market Assessment and Analysis

A core component of the project involves understanding the current and future-projected employability skills required for adolescents and youths, identifying the main challenges faced by marginalized and vulnerable adolescents and youths while meeting the labour market's demand, and identifying good practices/ initiatives that can improve their employability. Such understanding would enable the project team to provide actionable recommendations for stakeholders in creating decent work opportunities and other employability-enhancing activities/ programs/ initiatives for adolescents and youths, particularly those from marginalized and vulnerable groups.

This market assessment and analysis, or the assessment for short, conducted by Mekong Development Research Institute, would provide the basis for such understanding.

## 1.3. Methodology

In the assignment, a mixed method design was adopted to understand the skill gaps for young workers in Viet Nam. A participatory approach was employed in this mixed method, meaning all relevant stakeholders were involved. Stakeholders refer to government and nongovernment actors, educators, youths (employees), and businesses (employers). The following data collection methods were used: (i) Desk Research, (ii) Quantitative Method: Online Firm Survey, and (iii) Qualitative Methods: Focus Group Discussion, Key Informant Interviews. Please refer to the detailed tools which were used in the assessment in the Appendix.

Desk Research was conducted with the available literature, such as NGO and UN reports, government programs, studies and evaluations, business HR programs, CSR strategy/initiatives, etc., on on-going labour force status, adolescents' skills training programs. The aim is to identify the workforce status in Viet Nam, with a focus on youth labour, and to provide VCCI and UNICEF with specific, implemented good practices by stakeholders to

improve youth employability and tackle general challenges in the labour market, including the risk of automation from the fourth Industrial Revolution.

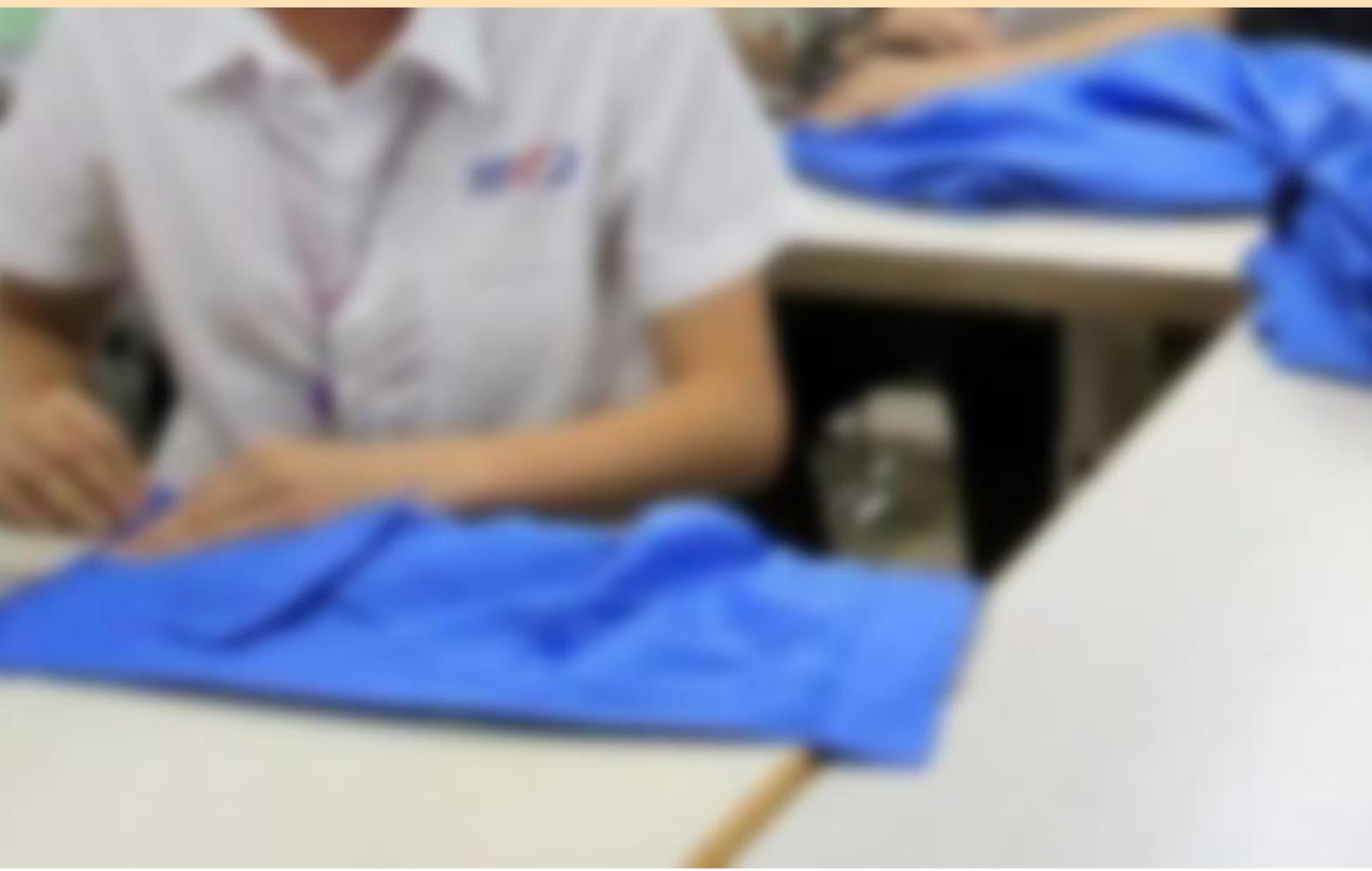
The online survey is conducted with businesses to identify gaps in knowledge, skills, attitude (KSA) in employees, current training programs that are implemented by the business sector, and projected needs in terms of skills for future jobs. The qualitative component complements further knowledge and information collected from the quantitative component. Key informant interviews were implemented with important stakeholders, including government offices, business associations, businesses, and universities/colleges with linkage (internship or youth programs) with businesses. FGDs were organized with adolescents and youth aged 15-17 and young people aged 18-29.

## **1.4. Structure of the Market Assessment and Analysis**

The report is structured into six chapters. The second chapter provides a broad overview of the labour force status and professional development of adolescents and youths. The findings from the research, disaggregated by sector, are discussed in Chapter 3. The findings cover employability skills gaps for adolescents and youths, their obstacles during professional development and qualifying for the market demand, and good practices by stakeholders to alleviate such obstacles. Chapter 4 highlights the limitations of the assessment. Finally, Chapter 5 wraps up the report by providing recommendations to upskill young workers and providing decent work opportunities for them.



## **CHAPTER II: OVERVIEW OF LABOUR FORCE PARTICIPATION AND PROFESSIONAL DEVELOPMENT OF ADOLESCENTS AND YOUTHS IN VIETNAM**



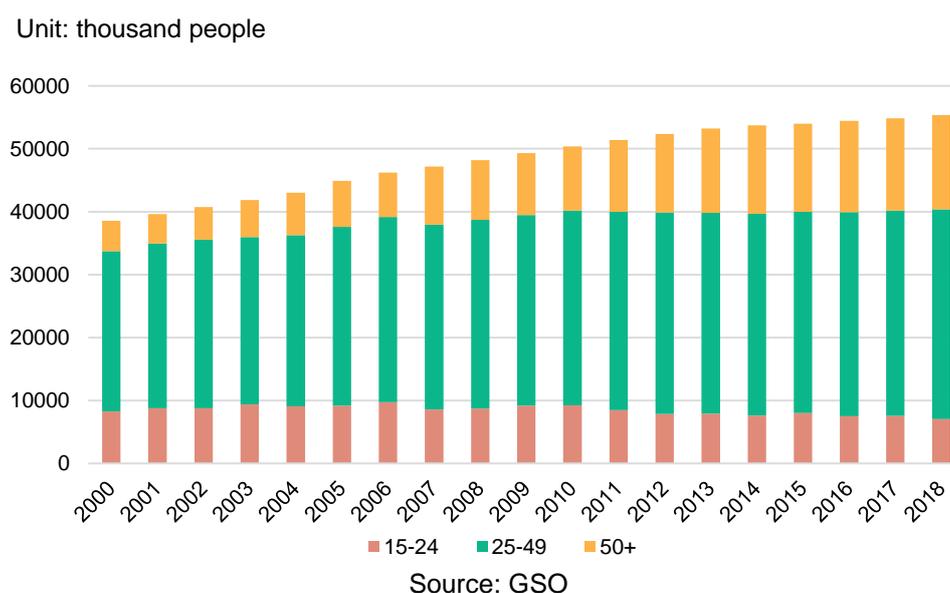
# OVERVIEW OF LABOUR FORCE PARTICIPATION AND PROFESSIONAL DEVELOPMENT OF ADOLESCENTS AND YOUTHS IN VIET NAM



## 2.1. Young People in Viet Nam's Labour Force

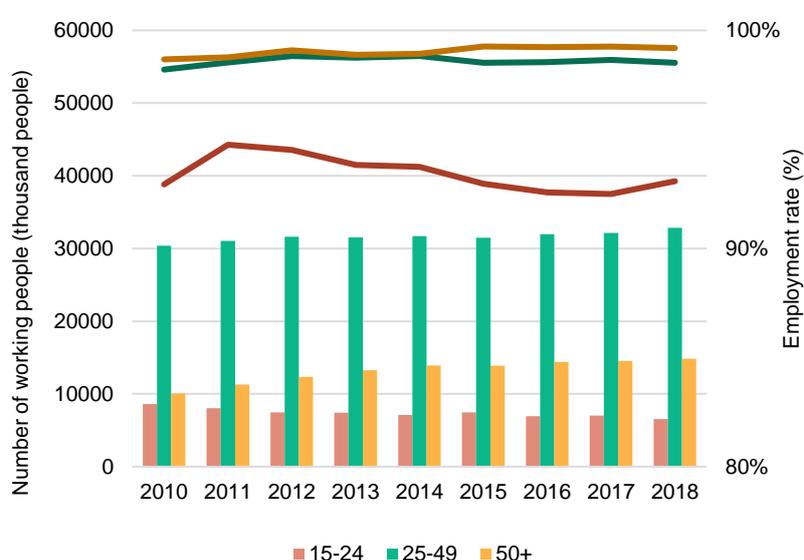
Despite a positive annual growth rate observed in the total workforce, Vietnamese youths (aged 15-24) demonstrate a decline in both labour force participation and employment rate. This can be partly attributed to falling birth rates and increasing enrolments in tertiary education.

Figure 1. Total workforce by age group (2000-2018)



Despite the positive annual growth rate observed in the total workforce, the growth rate of the youngest group, aged 15-24, shows a downward trend over time, and therefore, their share in the total workforce has been decreasing. This decrease could be partly attributed to the falling birth rates over time, which mechanically makes the 15-24 age group smaller than older cohorts. Furthermore, since 2000, the ratio of enrolments in tertiary education to the total number of recent high school graduates has increased threefold, from about 9 per cent to almost 30 per cent in 2016, indicating that the average young person is staying in school longer to obtain more-advanced degrees (World Bank, 2020).

The young group also experiences a downward trend in their total employment, decreasing from more than 8.5 million in 2010 to approximately 6.6 million working people in 2018. This downward trend is also reflected in a slight decrease in their employment rate, from 95 per cent to 93 per cent.

**Figure 2. Number of working people and employment rate by age group (2010-2018)**

Source: GSO

While there is a wide variation in youth unemployment rate across geographic regions, the youth underemployment rate is smaller and does not vary much across regions.

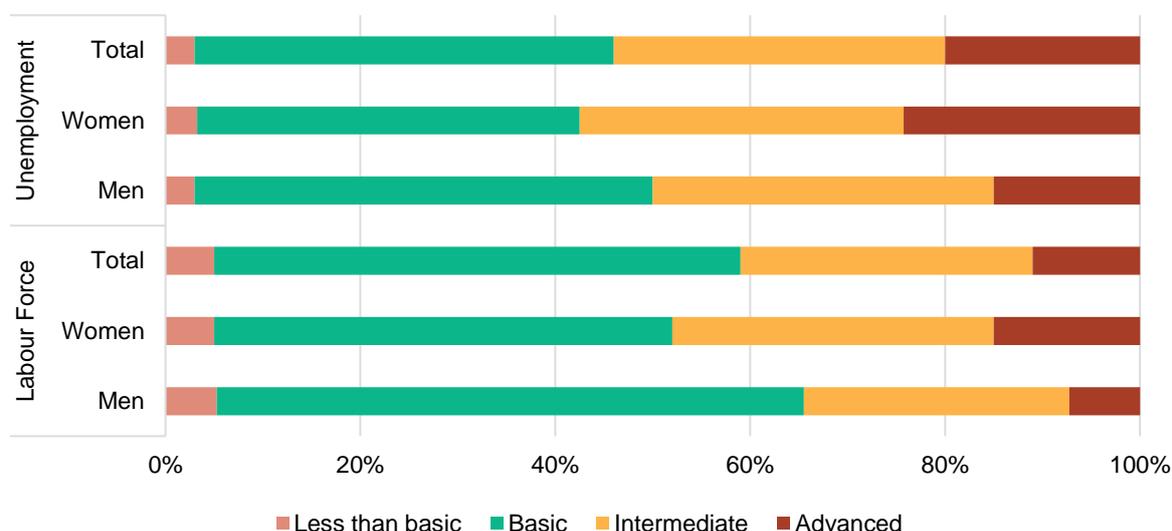
**Table 1. Unemployment rates by geographic region (2014-2018)**

	15-24 age group					25-49 age group					50+ age group				
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
Total	6.26	7.03	7.43	7.5	6.92	1.18	1.49	1.46	1.36	1.49	3.52	0.86	0.84	0.86	0.99
Red River Delta	9.3	9.62	9.69	9.98	7.99	1.38	1.45	1.32	1.22	1.31	8.37	0.77	0.65	0.57	1.09
Midlands and Northern Mountains	1.88	2.95	3.64	3.28	3.24	0.44	0.7	0.67	0.53	0.63	1.34	0.29	0.26	0.25	0.31
Northern and Coastal Central	7.24	8.26	8.91	8.45	8.89	1.19	1.67	1.68	1.5	1.75	1.35	0.66	0.71	0.7	0.83
Central Highlands	3.51	2.47	2.69	2.98	2.5	0.58	0.66	0.91	0.49	0.73	1.61	0.47	0.49	0.66	0.34
Southeast	7.11	8.02	7.68	7.88	7.48	1.62	1.7	1.64	1.81	1.9	2.46	1.67	1.07	1.57	1.57
Mekong Delta	6.77	8.19	9.27	9.99	8.95	1.23	1.96	1.93	1.8	1.86	1.01	1.15	1.53	1.3	1.25

Source: GSO

In 2018, among six geographical regions, the Mekong Delta, Northern and Coastal Central regions witnessed the highest youth unemployment rates, at nearly 9 per cent. This is followed by Red River Delta and Southeast, at above 7 per cent. The Midlands, Northern Mountains, and Central Highlands have the lowest rates, at less than 4 per cent.

**Figure 3. Distribution of youth unemployment and youth labour force by educational attainment and sex, 2018**



Source: Labour Force Survey, GSO

*Note: "Less than basic" refers to less than primary education. "Basic" refers to primary education or lower secondary education. "Intermediate" refers to upper secondary education or post-secondary non-tertiary education. "Advanced" refers to tertiary education*

One reason young people has systematically higher rates of unemployment is that many of them have just entered the labour market and thus struggle to compete against more experienced older workers (ILO, 2020). However, a deeper dynamic is apparent when looking at the distribution of youth unemployment and youth labour force by educational attainment. In 2018, young people with tertiary education or higher made up only 11 per cent of the total youth workforce, but up to 20 per cent of those unemployed. Meanwhile, those who have secondary education or lower made up almost 60 per cent of the youth labour force, but only about 43 per cent of all unemployed young people. While this phenomenon might suggest oversupply of more educated youths or their ability to be pickier in their employment, it also points to a possible skills/qualification mismatch between what young tertiary graduates are offering and what firms are demanding. The mismatch explanation is the central assumption of this project.

**Table 2. Underemployment rate by geographic region (2014-2018)**

	15-24 age group					25-49 age group					50+ age group				
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
Total	3.18	3.05	2.57	2.12	2.23	2.22	1.72	1.58	1.57	1.27	1.26	1.38	1.21	1.46	1.76
Red River Delta	3.44	3.08	1.83	1.55	1.43	2.25	1.44	0.89	1.04	0.62	0.82	1.52	1.13	1.21	2.89
Midlands and Northern Mountains	2.69	2.94	2.92	2.33	2.04	1.16	1.28	1.33	1.19	1.19	0.84	0.49	0.7	0.73	0.62
Northern and Coastal Central	3.89	4.12	3.34	2.97	2.73	2.37	2.38	1.9	1.58	1.27	1.07	1.27	1.33	1.9	1.35
Central Highlands	3.58	3.4	3.81	2.8	3.76	2.27	1.39	1.67	1.35	1.93	1.12	0.64	0.75	0.57	0.99
Southeast	0.9	0.92	0.58	0.53	0.92	0.59	0.42	0.43	0.46	0.31	0.58	0.73	0.44	0.42	0
Mekong Delta	4.35	3.68	3.15	2.52	2.96	4.24	2.98	3.23	3.56	2.79	2.78	2.56	2.22	2.82	2.82

Source: GSO

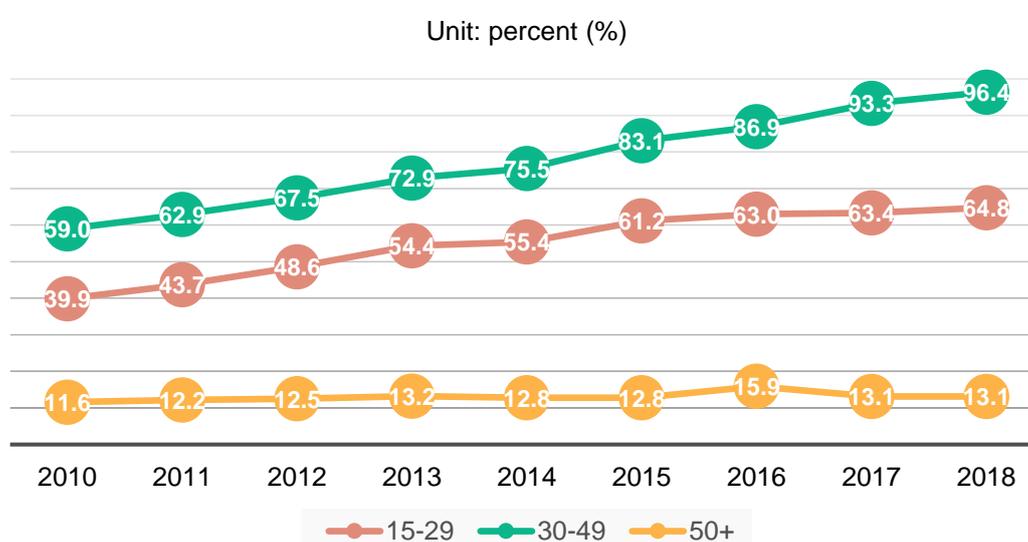
According to the GSO, underemployed people include employed people during a specified time-reference period that meet three following criteria:

- (a) Having a desire to work more, that is:
  - Having a desire to do one or more extra jobs to increase the total number of working hours; or to replace one or more of current jobs with another to increase the number of working hours, or to increase the number of working hours of current jobs, or a combination of them
- (b) Willing to work overtime, that is, shortly (for example, in the coming week), if given an opportunity
- (c) Working under 35 hours per week in the reference week

All age groups experience significantly lower underemployment rates than their respective unemployment rates. Still, the youngest age group (15-24 years old) has the largest underemployment rate among all age groups. This finding can be explained by the fact that younger workers are more likely to work part-time. Mechanically, the more part-time workers the economy has, the higher the underemployment rate. But even among part-time workers, younger employees are more likely to be underemployed.

**The percentage of trained young workers is increasing, but its growth rate is smaller than that of the older group (aged 30-49)**

**Figure 4. Percentage of trained working people by age group (2009-2018)**



Source: GSO

According to the GSO, trained people refer to:

(a) People who have been trained at a school or a technical/ vocational education and training (TVET) institution that belongs to the national education system for at least three months and have graduated. They are granted with diplomas or certificates that recognize their achievement of a specific level of education/ training, such as vocational elementary, vocational secondary, vocational college, professional secondary, professional college, university and postgraduate (Master's, Doctorate)

(b) People who have not been to any school or TVET institution but have acquired necessary skills that are equivalent to Level 1 worker with diplomas/ certificates, through self-study, skills being passed down from one generation to the next or on-the-job training. They have worked in their current job for at least three years and are also known as workers without diplomas/ certificates.

Figure 4 shows that two age groups, namely 15-29 and 30-49, have experienced significant growth in their percentage of trained workers over the 2010-2018 period. However, the 30-49 age group possesses both a higher absolute percentage and a larger increase in the share of trained workers from 2010-2018, leading to a widened gap between this group and the 15-29 group. This gap can mostly be explained by the fact that older age groups have more experienced and are uniformly old enough to attend or to finish tertiary education.

### Young workers are often exposed to non-standard, informal and less secure forms of employment

**Table 3. Share of workers in informal employment by age group and sex (2014-2016)**

Age group	2014	2015	2016
	Unit: %		
<b>Total</b>	58.8	58.3	57.2
15-24	65.8	62.6	60.2
25-54	55.9	55.3	54.3
55-59	66.1	69.2	68.8
60+	79.5	82.4	81.4
<b>Men</b>	61.2	61.6	60.7
15-24	74.6	72.9	70.1
25-54	58.4	58.5	57.9
55-59	57.9	62	62.6
60+	75	78.7	77.8
<b>Women</b>	56.1	54.5	53.3
15-24	55.8	51.1	49.1
25-54	53.1	51.7	50.3
55-59	77.5	79.3	77.3
60+	84.2	86.2	85.3

Source: ILO

According to data from ILO's 2016 Report on Informal Employment in Viet Nam, informal employment is highly prevalent among young people aged 15-24 who often have temporary jobs while going to school or seeking full-time jobs. Even though the share of workers in informal employment in the 15-24 age group has been decreasing over the years, it still stood at about 60.2 per cent in 2016.

Concerning gender differences, the percentage of young men engaged in informal employment is durably larger than that of young women. In 2016, for example, that percentage was 70.1 per cent and 49.1 per cent for young men and women, respectively.

The ILO report also highlights a negative relationship between qualifications and engagement in informal employment. Workers without qualifications, also known as untrained workers, are most likely to engage in informal employment. Therefore, young workers without qualifications have a significantly higher chance of taking up informal work.

In the context of a global economic downturn, rising trade tensions, and the COVID-19 pandemic, many challenges have arisen or become exacerbated with regards to accessing

decent and formal job opportunities. Mr. Felix Weidenkaff, the ILO's employment expert, stated that these factors might be particularly detrimental to young people because their employment prospects are more sensitive to economic downturns than those of older workers. The lack of opportunities in the formal economy, which is augmented during recessions, makes it hard for young people to transition from informal to formal arrangements and, thus, out of the informal sector.

### **There is a growing concern among young people that new technologies – particularly robotics and artificial intelligence – may take away their jobs**

Technological advances – notably in such fields as automation, robotics, artificial intelligence, 3D printing, machine learning, the Internet of Things, and block chains will transform the labour market, especially with regards to opportunities and challenges faced by young women and men. These changes are leading to the creation of entirely new industries, jobs, goods, services, and an increase in overall productivity.

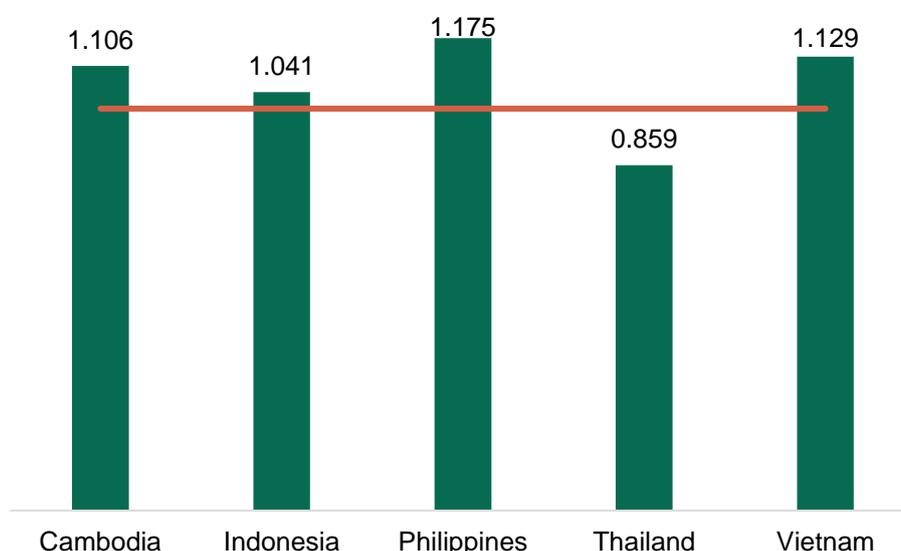
For example, the proliferation of robots – primarily in the manufacturing and transport sectors – is expected to be highest in developing countries over the next few years, including Viet Nam. According to data from International Federation of Robotics (IFR, 2018), over the 2019-2021 period, the projected compound annual growth rate in shipments of industrial robots in Viet Nam might exceed 40 per cent, which is nearly double the rate of another ASEAN country, Thailand, and its neighbour, China.

In previous studies of developed countries, while no significant relationship was observed between increased industrial automation and total employment levels, there was evidence that robots might be reducing the employment share of low-skilled workers. This "skill-biased" tendency of technological change is worrying for Viet Nam since, for the last 25 years or so, its economic growth has depended on a wealth of low-skilled manufacturing workers who are at an acute risk of automation. A 2016 ILO report on automation in the ASEAN region estimates that 70 per cent of all current employment in Viet Nam is at a "high-risk" of automation (the highest category), the highest in the region. Most notably, the report points to the garment industry in Viet Nam as being most vulnerable to automation, with 86 per cent of wage workers in the sector at high-risk of automation.

Young people are among the most willing to embrace new technologies, as illustrated by Internet and smartphone usage trends. According to data from Pew Research Centre (2018), 88 per cent of Vietnamese people aged 18-36 reported using the Internet or owning a smartphone, compared with only 38 per cent reported by people aged 37 and over. Thus, the wide gap between the two age groups reflects a "digital divide" between generations.

Even so, anxieties about the impact of technologies on jobs are profound among young Vietnamese, especially since being tech-savvy does not necessarily translate to having automation-friendly skills.

**Figure 5. Probability of occupying a high-risk, automatable job by youth relative to adults**



Source: ILO estimates based on Cambodia Labour Force Survey (2012), Indonesia Labour Force Survey (Aug. 2010), Philippines Labour Force Survey (Oct. 2013), Thailand Labour Force Survey (Q3 2013) and Viet Nam Labour Force Survey (2013), applying the Frey and Osborne (2013) methodology at the four-digit occupation level.

*Note: A value of 1 represents an equal likelihood of being employed in a high-risk occupation. High risk includes non-military occupations with a probability of automation that exceeds 70 per cent.*

Using data from the Labour Force Survey of 5 ASEAN countries, ILO (2016) made estimations of the probability of occupying a high-risk, automatable job by youth relative to adults. In all five ASEAN countries except Thailand, young workers aged 15-24 have a higher probability of occupying a high-risk, automatable job than adults aged 25 and over. This risk is the result of two intermediate factors: the placement of youth into occupations that are, on average, easier to automate, and the fact that, within the same occupation, entry-level jobs held by young people tend to have a higher proportion of automatable tasks. Furthermore, since young workers' employment time-horizon is longer than any older age group, young people naturally will have to face/adapt to more technological changes throughout their working life.

**Globally, it is expected that soft skills will be increasingly valuable and necessary compared to technical skills due to automation and digitization.**

Research has pinpointed a close resemblance between the world's and Viet Nam's labor force situation. According to ManPower Group's 2019 study entitled Human Wanted: Robots Need You surveying 19,000 enterprises in 44 countries, the impacts of automation on global job market put human skills (social and emotional soft skills) at higher priority than technical skills as machines are often better at routine tasks. As a result, candidates with higher cognitive skills such as creativity, adaptability, and ability to process complex information are more likely to own a successful career in the era of digitalization. Notably, ManPower's research brings forward a list of seven (07) soft skills that are most difficult to find yet regarded as the highest requested ones. In other words, the scarcer a skill is, the more likely it is sought-after. Communication, collaboration, and problem-solving are amongst the top three in the ranking, in respective order. In addition, among the top 10 in-demand jobs across the globe, skilled

trades are ranked first, followed by Sales and Marketing (2<sup>nd</sup>), IT workers (6<sup>th</sup>) and Manufacturing (8<sup>th</sup>). These findings are of great importance to our assessment report as it has been proven that Viet Nam is not exempt from the global trend in terms of jobs and skills demand. The global shortage of high-skilled labor, especially in the ICT sector is also recognizable in the case of Viet Nam. In particular, creativity, collaboration, critical thinking and communication are also considered top valuable skills by our surveyed companies.

In addition, due to the dynamic market environment of the Industrial Revolution 4.0, magnified by the Covid-19 pandemic, employability is becoming less determined by employee's specialized knowledge but rather by the willingness and capacity to learn new things (also known as learnability quotient - LQ). In-demand skills today might soon become outdated tomorrow; therefore, employers nowadays find it increasingly difficult to search for ready-to-work candidates who are able to fill the skills gap. This pattern can be observed in Viet Nam when the majority of surveyed enterprises planned to up-skill their current staff by providing more training instead of recruiting new workers, when asked about future HR strategies in response to the global complex and unpredictable atmosphere.

## 2.2. Factors Influencing Employability among Young People

### Education provides entry to quality and less automatable jobs

Using the 2013 school-to-work transition ILO survey, Nguyen et al. (2015) conclude that educational attainment is a good determinant of how one will fare in the labour market transition.

With respect to the automation risk brought by technological advances, people with little education (secondary or less) are at a high risk of automation for all ages (ILO, 2020). Therefore, the findings suggest that education is capable of providing entry to quality and less automatable jobs, according to the "human capital" theory of education.

However, the study by Tran (2017) points to the wide gap between the education system and learners' needs/ interests as one of the main reasons for youths leaving school early and accepting low quality work to earn a living. This is illustrated by the negative attitude towards education, especially among the male group. Using data from the 2013 school-to-work transition ILO survey, Tran's study calculated that around 36 per cent of male youths and 28.4 per cent of female youths left school before completion for the reason of not being interested in education or training. Furthermore, as pointed out in section 2.1, **the unemployment rate in Viet Nam is higher for more educated youths than for less-educated ones, suggesting an ill-matched labour market for well-educated workers, aside from possible oversupply.**

### Skills in the technology infrastructure and services domain are in high demand in the ICT sector

According to Lau et al. (2016), there is an expected increase in demand for skills in the technology infrastructure and services domain. Tran & Winley (2018) defines this domain as the "traditional foundation of the IT profession," consisting of designing and analysing networks, systems, and providing security or support services. These sector-specific skills, in

combination with strong communication and problem-solving abilities, are highly valued by Vietnamese employers. Tran & Winley (2018) explain that since the stage of ICT development in Viet Nam is more premature than developed nations, both user and provider organizations indicate increased demand for specialists in traditional IT domains as well as IT generalists.

### **Experience valued over education by employers**

As indicated in Nguyen et al. (2015) study, youth qualifications fail to match firms' requirement, and so firms tend to value experience over educational attainment. These factors have contributed to high youth unemployment among people with higher levels of education.

Therefore, internships, apprenticeships, work placements, and other forms of Work-Integrated-Learning have been implemented by universities, colleges, and many TVET institutions to bridge the skills gap and foster work-readiness among young people. In particular, there seems to be a consensus that integrating current work practices and partnering with industry professionals contribute to the enhancement of employability, work-readiness, and a range of generic skills for young workers, albeit with wide variations across disciplines (Sachs, Rowe, & Wilson, 2016).

Our desk research indicates that in all three sectors of interest in the study, there have been on-going collaborations between TVET institutions and business firms in providing students with real working experience and get them familiar with the industry. The type and duration of collaboration vary based on the sector's specificities and agreements between the institutions and businesses.

### **Employment services play an essential role in helping young people navigate the labour market**

Employment services act as intermediaries between jobseekers and potential employers. Given the technological advances of the Fourth Industrial Revolution, employment services need to adapt to technological changes to align their services with the needs of an online clientele (especially young people), take into account new forms of work and be able to compete with a wide range of new digital recruitment platforms that are available for job seekers.

By using new channels, employment services can also become more inclusive and reach more vulnerable groups in the labour market. However, the flip side is that it can exclude people who lack digital skills – often people with little attachment to the labour market, such as youths not in education, employment, or training (NEET) or other marginalized groups.

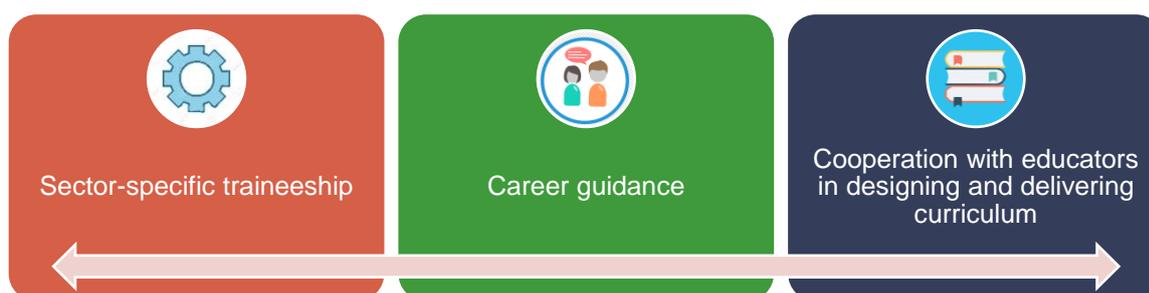
By exploiting "big data," employment services can not only tailor employment services to individual needs but also provide a more accurate analysis of the labour market at the national and regional levels.

Together with educational institutions, employment services can play an active role in promoting employability and bridging skills gaps. They are in an excellent position to identify skill requirements and shortages, based on the information they have about job seekers and vacancies. Employment services can provide career advice and recommend training courses to help job seekers improve their skills. They can also support employers, especially small and

medium-sized enterprises, with their human resource management, like ways to improve their applicant pool and the hiring quality.

## 2.3. Roles and Responsibility of Business in Improving Young People's Employability

Businesses can get engaged in many types of youth employability-enhancing programs and activities, including but not limited to:



### Sector-specific traineeship

Businesses can utilize a range of methods to recruit young people to their sector-specific traineeships, including:

- Partnering with intermediary organizations such as TVET institutions.
- Offering places to young people who apply for their apprenticeship program.
- Undertaking broader marketing activities to raise awareness of their traineeship offer.

Key characteristics of a sector-specific traineeship include:

- Tailoring every element of the program to the needs of the sector.
- Involving employers in the development and delivery of the program.
- Embedding employability skills in practical activities or real-life examples.
- Building sector-specific qualifications or accreditation into the work training.
- Demonstrating the range of roles available within a particular sector.

### Career guidance

Career guidance has two main elements:

- Career education: in which young people can learn about the world of work and develop career management skills in the classroom setting and through other activities such as work or internship experiences.
- Individual career advice on a one-to-one basis: providing specific advice on career decisions either mandatorily (required consultations for all students) or reactively (consultations on demand)

Both elements are underpinned by career information on courses, occupations, and career pathways, which is increasingly web-based.

The competencies required for career guidance include:

- Good knowledge of labour markets, careers and learning opportunities, and the capacity to identify and use relevant sources of information to provide specific career advice to individuals.
- The ability to draw out young people's interests, aptitudes, and objectives to identify career strategies that are both realistic and meet individual needs/ preferences.

With proper knowledge in sector-specific areas as well as experience in recruitment and training, businesses can participate in the process of providing career guidance to youth. This should fill in the informational shortages of school career counsellors and bring out the best employment outcomes for students. Depending on the level of schools and TVET institutions, career guidance from businesses may take many forms, such as office tours, talks, vocational courses, etc.

### **Cooperation with educators in designing and delivering curriculum**

Businesses can take various roles in curriculum design and delivery. Examples include:

- Adaptation or development of programs or courses
- Internship and placement programs
- Training programs for students and employees
- Guest lectures
- Design of specific study programs or professional courses to meet industry needs.



## **CHAPTER III: KEY FINDINGS**



# KEY FINDINGS



## 3.1. Employability skills gaps for adolescents and youth

### 3.1.1. Apparel & Footwear sector

#### Labour Force

All 52 textile and footwear enterprises in the survey have workers aged 18-29, which, on average, accounted for 45.4 per cent of the total number of their employees; only 1 enterprise has formal employees aged 15-17. Within the 18-29-year-old labour group for the surveyed firms, 9.3 per cent are ethnic minorities; 6.6 per cent are migrant workers; 3.8 per cent are from poor households; workers with disabilities and LGBTQ workers account for the same proportion of 0.1 per cent.

#### Type of company by capital sources

There are 31 companies with Vietnamese capital, 20 companies with 100 per cent foreign capital, and one joint venture company with a foreign country. In the following analysis, these companies would be categorized into two broad groups, namely domestic companies (31 companies, accounting for 59.6 per cent total companies) and FDI companies (21 companies, 40.4 per cent).

**Figure 6. Proportion of surveyed companies by types of capital sources**



#### Performance in hard skills and soft skills by adolescents and youth

##### By adolescents aged 15-17

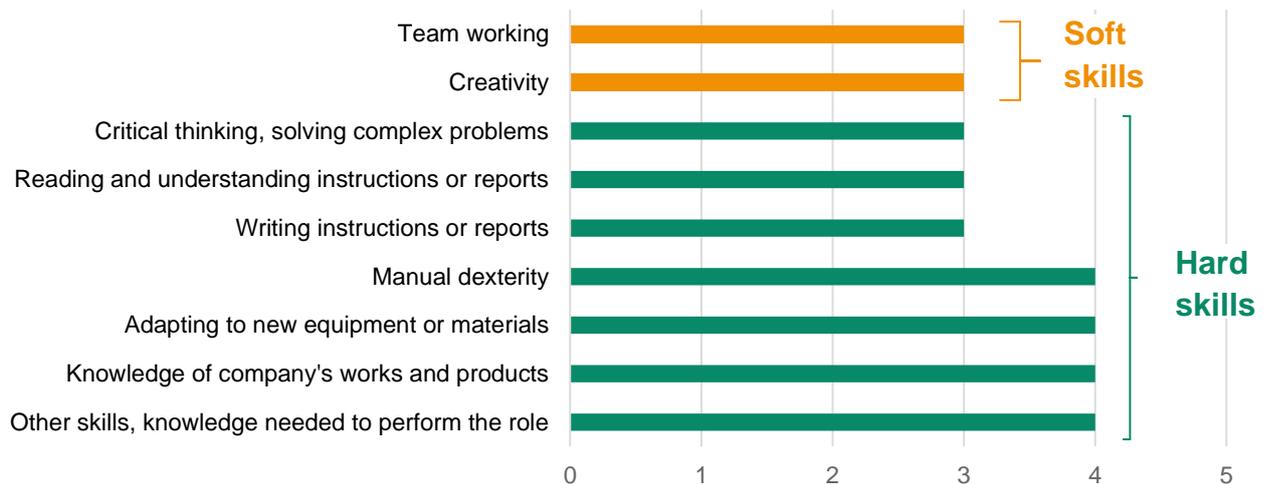
Workers aged 15-17 are employed by only one enterprise, accounting for 3.6 per cent of its total number of employees. These workers are factory staff and do not belong to any marginalized or vulnerable groups.

The enterprise only evaluated a few skills that apply to this group, including (1) Critical thinking, solving complex problems requiring a solution specific to the situation; (2) Reading and understanding instructions, guidelines, manuals or reports; (3) Writing instructions, guidelines, manuals or reports; (4) Manual dexterity – for example, to mend, repair, assemble, construct or adjust things; (5) Adapting to new equipment or materials; (6) Knowledge of how the company works, the products and services offered by the company; (7) Other specialist skills

or knowledge needed to perform the role. Using a scale of 1-5, in which 1 is very poor, and 5 is very good, the first three skills are marked at 3, and the other skills are marked at 4.

Two soft skills applicable for the 15 - 17 aged group in this company are (1) Team working and (2) Creativity, which are evaluated at 3 out of 5, lower than four hard skills above (Figure 7).

**Figure 7. Evaluation of young factory workers aged 15-17 in Apparel & Footwear sector**



Source: MDRI's online firm survey, 2020

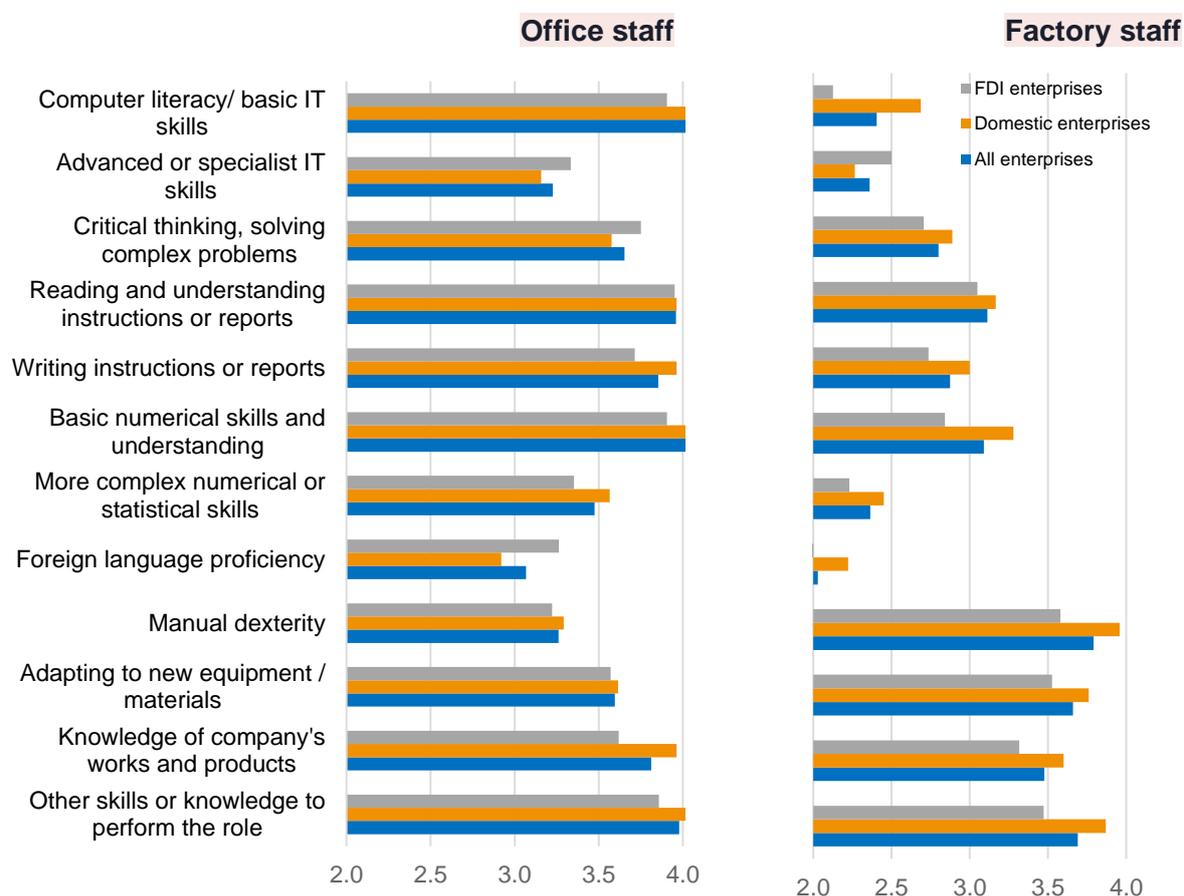
Notably, this company rates 3 for some hard skills for its factory staff who are 18 to 29 years old, which is lower than the younger group. Many simple tasks in apparel factories only require necessary skills related to workers' physical health, such as flexible limbs and fine eyes, so younger workers can often do those tasks better. It might also take just a short time for young workers to reach their highest productivity. However, due to the extremely small and sector-specific sample, it is difficult to draw stronger conclusions about the ability of younger versus older workers.

*"To be honest, the vast majority of textile enterprises do not have high technical requirements for new workers. Enterprises often recruit and only train them for a few months, especially sewing, then they can enter the work-lines, and even just a short time, they can reach their highest productivity. Textile workers only need fast hands, legs, and fine eyes. They only sit in one place, but they need good eyesight and health, so younger labour is very suitable"*

(KII with the Vice President of Viet Nam Textile & Apparel Association)

## By youths aged 18-29

**Figure 8. Evaluation of workers aged 18-29 years (hard skills) in Apparel & Footwear sector (1 – very poor and 5 – very good)**



Source: MDRI's online firm survey, 2020

Apparel and footwear enterprises' evaluations regarding their office workers' (18-29) hard-skills are presented in Figure 8. This graph also provides a comparison between domestic and FDI companies' evaluations.

All companies assessed their office staff's skills higher than that of their factory staff. The office staff's marks are all higher than average, ranging from 3.1 to 4.0 out of 5. This evaluation means the employers have an optimistic view of their office staff's performance. The best performance (4.0 out of 5) falls evenly to computer literacy/ basic IT skills, reading and understanding instructions, basic numerical skills, and other specialist skills/knowledge. Meanwhile, the lowest mark (3.1 out of 5) goes to foreign language proficiency.

*"English is essential for garment students because there is a lot of technical documentation in English. However, despite having English training at schools, very few garment students are good at English compared to other sectors. If technical students were good in English, they would be attractive to employers and have potentially higher salaries. Their future career would be very good, but few of them meet this."*

(KII with the representative of Garment 10 Corporation - Joint Stock Company (Garco 10))

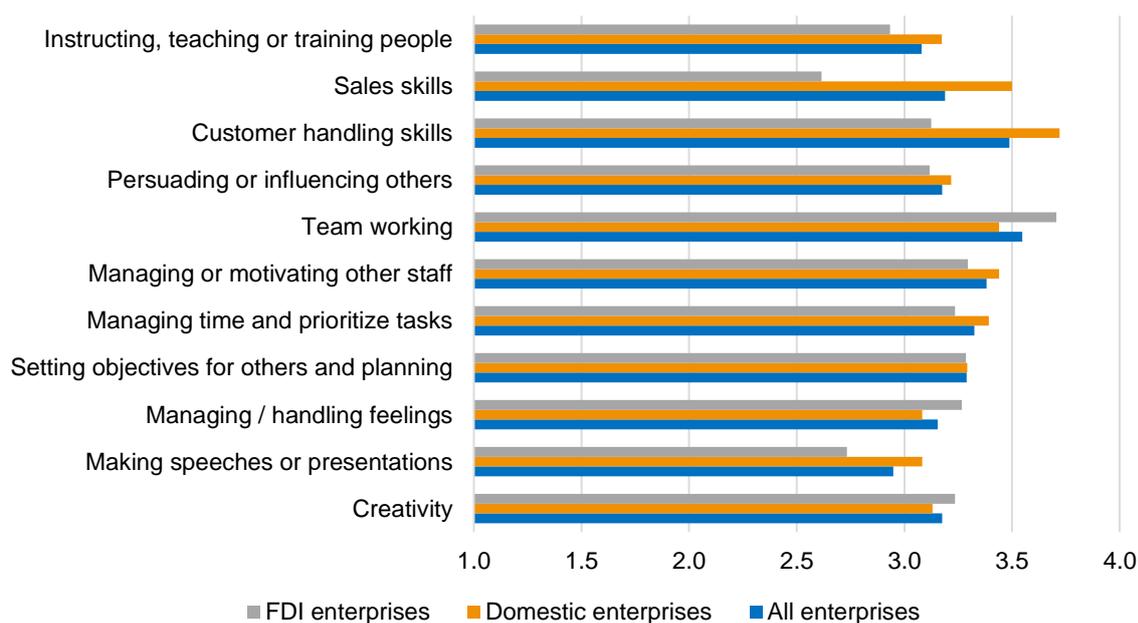
Regarding the factory staff's performance, except for manual dexterity and adaptation skills, which are the two best categories for these staff (3.8 and 3.7, respectively), skill performances are generally lower than those of office staff. The mark ranges from 2.0 to 3.8 out of 5, with foreign language proficiency continuing to be the lowest. Half of the assessed skills are marked under average (less than 3). The reason for these low evaluations might be the entry standards for factory workers are not high in these firms. According to the Viet Nam Textile & Apparel Association (VITAS), employees holding formal qualifications only account for around 20-25 per cent of total annual garment workers, while the rest are unskilled labour.

*"For workers, the recruitment standards that our company set is not high, usually just over 18 years old. At the factory apprenticeship, except for a few cases that are too slow to meet the pace of work or having an extremely poor sense of discipline, almost everyone passes and gets a job offer."*

(KII with the representative of Garment 10 Corporation - Joint Stock Company (Garco 10))

Even the best rated soft skill among workers aged 18-29 is marked at only 3.5 out of 5, lower than most of their hard skills. Customer handling skills and team working are their strongest aspects, while their speaking skills need to be improved the most (2.9 out of 5).

**Figure 9. Evaluations of workers aged 18-29 (soft skills) in Apparel & Footwear sector (1 – very poor and 5 – very good)**



Source: MDRI's online firm survey, 2020

### **FDI employers rate their workers' performances harsher than domestic employers do for most skills.**

This trend is most clearly shown in the *soft-skill evaluation* in which three soft-skills, including (1) instructing, teaching or training people, (2) sales, and (3) making speeches or presentations, are assessed as poor or below-average by FDI companies. Meanwhile, domestic employers gave these skills much better evaluations. The largest difference in ratings between the two types of companies is on employees' sales skills, 2.6 for FDI and 3.5 for domestic companies, and customer handling skills (3.1 and 3.7). There are some interesting

exceptions: team working, management of feelings, and creativity of workers are evaluated higher by FDI employers than by domestic ones.

### Expected employability skills from young people in the 4.0 Industrial Revolution

#### Impact of the 4.0 Industrial Revolution to the workforce

Apparel and footwear enterprises have various recruitment plan to cope with the 4.0 Industrial Revolution. As can be seen from Figure 10 only 5.8 per cent of all companies have no plan; 1.9 per cent would lay off workers without replacement; 21.2 per cent will not change their quantity nor quality of their workforce. Meanwhile, the rest clearly state that they have plans to improve the quality of their workforce by providing more training to current workers (36.5 per cent) or replacing current workers by higher-skilled ones (11.5 per cent), and recruiting more workers with different knowledge and skills from current workers (23.1 per cent).

**Figure 10. Apparel & Footwear Enterprises' Employment Planning**



Source: MDRI's online firm survey, 2020

According to VITAS, under the impact of the 4<sup>th</sup> Industrial Revolution, the general trend of labour in the industry would be shifted towards groups with medium or higher-level skills, while low-skill jobs would be narrowed gradually. New jobs may include: simulating and drawing 3D models; 3D printing and design; robot programming in textile enterprises; assessing and analysing models in a digital environment with the help of VR technology; sending and receiving models, design drawings, product samples to the cutting system using cloud technology platform; predictive maintenance; managing the digital supply chain; E-commerce; and jobs related to Cloud, IoT, Big Data, Cyberspace related to smart fabric and yarn.

*"Textile and apparel businesses cannot stand apart from the 4.0 industrial revolution. The future trend is that businesses will take their advantage to apply modern machinery and equipment to replace unskilled labour. Current tasks that are repetitive are sure to be replaced. As such, labour must be of higher quality and have specialized skills. There will be great changes to the process of employing workers, and the employees themselves, as well as vocational training schools' programs."*

(KII with the Vice President of Viet Nam Textile & Apparel Association)

Viet Nam Leather, Footwear and Handbag Association (LEFASO), through the "Research and evaluate the impact of Industry 4.0 on Viet Nam's leather and footwear industry, strategic directions, policies and solutions for the development of the industry until 2030", also states

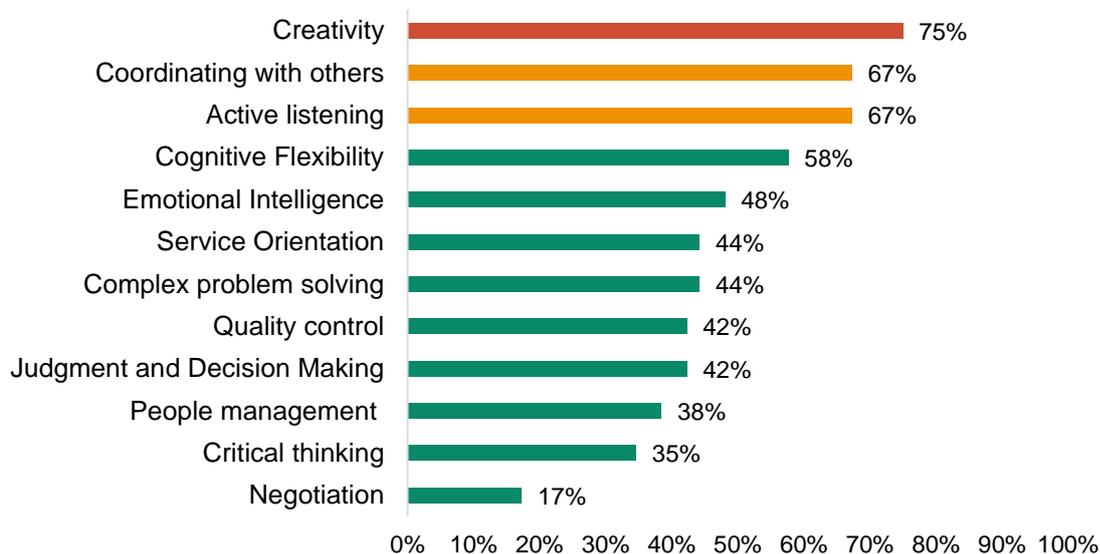
that key activities that the industry needs to promote automation and connection, system integration in footwear production, raw materials supply, use advanced business management processes in terms of technology 4.0 application, and retrain redundant workers from the automation line to perform new jobs.

### Employment skills arising under the impact of Industry 4.0

Industrial Revolution 4.0 creates new job opportunities but also requires workers to gain new, specialized skills to adapt. For the textile industry, according to VITAS, the new knowledge and skills arising in the field of industrial sewing are techniques for smart production preparation using programming machines, designing sewing lines using digital technology, sample design by 3D technology, smart quality control, and operating the digital technology application sewing line.

For young workers, surveyed enterprises suggest some skills need to be equipped to enhance their employability in the Industrial Revolution 4.0 as shown in Figure 11. Creativity is the top skill in demand, with 75 per cent of employers suggesting that youths should possess this trait to enhance their employability. Indeed, creativity in this sector is more and more essential to meet the increasing fashion-related requirements of customers. Besides, other skills, such as coordinating with others and active listening, as well as cognitive flexibility, are also highly recommended by enterprises.

**Figure 11. Expected employability skills in Apparel & Footwear sector**



Source: MDRI's online firm survey, 2020

However, apparel and footwear employers do not appreciate some skills, including negotiation, critical thinking, people management, judgment and decision making, and quality control in young people. This might be because employers prefer their young workers to learn and adapt to new knowledge and technical skills before gaining managerial positions' skills.

*"Normally, graduate students with professional qualifications only apply for managerial or technical positions, they do not want to be directly sewing. These positions need good computer skills and*

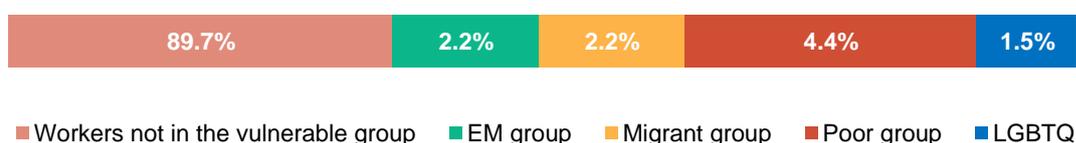
*good communication skills. Because the production environment has many different levels of high to low educated labour, good communication skills are crucial."*

(KII with the representative of Saigon 3 Garment Joint Stock Company)

### 3.1.2. Tourism & Travel Sector

38.1 per cent of the workforce in the surveyed Tourism and Travel enterprises in in the age group 18-29, and there are no adolescents aged 15-17 working in the surveyed firms. Among the workers aged 18-29 in this survey, vulnerable groups account for 10.3 per cent (specified in Figure 12). Poor group has the highest share (4.4 per cent) of vulnerable workers, while the LGBTQ has the lowest proportion (1.5 per cent). No workers aged 18-29 in these enterprises comes from the group of people with disability or HIV.

**Figure 12. Proportion of workers aged 18-29 in the surveyed tourism and travel firms**



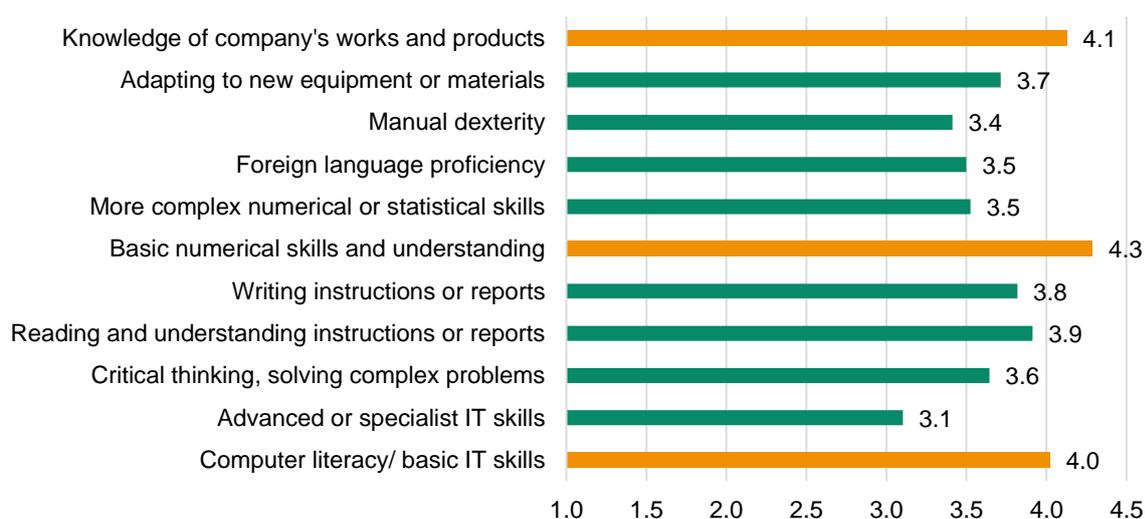
### Performance in hard skills and soft skills by adolescents and youth

#### By adolescents aged 15-17

Among the surveyed Tourism and Travel enterprises, there is no company that employs adolescents aged 15-17, so the evaluation of their hard skills and soft skills cannot be made.

#### By youths aged 18-29

**Figure 13. Evaluation of workers aged 18-29's (hard skills) in Tourism & Travel sector (1 – very poor and 5 – very good)**



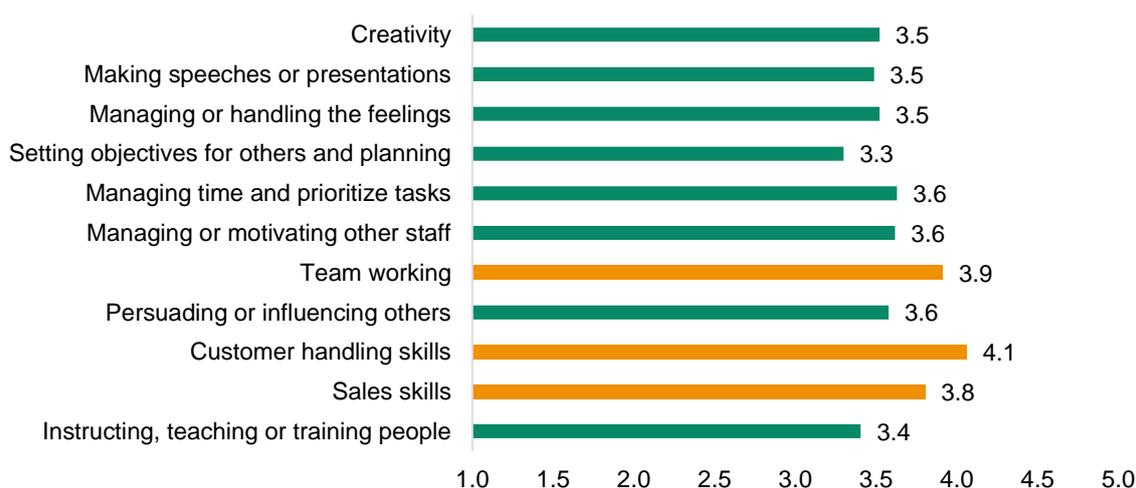
Source: MDRI's online firm survey, 2020

Figure 13 provides an overview of the evaluation concerning the hard skills performance among workers aged 18-29 for the tourism firms surveyed. It is noted that the assessment comes from domestic enterprises only. As surveyed FDI enterprises stated their workers are not in the age group 18-29 so that they cannot evaluate. Basic numerical skills and understanding of young employees are best evaluated by employers (4.3 out of 5). The second-best performance is given to both specialized skills/knowledge, and the knowledge of company's works, products and service (4.1 out of 5). Computer literacy/ basic IT skills are ranked at the third place, at 4 out of 5. Meanwhile, the lowest performance is for specialist IT skills (3.1 out of 5).

*"The first required characteristics in tourism work must be hard-working. The second is basic skills such as computers literacy, foreign languages. The third is perseverance and softness because this is a service job that encounters many annoyances. These are the requirements of the job... All of which is a process that requires constant study and progress to strive forward."*

(Kil with the Deputy Director of Vietravel, Ha Noi)

**Figure 14. Evaluation of workers aged 18-29's (soft skills) in Tourism & Travel sector (1 – very poor and 5 – very good)**

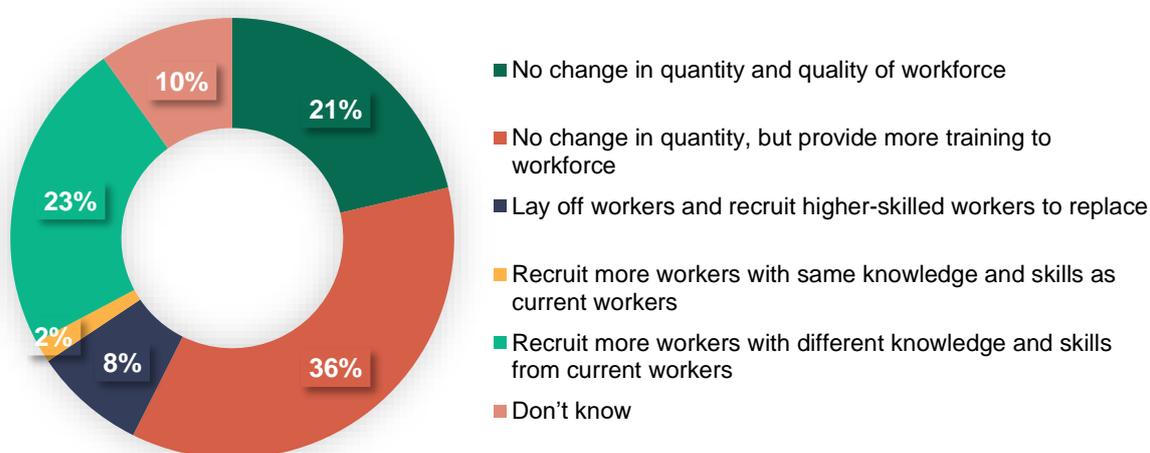


Source: MDRI's online firm survey, 2020

Figure 14 displays the assessment of young workers' soft skills among the surveyed tourism firms. There is one soft skill that is evaluated at above 4 out of 5, which is also the highest, namely customer handling skill. It could be explained that tourism and travel sector is service oriented, so people working in this industry may be adept at dealing with clients' inquiries and related situations. Teamwork is assessed as the second-best performance, with 3.9 points out of 5. The travel and tourism industry is quite distinct from other industries as it is rare for customers to deal with one person only. Then, it is important for people working in this industry to have effective teamwork skill. The third rank among the evaluated skills is given to sales skill, with 3.8 out of 5. The lowest performance is at "setting objectives for others, planning human resource plans," with 3.3 out of 5.

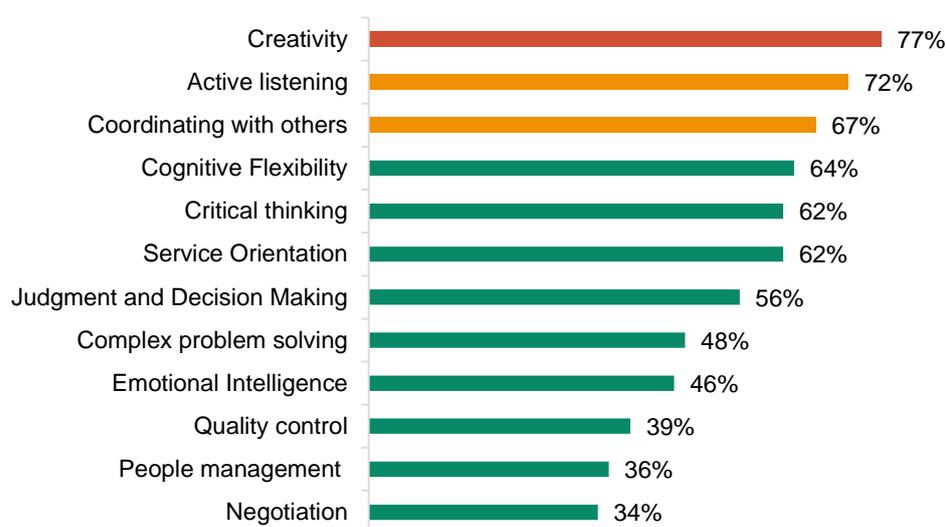
## Expected employability skills from young people in the 4.0 Industrial Revolution

Figure 15. Tourism and Travel Enterprises' Employment Planning



Source: MDRI's online firm survey, 2020

With regards to the 4.0 Industrial Revolution, in 2021-2023, participating tourism and travel firms in the survey have expressed many different recruitment plans (shown in Figure 15). Specifically, 36 per cent of surveyed enterprises do not want to recruit new employees but plan to provide more training to their current workforce. Meanwhile, nearly one-fourth of the surveyed companies (23 per cent) plans to recruit more workers with different knowledge and skills from current workers. Similarly, about one-fifth of participating enterprises (21 per cent) expressed that they do not want to have changes in both the quantity and quality of their employees. Interestingly, 10 per cent of the surveyed firms do not know whether they need to recruit additional workers or not. This ambivalence could be partly explained by COVID-19, as the tourism and travel industry is heavily affected, disrupting many companies' future hiring plans. Besides, 8 per cent of the participating enterprises have intentions of laying off their workers and recruiting higher-skilled workers as a replacement. There is a small proportion of enterprises (2 per cent) that plans to recruit more workers with the same knowledge and skills as current workers.

**Figure 16. Expected employability skills in Tourism & Travel sector**

Source: MDRI's online firm survey, 2020

The survey results show that creativity is one of the most demanded skills by tourism and travel firms (77 per cent), as shown in Figure 16. This result is also consistent with the findings in a policy paper by the World Travel Organization on the most prioritized skills in the tourism and travel sector in the coming years (UNWTO, 2019). Besides, active listening is the second most important skill and is chosen by 72 per cent of participating enterprises. The third rank is given to "coordinating with others" at 67 per cent. In the meantime, people management (36 per cent) and negotiation skills (34 per cent) are ranked at the bottom of the desired skills. This could be explained by the fact that these skills are not necessarily required for all young workers, and particularly needed for older workers at management levels.

### 3.1.3. ICT Sector

In the ICT sector, the number of enterprises that responded to the online survey was 56. A larger number of enterprises (33/56) are FDI, while the number of domestic enterprises is 23. 4 domestic enterprises employ marginalized and vulnerable workers, while the figures for FDI enterprises is higher. The research team could not find a statistically significant difference between the two probabilities because the surveyed sample size was quite small, and so the difference of 13 per cent can be just by chance. The difference, however, still can signify different perceptions between the two groups of enterprises about the recruitment of marginalized and vulnerable workers.

### Performance in hard skills and soft skills by adolescents and youth

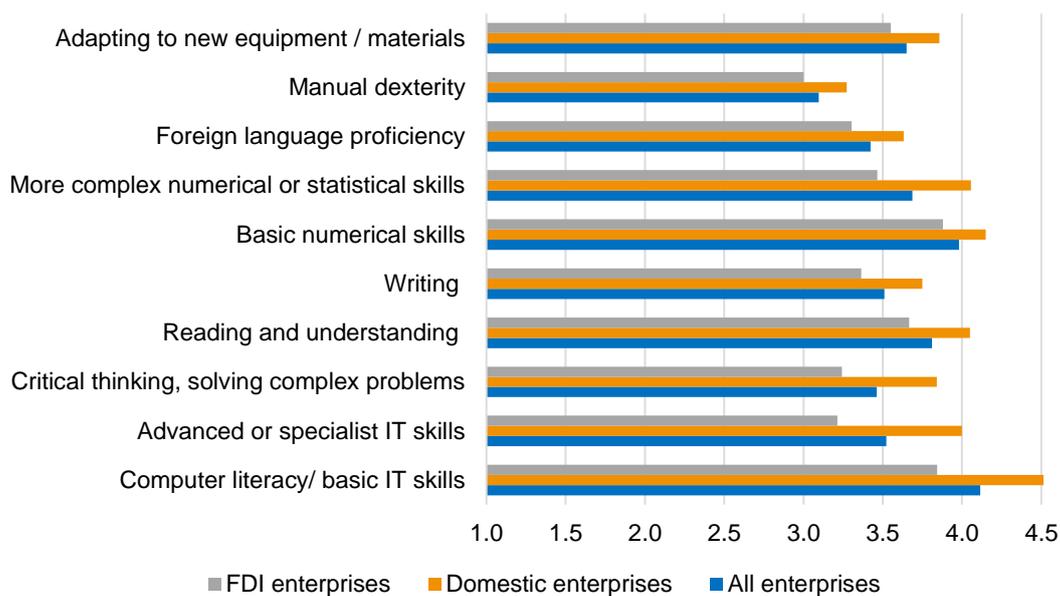
#### By adolescents aged 15-17

Among the surveyed ICT enterprises, no company employs adolescents aged 15-17, so the evaluation of their hard skills and soft skills cannot be made.

#### By youth aged 18-29

For young workers in ICT, basic hard skills such as "computer literacy or basic IT skills," "basic numerical skills" stand well above the good mark (4/5), while other hard skills, especially, the "advanced or specialist IT skills," "manual dexterity" and "critical thinking, solving complex problems" still have room for improvement as these are marked below 3.5 out of 5, on average. Notably, FDI enterprises seem to be harsher in their assessment of local employees since their averaged marks for hard skills are always lower than those of domestic enterprises (Figure 17).

**Figure 17. Evaluation of workers aged 18-29's (hard skills) in ICT sector (1 – very poor and 5 – very good)**



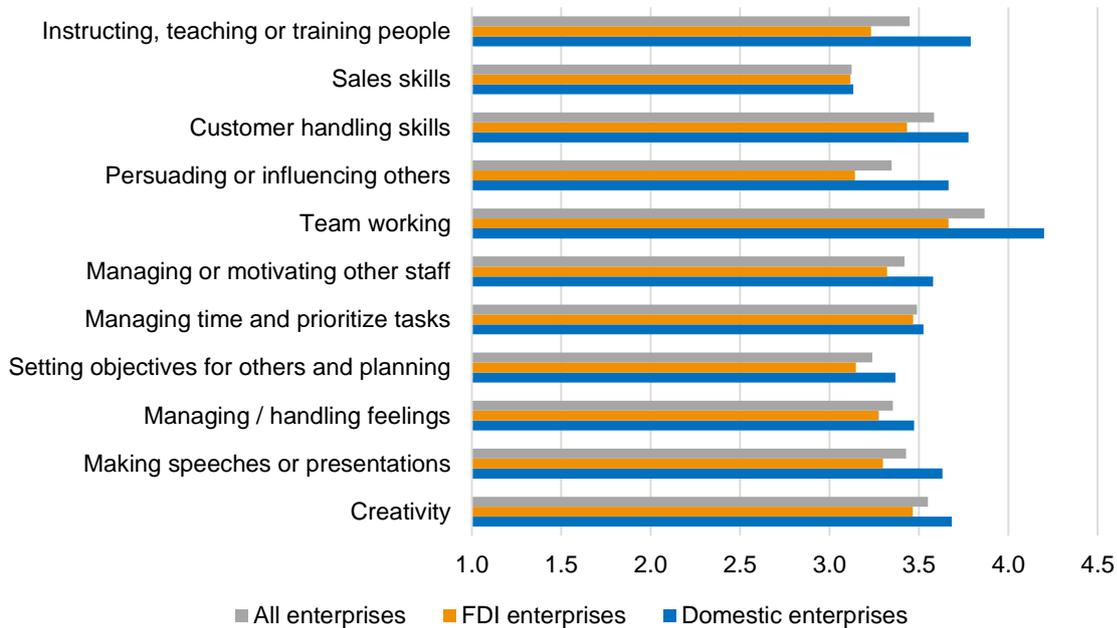
**Source: MDRI's online firm survey, 2020**

Figure 18 below illustrates the evaluation of ICT's enterprises on the soft skills of their young workers. Generally, the soft skills of young workers are assessed with lower marks than their hard skills' performance. The skill of teamwork is ranked highest, with 3.9 points out of 5. The second place is shared by "creativity" and "customer handling skills," which are both evaluated at 3.6/5. The lowest assessment is given to "sales skills," which are marked just at 3.2/5. Again, FDI enterprises seem to be stricter with their local young workers' soft skills as they always assess these skills a bit lower than local enterprises do.

*"I think soft skills are very important when young people join the workplace. Youths are lacking some crucial soft skills such as time management, communication skills. Another important skill that young employees need to improve is foreign language as my company is a software exporting enterprise, so we require foreign language skills in young employees."*

(KII with Human Resources Deputy Director of F-Soft, Da Nang)

**Figure 18. Evaluation of workers aged 18-29's (soft skills) in ICT sector (1 – very poor and 5 – very good)**



Source: MDRI's online firm survey, 2020

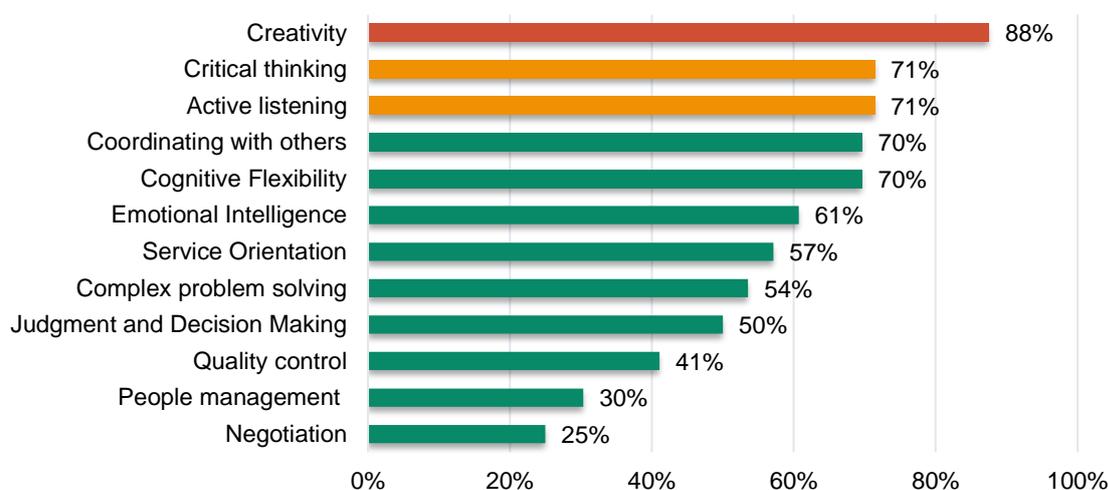
**Enterprising hiring plans & expected employability skills for young people in the 4.0 Industrial Revolution**

The majority of enterprises responded that they would have to either provide more training to the current workforce (39 per cent) or recruit more workers with different knowledge and skills from current workers (29 per cent) in the upcoming three years (Figure 19).

**Figure 19. ICT Enterprises' Employment Planning**



Source: MDRI's online firm survey, 2020

**Figure 20. Expected employability skills in ICT Sector**

Source: MDRI's online firm survey, 2020

In the ICT sector, certain skills are growing in importance for young people's employability. The rapid advancement of technology allows machines to take over more and more technical and repetitive operations. Therefore, humans will be needed to handle much more complex work. The ability to thrive in ambiguous and poorly defined situations will be crucial for the employability of young women and men, as these are skills that machines can not possess and replace people, especially in the ICT sector.

The survey's result (Figure 20) shows that "creativity" is the top skill needed by ICT employers, with 88 per cent of enterprises expressing this demand. "Critical thinking" and "active listening" are second and the third, respectively, with approximately 71 per cent of employers looking for these skills in their young candidates. "Coordinating with others" and "cognitive flexibility" skills are also highly valued. Similar to other sectors, ICT employers do not appreciate "people management" and "negotiation" skills in young people, most likely for similar reasons.

*"It's human skills. It doesn't matter what difficulties they have. They have to do human thinking that AI cannot do. They have to think realistically, solve problems, be creative, and can find information. I think that it's about critical thinking. When they have critical thinking, they can solve the problem themselves."*

(KII with the Director of Enablecode, Ho Chi Minh City)

### 3.1.4. Expected skills for marginalized and vulnerable people

In addition to the expected skills by employers across three sectors in the previous analysis, marginalized and vulnerable young people are recommended to possess the following skills and traits to enhance their employability: confidence and self-learning abilities. As mentioned above, employers can see strong willpower and commitment from marginalized and vulnerable people, but these need to be demonstrated explicitly in the job application process. Language and communication skills are also highlighted as very important skills for marginalized and vulnerable youngsters, according to enterprises' opinion (in Figure 21).

**Figure 21. Enterprises' expectation on employability skills for marginalized and vulnerable people**



Source: MDRI's online firm survey, 2020

## 3.2. Obstacles faced by marginalized and vulnerable adolescents and youth to meet the labour market demands

### 3.2.1. Obstacles from the demand side – business sector

#### Narrow understanding of child rights to legally recruit 15-17 years old workers

Workers aged 15-17 are under-represented in the sample, with only one company in the Apparel & Footwear sector out of 169 firms reported employing workers from this age group. This noticeable lack of 15-17 age group's representation in the formal economy poses existing challenges to the Vietnamese government in developing legal frameworks to protect this highly vulnerable group of employees. Even though the sample size of the 15-17 age group is not large enough to draw further conclusion, KII with some of the key stakeholders having experience and frequent contact with adolescents revealed potential reasons behind the absence of this age group in the formal sectors. It seemed that companies lack understanding of child rights, especially the right to legally work since they are 15 years old. Therefore, they are not trying to recruit and upskill disadvantaged 15-17 young workers. Another reason is partly attributed to the fact that employing this age group is not a strategic pivot in company's mission and recruitment vision.

*"Child labour, as far as I understand, is illegal. The allowed types of jobs and working hours highly depend on the age of children. The Ministry of Labour has issued a list of jobs prohibited for workers under 18 years old. 15-17 workers can only do the jobs not mentioned in the list. If employers violate any of these regulations, they will be punished for child labour exploitation. Therefore, child labour is mainly concentrated in the informal sector, while companies in the formal sector tend not to recruit juveniles. However, the informal economy is very difficult to control"*

*(KII with the representative of Children's Bureau, Ha Noi)*

*""With regards to Apparel industry, companies tend to recruit workers who are at least 17-18 years of age. Under that age is very rare, except for family businesses. When Viet Nam joined international associations, ensuring the rights of children and committing to not using child labour are international standards. 4 ILO's standards are very important. If a company violates the rules, the punishment will be severe, even leading to contract termination. Or when companies import materials from China or Malaysia but those countries are reported using child labour, they are also affected accordingly. Therefore, companies take the issue of child labour very seriously otherwise their whole product chain would have to suffer the consequences"*

(KII with the Vice President of Viet Nam Textile & Apparel Association)

*"I do not know much about child rights, especially the under 15 years old group, because our company mostly recruit 18 years old and above workers"*

(KII with the representative of FSoft, Da Nang)

### Lack of inclusive recruitment policies for disabled workers

The International Labour Organization (ILO) indicates 4 major benefits<sup>5</sup> for the inclusive workplace which may have been unaware of by domestic enterprises as follows: (i) **Access to talent** - by focusing on skills rather than stereotypes, enterprises can access to an untapped pool of talent; (ii) **Increased innovation** – by applying different approaches from diverse experiences to problem-solving; (iii) **Increased engagement and retention** since employees who feel included have higher levels of loyalty and enthusiasm and (iv) **Better reputation** because customers value companies that show a real commitment towards inclusion. However, more decent jobs for marginalized and vulnerable adolescents and youths will only be available if more and more enterprises open up their corporate and actively integrate vulnerable people.

The result of MDRI's online survey (Table 4) shows that the proportion of FDI enterprises having workers with disabilities is four times higher than that of domestic enterprises. This difference is statistically significant (with a p-value of 0.03). The number of FDI enterprises having marginalized and vulnerable workers is also a bit higher than that of domestic enterprises. This is consistent with previous qualitative research that shows FDI enterprises are more likely to have inclusive recruitment policies for disabled workers.

**Table 4. Type of enterprises by labour groups**

Enterprises	Number of enterprises	Number of enterprises having marginalized and vulnerable workers	Proportion of enterprises having workers with disabilities	Number of enterprises having workers with disabilities	Proportion of enterprises having workers with disabilities
Domestic	113	26	23%	3	3%
FDI	56	19	34%	6	11%
Relative success of recruiting marginalized and vulnerable workers			1.5		4

<sup>5</sup><https://www.ilo.org/infostories/en-GB/Stories/Employment/The-win-win-of-disability-inclusion#starting-your-disability-inclusion-journey%5C>

## MDRI's online firm survey, 2020

*"REACH has been looking for jobs for people with physical disabilities. We observed that most of the employers are FDI enterprises, not domestic ones. The reason may be that FDI enterprises have recruitment policies that encourage and integrate people with disabilities in the community. The policies are from their mother corporations going down to branches in Viet Nam accordingly.*

*Domestic enterprises do not have specific policies on this issue. The current laws regulate that enterprises have to meet some requirements, such as accessible facilities for recruitment of people with disabilities. That could be a barrier for them to accept workers with disabilities."*

(KII with REACH's Representative, Da Nang)

One of the reasons for the lack of inclusionary recruitment policies is that hiring vulnerable groups is not a priority in the firms' growth strategy and mission. Regulations in the Law of Disability, which requires enterprises that recruit disabled people to ensure a suitable working environment for them, could also pose a barrier since some enterprises (especially SMEs) could not invest in friendly facilities for the disabled. Besides, firms find the tax incentives for employing disabled workers not attractive enough, and many in the online survey recommended boosting tax incentives and regulatory simplifications.

### Concerns about the capacity of marginalized and vulnerable people

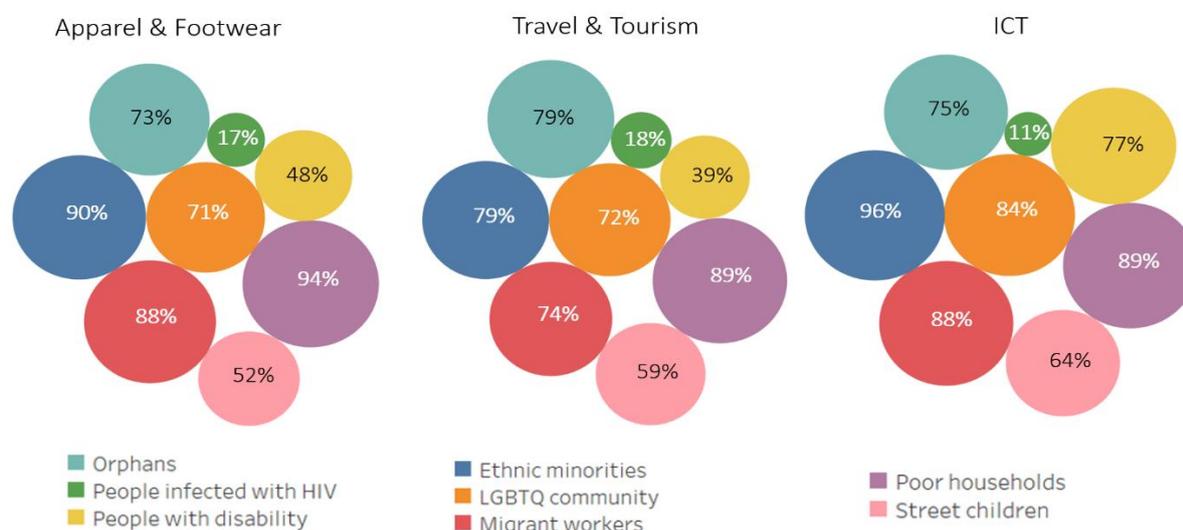
During the KIIs with the representatives of enterprises, the research team did note a shared viewpoint that enterprises are not charity organizations, and so they work for profits. Thus, if marginalized and vulnerable people want to be recruited, they still have to meet the enterprises' requirements and have to compete fairly with non-vulnerable youths. However, the prior prejudice and concerns towards marginalized and vulnerable people seem to play an important role in their employability, precluding them from having a chance to prove themselves at the company in the first place.

*"The company does not place much priority for special cases (marginalized and vulnerable). There are many people with disabilities working for my company. We just need them to meet the job's requirements. In terms of humane and ethical aspects, in recruitment progress, we always add some points for them because we see that they usually have stronger willpower. For example, if a guy needs 5.0 points to pass our test, but he just gets 4.5 points, we will give him 0.5 extra points to recruit him. These guys are always more driven and will meet the job's requirements later."*

(KII with Human Resources Deputy Director of F-Soft, Da Nang)

Figure 22 shows an overview of the willingness to recruit different groups of marginalized and vulnerable people by sector. ICT seems to be the most inclusive sector for marginalized and vulnerable youths. The proportion of ICT enterprises willing to recruit them is usually higher than that of the other two sectors. People with disabilities are very much welcomed to work in the sector, with 77 per cent of enterprises willing to recruit. The figures for Apparel & Footwear and Travel & Tourism sectors are only 48 per cent and 39 per cent, respectively. The same pattern can be seen for the groups of people in the LGBTQ community and Ethnic minorities. It is quite obvious that people infected with HIV are least welcomed in the workforce across all sectors, as just a small proportion of enterprises are willing to hire them. Notably, no group of marginalized and vulnerable people is 100 per cent welcomed by firms, even for migrant workers or ethnic minorities who can have the full physical potential to compete with non-vulnerable people.

**Figure 22. Recruitment willingness for marginalized and vulnerable people by sector**



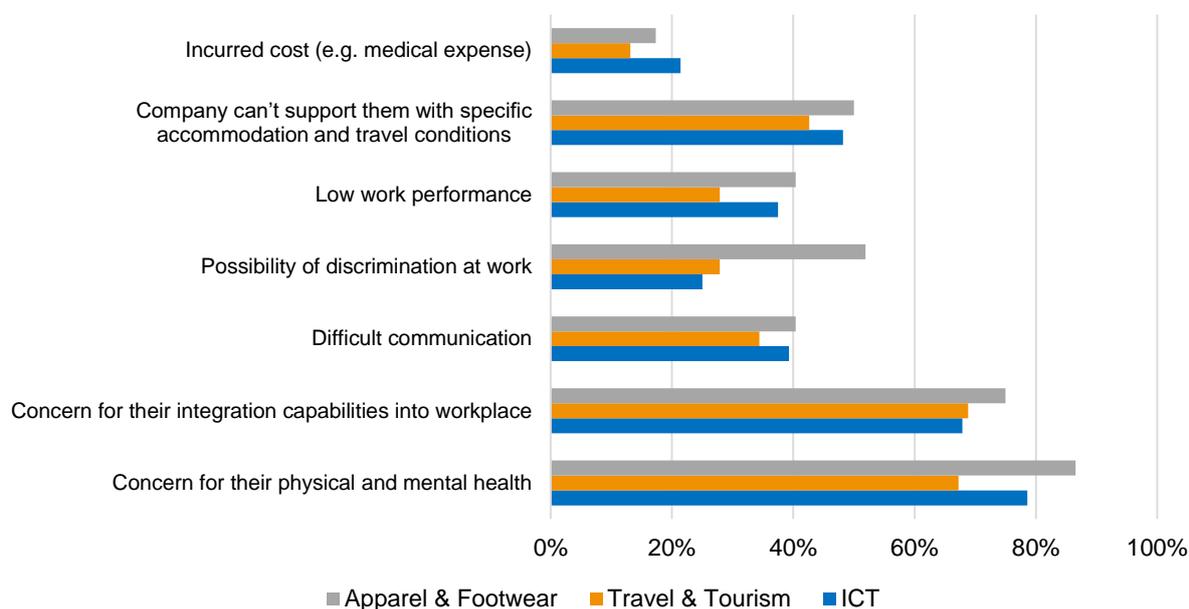
Source: MDRI's online firm survey, 2020

Prior concerns of enterprises towards marginalized and vulnerable people may prevent them from developing recruitment policies that are inclusive for vulnerable groups. “Physical and mental health” is the biggest hiring concern among the surveyed enterprises. Around 80 per cent of enterprises expressed this worry. The second worry is the ability of vulnerable and marginalized people to integrate with their workplaces. A director of an ICT company expressed a worry that his company’s culture and image can be negatively affected by workers with a poor sense of discipline, such as workers who were street children. Incurred costs such as medical expense is not a big concern, as just under 20 per cent of enterprises showed the worry. Enterprises in the Apparel & Footwear sector exhibited more concerns than other sectors, possibly since a majority of their workforce is in the production line, which requires physical, mental health, and collaboration with other workers (Figure 23).

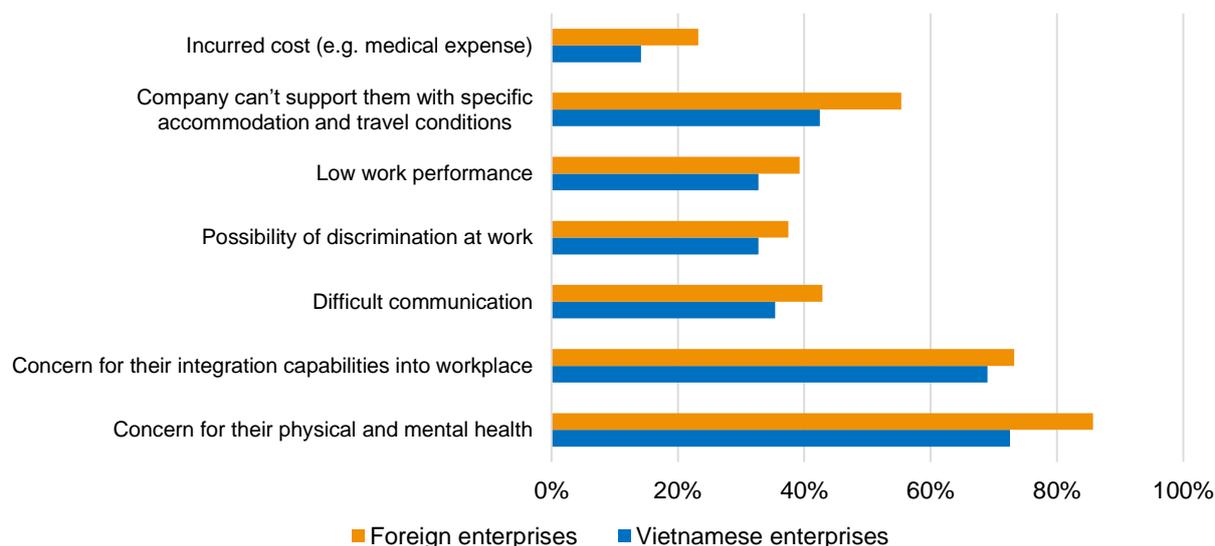
*“I’m concerned that my company’s culture and image might be adversely affected by a poor sense of discipline from workers who were street children.”*

(KII with an ICT enterprise’s representative, Ha Noi)

FDI enterprises are more likely to recruit vulnerable and marginalized people, as mentioned above, but they are also more likely to express their concerns towards them (Figure 24).

**Figure 23. Enterprises' concerns towards marginalized and vulnerable people by sector**

Source: MDRI's online firm survey, 2020

**Figure 24. Enterprises' concerns towards marginalized and vulnerable people, by type of enterprises**

Source: MDRI's online firm survey, 2020

### 3.2.2. Obstacles from the supply side

#### Education and training gap for marginalized and vulnerable young people

Most of the adolescents in the 15-17 age group, especially those who are out-of-school, have not finished lower-secondary school. They are usually without family supervision, and are more

likely to drop out and will not comeback schools. Since they have not graduated from secondary schools, they cannot enrol in free vocational training programs offered by the government. Some training courses such as computer/office skills are not provided free for them, or courses for their favourite areas, such as motorbike or automobile repair, are not available. Thus, this lack of training seriously hampers their decent employment chances.

*"It is very difficult for this group of adolescents to go back to school. They usually work for internet shops, work as waiters for small restaurants without any official labour agreement. They cannot find a good job without proper education and training."*

(KII with the Thao Dan's Representative, Ho Chi Minh City)

People over 18 with disabilities often have difficulties finding a specialized training school. If they want to pursue higher-level training for a specific occupation, they will likely join schools/courses which are designed for non-vulnerable people, though they may need more time and other special supports to be able to finish the course.

*"Disabled adolescents could go to a specialized school until the age of 18. After they are 18, they do not have a specialized TVET school to go to. Many parents want to have their children to continue with their education, but in Da Nang, there is no specialized TVET school for disabled people."*

(KII with the REACH's Representative, Da Nang)

### Insufficient skills and career orientation for vulnerable adolescents

The FGDs with different groups of adolescents and youths reveal that, regardless of their education status and level, everyone has beautiful dreams regarding future careers and occupations. However, out-of-school youths seem to lack an awareness of how the 4th Industrial Revolution will affect their employment opportunities, especially compared to those going to school. When asked for their understanding of the 4th Industrial Revolution and its impact on employment opportunities, they are only able to name some keywords/ideas such as internet connection, social media, live-streaming sales. Out-of-school youths showed little understanding of how robotics and automation may take over a huge number of jobs and endanger their career plans. Together with the lack of formal qualifications and life skills, vulnerable youths are more likely to find jobs in the informal sector. The opportunities of being employed for decent work with full protection in the formal sector seem very unlikely for them.

*"There are many difficulties. Adolescents at the ages of 14, 15, and 16 have not yet formed the need to work or any specific occupational capacity. They do not have normal employment skills, even just going to work on time."*

(KII with the Blue Dragon's Representative, Ha Noi)

### 3.2.3. Gender Issues

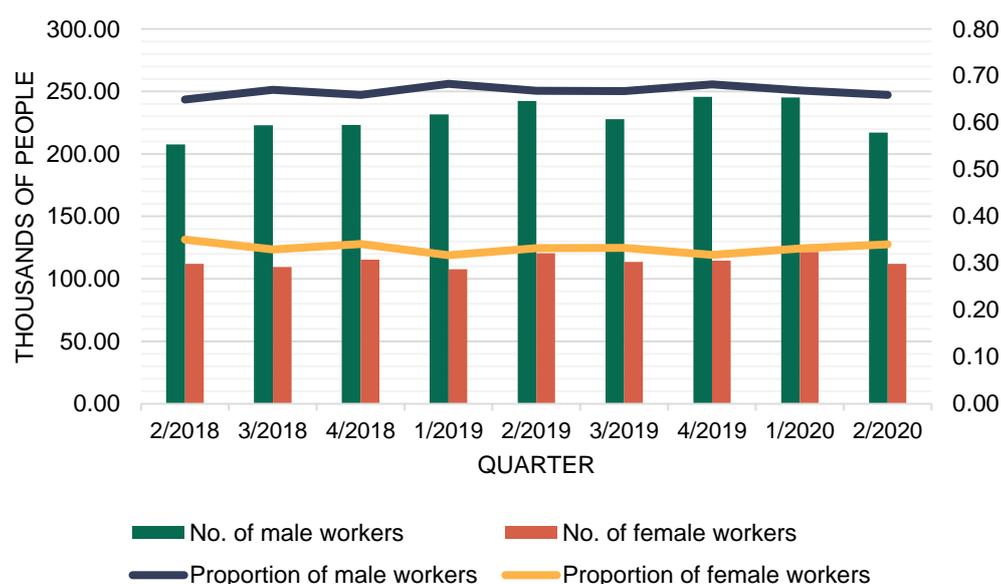
#### The ICT sector - one of the most in-demand career fields- lacks female representation

VietnamWorks, an employment services company, estimates that Viet Nam needs more 400,000 ICT workers in 2020 and 78,000 more each year after that. The ISC Cybersecurity Workforce Study (2019) reports the global cyber security workforce gap is estimated to be 4.07 million and needs to grow by 145 per cent. This gap is exacerbated by a distinct lack of female representation, as the share of women in cyber security is just 20 per cent of the workforce. A

report named “Women and ICT” by Graduate Women International organization sourced by UNESCO also indicates gender inequality in the ICT sector in developed nations since, out of 7 million people work in the sector in Europe, only 30 per cent are women.

The data on the employed workers in ICT by gender published by GSO for Viet Nam shows the same problem. Female workers in ICT sector in Viet Nam accounts for 1/3 of the sector’s total workforce and the rate has been relatively stable over time (Figure 25).

**Figure 25. Employed workers in ICT sector in Viet Nam, by gender**



Source: GSO’s Labour and Employment Report, Quarters 2/2018-2/2020

There is some evidence that women can thrive in the ICT sector, even outperforming men in certain areas. The KII with Mr. Collin Blackwell – the director of Enablecode reveals that young women are performing better than young men in the company. Just 1/3 of the applicants applying to the enterprise are female individuals, but twice as many women as men pass the entrance test and they do the same job two times better than their male counterparts. Baer & Kaufman (2008) indicated that there is not a common study outcome showing the gender difference in creativity between men and women. However, if they had to indicate a “winner” in their referenced studies, it would be women and girls over men and boys (Baer & Kaufman, 2008).

A newly coming data from a long-term school survey (collecting information of nearly 23 thousand of students across 51 provinces in Viet Nam) conducted by MDRI for The World Bank and MOET also reveals that girls are better than boys in both maths and local language. Though there is no difference in the mark of maths for student groups of the top 1% or 5%, average, the mark of girls is 9 per cent higher than boys’, on average. This, once more time, signifies that girls are having as same capacity as boys to pursue a career in the ICT sector.

*“The soft or human skill needed is how to think like a human to help the AI. It’s like actual thinking, empathy. That’s a new area and the most important thing we found recently is that for these new technologies, AI skills, women are 2 times better than men.”*

(KII with the Enablecode’s Director, Ho Chi Minh City)

## Traditional stereotypes impede young women's participation in the labour force

Young women have to face gender and traditional stereotypes which prevent them from personal development and participation in the labour force. In fact, women once were heavily involved in pioneering and developing the computer programming industry. During the post-war decades, women were making key contributions to the birth of a new industry. However, this changed when the technology sector began to be perceived as a “man’s world”. MDRI’s key informant interviews provide insights about the issue.

*“In many cases, it has to do with gender and traditional stereotypes about the place young women should be in and the place no women should have in. For instances where young girls are deprioritized in terms of skill or education, or even engagement in the labour force.”*

(KII with The representative of PLAN International Organization)

*“There is a popular gender stereotype in ICT sector that ICT is only suitable for men or men are better than women in the programming industry. I think that boys are better than girls in logic thinking but there is still room for girls in the industry, graphic design for example, girls have better sense of aesthetics so they do better. However, with regard to girls in remote areas, their parents usually want them work simple jobs, not hard ones. Communication can help youngsters realize that women can do IT jobs, but considering other factors, they tend not to choose jobs in IT sector.”*

(KII with the representative of REACH, Danang)

## 3.3. Good practices by stakeholders to foster skills for employability and create job opportunities with a focus on marginalized and vulnerable adolescents and youth

### 3.3.1. Good practices of businesses

#### In the Apparel & Footwear sector

	<p>Established in 1946, Garment 10 Corporation – JSC (Garco 10) is one of the leading garment manufacturer and exporter in Viet Nam. The company has 18 factories located in different provinces across the country, in which the largest factory is located in Ha Noi and employs nearly 8,000 people (according to Enterprise Census 2018)</p>
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#### Garment 10 Corporation proactively cooperates with universities and colleges in delivering internship programs

Every year, Garment 10 Corporation collaborates with many universities and colleges to offer final-year students internship opportunities in various fields, e.g., garment technology, marketing, accounting, business administration. After the internship, the company would offer official job placements for those who performed well and based on the actual labour demand.

Regarding garment technology, the company has entered into a collaboration agreement with universities to take their students for internships regularly. These universities include Hung Yen University of Technology and Education (Faculty of Garment Technology and Fashion Design), Ha Noi University of Industry, and Ha Noi Industrial Textile Garment University.

In other fields, such as marketing, accounting, or business administration, the internship program is not contract-based between the company and the university/ college, but through the lecturers' personal networks instead.

### **Garment 10 Corporation has its own professional development centre located in Long Bien Vocational College**

Professional training in the company takes place on two levels, namely decentralized and centralized. On the decentralized level, training takes the form of one-to-one mentoring, in which a more senior worker is paired with a more junior worker, often newly hired, in order to provide the new worker with guidance, support, and encouragement. At the centralized level, large classes are opened for workers from different factories and are led by both internal trainers in headquarter (Ha Noi) and lecturers at Long Bien Vocational College. At the beginning of every year, the administration and HR department collects training proposals from all departments and factories in the company. Based on the proposals, the department would determine the topics of training and cooperate with Long Bien Vocational College to develop the relevant training program throughout the year.

### **Garment 10 Corporation offers workers with disability suitable jobs**

The company is more selective in assigning tasks to workers with disabilities so that their disabilities do not discourage them from performing as well as other workers. For example, workers with limited mobility are assigned tasks that do not require much movement. For deaf and mute workers, verbal communication is a barrier, so the company offers them tasks that require less instruction and visualize all signs and notices in the factory.

## **In the Tourism & Travel sector**



Established in 1995, Vietravel is a professional tour operator agency in Viet Nam offering domestic tours, inbound and outbound tours. The company's head office is located in Ho Chi Minh city and its network of regional offices spreads nation-wide and globally.

### **Vietravel has collaborated with universities to deliver summer internship programs.**

For more than ten years, Vietravel has signed memoranda of cooperation with universities specializing in Tourism & Travel or having a Tourism & Travel faculty to offer summer internship opportunities for their students. Key partners of the company include Ha Noi University, Ha Noi Open University, and Phuong Dong University. During the peak summer season, students, preferably third-year and final-year students, can join tours and work as assistants or volunteers to gain real work experience.

Other aspects of company-university collaboration include recruitment and scholarships for high-performing or disadvantaged students. The company considers this type of collaboration as an investment in its future labour force.

### **Vietravel has its own vocational training centre for staff training and professional development**

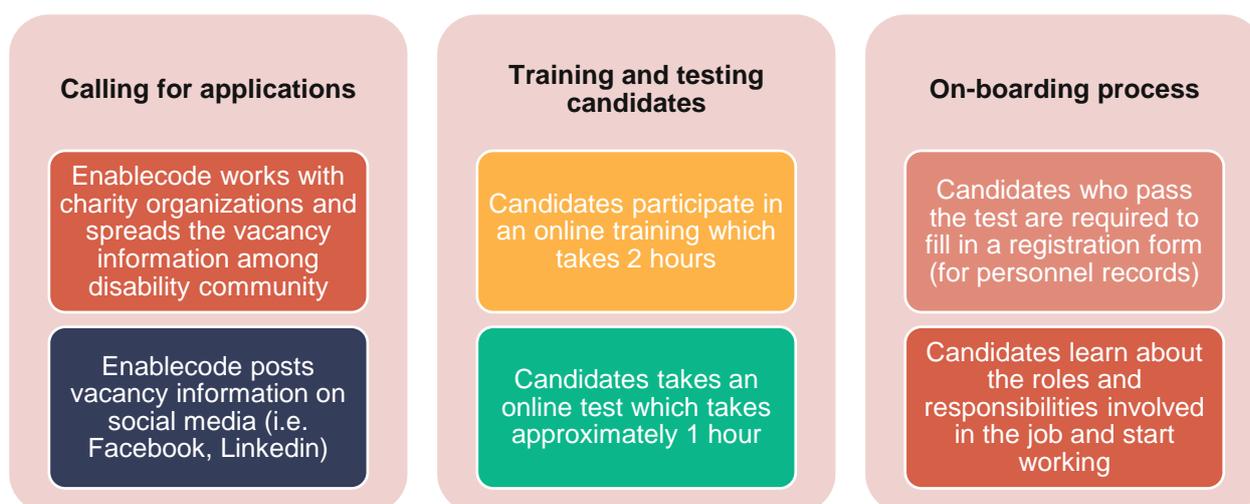
Vietravel has its own vocational training centre located in Ho Chi Minh city named Vietravel Training Centre (VietC). VietC offers short professional training courses in Tourism & Travel

for outsider learners who would like to work in the field. In addition, the centre serves as an internal training centre that provides training for the company's staff.

### In the ICT sector



Established in 2014, Enablecode is a software company that employs computing experts with disabilities. The company's mission is to get Vietnamese with disabilities into high-skilled technology jobs.



### Enablecode's recruitment process removes barriers for marginalized youths

To turn the recruitment process into an accessible and inclusive one, Enablecode performs the whole process online, implying that there is no face-to-face interaction between the recruiter and the candidates. Thus, the process ensures that there is no disability-based discrimination.

To get recruited, candidates must attend a 2-hour online training and pass a 1-hour online test. The test demonstrates the specific daily tasks that the candidate would perform as an official staff. Also, the posted vacancy information does not specify any job requirements, such as educational background or qualifications, to encourage youths with disabilities to apply.

Workers can work either at the office or from home and work, and for as many hours per week as they want. The wage is job-based and varies upon the number of products completed by the workers.

### 3.3.2. Good practices of government agencies

#### Government policies

#### Employment policies

Chapter 4 of the Labour Code dated November 20th, 2019, and coming into effect on January 1st, 2021, stipulates vocational training and vocational skills development regulations for

workers. The chapter gives workers, including young workers, the autonomy to choose their vocational training that matches their needs and capabilities. Also, the law encourages employers to engage in their employees' professional development and suggests some forms of engagement.

The chapter also encourages employers to set up annual plans and allocate sufficient budget for employees' professional development while they are working at the current department or before they move to another department. In addition, the chapter considers internship and apprenticeship as a form of vocational training and regulates the contract-based relationship between interns or apprentices and their employers.

Still, the chapter should have enabling legal provisions to create concrete incentives for employers to take these measures and to employ vulnerable groups.

### **Education policies**

#### *Model 9+ encourages vocational training uptake by youths graduating from secondary schools*

In Model 9+, students completing the lower secondary schools are allowed to take short-term vocational courses or attend a degree program by spending an extra 2, 3, 4, or 5 years in school. After finishing the program, students are awarded a degree according to the 8-level national standard classification of education. Before the model was adopted, vocational training only admitted high school graduates. Given the fact that secondary education is sufficient to attend the program, the model 9+ has enabled students to enter vocational training earlier than before. As a consequence, secondary school graduates can join the labour market earlier than with the previous system. Since the model was adopted, the percentage of secondary school graduates going to vocational training schools increased from 5 per cent (in 2014) to 15 per cent (in 2019).

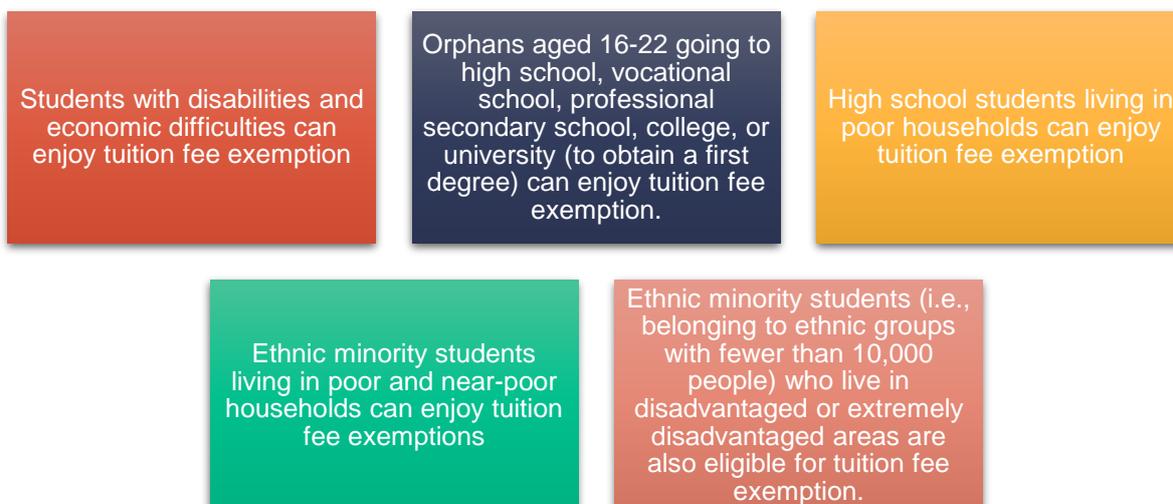
Since July 1st, 2020, the amended Viet Nam Law on Education has come into effect, and Model 9+ has been broadened to give secondary students more choices after graduating. To promote vocational training among youth, the Government has aimed to get at least 30 per cent of students graduating from secondary schools to go to vocational training schools by the end of 2020.

#### *Secondary school graduates can attend vocational and professional training at the secondary level for free*

According to the Joint Circular no.09/2016/TTLT-BGDĐT-BTC-BLDTBXH, dated March 30th, 2016, by the Ministry of Education and Training, Ministry of Finance and the Ministry of Labour, Invalids and Social Affairs, secondary school graduates can enroll in vocational and professional training at the secondary level for free. Accordingly, secondary school graduates who have not yet earned a high school graduation diploma or above and are admitted to vocational training at the secondary level, are subject to tuition fee exemptions.

#### *Education policies focused on marginalized youth*

According to Decree no.86/2015/ND-CP, dated October 2nd, 2015 by the Government:



*Youth in certain marginalized groups can enjoy financial support to attend basic training courses and short-term training courses*

On September 28th, 2015, the Prime Minister issued Decision no.46/2015/QD-TTg stipulating the policy to support basic training and short-term training courses (less than 3 months). The policy covers a diverse group of beneficiaries, including:

- People with disability
- Recipients of benefits for meritorious veterans
- People from ethnic minorities
- Members of poor and near-poor households
- Members of households whose agricultural land or business land is expropriated
- Laid off female workers
- Fishermen
- Relevant agencies, organizations, and individuals

Beneficiaries are entitled to subsidy on training cost and living costs. The exact amount varies across different beneficiaries.

### **Government projects/ programs/ initiatives**

#### **Government Project: “Supporting young people in vocational training and creating jobs in the 2008-2015 period”**

On July 21st 2008, the Prime Minister of Viet Nam issued Decision no.103/2008/QD-TTg to approve the project "Supporting young people in vocational training and creating jobs in 2008-2015 period" (or Project 103 for short). The project emphasized the enhancement of youth awareness and social awareness of vocational training because preferences for higher education are highly prevalent among youths, families, and society in general.

By the end of 2015, the total capital for the National Fund for Job Creation, managed by the Youth Union's Central Committee, amounted to VND 72 billion. The fund was allocated to 1,420 projects in 61 out of the total 63 provinces across Viet Nam. As a result, more than 3 million young people could go to vocational training schools under the fund. Six career guidance and employment service centres were established in six provinces across the

country, namely in Ha Noi, Thanh Hoa, Quang Binh, Khanh Hoa, Ho Chi Minh City, and Can Tho. Also, from 2009 to 2014, more than 6.4 million visits were paid to career guidance and promotion services from young people, averaging 1.28 million visits per year.

### **Ministry of Industry and Trade: KOSEN model – enabling 100 per cent of graduates seeking employment to get jobs in their field of study**

The KOSEN model training has been applied in Japan since the 1960s, aiming to train and provide high-quality human resources to meet the needs of businesses and ensure 100 per cent of graduates have jobs. Another remarkable point of the KOSEN model is that the training is not only theoretical but also directed to practical skills and creativity of learners through practical activities and research, use of highly qualified lecturers, equipment, and high-quality training in small groups.

The KOSEN model is highly open. Students enter KOSEN after secondary school or after high school graduation, and the KOSEN University Degree is recognized the same as other Bachelor's degrees. After finishing courses at KOSEN, learners can continue to study masters or doctorates to meet the requirements of their jobs. Schools are entitled to modify up to 40 per cent of the curriculum, depending on the conditions and characteristics of each school. The training program consists of two parts: general training and vocational training. During the 5-year program, general education decreases over time, and the proportion of professional training increases. The development of learning skills is carried out through three stages: learning, practical experience, and the practice phase.

Recognizing the advantages of the KOSEN model, the Ministry of Industry and Trade has cooperated with JICA organization (Japan) to deploy the KOSEN model at many colleges from 2013-2018, such as the College of Food Industry, Electric Power University, Cao Thang Technical College, Hue Industrial College. After this project, the Ministry of Industry and Trade has been building international cooperation projects on the KOSEN model axis, specifically:

- ADB Project, 2018 - 2022 (10 schools participating);
- KFW Project, 2018 - 2022 (12 schools participating);
- AIG Project, 2017 - 2018 (4 schools participating);
- JICA - PIUS Project, 2018 2019 (4 schools participating);
- The scheme of high-quality workforce training, according to the ordering mechanism

### **3.3.3. Good practices of NGO/ Social protection centre**



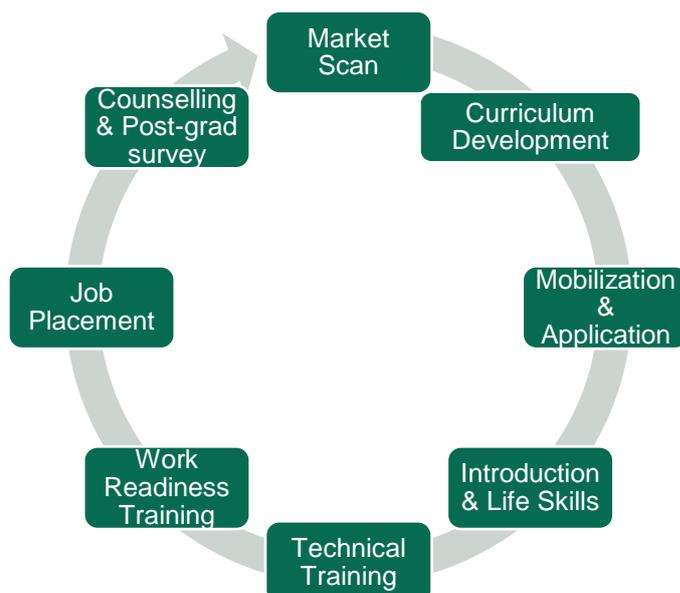
REACH is a Vietnamese non-government and non-profit organization specialized in providing vocational training, career advice, and job placement services for Viet Nam's most at-risk youth (aged 16-25). REACH started in 2004 in Ha Noi as the Livelihood Advancement Business School (LABS), a project of Plan International in Viet Nam. In 2008, Plan International supported LABS to become an independent local NGO, REACH. Since 2004, REACH has opened centres in other regions of Viet Nam and operates in six locations in 2020: Ha Noi, Hai Duong, Hue, Da Nang, Hoi An, and Ho Chi Minh City.

**REACH provides vocational training and employment placement services for vulnerable youths and adolescents**

To enhance employability among vulnerable youths and adolescents, REACH provides a series of intensive short vocational training, life skills training, and English language training. The training is followed by job placement and follow-up support.

Adolescents and youths who wish to enrol in REACH-supported training are required to interview with the board and have a background check. Those who are the most in-need and belong to REACH's priority groups are admitted.

The model at a glance:



The fields of training include ICT (e.g., 2D/3D graphic design web development); bartending, barista; cooking; restaurant serving, hair-dressing, sales, and marketing.

According to REACH's records from 2017 to 2019, more than 1,050 disadvantaged youths are trained each year on average. Over 80 per cent of REACH graduates acquire a stable job within six months of graduation, and over 50 per cent of REACH graduates receive a promotion or salary increase in their first working year.

Particularly, in the “Fit for Future” project organized by REACH in collaboration with FPT Polytechnic College in April 2020, 93 per cent of female learners got an IT job after graduation. The project aimed to encourage girls and women to study and work in the IT field.



Established in Ho Chi Minh city in 1992, Thao Dan is a social organization responsible for implementing and advocating stakeholder engagement in children's rights through service delivery, empowerment, networking, and policy advocacy.

### **Thao Dan organization has made great efforts in helping children complete lower secondary education**

For many reasons, including family issues and poor school performance, children at the age of 14-17 are at a high risk of dropping out of school before graduation. In recognition of the importance of lower secondary education as a requirement to participate in vocational training

or pursue higher education, Thao Dan organization has concentrated in persuading children, particularly children in vulnerable groups, to keep going to school. The staff believes that children dropping out of school in this age group are neither old enough to get formal work arrangements nor completing lower secondary education. Therefore, their career prospects tend to be poor. Thao Dan staff has worked with both the children and their families to persuade and engage them in continuing to go to school.



**International  
Labour  
Organization**

Viet Nam re-joined the ILO in 1992 and the ILO Country Office was opened in Ha Noi in 2003. The main aims of the ILO in Viet Nam are to promote rights at work, encourage decent employment opportunities, enhance social protection, and strengthen dialogue on work-related issues.

### **ILO Viet Nam, in collaboration with VCCI, launched Career Guidance Toolbox**

Since November 2013, ILO Viet Nam, in consultation with educational experts in Viet Nam, has developed the Innovative Career Guidance Package based on the context of the country, with application from some of the international best practices in career guidance. The Ministry of Education and Training later appraised the package in August 2014 for expanded application.

The package comprises of workbooks and guidebooks for students and teachers, a career dictionary, and a career toolkit. It is expected to help students have a better understanding of future careers, job opportunities, strengths, weaknesses, and thus enabling youths to make an informed decision for their future.

In August 2019, the toolbox was updated and introduced to the public through a network of local contacts in different provinces such as Vinh Phuc (on November 11<sup>th</sup>, 2019), Phu Tho (on November 22<sup>nd</sup>, 2020), and Ba Ria Vung Tau (on December 6<sup>th</sup>, 2020). Those introduction days brought stakeholders, including universities/ colleges/ TVET institutions, enterprises, employment services centres, and students, under one roof for discussion.

It is expected that in 2020 when the ILO finalizes the Toolbox update, the Training of Trainers will be organized for local career guidance professionals in the provinces so that teachers can include toolbox activities within their classes.

### **3.3.4. Good practices of Business Association**



Viet Nam Textile & Apparel Association is a voluntary socio-professional organization, established in 1999, that brings together organizations and individuals from all economic sectors operating in the fields of textile and garment production, export, consumption, and services in Viet Nam. During 20 years of operation, VITAS has attracted memberships from nearly 800 domestic and foreign individuals, businesses, and organizations. VITAS has 7 local branches located in all regions of the country.

### **VITAS collaborates with Ha Noi Industrial Textile Garment University to organize training courses for employees in the garment industry**

As part of its plan to support small and medium-sized enterprises, VITAS, in collaboration with the Ha Noi Industrial Textile Garment University, continuously organizes training courses for employees in the textile industry. The training topics are quite diverse, including fashion design, development of fashion collections, quality control of industrial sewing, production

team management, business administration, business start-up, etc. The government supports 50 per cent of training expenses, and the remaining 50 per cent is funded by VITAS, Ha Noi University of Textile Industry, and enterprises. Students who are employees of women-owned enterprises, or those from extremely disadvantaged socio-economic areas, are exempt paying any tuition when attending training courses.

In addition, VITAS also cooperates with international organizations to hold training courses for managers and employees in enterprises, such as:

- Fashion design & production management training course: in collaboration with Japan's Ministry of Economy, Trade and Industry (METI), January 2019.
- "Energy management in the textile industry" technical course: in collaboration with GIZ, November 2018.
- "How to build core values for businesses" special training course: in collaboration with the Viet Nam Chamber of Commerce and Industry, September 2018

### 3.3.5. Good practices of Youth-based initiative/organization



Figure 26. The UPSHIFT approach



#### UPSHIFT adopts a participatory approach to engage marginalized young people in solving their problems in daily life

The cornerstone of the program is the *UPSHIFT: Social Impact Workshop*, a three-day learning experience that introduces young students to some of the tools and techniques in a social innovator's toolkit like human-centred design, agile development, creative ideation, and prototyping and user testing. Participants work side-by-side with a mentor to move from a challenge to possible solutions while engaging in networking and reflective activities in their downtime. At the end of the workshop, teams exhibit and pitch their solutions to a judging

panel, who then selects projects for implementation and ongoing support from the Lab. There were 10 projects with over 3000 beneficiaries in the 2015 Pilot. Until now, UPSHIFT has sought and actualized more than 130 community-based projects for young people aged 14-24 and brought positive impacts to over 170,000 people born with extremely difficult circumstances.

### *Some successful projects awarded by UPSHIFT*

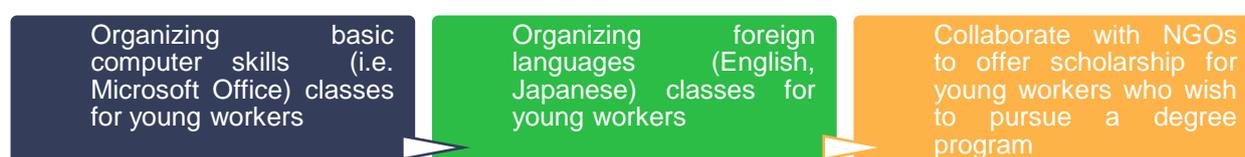
- The Light: A project of groups of visually impaired students at Viet Nam National University Ho Chi Minh City, offering teaching and testing methods to support teachers and blind students learn, integrate, and keep up other students.
- Wiseyes: Reading equipment for visually impaired people, developed by students of VNU-HCM High School for the Gifted, targeting young people aged 18-24 who are visually impaired or blind. The device can read and translate Vietnamese and English words; users just need to press the camera button to capture the page then wear a headset, which will read it back to the user.
- IT support project and lessons for orphans from the Smile group by members from the Da Nang University of Technology.
- Silence's Melody Class Project of Group 4L: Organize workshops to equip basic life skills for the deaf and disseminate sign language to listeners
- Silence's Melody Class project of Danang Deaf Club: currently being piloted at the Centre for Education and Assistance for the deaf in the Central.
- Kinh Van Hoa Project of Companion Team - Teaching English to visually impaired students in Da Nang City
- Project Connect love of ABY Group (Danang City) - Connecting community of volunteers and people with disabilities
- High Life: A black box device developed by a group of 11<sup>th</sup> graders at Le Hong Phong High School for the Gifted that helps minimize accidents for children, especially autistic children who cannot protect themselves and need supervision. The black box tracks location, journeys, records live video, two-way interactions with relatives, and, in case of emergency, sends an alert to the relative's phone number.



Ho Chi Minh city's Youth Employee Assistance Centre (YEAC) was established in 2006 under the supervision of the city's Youth Union. YEAC's mission is to take care of the material and spiritual needs of young workers in Ho Chi Minh city through practical programs, activities, and initiatives.

### **YEAC provides assistance services for young workers in Ho Chi Minh city**

Some of the prominent professional development activities implemented by YEAC for young workers include:



Such activities aim to enable young workers who wish to upskill themselves and prepare for promotion and job change.



Hanoikids, established in 2006, is known as a student-run organization based in Ha Noi. By voluntarily taking city tours for English speaking travellers in Ha Noi, the organization hopes to bring travellers from all over the world an insight into Vietnamese culture, tradition, and beautiful sights.

### **Hanoikids creates an opportunity for members to have first-hand “tour-guide” experience**

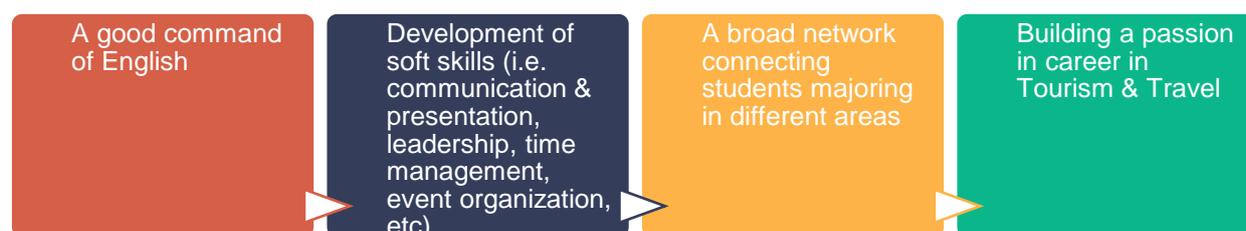
A core activity of Hanoikids is organizing city tours in Ha Noi for English speaking travellers, guided by its members who are university and college students majoring in different areas. This brings an opportunity for members, especially those who major in Tourism & Travel or those who wish to pursue a career in this area, to have a first-hand experience tour guiding. It is estimated that 20-30 per cent of Hanoikids members are students majoring in Tourism & Travel and coming from Ha Noi Open University, Ha Noi University, or British University Viet Nam.

New members go through a two-month training, which includes visiting major tourist attractions in Ha Noi and listening to introductions of historic and cultural information. Senior members, with intensive tour-guide experience, conduct the training. After the training, members go through a "probation period" and organizes tours themselves, under the supervision of senior members. Members will learn not only the technical knowledge and skills but also soft skills, including presentation, interpersonal, and problem-solving skills, i.e., how to handle difficult situations.

### **Hanoikids offers professional development activities for members in many areas, not only in Tourism & Travel**

Hanoikids also organizes professional development workshops for members and invites senior member speakers who have extensive working experience in related areas. The areas covered are identified from a survey of the members, and can include Finance-Accounting, Marketing, and Human Resources Management. Through senior members' recount of their own working experience, members can explore the career path in the area of interest and learn how to prepare themselves for their job application, e.g., boosting the CV and personal profile and writing a good cover letter.

### **Four important takeaways that Hanoikids members would gain**



### 3.3.6. Good practices of Universities, colleges and TVET institutions



The North Viet Nam College of Agriculture and Rural Development (NVCARD), formerly known as the Central Management Vocational College, under the supervision of the Ministry of Agriculture, was established in 1961. The College offers programs of various levels like associate's programs, middle and long-term vocational training, and applied informatics. Students can attend the school after secondary school graduation. In the academic year 2019-2020, students from ethnic minority groups account for 67 per cent of all students. Students from poor households or orphans account for 41 per cent.

#### Many solutions to support students in difficult and vulnerable situations

NVCARD has equipped vocational skills for many generations of ethnic minority students from the Northern Midland and Mountainous Region. To support its vulnerable students, NVCARD has implemented the following support activities:

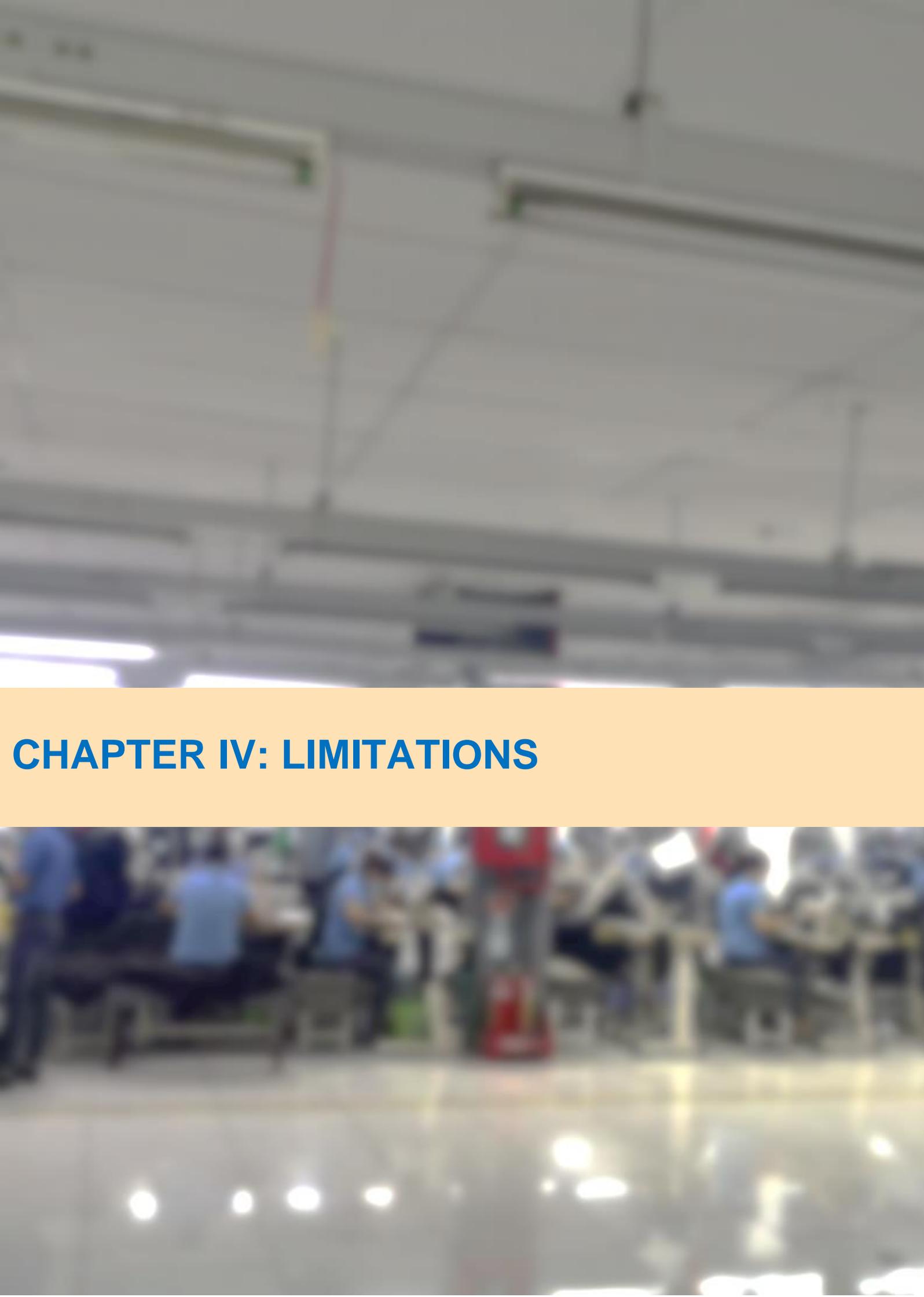
- Organizing meals for students (eat first, pay later)
- Providing living expenses for students in need.
- Organizing group activities, picnics, and sight-seeings to help students integrate better.
- Distributing funding from the high-achieving, poor scholar fund, state scholarships, corporate, and NGO funds, etc.
- Assigning staff to identify specific cases of vulnerable students and develop feasible solutions for each circumstance.
- Prioritizing internships for vulnerable students (e.g., with companies close to school, with companies that would provide extra support for expenses)

During the COVID-19 pandemic, the school covered teachers' cost of telephone and Internet connection so they can continue teaching. It also equipped wifi and Internet in lecture halls and dormitories to ensure that teachers and students could study and access information online.

Every year, the school organizes a Job Consultation and Job Fair in which businesses and employers are introduced to the school, its program, and its graduates. This event is also where the school and its students can find out the employer's requirements for the knowledge and skills that future hires need to have.

Every year, the school has a survey of current students as well as graduates. The results show that the percentage of newly graduated students getting jobs has often reached over 90% and has been increasing over the years.

The school's technological infrastructure meets the Ministry of Education's standards and is regularly upgraded, e.g., computer additions, repair, upgrade, and additions of more specialized software.



## CHAPTER IV: LIMITATIONS

## LIMITATIONS OF THE ASSESSMENT



### 4.1. Issues with online firm survey

First, it is not entirely clear that all of the respondents were suitably qualified or of an appropriate position within the firm to answer the survey questions – which may explain some variance in the confidence of the answers provided. The survey link is both sent by post in an invitation letter to the firm's physical address and sent by email to the firm's HR department. The email of the HR department was obtained in advance when the research team contacted the firms by phone and invited them to the survey. Even so, the research team could not guarantee that the respondent to the survey is the HR person.

Second, although adolescents aged 15-17 are a focus group in the assessment, we received only one response from an Apparel & Footwear firm that does employ workers in this age group. Such a low response rate severely limits the interpretation of the results, for example, the ratings of hard skills and soft skills among workers aged 15-17. It means that only very tentative and observational findings can be presented for this group. Also, the proposed recommendations, for example, regarding how to upskill this group, should be taken with caution and should not be generalized.

Regarding the assessment's external validity, it is important to keep in mind that the sample only contains firms from the Apparel & Footwear, Tourism & Travel, and ICT sectors. Even though many skills are vital across sectors, we would also caution that different sectors may have very heterogeneous needs for skills and qualifications.

One more note of caution with the survey is the inclusion of several open-ended, qualitative questions. Although data generated by these questions were interesting, one issue needs to be highlighted relating to the overall quality of the data. Specifically, some of the responses derived from the open-ended questions are unusual and do not always relate to the question being asked. This might suggest the respondents did not fully understand the question they were being asked or were unsure how to answer appropriately. We did clean data to ensure that the final data is comprehensible and corresponds to the survey questions.

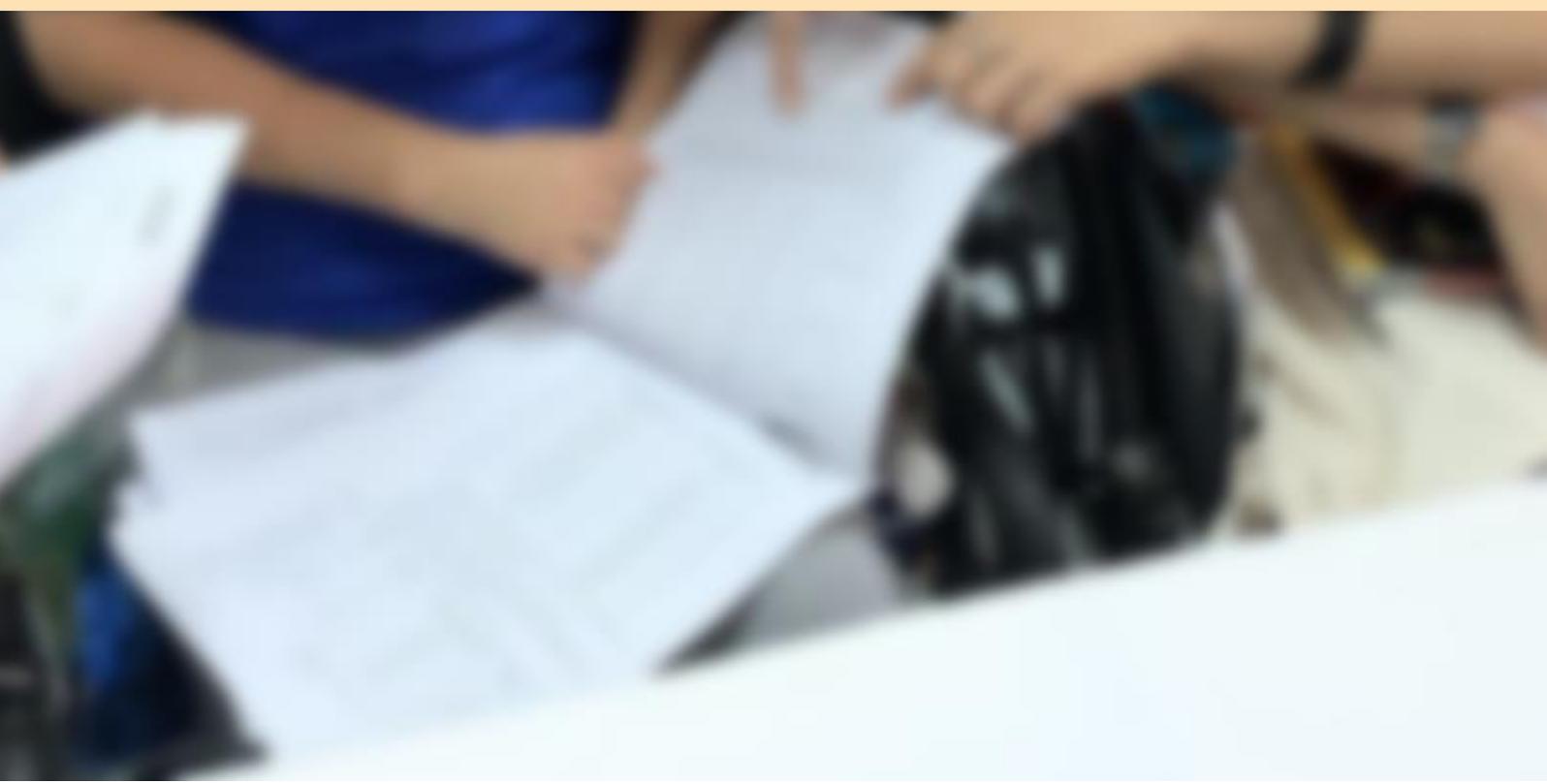
### 4.2. Issues with qualitative study

The first issue with the qualitative study is the research team's incapability to organize an FGD with out-of-school adolescents aged 15-17 in Ha Noi. When we contacted the local NGO that provides career orientation support to this group, we could not obtain their permission to organize an FGD with their children. Even though we explained the FGD protocol in detail and indicated the ethical approval of the assessment, the NGO was afraid that the FGD might impose non-negligible risks to the participants. Therefore, the research team could conduct only one FGD with out-of-school adolescents aged 15-17 in Ho Chi Minh city.

We also would like to raise a concern over the underrepresentation of the NEET group in this assessment. Through an FGD with out-of-school adolescents, we have identified one case – a NEET male adolescent that has completed lower secondary education. He does not go to high school nor take vocational training, nor work, and just stays at home. Even though he does not “de jure” belong to marginalized groups, his NEET status does impact his future career prospects. The assessment has barely touched upon this group due to unavailable data, but the research team argues that there should be a single study dedicated to this group and addressing their challenges in accessing education, training or employment opportunities.



## **CHAPTER V: CONCLUSION AND RECOMMENDATIONS**





# CONCLUSION AND RECOMMENDATIONS

## 5.1. Conclusion

By incorporating findings from desk research, online firm survey, and qualitative study, the assessment has depicted a picture of employability skills as well as skills gaps among Vietnamese young people.

**Certain hard and soft skills of Vietnamese young workers have sufficiently satisfied the job requirements.** In particular, basic hard skills such as “reading and understanding documents”, “basic numerical skills” and “computer literacy/ basic IT skills”, are well-recognized by firms in all three sectors of interest. Meanwhile, teamwork skill is the soft skill evaluated highly across the sectors. On the other hand, **hard skills including “specialist IT skills”, and “foreign language proficiency” are regarded as young employees' weakest skills.** In term of soft skills, management and communication skills are also poorly-rated.

In the context of the 4.0 Industrial Revolution, **firms put great expectations on creativity, teamwork, and active listening as potential employability skills of future candidates.** When it comes to future employment plan, a majority of firms will improve the quality of their current workforce by providing more trainings whereas a number of enterprises express their interest in recruiting more workers with different knowledge skills from the current ones.

**Key findings reaffirm the central assumption of this assessment report, explaining the faltering position of youths in the job market is grounded in a clear mismatch between what young workers are offering and what firms are demanding.** The shift towards greater globalization, digitalization and automation results in greater demands for soft skills. The most desirable skills in the Vietnamese job market are creativity, self-learning, communication, collaboration and critical thinking skills. Unfortunately, there is an unpalatable fact that the scarcer a skill is, the more likely it is sought-after. Given that these skills also bear strong resemblance to the global list of the most requested competencies, it can be implied that the Vietnamese job market is dealing with a global issue of skills' scarcity.

**The assessment acknowledges the obstacles faced by 15-17 age group as well as marginalized and vulnerable youths during their job-searching.** From the demand perspectives, **enterprises' insufficient understanding of child rights and child labour** might be a potential rationale behind the non-presence of 15-17 age group in the formal sectors. Besides, there are several barriers restricting the participation of vulnerable young workers in formal economy. Firstly, some enterprises, especially SMEs are not incited to recruit disabled people as they do not own friendly facilities for employees with disabilities. Secondly, companies generally find **tax incentives for employing the marginalized groups not attractive enough to build up such inclusive recruitment policies.** Thirdly, concerns regarding **the physical and mental health and the ability to integrate with the workplace** of this group also cause hesitations in making recruitment decisions. Notably, HIV and people with disabilities are given least opportunities in the workforce across sectors. Lastly, **FDI enterprises generally have a normalized pervasiveness of Corporate Social**

**Responsibility (CSR) so as to adopt inclusive recruitment policies**, as reflected by stronger willingness to recruit vulnerable workers, compared to domestic companies.

From the supply perspectives, marginalized youths also encounter significant hurdles in seeking their jobs, one of which is **the gap in their education and training**. As most out-of-school adolescents aged 15-17 have yet finished lower-secondary education, they are not eligible to enroll in vocational training programs for free, provided by the government. In addition, they do **not have a proper access to supportive educational facilities, vocational programs, and career orientation**. For those aged over 18 with disabilities, it is difficult to find a specialized training school. Furthermore, they also exhibit **limited awareness of necessary employability skills in the 4th Industrial Revolution**. As a result, these obstacles would endanger their future career prospects.

The deficiency in employability skills of young workers in general and vulnerable workers in specific can be attributed to the shortcomings in the education and training system, lack of government's incentives, and inadequate collaboration between key stakeholders.

- **At educational level:**
  - While high demands are increasingly placed on soft skills, **curriculum in formal education lacks the element of soft skills training which are highly connected to the workplace**. The absence of skill-based education and career guidance are observed in formal schooling, especially at upper secondary level to prepare students for making the school-to-work transition.
  - **Such hard skill as English has been introduced in vocation schools and TVET institutions but it has not been intensively taught and learnt to reach the proficiency level**. Scarce attention and efforts have been dedicated to properly address the pivotal role of vocational training as vocational schools and TVET institutions are often viewed as a backward alternative for those who are intellectually incapable or fail to enter university.
  - **There is a total lack of specialized training schools for people with disabilities aged 18 years old and above.**
- **At government level:**
  - There is **a lack of a nation-wide accessible job service platform for marginalized and vulnerable people** to provide job-matching and inform potential young candidates about market's needs
  - **Tax incentives are not attractive** enough to boost enterprises' willingness to recruit marginalized and vulnerable youths.
- **Between stakeholders:**
  - There is **insufficient promotion of social responsibility** to boost enterprises' willingness to develop inclusive recruitment policy
  - **The cooperation between businesses and educational institutes is still shallow** in terms of enhancing the quality of training and integrate longer apprenticeship into the curriculum,
  - There is a lack of communication projects to increase youths' awareness of automation's impact on 21 century's job market
  - **The roles of NGO and business associations as facilitators to stimulate comprehensive partnerships are limited.**

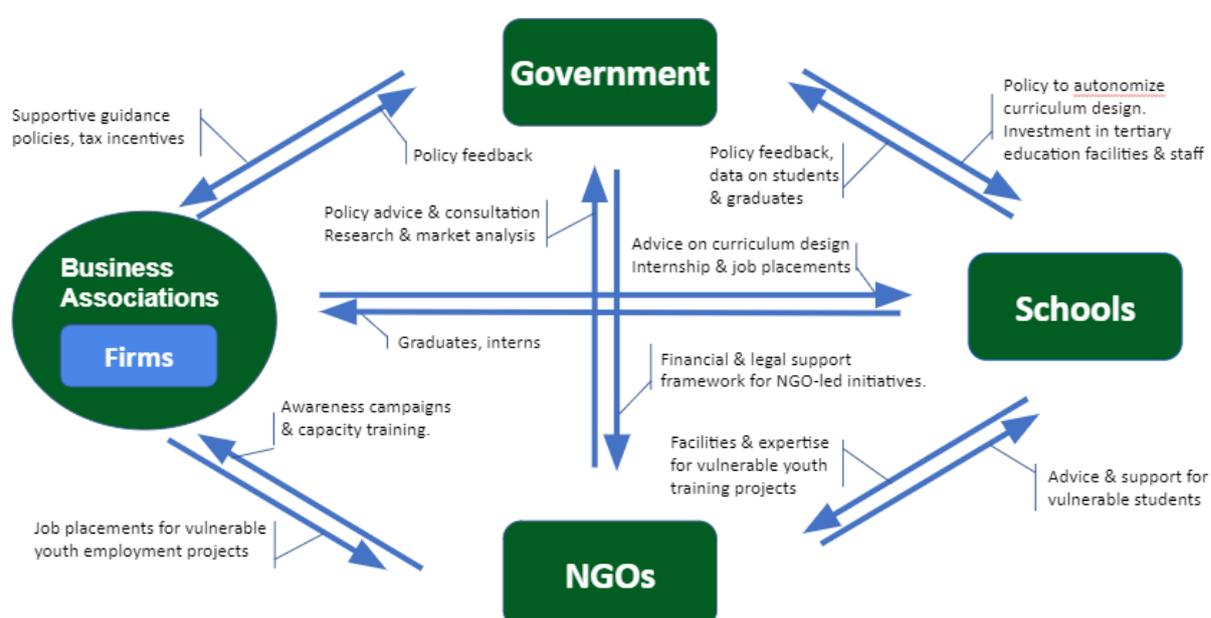
**Despite existing challenges in upskilling young workers, feasible courses of actions can be inspired from a myriad of good practices of key stakeholders.** Leading enterprises such as Garment 10, and Vietravel have set evident examples for other businesses to establish

formal and long-term agreement with educational institutions in providing annual internship and training programs for students. Vietnamese domestic firms can also refer to Enablecode's online recruitment platform when considering of an inclusive recruitment policy. With regards to government's efforts, Model 9+ is a successful initiative to address the crucial role of vocational training and help secondary school's graduates to direct their future paths. Last but not least, the career guidance toolbox developed by ILO in collaboration with VCCI if up scaled at a nation-wide level would contribute to fulfilling the thirst for well-structured career guidance at formal schooling.

## 5.2. Recommendations

It is critical to emphasize the importance of communication and collaboration across all stakeholders. The ingenuity and abundance of young labour force is a key driver behind the prosperity of enterprises as well as the wealth of a country, which means no stakeholder shall be excluded from the shared responsibility of upskilling young workers. Without multilateral, intensified and profound partnerships, stakeholders might independently develop insignificant projects that would end up being ineffective and costly. This assessment suggests a model of cooperation (see Figure 27 for reference).

**Figure 27. Suggested model of cooperation between stakeholders**



The following recommendations are specifically designed for key stakeholders including the government, businesses, non-governmental organizations and others.

### 6.2.1. For colleges/ universities/ TVET institutions

- **Integrate soft skills education and career guidance with a hobby-oriented approach into formal schooling's curriculum as early as primary school.** This is the time to reassess Vietnamese education system and stimulate innovative design of

autonomous and skill-focused curriculum to meet requirements of the job market. Furthermore, career guidance should be meaningfully incorporated into formal schooling as early as primary level so that self-exploration is fostered and early talent is nourished, leading to a better preparation for the future transition.

- **Reinforce the role of vocational training to reduce pressure for tertiary education and provide more inputs for the job market.** Germany's education system can serve as the blueprint for Viet Nam to reform its basic education to be more specialized and vocational education to be more practical.
- **Augment collaboration with enterprises and business associations to build course contents and allow longer apprenticeship as critical components of study courses**

### 6.2.2. For government agencies

- **Develop an automated, free and easily accessible employment service platform with updated information about the job market.** The matching algorithm can use all provided information to recommend available and suitable job-worker pairings. Suggested information to be made available are firms' inclusive recruitment policy for vulnerable people, firms' facilities as well as the firms' ratings by current and former vulnerable employees.
- **Offer tax incentives and financial support packages to urge enterprises to recruit marginalized and vulnerable groups.** Apart from tax reduction and procedure simplifications, the salary for workers with disabilities who have completed vocational training should be paid partially by the public budget during probation period. Government should also consider sanction a fixed quota of job vacancies for marginalized and vulnerable workers
- **Implement large-scale communication and community outreach projects to promote the society's awareness of Corporate Social Responsibility (CSR) and gender equality at workplace.**
- Invest in new technology education and training from primary and beginning secondary and **ensure girls are encouraged to follow science, technology, engineering and math (STEM) subjects and ICT pathways.** In order to do so, policy makers in education should start **train teachers on computational thinking, gender-neutral ICT and should also encourage media to portray positive ICT stories about women.**
- **Support NGOs in promotional campaigns and at local operations.** Some NGOs have expressed the wish to receive stronger supports from local authorities for their communication or recruitment activities to the marginalized and vulnerable youths living in the areas. The cooperation, in turn, would also benefit the locality as a whole.

### 6.2.3. For non-government organizations

NGOs have extensive connections with a wide range of stakeholders, both nationally and internationally. This advantage enables NGOs to become a great facilitator in channeling the wishes of marginalized and vulnerable youths to both the supply and demand side, and vice versa. The contribution of NGOs in enhancing employability skills and improving job opportunities for young workers might include (but not limited to) the following

- Pilot innovative education/training models and upskilling projects as well as executing market research to provide policy consultation for the government to upscale good practices at a national level
- Keep the NGOs themselves and the beneficiaries updated with new programs and targeted policies from the government and other stakeholders
- Represent the voice of marginalized and vulnerable people to communicate with key stakeholders in providing comments/feedbacks or responding to supporting policies/employment services

#### 6.2.4. For business associations and firms

Business associations are important in connecting and representing businesses, especially with non-business stakeholders like governments and social nonprofits. In that sense, business associations play a tremendous role in spearheading or scaling up youth employability initiatives in the entire business community/sector. Business associations can pool resources, capacity, and bring together its members to jointly develop and participate in these initiatives.

- Strengthen its facilitation of industry-wide youth employment initiatives and partnerships between firms and other stakeholders.
- Furthermore, as a forum for firms, business associations can also increase awareness and cross-firm learning through conferences and/or workshops on enhancing youth employability, CSR initiatives and inclusive workplace practices. In these meetings, firms can share their best practices, concerns, and suggestions to other firms and stakeholders.

**Firms can benefit from inclusive recruitment policy and CSR efforts. An inclusive workplace helps them reach out talented and skilled but vulnerable workers.** Inclusive recruitment and facility investment, while initially costly, may help firms in the long-run by supplying it with loyal and engaged workers. This requires enterprises to root out prejudices and rethink their CSR approach to be more impactful and congruent with their business plans and goals. **From the marketing standpoint, firms can build good image and reach new customers by publicizing its CSR efforts.** As the social and environmental practices of firms increasingly influence purchasing decisions of consumers, a commitment to uplift the local community writ-large will arguably give firms an edge over its competitors.

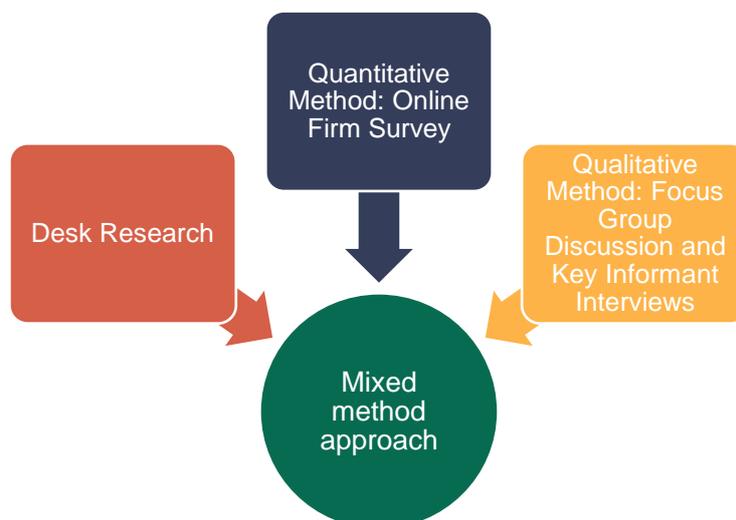
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# APPENDIX

## Methodology



## Tools

A combination of desk research, qualitative and quantitative methodologies were employed to address the objectives of the baseline assessment. Each component has its own material and technique. Table 1 presents the set of materials and tools for each component accordingly.

**Table A1. Tools and materials for data collection in the baseline survey**

Desk Research	Review of reports and documents
Quantitative Method	Online Firm Survey
Qualitative Method	KII questions for government, business associations, businesses or/and universities FGD topics for adolescents and youth

## Ethical consideration

Since the FGD participants include adolescents aged 15-17, researchers handled ethical considerations with a great amount of caution and thoughtfulness both before and during the fieldwork. Specifically, the research team applied and obtained an ethical approval application from the Ethical Review Board of the Ha Noi University of Public Health as well as asked for the consent of each participant before conducting FGDs. The research team also ensured that all applicable requirements are met to protect the participants from any risk which may arise during the fieldwork.

The rights of the potential participants, including adolescents and their parents, were ensured. Accordingly, all participants are well informed of the research and their voluntary right to

participate in it during the process of logistics arrangement. The researchers obtained the participant's written consent before conducting any FGD. The consent indicates that they participate in the study voluntarily, that the information they provide is for research purpose only and is kept strictly confidential, that participants understand risks and benefits that may involve during and after the survey, and that they can refuse to answer any question and stop participating in the FGD at any time.

While working with adolescents aged 15-17, the consent needs to be obtained by both the adolescents themselves and their parents. Since the adolescents participating in the FGDs are not fully legally competent, the research team sent a document providing all information of the project to their parents/legal guardians and ask them to provide a written Parental Permission for their children. The adolescents were also informed of the research and asked for consent to participate in the FGD. Both the adolescent's consent and their parents/legal guardians' permission were required before the FGD. The research team was trained to handle all FGDs with adolescents aged 15-17 with care. Specifically, all the researchers will be guided carefully in the training course to have a proper and positive attitude towards adolescents in the FGD.

## **Quantitative Study**

### **Sampling plan**

The most critical element in sampling design is to have an updated and comprehensive sampling frame. For this survey, the sampling frame was sourced from the Enterprise Census 2018 conducted by General Statistics Office (GSO), focusing on three sectors, namely: Apparel & Footwear, Travel and Tourism and ICT. The survey focuses on businesses that could provide data on jobs and employment turnover by occupation type for the previous 24 months, and provide a rough estimate of future skills demands for the next 12 months. Thus, the sampling procedure is as follows: (a) from the sampling frame, verifying information on the number of business firms operating in each sector by ownership, dimension, type of products/services, and location; (b) deciding which types of firms are best suited for inclusion in the survey; (c) identifying the possible firms that would respond to the chosen criteria; and (d) creating a list of sampled enterprises. The sampling method ensures a sample size that is statistically large enough to represent each sector. The sample selection is based on the number of firms and the number of workers in each firm. The samples are drawn based on stratified random sampling, with probability proportionate to the size of the workforce (Probability Proportional to Size – PPS).

As the sampling frame is drawn from Enterprise Census 2018 that was conducted about one year ago, some firms that are selected for the online survey may no longer be in existence, change the name or change the sector. To deal with these potential pitfalls of sample selection and attrition, we would first select 1,800 firms from three sectors using PPS, equivalent to 600 firms for each sector. After contacting the firm by phone and verifying the information on the firm name, ownership, type of products/ services and location, we obtained 825 firms eligible and available for the online survey.

### **Quantitative Tool**

The survey questionnaire was transformed to an online survey using SurveyExpression server. The questionnaire will be short and include closed questions. In order to maximize the response rate, the research team collaborated with VCCI/CRBP project team and UNICEF to obtain official letters and sent to selected firms informing them of the survey. The letters introduce the motivation of the survey and how firms can potentially benefit from the results of the survey, as well as include a link to the survey. In addition, the scanned version of the introduction letters and dispatches were also sent to firms via email from an official email domain.

The respondents were given 4 weeks (including weekends and holidays) to fill out the online survey. After the first week, those who have not responded were sent a reminder via email. After the following weeks, three callers were recruited to make reminder calls to the respondents who have not filled to increase the online response rate. All data was downloaded from the server to be analysed when the survey ends.

### Quantitative data analysis

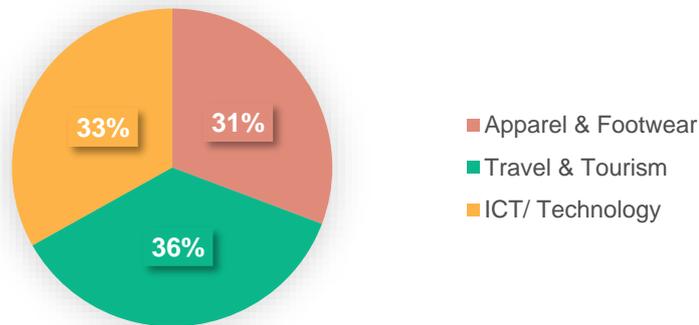
Descriptive statistics were used to present the data and findings are presented in figures and tables attached with the dataset.

### Response rate and Key characteristics of the sample

**Table A2. Response rate**

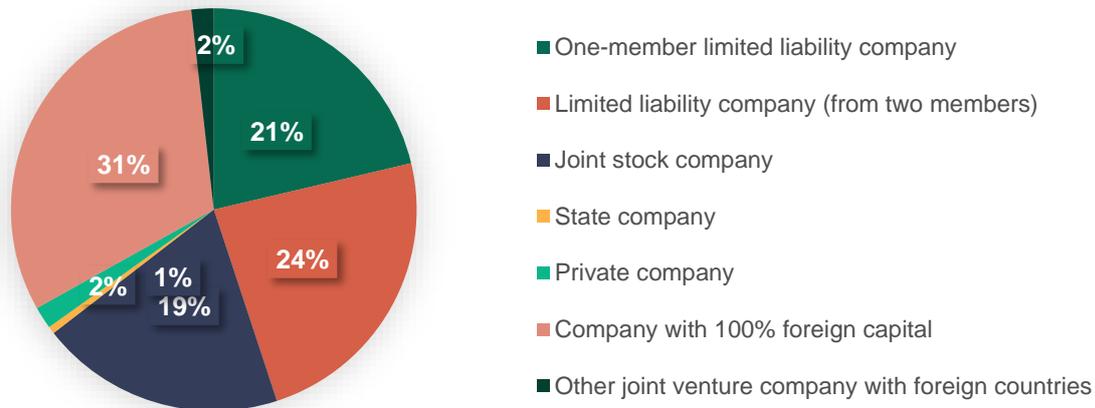
Assumed response rate (at the project inception):	20%
Realized response rate:	20.4%

In order to reach assumed response rate, the research team followed a strict contact strategy. In which, customized invite letters were sent to the screened companies before the survey started. The invite includes a brief introduction of the project, an invitation to participate in the survey, the survey lengths, the confidentiality of the information collected. The invite also emphasizes that all firms participating in the survey will receive an executive summary of the findings which is valuable information for their recruitment and business strategies because its inputs are all from managers and human resource representatives of the firms in their industry. In addition, to increase participation, the research team attached the letter of support from VCCI. Each letter sent to firm was designed with specific name, position and company of the recipients. Out of 825 enterprises which the research team sent the letters, 169 firms fill the survey. As a result, the realized response rate of the online firm survey is 20.4 per cent.

**Figure A1. Type of surveyed enterprises by business sector**

Source: MDRI's online firm survey, 2020

By business sector, participating enterprises in the survey come from three sectors as required by the research: (i) Apparel & Footwear; (ii) Travel & Tourism and (iii) ICT/Technology. There are 169 companies to fill in the survey. Particularly, travel & tourism enterprises make up 36 per cent, followed by ICT/Technology enterprises with 33 per cent. Of the participating companies, those in Apparel & Footwear sector constitute 31 per cent.

**Figure A2. Type of enterprises by business registration**

Source: MDRI's online firm survey, 2020

The surveyed enterprises belong to different type of business. In which, one-third of the surveyed enterprises are companies with 100% foreign capital. Standing at the second place is the proportion of limited liability company (from two members) participating in the survey, 24 per cent. Both private and joint stock companies have witnessed a similar share of one-fifth of the surveyed enterprises. Meanwhile, one-member limited liability companies and other joint venture company with foreign countries have a same proportion of 2 per cent. The least proportion belongs to the group of state companies (1 per cent).

**Table A3. Type of enterprises by size**

Size class:	Super small (1-4)	Small (5-19)	Medium (20-99)	Large (100+) employees
<b>Total</b>	<b>18</b>	<b>51</b>	<b>49</b>	<b>51</b>
<i>Textile and apparel (TA)</i>	3	4	12	33
<i>Tourism and Travel</i>	14	34	9	4

<b>Information and Communications Technology (ICT)</b>	1	13	28	14
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Source: MDRI's online firm survey, 2020

Regarding the size, one-third of the participating enterprises is large-scaled ones with over 100 employees (51 enterprises). Besides, small and medium enterprises (with 5-99 employees) have accounted for nearly 60 per cent (or equal to 100 of 169 businesses). Standing at the last rank, super small enterprises with 1-4 employees have constituted about 6 per cent (or equal to 18 companies). In term of sectors, textile and apparel firms witness more large-scaled enterprises to participate the survey. Meanwhile, more participating tourism & travel and ICT firms than the other two sectors come from SME group.

## Qualitative Study

### Sampling plan

From the list of contacts provided by VCCI and UNICEF Viet Nam, the research team purposely conducted interviews with representatives with different types of organization, including government agencies, NGO/Social Protection Centre, Business Association, Enterprises, Recruitment Agency, Youth-based organizations and University. The research team implemented face-to-face interviews in both Ha Noi and Ho Chi Minh city, while in Da Nang online interviews were conducted via Skype, Zalo or Google Meet applications. In some cases, the participants provided the research team with their answer in the form of a written document. The detailed number of interviews is mentioned in the following table.

**Table A4. Number of KIIs in 3 cities**

Type of stakeholders	Location	Total
Government agencies	Ha Noi	3 Interviews
NGO/ Social Protection Centre	Ha Noi, Da Nang, Ho Chi Minh city	7 Interviews
Business association	Ha Noi, Ho Chi Minh city	2 interviews
Enterprise	Ha Noi, Da Nang, Ho Chi Minh city	7 Interviews
Recruitment Agency	Ha Noi, Ho Chi Minh city	2 Interviews
Youth-based organizations	Ha Noi, Ho Chi Minh city(*)	3 Interviews
Universities, Colleges and TVET institutions	Ha Noi, Da Nang, Ho Chi Minh city	3 Interviews

Note: There are two youth-based organizations to be interviewed in Ho Chi Minh city and one interviews in Hanoi.

Except Da Nang, FGDs were conducted in Ha Noi and Ho Chi Minh city, including:

- Group 1: In-school adolescents aged 15-17
- Group 2: In-school/training youths aged 18-29
- Group 3: Out-of-school adolescents aged 15-17
- Group 4: Out-of-school/out of training youths aged 18-29

**Table A5. Number of FGDs in 3 cities**

Type of stakeholders	Location	Total
In-school adolescents aged 15-17	Ha Noi, Ho Chi Minh city	2 FGDs
In-school/training youths aged 18-29	Ha Noi, Ho Chi Minh city	2 FGDs

Out-of-school adolescents aged 15-17	Ho Chi Minh city (*)	1 FGD
Out-of-school/out of training youths aged 18-29	Ha Noi, Ho Chi Minh city	2 FGDs

Note: FGD with out-of-school adolescents aged 15-17 was only conducted in Ho Chi Minh city.

According to the local NGO that provides career orientation support to this group, the discussion might impose non-negligible risks to the adolescents aged 15-17. Therefore, the research team afforded to conduct discussion with out-of-school adolescents aged 15-17 in Ho Chi Minh city.

### Qualitative tool

As the qualitative study aims to gather in-depth information about the obstacles faced by marginalized and vulnerable adolescents and youth during professional development and job search journey as well as propose recommendations to upskill and provide decent work opportunities to them, the research team uses semi-structured, open-ended questions as main tools in the major methods (KIIs and FGDs).

### Qualitative data analysis

Field notes and transcripts from all the in-depth interviews and FGDs are coded using NVIVO software program. The information collected from the participants during the exercises of the FGDs was integrated into the field notes and coded for further analysis work. As the data is entered into NVIVO, all field notes are stored in internal sources once they have been synchronized in terms of a structure of field note names. These field notes are classified into folders with their corresponding data.

## Online Firm Survey Questionnaire



Online enterprise  
survey\_final\_EN.doc

## Qualitative Tool



Draft Qualitative  
Tools\_VCCL\_MDRI\_EI



## Contact

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