

MINISTRY OF PLANNING AND INVESTMENT
GENERAL STATISTICS OFFICE

REPORT
ON LABOR FORCE SURVEY
Quarter 4 2019

Ha Noi, 2019

INTRODUCTION

On 30th July 2018, the General Director of the General Statistics Office issued Decision No 592/QĐ-TCTK on the 2019 Labor force survey, along with its survey plan. The purpose of the survey was to collect the information on 2019 labor market participation from those people who are 15 years old and above currently residing in Vietnam; regarded as a basis for aggregating and compiling national statistical indicators on labor, employment, unemployment, and income. These results would support ministers and branches assessing and comparing the changes in the labor market among quarters within the reference year as well as with those of previous annual labor force survey conducted by GSO. These results would be considered as a basis to develop and plan policies on human resources development; activities of investment, production, and business accordant with the development trend on the labor market. Besides, approach and apply the new recommendations of the International Labor Organization on labor and employment, especially in terms of “labor underutilization” into Vietnamese practice to meet international comparison. Data are aggregated quarterly for the national, urban, and rural, six socio-economic regions, Hanoi and Ho Chi Minh City, and annual data for the 63 provinces.

This report would present major findings of the labor force survey in quarter 4 2019 to provide information on labor and employment to users. As a result of the survey coverage on labor market only relating to those people who were 15 years and old, currently residing in Vietnam at the survey period, therefore, the indicators on labor and employment presented in this report would mainly be calculated for those persons aged 15 and above. However, to meet the needs of researching, assessing, and analyzing information about the labor market and employment situation for the working-age (including males aged from 15 to 59 and females aged from 15 to 54). This report would also provide some basic indicators on labor and employment for this group.

The 2019 labor force survey has received technical supports from International Labor Organization (ILO). GSO highly appreciates this supports and wishes to continuously receive more supports from ILO in succeeding surveys.

GSO hopes that report will meet the requirements of basic information for social-economic policymakers, especially for those who are engaging in the field of labor and employment. We warmly welcome all constructive comments from readers.

Sincere thanks./.

For comments and information in details, please contact to:

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GENERAL STATISTICS OFFICE

I. Summary

The employment situation in the fourth quarter kept a steady growth rate with the number of people joining the labor force in the whole economy. The unemployment rate, underemployment rate and workers with informal jobs all decreased compared to the same period last year. To shift the labor structure in the direction of reducing the labor density in the Agriculture, Forestry and Fishery sector, increasing the proportion of employed in the Industry, Construction and Service sector. The income of workers increased; workers have high education, the more guaranteed income.

Rural areas are the main place providing labor for the economy. However, the competitiveness in the labor market of this region remains low with the rate of trained workers in the fourth quarter of 2019 was 15.4%, while this rate in urban areas was 40.2% (2.6 times higher than that in rural areas).

Labor with informal jobs accounts for the majority in the labor market in Vietnam and tends to decrease gradually compared to the same period of previous years. "Elementary occupation" account for the highest proportion among 9 occupational groups in the list of occupations in Vietnam.

Statistics in the fourth quarter of 2019 showed that there were still 9.5% of young people between the ages of 15 and 24 years old who are not working and not participating in study and training. This is a concern when the advantages in the golden population are not fully exploited. The State should have policies towards this target group in order to bring into full play the young human resources and make good use of the golden population opportunities.

II. Employment situation in quarter IV 2019

1. The workforce remains at a stable level with the rate of trained workers increasing but still low

The labor force aged 15 and over in the fourth quarter of 2019 was 56 million people, an increase of 290.5 thousand people over the previous quarter and an increase of 366.4 thousand people over the same period last year. Similar to previous years, the number of people joining the labor force in the fourth quarter was the highest compared to other quarters in the year due to the increasing demand for labor attraction for the production of goods for the Lunar New Year and the holidays.

The labor force in working age in the fourth quarter of 2019 was 49.3 million people, an increase of 77.4 thousand people against the previous quarter and an increase of 326.3 thousand over the same period last year. The labor force in urban areas was 16.5 million people, accounting for 33.5%. The female labor force in working age reached 22.2 million people, accounting for 45.0% of the national labor force of working age.

Of the total labor force of the fourth quarter of 2019, there were 13.1 million people have received training from the level of "intermediate" or higher; an

increase of 301.6 thousand compared to the previous quarter. The rate of trained workers in the fourth quarter of 2019 reached 23.5%, 0.5 percentage points higher than the previous quarter. The rate of trained workers in urban areas reached 40.2%, 2.6 times higher than in rural areas (15.4%).

The labor force participation rate ¹ in the fourth quarter of 2019 was 76.6%, an increase of 0.2 percentage points from the previous quarter and a decrease of 0.6 percentage points over the same period last year. The female labor force participation rate was 71.7%, 10.1 percentage points lower than for males (81.8%). The labor force participation rate between urban and rural has remained significantly different, with a difference of 9.9 percentage points (urban: 69.4%; rural: 80.7%). The labor force participation rate in urban areas is lower than in rural areas for all age groups, with the largest difference was observed in the 15-24 age group and 50 years and older. This shows that people in rural areas enter the labor market earlier and leave this market much later than urban areas. This is a typical characteristic of the labor market with a high proportion of the labor participating in the agricultural sector.

2. Employed workers continue to increase, in which people with elementary occupations and own use production of agriculture goods among employed persons still account with a high rate

The number of employed population aged 15 and over in the fourth quarter IV 2019 was 54.9 million persons, an increase of 290.3 thousand persons compared to previous quarter and 365.4 thousand persons compared to the same quarter last year. Of which, the employed population in urban areas accounted for 32.3%, female employed population accounted for 47.4% of total employed population.

The number of employed population aged 15 and over in Agriculture, forestry and fishery sector was 18.1 million people, accounting for 33.0% (a decrease of 0.6 percentage points compared to previous quarter and 3.5 percentage points compared to the same period last year); this number in industry and construction sector was 16.8 million people, accounting for 30.6% (a decrease of 0.2 percentage points compared to previous quarter and an increase of 2.8 percentage points compared to the same period last year); this number in service sector was 19.9 million people, accounting for 36.4% (an increase of 0.8 percentage points compared to previous quarter and 0.7 percentage points compared to the same period last year).

“Elementary occupation” attracted the most workers in the Vietnamese labor market, accounting for 33.8% of the national employed population. The proportion of elementary occupation was still high reflecting that the quality of employment in Vietnam is low. At the national level, there were about 1% of employed population working as “Leaders, managers and administrators”, equivalent to 540.6 thousand employed.

¹ The labor force participation rate is the percentage of the labor force aged 15 and over compared to the population aged 15 and over.

This proportion for male was 2.8 times higher than female (1.4% versus 0.5%, respectively), in urban areas, it was 4 times higher than rural areas (2% versus 0.5%, respectively).

Among employed persons aged 15 and older, there were about 3.9 million people are in own use production of agriculture goods, accounting for 7.1%, the majority of them currently residing in rural areas (92%).

3. Unemployment, underemployment and informal employment decreased slightly compared to the same period last year, but the share of youth not in employment, education or training was quite high

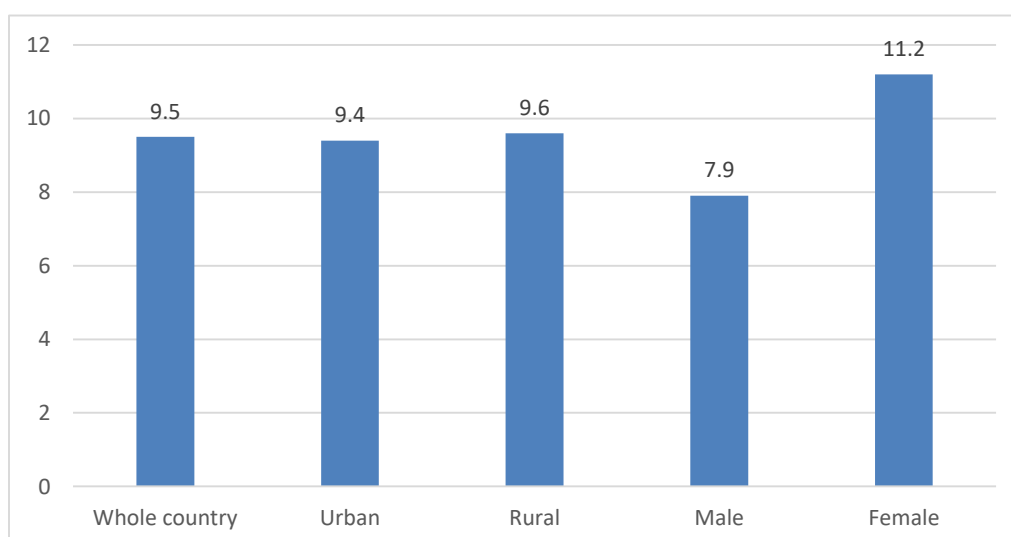
The number of unemployed people in working age quarter IV 2019 was 1.06 million people, a decrease of 7.7 thousand people compared to previous quarter and 2.4 thousand people compared to the same quarter last year. The unemployment rate in working age quarter IV 2019 was 2.15%, a decrease of 0.02 percentage points compared to previous quarter and the same quarter last year.

Youth unemployment (aged 15 to 24 years old) in quarter IV 2019 was 459.1 thousand persons, accounting for 41.4% of the total unemployed. The youth unemployment rate in quarter IV 2019 was 6.5%, a decrease of 0.02 percentage points compared to previous quarter and an increase of 0.9 percentage points compared to the same period last year. The urban youth unemployment rate was 8.9%, a decrease of 1.7 percentage points compared to previous quarter and 0.4 percentage points compared to the same period last year.

The share of youth not in employment, education or training (NEET) was 9.5%, equivalent to 1.1 million youth at the national level. The NEET rate in urban areas was 0.1 percentage points lower than that in rural areas, for female youth, it was 3.3 percentage points higher than that of female counterpart.

Share of youth not in employment, education or training quarter IV 2019

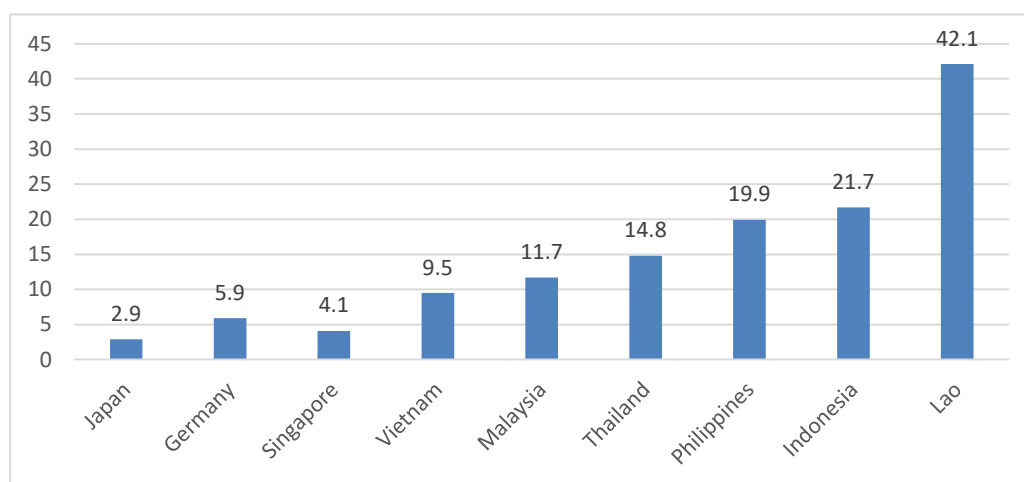
Unit: %



Compared with other countries in the world and the ASEAN region, NEET rate in Vietnam was at the average level. This rate of Vietnam was lower than some ASEAN countries such as Thailand, Philippines, Indonesia, Lao and higher than developed countries such as Singapore, Japan and Germany. The gender gap in NEET rate was quite small compared to others countries. The difference in NEET rate between male and female was 3.3 percentage points in Vietnam while it was more than 20 percentage points in the Southeast Asia and the Pacific, and it was 17 percentage point in the Latin America region².

Share of youth not in employment, education or training in Vietnam and some countries

Unit: %



Source: <https://www.ilo.org/ilostat>. Data was in 2018 for foreign countries.

The time related underemployment rate in working age in the fourth quarter of 2019 was 1.22%, with a decline of 0.12 percentage points compared with the previous quarter. The time related underemployment rate in working age in urban areas was 0.57%, and in rural areas, it was 1.55%. This rate in the agriculture, forestry and fishery sector was the highest at 2.48%, 2.2 percentage points higher than that in the industry and construction sector, and 1.8 percentage points higher than that in the service sector.

The rate of workers with informal jobs³ in the fourth quarter of 2019 was 55.6%, a decline of 0.4 percentage points compared to the previous quarter and the same period last year (decreased in both urban and rural areas). This rate in rural areas was 15.2 percentage points higher than that in urban areas, at 62.2% and 47.0%, respectively.

²Source: <https://www.ilo.org/ilostat>

³Informal workers refer to those who work in non-agricultural employment and those who work for agricultural, forestry and fisheries households with business registration, falling under one of the following four categories of work: (i) Family-contributing workers; (ii) Employers/owners and own account workers involved in their own business production units in the informal economic sector; (iii) Salaries workers without labor contracts or with labor contracts but no compulsory social insurance contributions made by their employers on their behalf; (iv) Member of producer's cooperatives without compulsory social insurance.

4. Average monthly income of employees increased slightly. The higher the technical level, the more guaranteed income

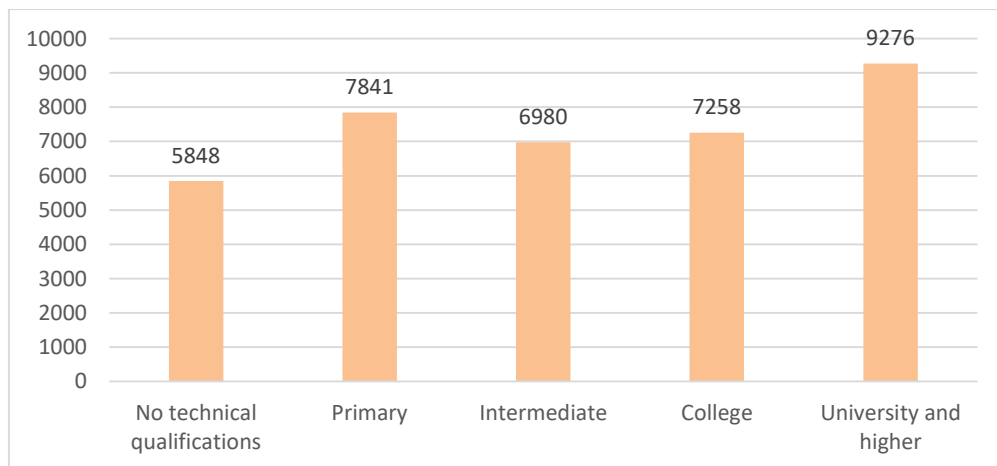
Average monthly income of employees in the fourth quarter of 2019 was 5.8 million VND, an increase of 205 thousand VND against previous quarter. The average monthly of male workers was 6.7 million VND, and for female workers, it was 4.7 million VND, for urban workers, it was 7.5 million VND, for rural areas, it was 4.9 million VND.

Average monthly income of wage workers in the fourth quarter of 2019 was 6.8 million VND, an increased of 139.4 thousand VND compared to previous quarter and 806 thousand VND compared to the same period last year. Average monthly income of male wage workers was 1.15 times higher than that of female workers (7.2 million VND and 6.3 million VND). The average monthly income of urban wage workers was 1.3 times higher than that in rural areas (7.8 million VND and 6 million VND).

The average monthly income of wage workers of the group “Leaders, managers and administrators of sectors, levels and organizations” was the highest (11.7 million VND), an increase of 814 thousand VND compared to previous quarter. The income of the group “Professionals” was 9.2 million VND, an increased of 132 thousand VND compared to previous quarter. The “elementary occupations” group had an average of 5 million VND, an increase of 114 thousand VND compared to previous quarter.

Average monthly income of wage workers by educational level, quarter IV 2019

Unit: Thousand VND



III. TABULATED TABLES