# Youth Well-being Policy Review of Viet Nam

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# YOUTH WELL-BEING POLICY REVIEW OF VIET NAM

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# *Foreword*

Today's world youth population ages 10 to 24, is 1.8 billion people strong and represents the largest cohort ever to be transitioning to adulthood. Over 85% of them live in developing countries and, in many places, they represent as much as 30% of the population and the numbers keep growing. Many developing countries have the potential to realise a demographic dividend, if the right social and economic policies and investments are in place. As such, youth is increasingly taking centre stage in policy debates as a driver of development. Targeting young people requires, however, addressing challenges on multiple fronts, from getting decent employment and quality education to accessing youth-friendly health services and becoming active citizens.

Timely interventions directed at young people are likely to yield a greater return for sustainable development than attempts to fix problems later in life. Low investment in early child education, for example, pushes many young people to leave the school system at an early age, unprepared for work and life. Today, one out of four children in the world drops out of primary education. Surprisingly, no progress has been made on this over the last decade. Youth joblessness and vulnerable employment are widespread; young people are three times more likely to be unemployed than adults. Adolescent reproductive and sexual health needs are poorly addressed while new health risks such as stress and depression have emerged. Not all youth have equal opportunities for mobility, and too many young people remain excluded from decision-making processes that affect their lives.

The opportunity to close the youth well-being gap is, however, real. Measuring and analysing the problems of disadvantaged youth is a prerequisite for developing evidence-based policies for youth. Sharing good practices and exchanging information on what works or not play a crucial role in youth policy making in both developing and developed countries. Policies that intervene at critical stages of the life cycle can significantly reduce the risks of youth becoming further disadvantaged. For example, facilitating the transition to the world of work through labour market counselling and comprehensive on-the-job training services are helping youth economic inclusion. Evidence also suggests that cultural and creative activities, violence prevention programmes and juvenile justice services can support active citizenship among the youth population.

The Youth Inclusion Project, co-financed by the European Union and implemented by the OECD Development Centre, analyses these aspects in nine developing and emerging economies (Cambodia, Côte d'Ivoire, El Salvador, Jordan, Malawi, Moldova, Peru, Togo and Viet Nam) through Youth Well-Being Policy Reviews. The reviews take a multisectoral approach to shed light on the determinants of youth vulnerabilities and what constitutes successful transitions in each of the countries. The aim is to provide evidence-based recommendations to support national policy makers, youth organisations and other stakeholders in designing policies targeted to disadvantaged youth, and turn the youth bulge into a demographic dividend. The Youth Inclusion Project contributes to the work of the OECD Development Centre on inclusive societies and aims to support countries to find innovative solutions to social challenges and to build more cohesive societies.

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# *Abbreviations and acronyms*

| | |
|---|---|
| **ADB** | Asian Development Bank |
| **ASEAN** | Association of Southeast Asian Nations |
| **DOLISA** | Department of Labour, Invalids and Social Affairs |
| **EU** | European Union |
| **GDP** | Gross Domestic Product |
| **GSO** | General Statistics Office |
| **GDVT** | General Directorate of Vocational Training |
| **HCMCYU** | Ho Chi Minh Communist Youth Union |
| **ICEF** | International Consultants for Education and Fairs |
| **ILO** | International Labour Organization |
| **ISCED** | International Standard Classification of Education |
| **ISCO** | International Standard Classification of Occupations |
| **IT** | Information Technology |
| **LFS** | Labour Force survey |
| **M&E** | Monitoring and Evaluation |
| **MARD** | Ministry of Agriculture and Rural Development |
| **MICS** | Multiple Indicator Cluster Survey |
| **MOET** | Ministry of Education and Training |
| **MOF** | Ministry of Finance |
| **MOH** | Ministry of Health |
| **MOHA** | Ministry of Home Affairs |
| **MOLISA** | Ministry of Labour, Invalids and Social Affairs |
| **MOST** | Ministry of Science and Technology |
| **MPI** | Ministry of Planning and Investment |
| **NCVY** | National Committee on Vietnamese Youth |
| **NEET** | Not in Employment, Education or Training |
| **NGO** | Non-Governmental Organisation |
| **OECD** | Organisation for Economic Co-operation and Development |
| **PAPI** | Provincial and Public Administration Performance Index |
| **SAVY 2** | Survey Assessment of Vietnamese Youth 2 |
| **SME** | Small and Medium Entreprise |
| **SRH** | Sexual and Reproductive Health |
| **STI** | Sexually Transmitted Infection |
| **SWTS** | School-to-Work Transition Survey |
| **TVET** | Technical Vocational Education and Training |
| **UN** | United Nations |
| **UNAIDS** | Joint United Nations Programme on HIV/AIDS |
| **UNDP** | United Nations Development Programme |
| **UNESCO** | United Nations Educational, Scientific and Cultural Organization |

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|---|---|
| **UNFPA** | United Nations Population Fund |
| **UNICEF** | United Nations International Children's Emergency Fund |
| **UNODC** | United Nations Office on Drug and Crime |
| **VBSP** | Viet Nam Bank for Social Policies |
| **VET** | Vocational Education and Training |
| **VHLSS** | Viet Nam Household Living Standards Survey |
| **VietGAP** | Vietnamese Good Agricultural Practices |
| **VNA** | Vietnamese National Assembly |
| **VPV** | Volunteers for Peace Vietnam |
| **VYF** | Viet Nam Youth Federation |
| **WDI** | World Development Indicators |
| **WHO** | World Health Organization |
| **Y-MDI** | Youth Multi-dimensional Deprivation Indicator |

# *Country profile*

| | |
|---|---|
| **Population**<br>**(GSO and UNFPA, 2016)** | 90 493 million<br>Male: 49.3%<br>Female: 50.7%<br>Urban: 33.1% (urban youth 15-29: 30%)<br>Rural: 66.9% (rural youth 15-29: 70%) |
| **Annual population growth rate**<br>**(GSO and UNFPA, 2016)** | 1.06% (2009-2014 average) |
| **Sex ratio at birth**<br>**(GSO, 2014)** | 112.2 male births per 100 female births |
| **Age structure**<br>**(UN DESA, 2017 estimates)** | 0-14 years: 23.0%<br>15-24 years: 15.5%<br>15-29 years: 24.8%<br>25-54 years: 45.2%<br>55-64 years: 9.2%<br>65+ years: 7% |
| **Ethnic groups**<br>**(GSO, 2010)** | Kinh 85.7%, Tay 1.9%, Thai 1.8%, Muong 1.5%, Khmer 1.5%, Mong 1.2%, Nung 1.1%, Hoa 1%, Other 4.3% |
| **Working age population (15-64 years)**<br>**(UN DESA, 2017 estimates)** | 70% |
| **Labour force population**<br>**(GSO, 2016)** | 53 984 000<br>Rural: 68.7%<br>15-24 years: 14.8%<br>15-29 years: 26.4% |
| **Labour force participation rate**<br>**(GSO, 2016)** | 15 years and over: 77.8% (83.0% male; 72.9% female)<br>15-24 years: 59.8% (63.7% male; 55.7% female; 49% urban; 65% rural)<br>15-29 years: 69% |
| **Unemployment rate**<br>**(GSO, 2016)** | Total population: 2.33% (2.39% male; 2.26% female)<br>Urban population: 3.37%<br>Rural population 1.82%<br>15-24 years: 7.03%* (6.8% male; 7.3% female; urban: 11.9%; rural: 5.2%)<br>*7.4% in 2016 (GSO, 2017) |
| **Informal employment**<br>**(GSO, 2015)** | 62% out of total employment (37% urban, 75% rural)<br>15-29 years: 75% |
| **Labour force by occupation**<br>**(GSO, 2016)** | Agriculture: 44%<br>Industry: 22.8%<br>Services: 33.2% |
| **Birth rate**<br>**(GSO and UNICEF, 2015)** | Crude birth rate: 17.9 births per 1 000 population<br>General fertility rate: 73.3 births per 1 000 women aged 15-49<br>Adolescent birth rate: 45 births for 1 000 women aged 15-19 |
| **Total fertility rate**<br>**(GSO, 2014)** | 2.09 children per woman |
| **Death rate**<br>**(WHO, 2013)** | 5.8 deaths per 1 000 population |
| **Infant mortality rate**<br>**(GSO and UNICEF, 2015)** | Total: 16.21 deaths/1 000 live births |
| **Life expectancy at birth**<br>**(WDI, 2015)** | Total: 75.77 years<br>Male: 71.2 years<br>Female: 80.57 years |

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|---|---|
| **Contraceptive prevalence rate (any method) (GSO and UNICEF, 2015)** | Women 15-49: 75.7% |
| **HIV/AIDS (UNAIDS, 2015)** | Adults (15-49) prevalence rate: 0.5%<br>Adults aged 15 and over living with HIV/AIDS: 250 000<br>Deaths due to AIDS: 8 900 |
| **GDP (current USD) (WDI, 2016 estimates)** | USD 202 616 billion (in official exchange rate 2016) |
| **GDP per capita (World Bank, 2016 estimates)** | USD 2 185 |
| **GDP growth rate (annual %) (WDI, 2016 estimates)** | 6.2% |
| **Medium-term economic outlook (OECD, 2017)** | 6.2% (forecast 2017-21 average) |
| **GDP composition by sector (WDI, 2016)** | Agriculture: 18.1%<br>Industry: 36.4%<br>Services: 45.5% |
| **Composition of exports (OECD, 2017)** | Machinery/electrical: 42%<br>Textiles: 16%<br>Vegetable products: 5%<br>Mineral products: 3%<br>Plastics and rubbers: 3%<br>Others: 31% |
| **Composition of imports (OECD, 2017)** | Machinery/electrical: 33%<br>Textiles: 13%<br>Metals: 10%<br>Chemical and allied industries: 6%<br>Plastics and rubbers: 5%<br>Others: 33% |
| **Human development index (UNDP, 2016)** | 0.683 (115 out of 188)<br>Above Myanmar (148) and Cambodia (143), below China (90) and Thailand (87) |

*Sources*: GSO (2017), *Statistical Yearbook of Vietnam 2016*, General Statistics Office of Viet Nam, Ha Noi; GSO (2016) *Report on Labor Force Survey 2015*, General Statistic Office, Ha Noi; GSO (2015) *Report on Labor Force Survey 2014*, General Statistic Office, Ha Noi; GSO and UNFPA (2016) *The 2014 Viet Nam Intercensal Population and Housing Survey*, General Statistics Office and United Nations Population Fund, Vietnam News Agency Publishing House, Ha Noi; GSO and UNICEF (2015), *Viet Nam Multiple Indicator Cluster Survey 2014*, Ha Noi; GSO (2010), *The 2009 Vietnam Population and Housing census: Completed results*, General Statistic Office, Ha Noi; OECD (2017) *Economic Outlook for Southeast Asia, China and India 2017: Addressing Energy Challenges*, OECD Publishing, Paris; UNAIDS (2015), *Viet Nam*, Joint United Nations Programme on HIV/AIDS, http://www.unaids.org/en/regionscountries/countries/vietnam; UNDP (2016), *Human Development Indicators: Viet Nam*, United Nations Development Programme, http://hdr.undp.org/en/countries/profiles/VNM; UN DESA, United Nations Department of Economic and Social Affairs, Population Division, http://www.populationpyramid.net/; UNICEF (2017), *At a Glance: Viet Nam Statistics*, United Nations Children's Fund, https://www.unicef.org/infobycountry/vietnam_statistics.html; WHO (2017), *Global Health Observatory Indicator Views*, World Health Organization, http://apps.who.int/gho/data/node.imr; WDI, *World Development Indicators: Viet Nam Data*, The World Bank Group, http://data.worldbank.org/country/vietnam#cp_wdi.

# *Assessment and recommendations*

In Viet Nam, young persons aged 15-29 account for around a quarter of the country's population. This is the highest youth population ever for Viet Nam, providing the country with a unique socio-economic development opportunity. Viet Nam's development record since the economic and political reforms (*Doi Moi*) initiated in the mid-1980s has been remarkable. Youth represents an asset for the nation's prosperity which can only be tapped if young people have access to quality education, healthcare, decent employment and active social and political lives. However, Vietnamese youth face challenges on multiple fronts. The Youth Well-being Review of Viet Nam takes a multi-sectoral approach to look in-depth at the situation of youth and provides policy recommendations to narrow youth well-being gaps. The aim of the review is to provide evidence-based recommendations to support national policy makers, youth organisations and other stakeholders in designing policies targeted to youth, particularly the disadvantaged ones, and turn the youth bulge into a demographic dividend.

Chapter 1 measures how young people (aged 15-29) are doing in the areas of health, education, employment and civic participation, as well as some aspects of subjective well-being. Key indicators in each of these dimensions are selected and measured for different groups of the youth population (disaggregated by gender, rural/urban, ethnicity, etc.), at two points in time when possible, with a view to identify the most disadvantaged ones, i.e. those already suffering from certain deprivations. Vulnerable youth (or at-risk youth) are identified through multivariate regression analyses that point to key drivers of certain negative outcomes. Chapter 2 maps out the main policies targeting youth and analyses the institutional landscape and the bodies responsible for youth in Viet Nam. Chapter 3 presents the findings from an original qualitative survey on the effects of vocational education and training (VET) on rural youth. This thematic focus was made due to the growing concern about skills mismatch among youth and the rural exodus.

***Life for young people in Viet Nam is better than it was ten years ago, but several challenges remain.***

*Doi Moi* reforms have sustained economic growth, transforming Viet Nam from one of the least developed nations to a lower middle-income country. The economy is resilient as the country's domestic demand continues to grow and its export-oriented manufacturing industry remains strong. Electronic manufacturing is progressively replacing traditional low-skilled industries such as garments and shoes, and high technology's share of exports from the country increased from 5% in 2010 to 25% in 2015. Private business is expanding and start-ups in the media, entertainment and financing sectors are burgeoning. Foreign direct investments in Viet Nam hit a record high of USD 24.4 billion in 2015 and 2016 combined.

Young Vietnamese are also doing better than previous generations. Young people are healthier and better educated than their parents, but despite this progress, they still face multiple challenges. The Youth Multi-dimensional Indicator (Y-MDI) calculated for Viet Nam shows that 9% of youth aged 15-17 and 8% of youth aged 18-29 were deprived in at least two well-being dimensions at the same time. The younger group experienced difficulties in employment, with overlapping deficits in education. The older group experienced major deficits in education as well as in employment, but not necessarily at the same time. This shows that the negative outcomes in employment are not necessarily caused by low levels of education and vice versa. In fact, those with high educational attainment still experience poor employment outcomes.

Indeed, employment is perhaps the biggest challenge for youth in Viet Nam. Though youth unemployment rate increased from 2006 when it was 5.2%, it remains relatively low at 7.4% in 2016. Low unemployment rate, however, does not reflect the quality of jobs young people have. Informality remains the norm for most young wage workers, with 75% having no social insurance of any kind and nearly half of them engaged with unwritten contracts. Over half of employed youth are poorly paid, i.e. earning below the average wages or income. Skills mismatch affects close to half of working youth, with 43.5% in jobs that did not match their qualifications in 2014. In fact, 92% of tertiary educated young people aspire to get high-skilled jobs, but only 70% actually succeed. On the other hand 7.6% of young people aspire to get medium-skilled jobs, but in reality 30% end up in this job category.

The issue of skills mismatch is intrinsically linked to the quality of education but also to information gap about the labour market. The existing school curricula have a bias towards formal education and university degrees over non-formal education and vocational training, which creates a mismatch between skills and labour market needs. The potential of vocational education and training (VET) to narrow the skills gap is still largely underestimated. In recent years, the Vietnamese government has increased investment and communication efforts to improve the VET system. A new Law on VET was approved in 2014 in response to the challenges of reducing the gap between workers' skills and employers' needs. It allowed the reform of the vocational training system and pushed for stronger co-operation between vocational training institutions and industries. The government made particular efforts to promote VET among youth and workers in rural areas through preferential policies like 'Project 1956' that provide financial subsidies and fee exemption for VET. These efforts are slowly paying off, with VET becoming increasingly accepted socially and seen as a viable option among many rural youths. Nonetheless, low quality and lack of relevance of some VET programmes, difficult access to training for youth in remote areas, early school dropouts, persisting negative social norms around VET, and preference of employers for untrained cheap labour are important challenges to be addressed urgently.

Structural transformation requires long-term investment in education and training in new skills to meet the changing labour demands. Public investment in education has increased steadily over the years. As a result the country has nearly achieved universal primary and lower secondary education. However, from upper secondary and up, enrolment rate starts to go down. Enrolment rate in upper secondary school was 63% in 2014. Dropout rate in lower secondary remained at around 10% between 2010 and 2014 and increases to more than 39% in the last grade of upper secondary school. Among 25-29 years old 69% have completed lower secondary education or less and only 31% have upper secondary education or above. Education is also not yet inclusive, as there are large discrepancies in enrolment and dropout rates within sub-groups of the population more disadvantaged than others. Access to education from upper secondary remains a challenge particularly for poorest households, ethnic minority groups and young people living in rural areas. This can have significant implications for their employability. On the other hand, overall enrolment in tertiary education increased by 57% from 2007 reaching 29% in 2015.

While employment plays a central role in the livelihoods of youth, health is a critical aspect of well-being. Overall, young Vietnamese are healthier than 15 years ago. Both mortality rate and maternal mortality rate among youth have decreased since early 2000s. Youth mortality rate decreased from 1.25 in 2000 to 1.04 in 2015 and maternal mortality ratio improved by 40% since 2000. HIV prevalence rate among youth has also declined, though it remains the second leading cause of death, behind road injury. Adolescent birth rate has slightly increased, and affects much more ethnic minority groups, girls with a low level of education, from poorest households or living in remote regions. Gender-discriminatory social norms that prevent young people from accessing family planning services and seeking treatment for STIs still prevail. Stress and mental illnesses are also new concerns with the number of deaths caused by self-harm and interpersonal violence on the rise.

In fact, drug abuse among youth has been increasing and is becoming a serious concern for authorities in some parts of the country. Studies estimate that drug abuse may have tripled since early 1990s, though actual number of drug users is hard to collect. Rehabilitation centres have not been effective and the majority relapse after the rehabilitation programme. Heroin is the most widely consumed drug and injection is the primary mode of HIV transmission in Viet Nam. Illicit drugs are closely linked to other criminal activities, such as money laundering, corruption, human trafficking, illegal migration, and violence, which will require comprehensive efforts from the police but also through social policies involving the communities and families of drug addicts. First and foremost, social stigma must be overcome to provide the necessary support during rehabilitation and after release.

Finally, an important dimension of youth well-being is civic rights and participation. Young Vietnamese show a relatively low interest in politics, with less than half watching or listening to news about national affairs and less than 15% ever participating in some kind of policy development process. However voting is considered an important act of citizenship and most young people do vote. In 2016, 80% of eligible young people voted in elections. Civic participation in Viet Nam is usually facilitated by mass youth unions and political organisations in schools. Volunteering in political or social activities is becoming an increasingly popular way for young people to be civically engaged and gain leadership and soft skills, improving also their employability. However civic participation in Viet Nam varies widely depending on one's socio-economic background, with the better educated youth showing more interest in politics and more likely to be politically and civically engaged. Out-of-school youth are usually left out.

***Youth is gaining prominence in policy agendas but reform for youth well-being will require multi-sectoral efforts.***

Youth is becoming more central in policy agendas. The enactment of the Youth Law in 2005 marked a major step towards fulfilling the rights of young people in Viet Nam. In 2007, Decree 120/2007/ND-CP was adopted to guide the implementation of the Youth Law and contained policies in important areas for youth. Another significant development in 2010 was the Vietnamese Youth Development Strategy 2011-2020, which provides a comprehensive framework for relevant government bodies and ministries to respond to the needs and rights of young people. A number of policies and mechanisms have been introduced and adopted to improve outcomes in health, education, employment and civic participation for all youth, including the most vulnerable ones from poor households and ethnic minorities. While such initiatives reflect the commitment of the government and public institutions to integrate youth issues into the national development agenda, more actions and budget are needed for further progress.

In health, youth-friendly health services and gender-sensitive clinics should be made more accessible, especially for young women living in rural areas and for less educated young people. Social norms still affect young people from seeking sexual and reproductive health (SRH) services. Building capacity and raising awareness among both young men and women is needed so that they themselves can drive this agenda. Peer-to-peer programmes have proven effective in communicating about SRH issues among adolescents and young adults. SRH education should also be implemented in the school curriculum and in communities to overcome gender-discriminatory social norms that prevent young people, including young married couples, from accessing family planning services and seeking treatment for STIs. Trained staff and youth-friendly services must be increased in rural areas. Digital technologies can provide creative ways to raise awareness on topics that carry specific stigma. Using champions within communities or among celebrities can help provide the right message.

In education, the issue of dropout from upper secondary school should be addressed. Economic constraint is the strongest driver of dropout. The government should facilitate and encourage return to school for those still of school-age and promote cash transfer programmes for the poorest households to

remove financial constraints on education. Financial assistance should be linked to performance at school. Youth at-risk of falling out of the system will need closer supervision, monitoring of their grades and support systems, including educating parents about the value of education. Furthermore, all parents, especially in rural areas and among ethnic minorities, should be better informed about the value of education and be encouraged to keep their children in school until full completion of secondary education. In rural areas, school days or academic year could be also adapted to take into account the local context, such as agricultural or seasonal activities that require children to help their families.

Improving quality of education deserves priority attention. Tertiary graduates have difficulties finding jobs that match their qualifications and aspirations. Universities and higher education should adapt their curriculum to better match local labour market needs. More majors on science, technology, engineering and mathematics (STEM) should be offered and promoted. Young people need career counselling early on, in primary and secondary education with more accurate information about the labour market demands and changes. Vocational and technical options should be explained to both students and parents, with evidence on career paths and potential development. Data on upper secondary and tertiary education, including dropout rates should be regularly collected in education surveys or through VHLSS and allow for international comparison.

In employment, greater efforts should be made to expand adequate training opportunities to all youth and narrow the skills gap. The government should establish new educational schemes to recognise and validate past experiences for low-skilled workers in the informal sector. More support is needed for second-chance vocational training and apprenticeship programmes that could help upgrade skills amongst disadvantaged youth and help them find wage jobs. Technological changes are creating new jobs that require greater knowledge in science and technology. Education and VET programmes must be expanded to cover more subjects in STEM. Better linkages between educational institutions and local enterprises should be made through internships, on-the-job training and knowledge-sharing between teachers and industry experts. Incentives such as training cost subsidies, salary subsidies of new recruits or tax exemptions should be given to companies to train and recruit VET students and graduates.

***Skills mismatch problem needs to be urgently addressed in rural areas through improved vocational training***

More investment in VET is needed to address the skills mismatch problem, especially in rural areas. Curriculum should be revised in consultation with industries to better match the needs of the labour market. Rural labour market information systems should be improved to identify occupational trends and needs. The quality of VET also needs to be improved in order to guarantee favourable conditions for learners and meet the recruitment of enterprises. Teacher training and better monitoring and evaluating the impact of VET programmes would help improve current programmes.

Agriculture policies must look into local value chain development and catering to domestic markets. Efficient linkages from agricultural production to processing and sales are not well-developed in agricultural regions and producers lack business skills to develop their products. Youth often face difficulties in transiting from traditional agriculture to modern and sustainable methods of production. Although VET in agriculture provides some technical knowledge, young people face additional challenges from lack of financial resources and access to land. Small and medium enterprises development should be promoted in the agriculture sector along the value chain in the least developed areas, to help create jobs for youth. Adequate infrastructure development and access to finance and land will need to accompany such initiatives. A comprehensive skills strategy embedded in a broader development strategy should be developed.

***Youth engagement in civic and political activities will need to be strengthened through new participatory mechanisms and institutional capacity-building***

Addressing the problem of low youth participation in policy-making processes will require greater efforts to engage with youth, including the most disadvantaged youth in remote and rural areas in the form of local consultations, forums and surveys. The government should promote volunteerism and NGO activities for youth in rural areas to allow them to gain soft skills and learn about both politics and citizenship. Civic activities and volunteering should be incorporated into the regular curriculum from primary school. The government could also use the social media to create innovative participatory reforms and organise awareness activities on policy-making processes. The local authorities should ensure an environment conducive to an open political debate in order for youth-led initiatives to flourish and for young people to express their opinions freely, while observing good code of conduct with regard to online debate.

On the institutional aspect, the main bodies in charge of youth affairs, namely the Ministry of Home Affairs (MOHA), National Committee for Vietnamese Youth (NCVY), and the Ho Chi Minh Communist Youth Union (HCMCYU) will need to work closely to implement the Vietnamese Youth Development Strategy 2011-2020. Implementation of youth programmes by different sectoral ministries, such as the Ministry of Labour, Invalids and Social Affairs (MOLISA) on youth employment programmes and Ministry of Education and Training (MOET), and related agencies will need to be co-ordinated and closely monitored by MOHA. For better co-ordination of youth programmes implementation, MOHA should develop and establish appropriate co-ordination mechanisms and provide a platform for exchange between the leaders of ministries, sectors and municipal governments. Meetings should take place regularly with the youth to receive updates and ideas on how to best solve the challenges the youth are facing.

In order to ensure that national youth policies are integrated into the overall national development plans, the government should take measures for sufficient allocation of financial resources for youth development. This should be done by prioritising youth policies and programmes and by engaging and consulting with major youth organisations and international agencies. Efforts should be stepped up to collect youth-specific data to allow for quantitative monitoring and evaluation of the youth development strategy. Collaboration with the General Statistics Office (GSO) should be sought to integrate youth-specific modules into the Vietnamese Households Living Standard Surveys or other regular labour market surveys such as the Labour Force Surveys. MOHA staff in the capital and provinces, as well as officers in other ministries or agencies working on youth issues will need training on youth-specific indicators.

# *Introduction*

Economic and political reforms (*Doi Moi*) initiated in the mid-1980s have sustained economic growth, transforming Viet Nam from one of the least developed nations to a lower middle-income country. Since 1990, Viet Nam's gross domestic product (GDP) per capita growth has been among the fastest in the world, reaching 6.0% between 2010 and 2016 (World Development Indicators [WDI]). In this context, the country experienced a significant reduction in poverty, with more than 40 million people getting out of poverty over the last two decades. The share of people living below the poverty line has reduced from 20.7% in 2010 to 13.5% in 2014 (WDI).

Viet Nam's economy is resilient as the country's domestic demand continues to grow and its export-oriented manufacturing industry remains strong. Over the last decades, the government has lifted restrictions on trade and foreign investment, eliminated rationing programmes and promoted private firms in specific industrial sectors. It has made significant efforts to reform its domestic market, mostly by privatising state-owned companies. Electronic manufacturing is progressively replacing traditional low-skilled industries such as garments and shoes, and high technology's share of exports from the country increased from 5% in 2010 to 25% in 2015 (Jennings, 2017). Private business is expanding and start-ups in the media, entertainment and financing sectors are burgeoning. Foreign direct investments in Viet Nam hit a record high of USD 24.4 billion in 2015 and 2016 combined (Reuters, 2016).

Viet Nam has also made dramatic progress in the provision of basic social services. Life expectancy at birth increased from 73 years in 2000 to 76 years in 2015 (World Bank, 2017). Infant and under-five mortality as well as maternal mortality rates have significantly decreased in the last twenty years, while stunting has fallen from more than 61% at the beginning of the 1990s to 23% in 2012 (World Bank, 2017). Learning outcomes are high, as the primary school enrolment rate is nearly universal and the lower secondary school enrolment rate was close to 85% in 2014 (General Statistics Office [GSO], 2016). With the support of international development organisations, access to basic infrastructure has also substantially improved. Almost the entire population now use electricity as their main source of lighting, while two-thirds of the rural population have access to sanitation facilities.

Yet, several challenges remain to be addressed for the country to achieve inclusive growth. A significant share of the population is still exposed to falling back into poverty, especially in rural areas and amongst ethnic minority groups. The youth remain a particularly vulnerable group. Although young people are more and better educated and healthier than their parents, certain groups of youth from poor families, ethnic minority groups, living in rural and remote areas, particularly in the Mekong River Delta and Northern Mountains regions, young women, young migrants, disabled youth and youth living with HIV continue to face difficulties in multiple well-being dimensions. With nearly one-quarter of its population between the ages of 15 and 29, Viet Nam youth represent an asset for the nation's prosperity. Inclusive policies are urgently needed to turn this youth bulge into a demographic dividend.

The Youth Well-being Policy Review takes an in-depth look at the situation of Vietnamese youth, using a multi-dimensional approach. Chapter 1 measures how youth are doing in the areas of health, education, employment and civic participation, as well as some aspects of subjective well-being. Key indicators in each of these dimensions are selected and measured for different groups of the youth population (gender, rural/urban, ethnicity, etc.), at two points in time when possible, with a view to identify the most disadvantaged ones, i.e. those already suffering from certain deprivations. Vulnerable youth (or at-risk youth) are identified through multivariate regression analysis that points to key drivers of certain negative outcomes. Chapter 2 presents the main policies targeting youth and analyses the institutional

landscape and the body responsible for youth in Viet Nam, including the Ministry of Home Affairs (MOHA). Chapter 3 presents the findings from a qualitative survey on the effect of vocational education and training (VET) on rural youth. This thematic focus was made due to the growing concern about skills mismatch among youth and the rural exodus.

The analyses in Chapter 1 on the situation of youth well-being are primarily based on data from the Viet Nam Household Living Standard Surveys (VHLSS) 2004 and 2014 for education, Labour Force Surveys (LFS) 2010 and 2014 for employment and Global Health Estimates 2005 and 2015 for health, complemented with the Survey and Assessment of Vietnamese Youth 2009 (SAVY 2). As the core analyses were undertaken in 2016, VHLSS 2016 data were not publicly available at the time. Data from World Development Indicators (WDI), Young Lives Round 3 and Round 4, Provincial and Public Administration Performance Index (PAPI) 2011-2014, UNESCO Institute of Statistics (UIS) and School-to-Work Transition Survey (SWTS) 2015 were also used when information could not be found in VHLSS and LFS. International databases did not allow for many levels of disaggregation. Chapter 2 on institutional landscape and policy mapping is mainly based on interviews with relevant ministries and institutions and administrative and legal documents. Chapter 3 on vocational education and training for rural youth is based on an original qualitative survey interviewing 426 respondents in three provinces.

Youth well-being should be a national development objective. The successful inclusion of young people into development strategies will require understanding the heterogeneity of this population group, their respective needs, capacities and life aspirations, as well as the labour market demands and evolution. The efforts to improve youth well-being is often concentrated on employment and education but should also consider non-cognitive aspects such as social and life skills, health, including sexual and reproductive health (SRH), and political and civic participation so that young people can fulfil their life goals and become productive members of society. By providing evidence, the aim of the Youth Well-being Policy Review is to support policy makers to design better policies for youth, that are targeted and that can be monitored and evaluated over time for greater impact.

# Chapter 1. Vietnamese youth profiles

Viet Nam has entered a period of 'golden population structure'. In Viet Nam, young persons aged 15-29 currently account for one-quarter of the total population. This is the highest ever percentage of young people in the country, providing Viet Nam with a unique socio-economic development opportunity. This potential can only be tapped if young people have access to proper education, health care, employment and participation in public life. This situation calls for an urgent look at how Vietnamese young people are faring in different dimensions of well-being such as education, employment, health and civic participation in order to identify gaps in policies aimed at youth.

The analytical framework of this chapter is based on the "Evidence-based Policy Making for Youth Well-being: A Toolkit" (OECD, 2017a) developed by the Youth Inclusion Project, which is implemented by the Development Centre of the Organisation for Economic Co-operation and Development (OECD). The toolkit takes a life-cycle approach and puts forward a multi-dimensional analytical framework to look at the situation of youth in education, health, employment, civic participation and some aspects of subjective well-being. The analysis helps establish a profile of disadvantaged youth and to better understand the determinants of certain vulnerabilities and negative outcomes that young people face.

There is no universally agreed definition of youth. The UN defines a young person as aged 15-24, while the African Union defines it as aged 15-35. In Viet Nam, the Youth Law (2005) defines youth as aged 16-30. Youth is a period of transition, both physically and socially, as a young person leaves childhood and enters adulthood. This is a particularly vulnerable period in a person's life when a combination of increasing responsibilities, life-changing decisions, and rising social and peer pressure can be overwhelming. To allow for international comparability (as the Youth Inclusion project is carried out in nine countries), this report looks at data for the age group 15-29 whenever possible. This age range helps to capture the factors driving or hindering successful transitions into adulthood. This chapter provides a snapshot of the youth situation in Viet Nam in the areas of health, employment, education and civic participation.

## 1.1. A multi-dimensional picture

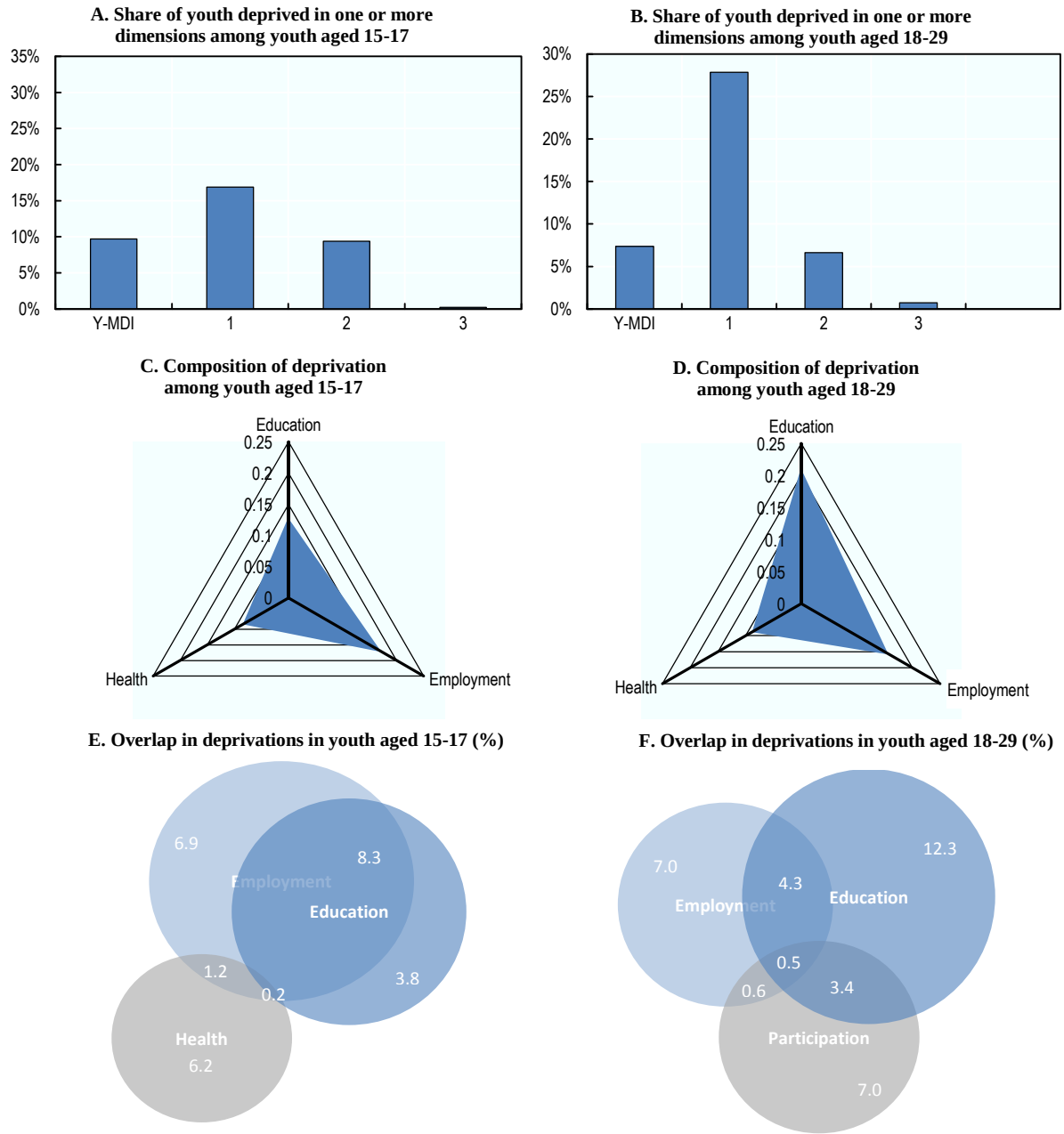
In Viet Nam, youth (15-29) make up about one-quarter of the population. According to national statistics, Viet Nam's population has increased from 87 million in 2010 to more than 95 million in 2016. During the same period, the youth population has grown from 16 to 23 million. The majority of youth are Kinh and live in rural areas (70%). The youth unemployment rate was about 7.4% in 2016 (GSO, 2017), compared to 5.2% in 2006, while the youth labour force participation (15-24) rate was approximately 60% (GSO, 2016b). Most of the youth are literate (98%) (United Nations Educational, Scientific and Cultural Organization [UNESCO], 2015).

In order to assess the share of youth suffering from multiple deprivations, the Youth Inclusion Project calculated the Youth Multi-dimensional Deprivation Indicator (Y-MDI) for Viet Nam. The Y-MDI is a new indicator based on the OECD's well-being adjusted framework (Boarini, Kolev and McGregor, 2014) that measures the share of youth having poor outcomes in multiple dimensions such as health, education, employment and civic participation. The Y-MDI for Viet Nam was calculated using the 2015 data from the International Labour Organization (ILO)'s school-to-work transition survey (SWTS).

The Y-MDI for Viet Nam shows that 9% of youth aged 15-17 and 8% of youth aged 18-29 were deprived in at least two dimensions at the same time (Figure 1.1.A and Figure 1.1.B). Younger cohorts experienced difficulties in employment, with overlapping deficits in education (Figure 1.1.C and

Figure 1.1.E). This can be explained by the fact that most of the younger cohorts often start vulnerable employment or become unemployed after dropping out of school early. Older youth experienced major deficits in education as well as in employment, but not necessarily at the same time (Figure 1.1.D and Figure 1.1.F). This shows that the negative outcomes in employment are not necessarily caused by low levels of education and vice versa. In fact, those with high educational attainment still experience poor employment outcomes. This is in line with research findings from the Vietnamese Ministry of Labour, Invalids and Social Affairs (MOLISA) showing that youth with the highest unemployment rates are those with tertiary degrees (MOLISA, 2016).

**Figure 1.1. Youth multi-dimensional deprivation indicator, 2015**




*Note:* Y-MDI is the share of youth deprived in more than one dimension. 1, 2, 3 and 4 refer to the number of deprivations.
*Source:* OECD Development Centre's calculation using the School-to-Work Transition Survey of Viet Nam 2015.

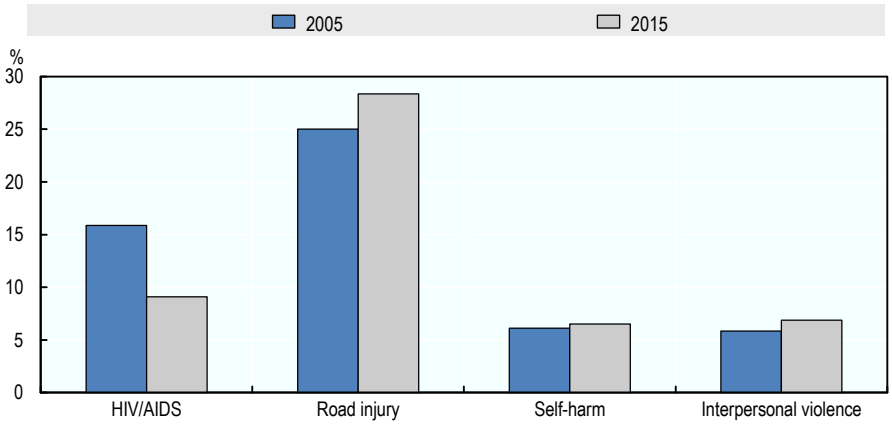
## 1.2. Health

In times of rapid economic growth and social change, young people in Viet Nam face vulnerability to HIV infection, and exposure to diseases because of risky behaviours in terms of sexual relations and substance abuse. Adolescents, in particular, face additional challenges. Globally, 25% of girls and 17% of boys of secondary school age (11-15) are not enrolled in school (UNFPA, 2015). Being out of school makes them more vulnerable in terms of sexuality, early marriage and child bearing. Millions of girls are forced into unwanted sex or marriage and end up with unwanted pregnancies, unsafe abortions, sexually transmitted infections (STIs) and HIV. In low- and middle-income countries (excluding China), 12% of girls are married before they turn 15, while 34% are married or in union before they are 18. The leading causes of mortality and morbidity amongst young women aged 15-24 in these countries are pregnancy complications, unsafe abortion and childbirth. In 2011, 41% of all new HIV infections were amongst adolescents and youth (UNFPA, 2013). Basic youth health indicators usually include mortality and morbidity, sexual and reproductive health (SRH) and substance abuse.

### *1.2.1. Youth mortality rate*

The overall mortality rate (per 1 000 people) for youth (15-29) has also improved from 1.25 in 2000 to 1.04 in 2015. The mortality rate for young men decreased from 1.9 to 1.6 and for young women from 0.6 to 0.5 for the same period (WHO, 2000 and 2015). The mortality rate for young men is much higher than for young women due to the causes of death. Since 2005, injuries (such as drowning or traffic accidents) are the main cause of death, disability and serious morbidity among young people. Road traffic accidents remain the leading cause of death among young people with more than 28% of deaths caused by road injuries in 2015. On the other hand, the share of deaths caused by HIV/AIDS has significantly decreased from 16% in 2005 to 9% in 2015. Other leading causes of death among youth include self-harm, interpersonal violence, as well as infectious, parasitic or cardiovascular diseases (Figure 1.2).

**Figure 1.2. Leading causes of death as a share of causes of total death amongst youth aged 15-29, 2005 and 2015**




*Source*: WHO Global Health Estimates, 2005 and 2015.

### *1.2.2. Sexual and reproductive health*

Sexual and reproductive health (SRH) is of particular concern for adolescent and young women as early pregnancy and childbearing can have long-term negative effects on the rest of their lives. WHO estimates that worldwide, about 16 million girls aged 15 to 19 and some 1 million girls under 15 give birth every year, with most of these births occurring in low- and middle-income countries. Complications during

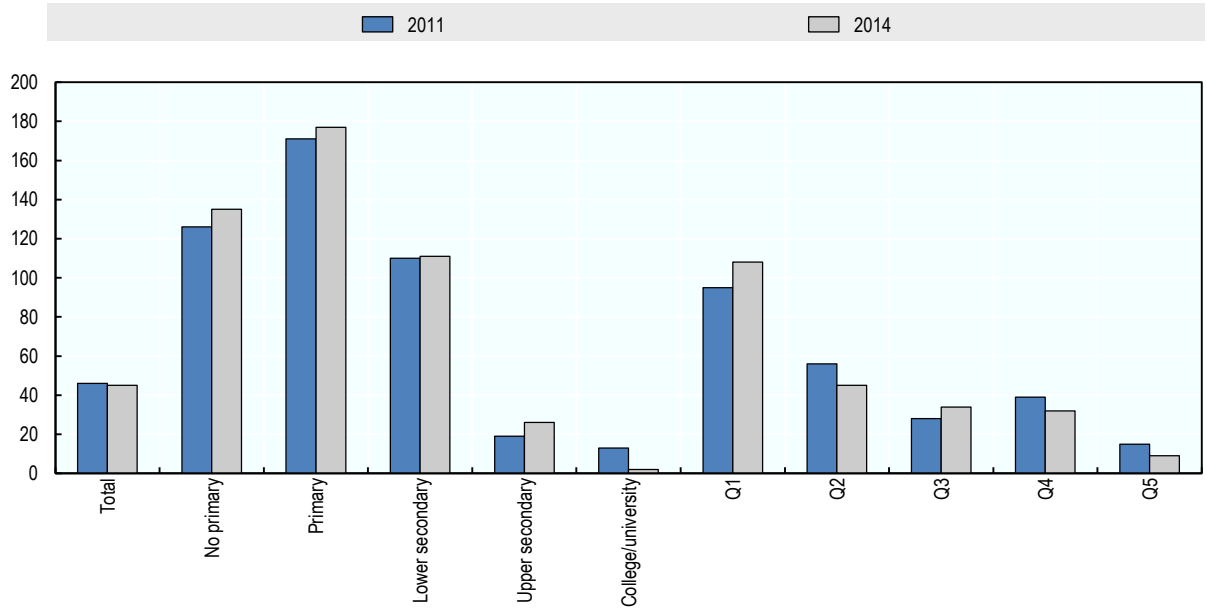
pregnancy and childbirth are the second biggest cause of death for 15-19 year-old girls worldwide. Every year, some 3 million girls aged 15 to 19 undergo unsafe abortions. Babies born to adolescent mothers face a much higher risk of dying than those born to women aged 20 to 24 (WHO, 2014).

In Viet Nam, the total fertility rate, defined as the average number of children born to women aged 15-49 went from 4 in 1990 to 1.96 in 2015 according to World Development Indicators (WDI). Maternal mortality ratio improved by 40% since 2000. As of 2013, there were 49 maternal deaths per 100 000 live births in Viet Nam (15-49). The adolescent birth rate (15-19) was 45 per 1 000 in 2014, which is higher than many countries in Asia (GSO and UNICEF, 2015). The adolescent birth rate varies significantly across sub-groups: ethnic minorities, youth from poor households and those living in rural areas are particularly affected. For instance, the birth rate was very high among adolescents from the poorest wealth quintile at 108 per 1 000 in 2014, while it was only 9 for the richest quintile (Figure 1.3.A). Low education attainment is also positively associated with higher rates of early pregnancy: in 2014 the adolescent birth rate was 135 per 1 000 among women who had no primary education compared to 26 among women who had an upper-secondary education (Figure 1.3.A).

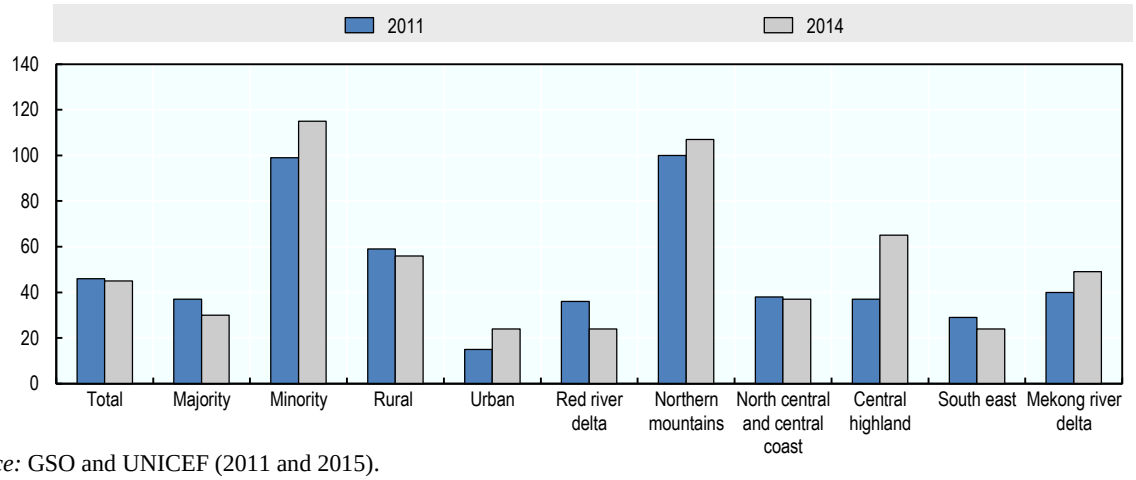
Adolescent girls from ethnic minority groups show higher birth rates (115 per 1 000 in 2013) than their Kinh peers (30 per 1 000) and this is an increasing trend among ethnic minority groups, whereas for young Kinh women the rate decreased (Figure 1.3.B). Higher birth rates among ethnic minority adolescents may also explain higher rates in the Northern Mountains region (107 per 1 000 in 2014) as well as in the Central Highland region (65 per 1 000 in 2013), where ethnic minorities account for a large share of the population.

**Figure 1.3. Adolescent birth rate, 2011 and 2014 (number of births per 1 000 women)**

**A. By education level and wealth quintile**



**B. By ethnicity, place of residence and regions**




*Source:* GSO and UNICEF (2011 and 2015).

Lack of information on SRH and poor youth-friendly SRH services deteriorate the health status of Vietnamese youth, especially of high-risk groups such as young migrants and drug addicts (UN Viet Nam, 2013). In the early 2000s, the prevalence of HIV amongst youth steadily increased to reach a peak of 0.5% for young men and 0.3% for young women in 2006. It has since decreased to 0.2% for young women and to 0.3% for young men in 2015 (Figure 1.4). HIV prevalence among the population aged 15-64 was 0.5% in 2015 (UNAIDS, 2014). The majority of people living with HIV are injecting drug users and female sex workers (UNODC, 2008).

The majority of youth in Viet Nam knew about contraceptive methods. According to the Survey Assessment of Vietnamese Youth 2 (SAVY 2), 92% knew about oral contraception and 95% knew about condoms. However, only half of those who were sexually experienced said that they used condoms at first intercourse. About 10% of youth aged 14-25 reported having had premarital sex and 8.4% of women aged 15-24 who were sexually active reported having had an abortion. The majority of women who reported having had an abortion were married. Other reports suggest that abortions by unmarried women make up between 10% and 20% of all abortions in urban areas. The unmet need for contraception among unmarried young people aged 15-24 was 35% in 2010 (MoH et al, 2010a). Young couples have difficulties accessing counselling and treatment services. Information about SRH, contraception and family planning, through youth-friendly health services, is needed for young women and men, but particularly among young married couples.

**Figure 1.4. Prevalence of HIV among youth (15-24) by gender, 2000 and 2015**


*Source:* UNAIDS estimates 2000-15.

According to the OECD Social Institutions and Gender Index (SIGI), Viet Nam is considered a medium level of gender discrimination in social institutions, with a SIGI of 0.1865 in 2014. This is characterised by certain inconsistencies in legal frameworks or the influence of customary practices that can perpetuate discriminatory social norms. The Marriage and Family Law passed in 2000 gives women and men the same legal rights in marriage, but co-habiting without getting married does not give them rights and obligations as husband and wife. The Government amended the Marriage and Family Act to decriminalise alternative unions such as customary marriages in 2000 (SIGI, 2014).

The Government enacted a National Strategy on Gender Equality for the 2011-2020 period, which aims to increase the provision of legal and health counselling, support, and care to domestic violence victims by 40% by 2015, and to 50% by 2020; and increase the rate of perpetrator counselling by 85% by 2020. However the number of shelters for victims of domestic violence and human trafficking is very low. In 2010, the Government released a "Study on Domestic Violence against Women in Viet Nam", which shows that women are three times more likely to be abused by a husband than by any other person. Domestic violence is also related to other social issues such as alcohol and drug addiction and gambling. There is a network of "safe addresses" operated by the Viet Nam Women's Union (VWU) (a socio-political organisation) and the Women's Unions (WU) in the provinces, districts and villages to support victims (SIGI, 2014).

### *1.2.3. Drug abuse*

Despite the efforts of the Vietnamese government over the last decade, drug abuse among young people remains a source of concern in Viet Nam. In 2013, 181 396 people were registered as drug dependent (UNODC, 2016), an increase from 8 514 people in 2010 (UNODC, 2012). The Ministry of Public Security of Viet Nam estimates the actual number of people who use drugs to be considerably higher than those registered, as data collection is poor. Many users refuse to enter state-run treatment programmes due to the harsh conditions in compulsory treatment centres as well as fear of social stigma. Treatment in Viet Nam has mainly been focused on the incarceration of drug users in compulsory treatment centres known as 06 Centres, which have been criticised as ineffective and contrary to human rights standards. According to MOLISA, 75 to 90 % of drug addicts treated relapse after rehabilitation (TN News, 2013). The Vietnamese government has progressively changed its highly punitive approach and started to incorporate harm-reduction components with respect to illicit drug use (Windle, 2016). A new policy gives local governments the responsibility of supervising drug users for the first two years, after which they should be sent to compulsory treatment centres if unsuccessful (Decree 136/2016/ND-CP).

According to the latest data available from the United Nations Office on Drug and Crime (UNODC), 95% of drug users were male in 2011 (UNODC, 2012), while more than 70% were below 30 years old (UNODC, 2008). Heroin is the most widely consumed drug in Viet Nam. In 2011, 83% of drug users were consuming heroin, while other types of drugs included opium, cannabis and amphetamine-type stimulants (UNODC, 2012). The most widespread method of use was through injection, which concerned about 65% of total drug users, with a 42% HIV prevalence among injecting drug users. Injecting drugs remains the primary mode of HIV transmission in Viet Nam (UNAIDS, 2014).

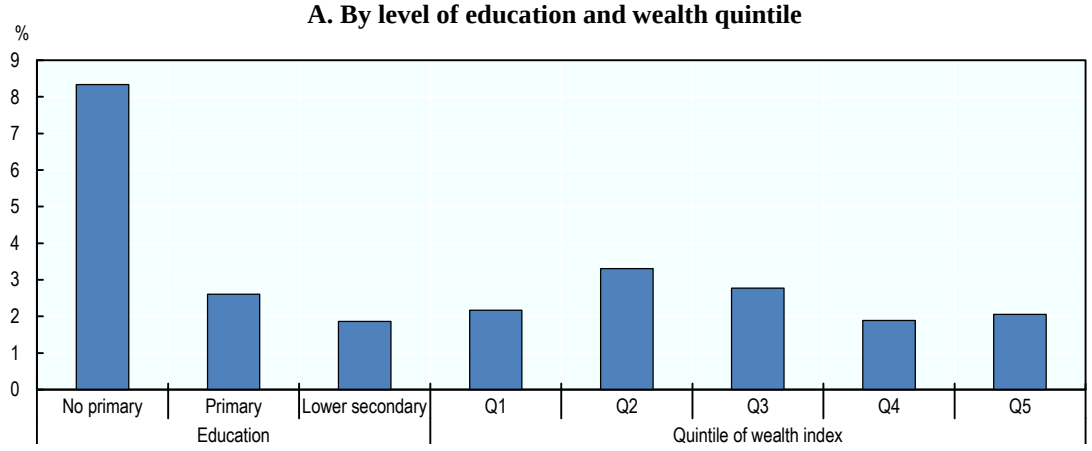
### *1.2.4. Tobacco and alcohol consumption*

According to the Global Adult Tobacco Survey of Viet Nam in 2010, 11.9% of youth aged 15-24 smoked cigarettes, 23.4% being male and 0.3% female. Tobacco use among adolescents aged 13-15 was about 3.8% in 2010. Boys were more likely to use tobacco (6.5%) than girls (1.5%) (MoH et al, 2010b). These data differ slightly from those of SAVY 2, according to which 0.1% of adolescent girls and 5% of adolescent boys used tobacco in 2009 (MoH, 2010a). SAVY 2 was used in order to disaggregate the data.

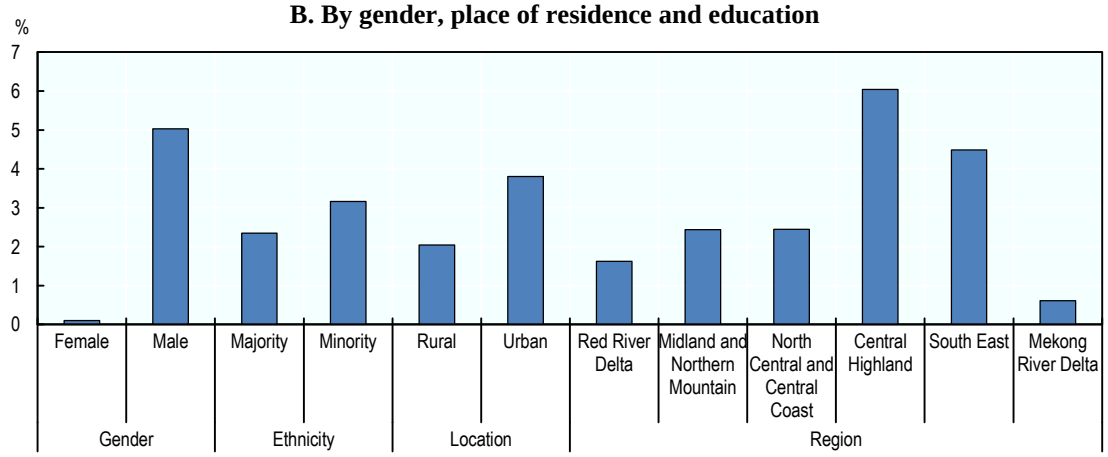
The prevalence of tobacco use is strongly associated with the place of residence and the education level of the youth. According to SAVY 2, adolescents living in urban areas were almost twice as likely to smoke than their rural counterparts, while adolescents with no primary education were four times as likely to use tobacco than those with a lower secondary education (Figure 1.5.A and Figure 1.5.B). On the other hand, there seemed to be no strong association between the level of income and tobacco consumption among Vietnamese adolescents.

**Figure 1.5. Prevalence of adolescent (aged 13-15) tobacco use, 2009**

**A. By level of education and wealth quintile**




**B. By gender, place of residence and education**

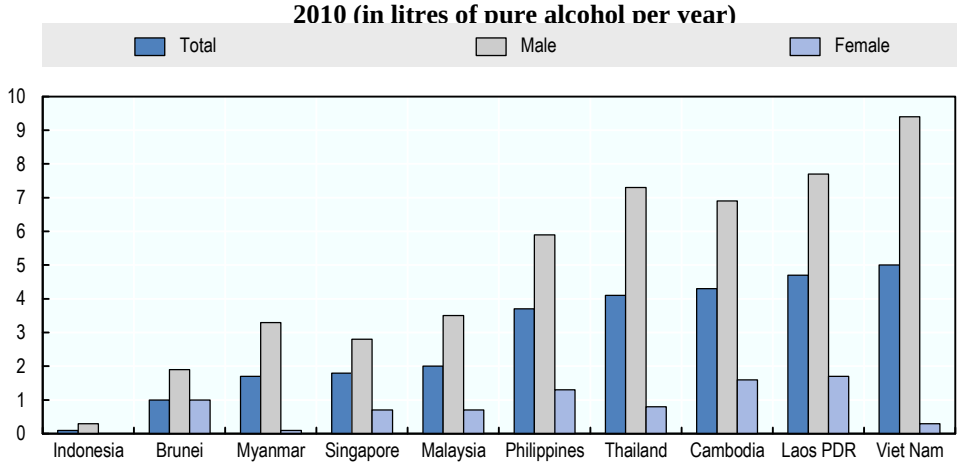



*Source:* Authors' calculations from SAVY 2 data, 2009.

In 2010, the prevalence of alcohol consumption during the year among the total population above 15 years old was 38.3%, with 50% of men consuming alcohol compared to 28.6% of women (WHO, 2010). The prevalence of heavy episodic drinking was 1.4% of the total population (above 15 years old), with 2.6% of men and 0.2% of women who had consumed at least 60 grams or more of pure alcohol on at least one occasion in the past 30 days. In the same year, it was estimated that 2.9% of the population was alcohol dependent, with 5.9% of men above 15 years old considered as addicted to alcohol (WHO, 2010). Furthermore, an increasing number of young people are drinking. Despite the legal drinking age of 18, a survey by the Health Strategy and Policy Institute in 2015 found that 34% of teenagers aged 14-17 and 57% of youth aged 18-21 responded that they drink. Alcohol consumption is one of the leading causes of traffic accidents as well as other diseases. The alcohol consumption level

amongst Vietnamese aged 15-19 is the highest amongst the Association of Southeast Asian Nations (Figure 1.6).

**Figure 1.6. Alcohol consumption of 15-19 year-olds, Association of Southeast Asian Nations, 2010 (in litres of pure alcohol per year)**




*Source*: WHO Global Health Observatory data, 2010.

## 1.3. Education

The greatest challenges facing youth are poverty and social exclusion due to poor employment prospects because of little or no access to education or vocational training. Some youth have access to quality education, decent jobs, health care and other social protection by virtue of their birth. Others live in an environment where they and their families are vulnerable to various environmental, economic, social and individual risks. In fact, the majority of youth in developing and medium-developed countries fall into this category today. In particular, for youth living in rural areas, remoteness, ethnicity, disability and family problems contribute to vulnerability. Social inclusion in this report refers to the provision of certain rights to all individuals and groups in society, such as decent work, education and training, health care or adequate housing (OECD, 2014). The situation is no different in Viet Nam, where ethnic minority groups, persons with disabilities, girls and young people living in rural areas still face obstacles in accessing education. According to the results of this study, youth from minorities and poor households are those with the lowest literacy rate in Viet Nam. Similarly, young people from ethnic minorities and/or living in rural areas obtain a lower level of educational attainment in comparison with others.

The following educational outcomes for Vietnamese youth have been measured: educational participation and progression rates, completion and attainment rates, and learning achievements.

### *1.3.1. Educational participation*

In Viet Nam, primary education is free, compulsory and has an official entry age of six years old. The primary education cycle lasts five years. Secondary education is divided into two cycles, namely lower secondary (from grade 6 to 9) and upper secondary (from grade 10 to 12). Students obtain a diploma from the local bureau of education and training after completing lower secondary education.

Viet Nam has made significant progress in achieving universal primary education. In 2013, the net enrolment rate in primary schools was estimated at 98.3%, with little difference between boys and girls (MoET, 2015). The primary school completion rate was 97.5% for both sexes (MoET, 2015). Primary

out-of-school rate was low at 1.87% in 2013 (UIS). Net enrolment rate refers to the total number of students in the theoretical age group for a given level of education enrolled in that level, expressed as a percentage of the total population in that age group.

Secondary school enrolment has also improved since the early 2000s. Lower secondary school net enrolment progressed from 70% in 2000 (MoET, 2015) to 84.4% in 2014 (GSO, 2016a) and upper secondary school net enrolment also increased from 53.9% in 2006 to 63.1% in 2014 (GSO, 2016a). However, large discrepancies remain between urban and rural areas, with a 73.2% enrolment rate for upper secondary schools in urban areas compared with 59.3% in rural areas in 2014. Females have higher enrolment rates than males in both lower and upper secondary schools (Table 1.1.A). Ethnic minority young people, youth living in rural areas and youth belonging to poor households are less likely to be enrolled in higher education and are more likely to drop out of school in comparison to other youth groups. The net enrolment rate in upper secondary education among some ethnic minority groups was sometimes one-fourth or one-fifth the number of Kinh peers in 2014 (Table 1.1.B).

Access to upper secondary school remains still difficult in many parts of the country. Net enrolment rates for upper secondary schools show differences by region. The Red River Delta showed the highest enrolment rates for both lower and upper secondary schools. In comparison, the Mekong River Delta, with only a 50.3% enrolment rate in upper secondary schools, lags behind other regions (Figure 1.1.C). In 2012 upper secondary schools covered only 19% of all communes and remote places and ethnic minority communes were even less likely to have upper secondary schools (OECD, 2014).

**Table 1.1. Secondary school net enrolment rates in Viet Nam (%)**

**A. By gender and residence, 2006 and 2014**

| | Lower Secondary | | Upper Secondary | |
|---|---|---|---|---|
| | 2006 | 2014 | 2006 | 2014 |
| TOTAL | 78.8 | 84.4 | 53.9 | 63.1 |
| Female | 79.2 | 85.1 | 56.4 | 68.3 |
| Male | 78.3 | 83.8 | 51.5 | 58.2 |
| Urban | 82.8 | 88.9 | 66.3 | 73.2 |
| Rural | 77.7 | 82.7 | 50.3 | 59.3 |

**B. By ethnicity, 2014**

| Ethnicity | Lower Secondary | Upper Secondary |
|---|---|---|
| **Kinh(majority)** | 86.9 | 69.0 |
| **Tay** | 89.6 | 66.3 |
| **Thai** | 81.3 | 32.8 |
| **Hoa** | 90.3 | 65.0 |
| **Kho me** | 59.9 | 24.1 |
| **Muong** | 90.3 | 62.7 |
| **Nung** | 89.2 | 51.2 |
| **Hmong** | 57.3 | 18.3 |
| **Dao** | 71.5 | 19.5 |
| **Khac** | 66.7 | 32.9 |

**C. By region, 2008 and 2014**

| | Lower Secondary | | Upper Secondary | |
|---|---|---|---|---|
| | 2008 | 2014 | 2008 | 2014 |
| Red River Delta | 85.2 | 89.9 | 69.3 | 77.1 |
| Northern Mountains | 75.1 | 82.7 | 46.4 | 56.9 |
| North Central & Central Coast | 80.4 | 85.5 | 56.1 | 67.3 |
| Central Highlands | 69.9 | 77.3 | 44.4 | 48.5 |
| Southeast | 81.2 | 87.0 | 57.7 | 65.1 |
| Mekong River Delta | 71.5 | 79.4 | 40.4 | 50.3 |

*Source*: GSO, 2016a.

The gross enrolment rate in tertiary schools (for all programmes) was 28.8% in 2015 compared to 18.4% in 2007 (UIS) (Table 1.2). This report uses the UNESCO definition of tertiary gross enrolment rate, which is defined as the number of students in tertiary education, regardless of age, over the total population aged 18 to 23. Despite the progress in enrolment, the low quality of higher education in Viet Nam remains a major concern for youth employability. The growth in the number of universities and number of students has not been matched by a similar expansion of qualified teachers (International Consultants for Education and Fairs [ICEF] Monitor, 2015). According to MoET estimates, the country needs 10 000 to 15 000 skilled employees annually in fields such as information technology, tourism, harbour management, finance and banking to keep up with labour market demand. However, only 40 to 60% of human resource needs are being met (Clark, 2010).

**Table 1.2. Gross enrolment in tertiary education, by sex, 2007, 2011 and 2015 (%)**

| | 2007 | 2011 | 2015 |
|---|---|---|---|
| Total | 18.36 | 24.8 | 28.84 |
| Female | 18.37 | 24.98 | 28.85 |
| Male | 18.35 | 24.63 | 28.82 |

*Source*: UIS, 2007, 2011 and 2015.

School dropout remains a concern in Viet Nam. Dropout out rate from lower secondary school reached 10.1% in 2014, according to calculations using VHLSS 2014. Lower secondary out-of-school rate was 7.8% in 2012 (OECD, 2014). At age 14, 16% of children in that age group had dropped out of school. At age 17, the final year of upper secondary school, the dropout figure increased to more than 39% (MoET, 2013). Among 25-29 years old, only 31% had completed upper secondary education or above. There tends to be a higher dropout rate amongst ethnic minority children and children living in rural areas in comparison with their peers. Although women in Viet Nam in general have lower educational attainment than men, the female dropout rates are lower than for boys (Table 1.3.A). The dropout rate is calculated as the percentage of lower secondary school children aged 12-14 who have not completed the education cycle and were out of school at the time of this research. It excludes children who never entered school.

Wealth also seemed to have an effect on early school dropout. More children from poorer households dropped out of lower secondary education than children from richer households. Indeed, regression analysis shows that the probability of attending secondary education increases with wealth (OECD, 2014). In terms of regions, the Mekong River Delta stood out with the highest levels of dropouts in lower secondary education (Table 1.3.B). Since the mid-1990s, the concept of 'socialisation of education' has been adopted and cost of education are being shared between parents, schools and the government through a complex mix of state subsidies combined with formal and informal payments from households (Dang and Glewwe, 2017). These payments, which are made by parents, vary depending on funding

practices of province- and district-level authorities and also by schools (Dang and Glewwe, 2017). In reality, this cost sharing system, in addition to "gifts for teachers" and private classes, is burdensome for poorer households, contributing to low enrolment in or dropout from upper secondary and tertiary education (OECD, 2014).

**Table 1.3. Dropout rates in lower secondary schools for school years 2009/10 and 2013/14**

**A. by gender, ethnicity and residence**

| | 2009/10 | 2013/14 |
|---|---|---|
| **TOTAL** | 11.20 | 10.18 |
| **Female** | 10.43 | 9.32 |
| **Male** | 11.95 | 11.00 |
| **Kinh** | 10.91 | 9.95 |
| **Ethnic minority** | 12.64 | 11.22 |
| **Rural** | 11.89 | 10.87 |
| **Urban** | 9.44 | 8.57 |

**B. by wealth quintile and region**

| | 2009/10 | 2013/14 |
|---|---|---|
| **Q1 (poorest)** | 10.94 | 12.43 |
| **Q2** | 13.01 | 11.52 |
| **Q3** | 13.25 | 10.83 |
| **Q4** | 10.67 | 10.19 |
| **Q5 (richest)** | 8.81 | 7.06 |
| **Red River Delta** | 5.41 | 4.14 |
| **Northern Mountains** | 9.27 | 8.9 |
| **North Central & Central Coast** | 11.01 | 9.84 |
| **Central Highland** | 11.51 | 14.63 |
| **Southeast** | 14.91 | 11.56 |
| **Mekong River Delta** | 17.14 | 17.24 |

*Source*: Authors' calculations using VHLSS 2010 and 2014.

There is great effort by the government to improve access to education, especially for disadvantaged groups and ethnic minorities (see Table 2.1 for a list of programmes promoting access to education through food and monetary subsidies). However, access to upper secondary school remains still difficult in many parts of the country. In 2012 upper secondary schools covered only 19% of all communes and remote places and ethnic minority communes were even less likely to have upper secondary schools (OECD, 2014).

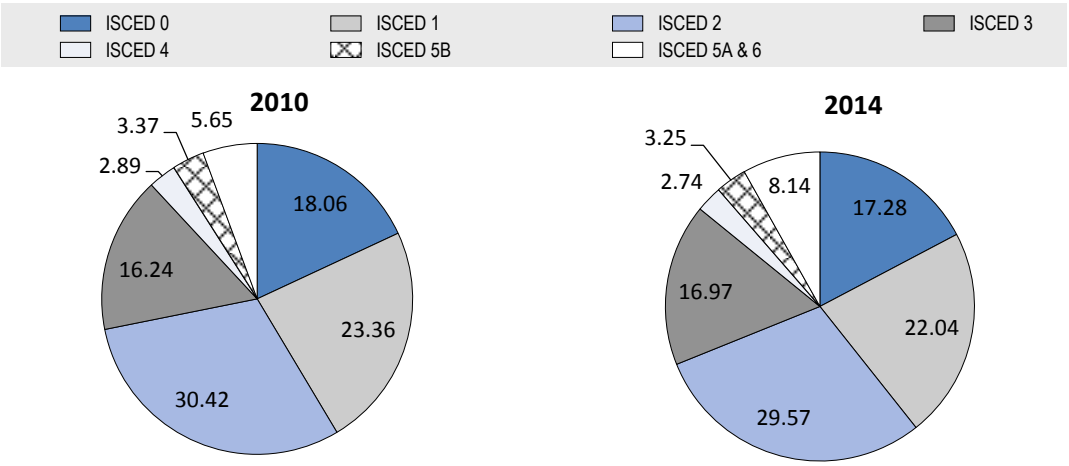
Individual, household and community characteristics influence school dropout. Multivariate regression analyses carried out by the study using panel data from Young Lives survey conclude with statistical significance that a high cognitive aptitude of a child decreases the likelihood of dropping out of upper secondary education. Being an ethnic minority or a girl does not increase the chance of dropping out of upper secondary education. However, another study (using the same dataset) shows that being an ethnic minority child, from a poor family or having low educated parents does decrease the educational *aspirations* of the child (OECD, 2014). Being employed increases by 28% the likelihood for the youth to drop out, compared to their non-working peers, with the probability increasing when the youth is younger. A large family is also a determinant of dropout from upper secondary education, inferring a financial barrier to education. Poverty indeed increases significantly the likelihood of dropping out. Parents' low education, especially that of the mother, increases the chance of dropping out. Finally, community environment affects schooling. Youth living in areas where there are gangs are more likely to drop out of upper secondary education and above (see Annex 1 for the full regression analysis).

### *1.3.2. Educational attainment*

The share of youth aged 25-29 who left school at primary or secondary level remains quite high in Viet Nam. In 2014, almost two-thirds of Vietnamese youth had only completed their education to lower secondary level or below (Figure 1.7). The share of youth aged 25-29 whose highest level of education was primary (International Standard Classification of Education 1 [ISCED 1]) was 22% in 2014, while the share of those whose highest level achieved was lower secondary education (ISCED 2) was 29.6%.

By comparison, the share of youth whose highest level of education was upper secondary (ISCED 3) remained stable at around 16% between 2010 and 2014. On the other hand, the proportion of youth who attained tertiary education (ISCED 5A and 6) increased from 5.6% in 2010 to 8.2% in 2014, which shows a clear improvement in access to tertiary education (Figure 1.7).

**Figure 1.7. Youth (25-29) educational attainment, 2010 and 2014 (percentage of the highest level achieved)**

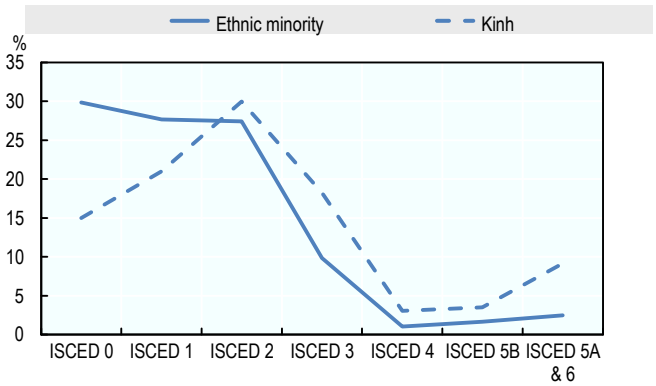



*Source*: Authors' calculations based on Viet Nam Household Living Standards Survey (VHLSS) 2010 and 2014.

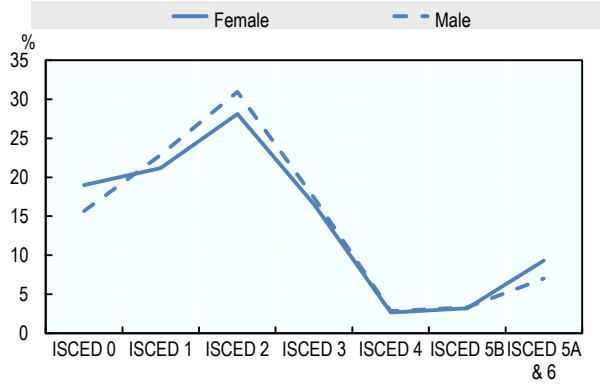
As with enrolment and dropout rates, the level of educational attainment is also linked to gender, residence, income and ethnicity. Young people from ethnic minority groups lag behind their Kinh peers. In 2014, about 27% of ethnic minority youth had completed lower secondary education as the highest level of education, compared to 30% for their Kinh peers. This gap widens as the education level goes up (Table 1.8.A). The attainment rate for boys was higher than that for girls from primary to upper secondary education in 2014, but more girls (9.3%) complete tertiary education than boys (7%) (Figure 1.8.B). Wealth seems to particularly influence tertiary education attainment. In 2014, the share of youth from the richest quintile who attained tertiary education was twenty times higher than amongst the poorest quintile (Figure 1.8.C). Similar disparities exist between rural and urban areas (Figure 1.8.D).

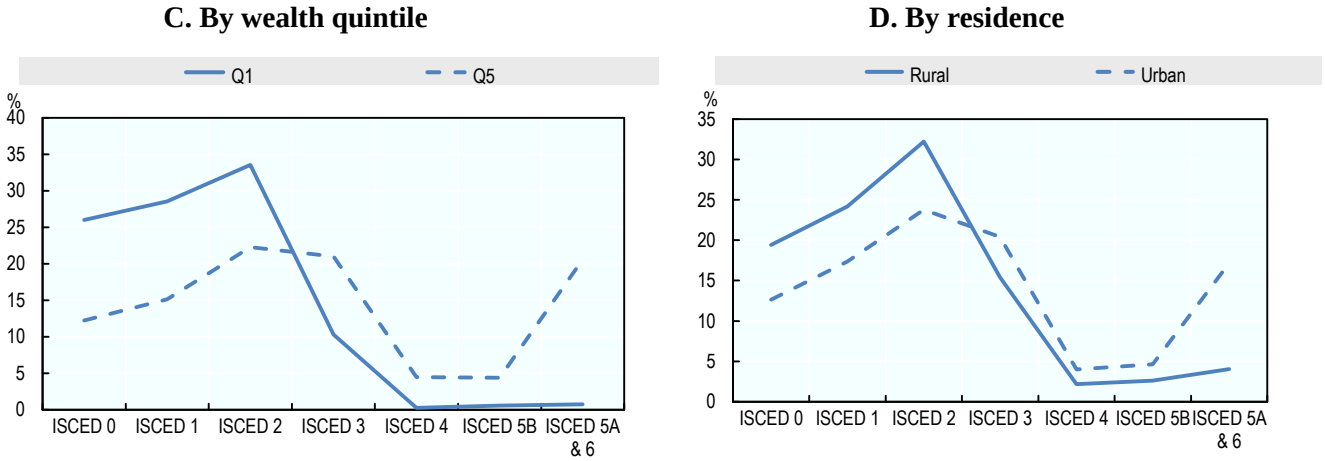
**Figure 1.8. Youth (25-29) highest educational attainment, 2014**

**A. By ethnicity**




**B. By gender**





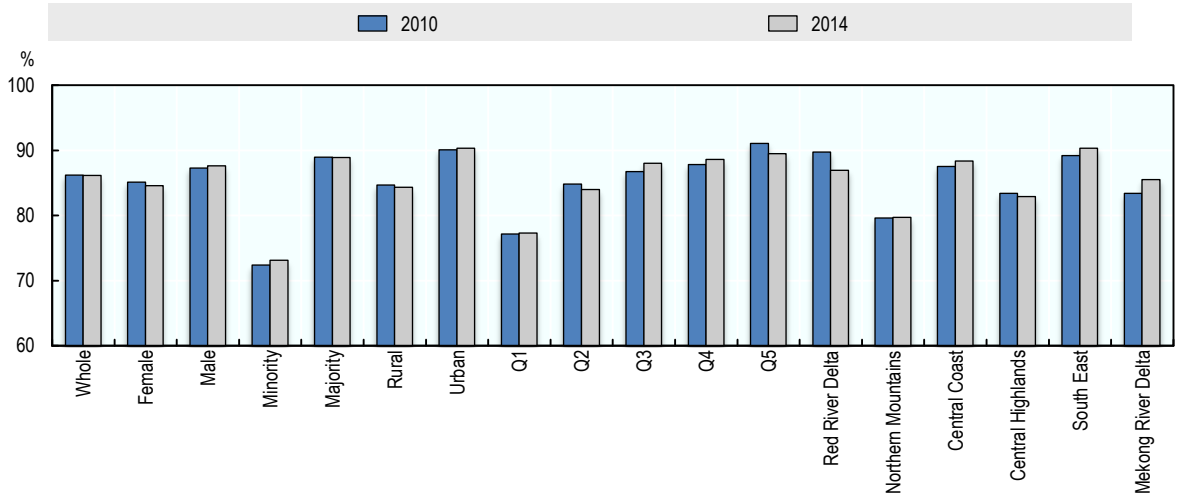

*Source*: Authors' calculations based on VHLSS 2010 and 2014.

### *1.3.3. Learning achievement*

Globally, 9% of youth were illiterate in 2015 (UIS). People completing compulsory education should at least be able to read, write and understand simple everyday communication statements. In Viet Nam, the literacy rate amongst youth aged 15-24 was 98% in 2015, compared to 94.5% for the total population, which shows that new generations are better educated than their parents (UIS). These data differ slightly from the VHLSS survey according to which the youth literacy rate was 86% in 2014. This difference is due to the fact that literacy is defined in the VHLSS survey as the proportion of youth that completed at least the first grade.

Gaps persist between ethnic minority youth and their Kinh peers as well as between youth from the poorest and the richest quintiles. Ethnic minority youth and youth from poor households are those with the lowest literacy rate in Viet Nam. The literacy gap between the poorest and richest youth was as wide as 12 percentage points in 2014 and between ethnic minority youth and Kinh youth the gap was 19 percentage points (Figure 1.9). Finally, literacy rates also vary by regions: the Northern Mountains as well as the Central Highland regions lag behind other regions.

**Figure 1.9. Youth literacy rate by gender, ethnicity, place of residence, wealth quintile and regions**




*Source*: Authors' calculations based on VHLSS 2010 and 2014.

Vietnamese youth scored high in the 2015 Programme for International Student Assessment (PISA). In the science category, Vietnamese 15 year olds ranked 8th out of 72 countries. They also scored high in mathematics and reading, taking 22nd and 32nd places, respectively (OECD, 2012). These results are all the more impressive when considering that Viet Nam came above many high-income countries and despite limited school resources (the level of expenditure per pupil is one of the lowest amongst PISA participating countries). However, PISA scores and most standardised tests do not capture the level of soft skills, or non-cognitive skills, that young people have to complement their cognitive skills, gain self-confidence and thrive in society (Box 1.1).

**Box 1.1. Learning outcomes and the link with non-cognitive skills**

In Viet Nam, a life-cycle approach analysis carried out by this study showed the link between early child care and non-cognitive skills as well as the effect of non-cognitive skills on other well-being outcomes as the child grows up. Non-cognitive skills, also called 'soft skills' and 'life skills', refer to behavioural attributes, capacities or traits of the individual. Non-cognitive skills in this study measured mostly self-efficacy, self-esteem and peer relations. Self-efficacy is understood as one's belief in their capability to act to achieve desired outcomes (Rotter, 1966). Self-esteem is one's judgement of one's own self-value or self-worth in specific areas such as school or work (Rosenberg, 1965). Peer relations is one's rating of popularity with peers and how easily one makes friends. The study was carried out using the Young Lives' longitudinal survey (Young Lives, 2017), collecting data of the same young person at age 8, 12, 15 and 19 (2 000 youth were in the younger cohort and 1 000 in the older cohort).

A multivariate regression analysis was carried out to identify the determinants of non-cognitive skills. The study found that parental investment in early childhood, including good nutrition, parental care (measured by per capita expenditure at age 15), parents' expectation for child's education at age 12, and extra classes attended at age 15, indirectly impacted on the non-cognitive skills of young people at age 15. The place of residence, such as living in Mekong River Delta, seemed to have a strong effect on non-cognitive skills. Extra classes, local/school group membership, and parents' expectations for the child's university education also affected the non-cognitive skills of young people at age 19 either directly or indirectly.

The effects of non-cognitive skills on youth well-being outcomes were analysed. Non-cognitive skills acquired at age 15 had a positive effect on all youth's outcomes, but surprisingly not on cognitive skills. Meanwhile cognitive skills were positively associated with all well-being outcomes with a much stronger statistical significance. Cognitive skills had more than three times the effect of non-cognitive skills on educational aspiration and university enrolment. While cognitive skills clearly played a key role in improving educational outcomes, the results show that non-cognitive skills have a significant effect on health outcomes and overall well-being of the individual. The study found also that non-cognitive skills had a strong impact on the youth's wage once he/she was employed.

In conclusion, the determinants of non-cognitive skills for young people were strongly driven by parental investment (i.e. parental care) and parent's or caregiver's expectations for the child's education, while poor nutrition due to disadvantages and low childhood investment negatively affected non-cognitive skills. The analysis confirms the importance of improving non-cognitive skills at an early age. In turn, for employed youth, non-cognitive skills had a strong effect on wages as well as on health outcomes. These results call for concerted efforts from education and health sectors as well as parents and the rest of society to invest in a nurturing environment from early childhood.

## 1.4. Employment

Globally, 13.1% of youth are unemployed (ILO, 2016). More than one-third (37.7%) of employed youth aged 15-24 in the developing world are poor and 17.7% live in extreme poverty, on less than USD 1.25 per day (ILO, 2016). Youth from poor households tend to leave school early and accept any kind of work, even with low wages and unsafe conditions. This traps them in low-quality and low-skilled jobs, often in the informal sector, leaving them vulnerable to shocks and with little chance to find better jobs. Working poverty affects as many as 14% of youth (or 169 million) in the world and this number comes close to 25% if the near poor (living below USD 4 per day) are included (ILO, 2015). Indicators to measure employment outcomes in developing countries usually include the rate of youth Not in Employment, Education or Training (NEET youth), the informal employment rate, the share of poorly paid youth and skills mismatch.

### *1.4.1. Labour force participation and job quality*

Young people account for a large share of the labour force with nearly half (49.5%) aged between 15 and 39 (Nguyen et al, 2015). To make its transition to a higher value economy, Viet Nam is facing the challenge of creating decent jobs for its young, expanding labour force and providing it with relevant skills for the growing service and manufacturing sectors. ILO defines decent work as work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

The youth unemployment rate remains quite low in Viet Nam, although youth have a greater likelihood of being unemployed and being part of the working poor than adults, reflecting both structural issues and young people's particular vulnerability to economic shocks. In 2015, the youth unemployment rate was 7.03% compared to 2.3% of the total population, with significant differences between urban (11.9%) and rural (5.2%) areas (GSO, 2016b). The latest youth unemployment estimate for 2016 is 7.4%, an increase from 5.2% in 2006 (GSO, 2017). Unemployment rate was highest among those aged 20-24 ta 7.6%, compared to 5.8% for those aged 15-19 and 3.1% for those aged 25-29. Unemployment was also highest among those with a university degree and higher at 16.3%, compared to 1.0% for those with a vocational training (GSO, 2016b). It is worth noting that the unemployment rate in developing countries is usually low because most youth take up any job, regardless of pay or working conditions. This indicator therefore does not reflect the quality of jobs.

Low wages and informality are major concerns for youth in Viet Nam. Although the youth informal employment rate reduced slightly from 77% to 75% between 2010 and 2014, the share of vulnerable youth workers remains high. According to ILO, vulnerable employment is characterised by inadequate earnings, low productivity and difficult work conditions that undermine workers' fundamental rights. More than half of young Vietnamese employees were poorly paid in 2014 (Figure 1.10). Nearly half of young wage employees were engaged with unwritten contracts (Nguyen et al, 2015). In this report, the statistical definition of 'poor wages' is the share of own-account workers and paid employees aged 15-29, who earn below-average wages or income of the labour force. Informal employment in this report refers to workers without access to at least one of the key employment benefits, such as annual paid leave, paid sick leave or social security contributions. The Viet Nam Labour Force Survey (LFS) was used for this calculation but the LFS only provides information for waged workers. Therefore, it is important to note that this indicator does not cover the whole working youth population.

**Box 1.2. Unequal chores: Unpaid care work**

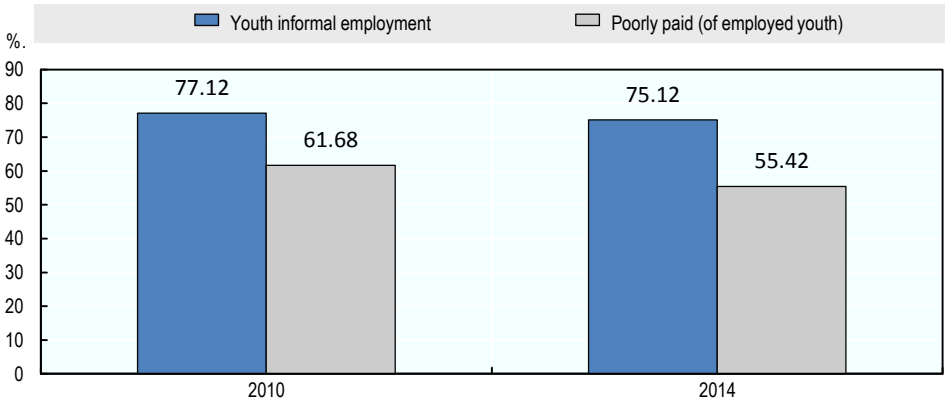
Unpaid care work (UCW) is a rather new concept in Viet Nam. UCW refers to unpaid services provided within a household for its members or in voluntary community work. Research carried out by ActionAid in nine cities and provinces in Viet Nam finds that women and girls suffer serious gender stereotypes in labour division.

On average, women spend 5 hours every day on UCW at household level and within the society, more than 2 hours than men do. In areas with poor gender based public services and economic development, women and girls can spend up to 9 hours a day on UCW. Not much difference was found between women with different education levels (primary school, secondary school, vocational school or college). No matter what level of education women achieved, UCW remained their main responsibility. Women with whatever marital status (married, divorced, single or widowed) always spend considerably much more time on UCW than men do. Men have time to do paid work, at least one hour (60 minutes) more than women do every day. Men also have more time to participate in social/ entertainment activities in addition to leisure and personal care, about an hour (76 minutes) more than women have every day.

The study estimates that UCW contributes more than 20% to the total GDP of Viet Nam, which was estimated at USD 204 billion in 2015. ActionAid calls for acknowledging women's unpaid contribution by calculating it into the GDP. Only this way, will there be significant changes in the society regarding equality between men and women. To make a house become a real home, every member in the family needs to actively share the UCW with women. This will inevitably lead to the reallocation of work in more detail and help reduce workload from UCW for women.

*Source:* ActionAid (2015), "Make a House a Home", *Policy Brief*, Hanoi, www.actionaid.org/sites/files/actionaid/ucw_policy_brief_-_en_1.pdf.

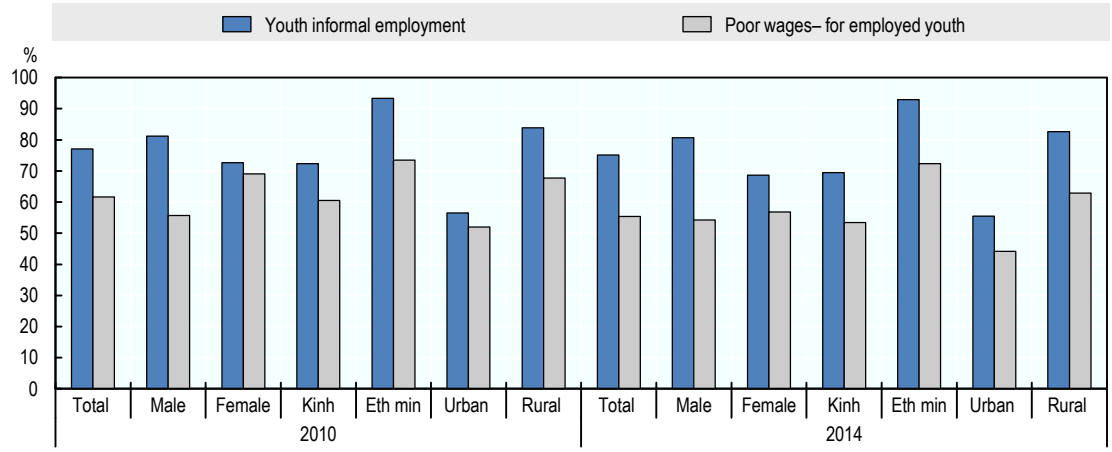
**Figure 1.10. Youth informal employment rate and poorly paid youth, 2010 and 2014**




*Source*: Authors' calculations using Viet Nam LFS 2010 and 2014.

Gender, level of education and place of residence are factors explaining discrepancies in job quality among youth. A regression analysis done by the present study shows that a young man is more likely to end up in informal work than a young woman. Having a higher education (university degree) is highly correlated with the likelihood of having a formal job. Surprisingly, having an upper secondary education only does not increase the chances of earning better wages. Although ethnicity was not an explanatory variable, ethnic minority youth are more clearly affected by informal employment than their Kinh peers. In 2014, 92% of the ethnic minority youth worked in the informal sector, compared to 70% of Kinh youth (Figure 1.11).

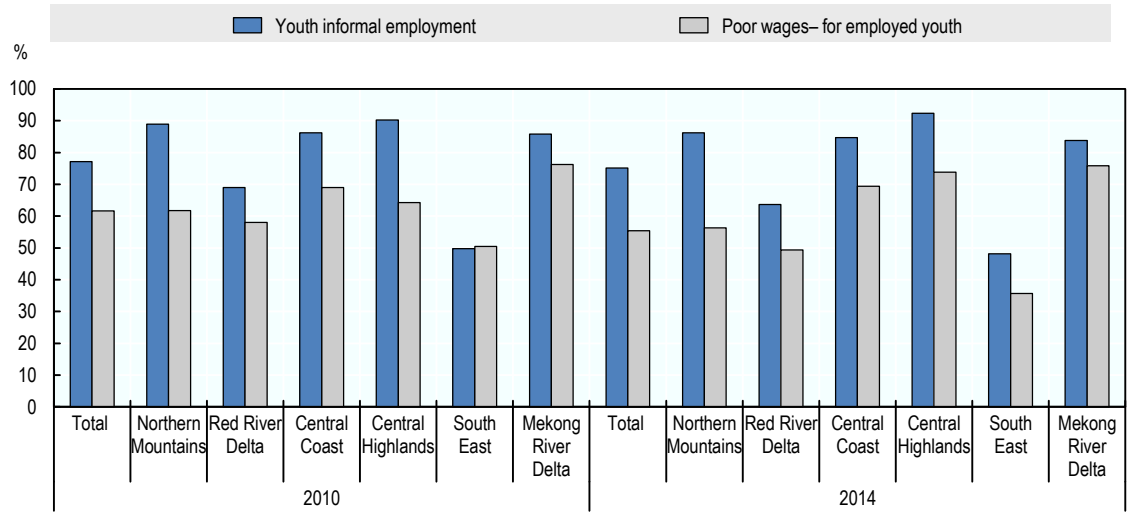
**Figure 1.11. Informal employment and poor wages for employed youth by gender, ethnicity and residence, 2010 and 2014**




*Source*: Authors' calculations using Viet Nam LFS 2010 and 2014.

Job quality also varies by regions. The South East region had the lowest share of poor wages amongst employed youth in 2014. The share of poorly paid youth in this region decreased significantly from 50% in 2010 to 35% in 2014. The South East region (Ho Chi Minh City) is indeed the most prosperous region, with many industries operating and bringing job opportunities to young workers. Many exporting companies, working in the industrial sector such as the garment, textile or electronics industries, attract foreign investments to the area and offer waged and formal employment to young people. In fact, regression analysis shows that living in the Northern Mountains or Central regions (the least developed regions) was a strong driver of vulnerable employment (informal and low-paid), and the number was statistically significant. Most ethnic minorities also live in these regions, which may explain the high share of informal workers among ethnic minorities (Figure 1.12).

**Figure 1.12. Youth informal employment and poorly paid employed youth, by region, 2010 and 2014**

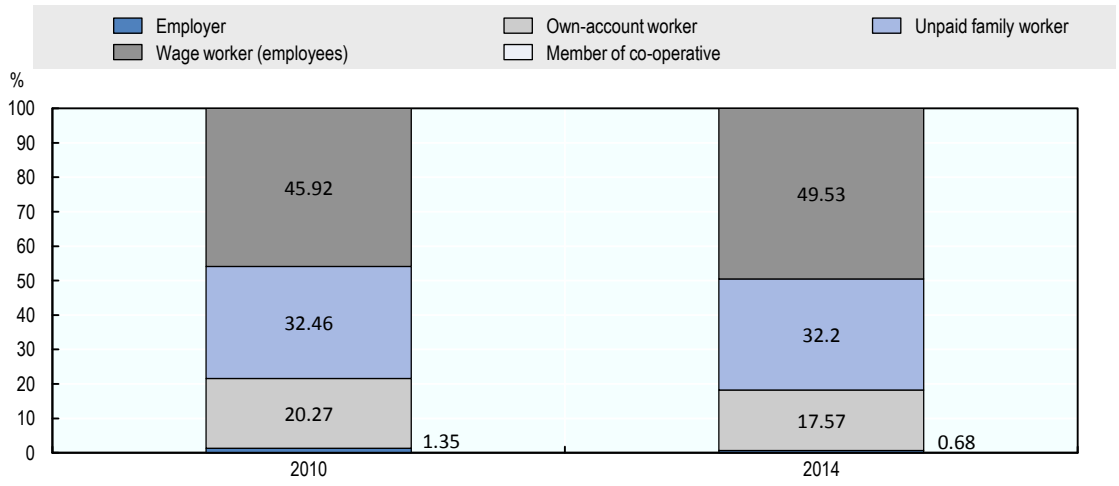



*Source*: Authors' calculations using Viet Nam LFS 2010 and 2014.

### *1.4.2. Youth employment status*

The structure of the labour market in Viet Nam continues to evolve towards waged employment. The rate of waged workers amongst the youth labour force increased from 45% in 2010 to 50% in 2014, while the proportion of young employers and own-account workers decreased. The share of young employers was already low in 2010 at 1.4% and reduced further to 0.7% in 2014. The share of own-account workers decreased from 20% in 2010 to 17% in 2014. However, the share of unpaid family workers remained unchanged at about 32% between 2010 and 2014 (Figure 1.13). Most own-account workers and unpaid family workers are in precarious conditions, without formal contracts or social protection and earning a low income or none at all.

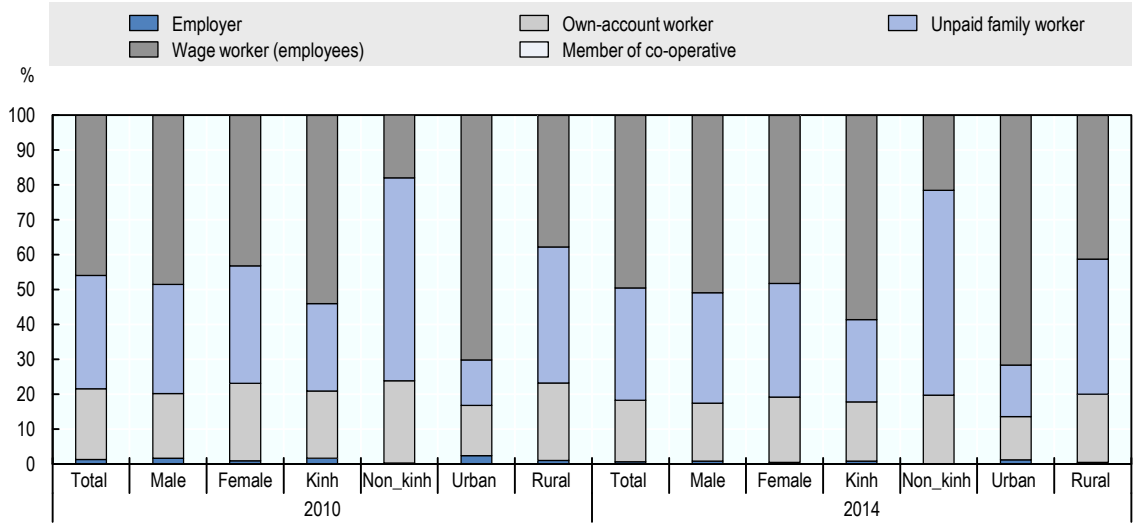
**Figure 1.13. Youth employment status, 2010 and 2014**




*Source*: Authors' calculations using Viet Nam LFS 2010 and 2014.

Despite the current industrialisation process of Viet Nam, the agriculture sector remains the dominant employer, amounting to 44% of the total employed population in 2015 (GSO, 2016b). Among youth, 33% are employed in agriculture (Nguyen et al, 2015). Yet, these jobs are often precarious and low paid. The service sector is taking an increasingly important role in job creation for youth, with 39% of youth working in trade, transport and other services, while 33% work in manufacturing and 28% work in agriculture (OECD, 2017b). In rural areas, waged workers represented 41% of employed youth in 2014, while the share of waged workers among youth in urban areas reached 71.5%. Ethnic minorities are also disadvantaged compared to the Kinh youth, with a higher share (58%) of them engaged in unpaid family work than their Kinh peers (23%) in 2014. There was also a higher prevalence of unpaid family workers and own account workers in rural areas (58.3%) than in urban areas (27.2%) (Figure 1.14).

**Figure 1.14. Youth employment status by gender, ethnicity and residence, 2010 and 2014**




*Source*: Authors' calculations from Viet Nam LFS 2010 and 2014.

### *1.4.3. NEET and inactive youth*

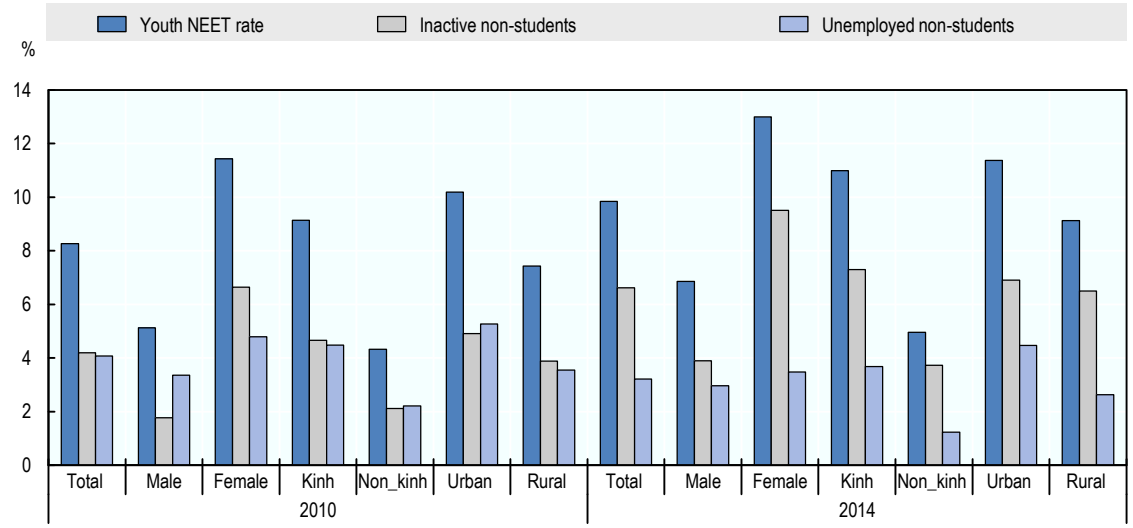
The NEET youth rate in Viet Nam increased from 8.3% in 2010 to 9.8% in 2014, including 6.6% of inactive non-students and 3.2% of unemployed non-students. NEET refers to the number of youth who are not in employment, education or training. It counts the number of unemployed non-students looking for a job and non-students not actively looking for a job (inactive non-students).

Young females are more likely to be NEET than their male counterparts. Between 2010 and 2014, the NEET rate of young women increased from 11.4% to 13%, while the rate for young men increased from 5.1% to 6.8% (Figure 1.15). Although the majority of NEETs were women, which could explain the level of inactivity since many women in Viet Nam stop working after they marry, the NEET rate hides the number of those who are discouraged and give up seeking a job for reasons other than personal choice. Discouragement due to lack of opportunities and resources, particularly in rural areas, combined with low qualifications and low self-esteem, drive youth, including women, to become inactive and give up on job search. The number of those who are discouraged is difficult to capture and is hidden amongst the inactive youth.

The NEET youth prevalence is higher in urban areas than in rural areas. In 2014, the NEET rate was 11.4% amongst urban youth compared to 9.1% amongst rural youth. Ethnic background also makes a

difference, as the share of NEETs amongst Kinh young people was more than twice (11%) that of the ethnic minority youth (5%) in 2014 (Figure 1.15).

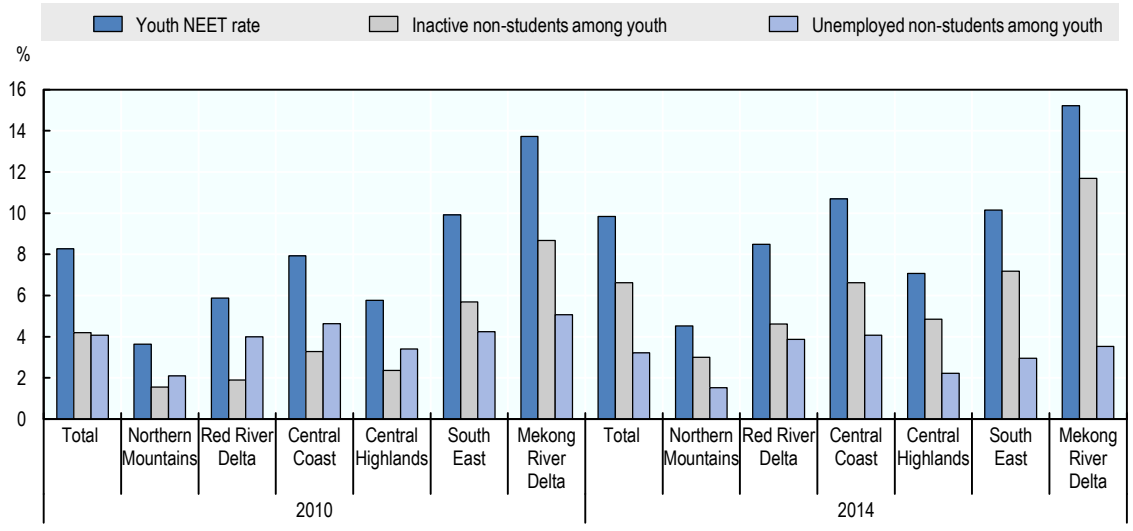
**Figure 1.15. Youth NEET rate by gender, ethnicity and residence, 2010 and 2014**




*Source*: Authors' calculations from Viet Nam LFS 2010 and 2014.

With the exception of the South East region (the most developed region), all regions experienced an increase in their youth NEET rates between 2010 and 2014. By contrast, the share of unemployed non-students among youth declined in all regions between 2010 and 2014. The region of Mekong River Delta had the highest youth NEET rate in 2014 at nearly 16%, as well as the highest proportion of inactive non-students among youth at 11.7%. The two least developed regions had the lowest share of NEETs in 2014, at 4.5% for the Northern Uplands region and 7% for the Central Highlands region (Figure 1.16).

**Figure 1.16. Youth NEET rate by region, 2010 and 2014**




*Source*: Authors' calculations from Viet Nam LFS 2010 and 2014.

According to the ILO's school-to-work transition survey of 2013, the majority (77%) of inactive youth (those not looking for a job) were studying. Among inactive non-students (those not studying and not looking for a job), the main reason for inactivity was family responsibilities or housework (32%). This reason is given by more young women than young men, but 23% of young men also cited family responsibilities. Illness, injury or disability is another reason for inactivity that concerned 22% of young men, compared to 2% of young women. Temporary inactivity due to the time of the year being off-season was a reason for 19% of young men and 13% of young women. Only 5% declared having no desire to work (Nguyen et al, 2014).

### *1.4.4. Qualifications mismatch*

Qualification mismatch is a significant problem in Viet Nam's labour market. The existing school curricula have a bias towards formal education and university degrees over non-formal education and vocational training, which creates a mismatch between skills and needs in the labour market. Employers are unable to fill posts with qualified candidates while youth are stuck in poor-quality jobs. Youth qualification mismatch is calculated by matching the occupational skills categories of the International Standard Classification of Occupations (ISCO) to the International Standard Classification of Education (ISCED 11). Ten occupational groups are matched to six ISCED levels (Table 1.4).

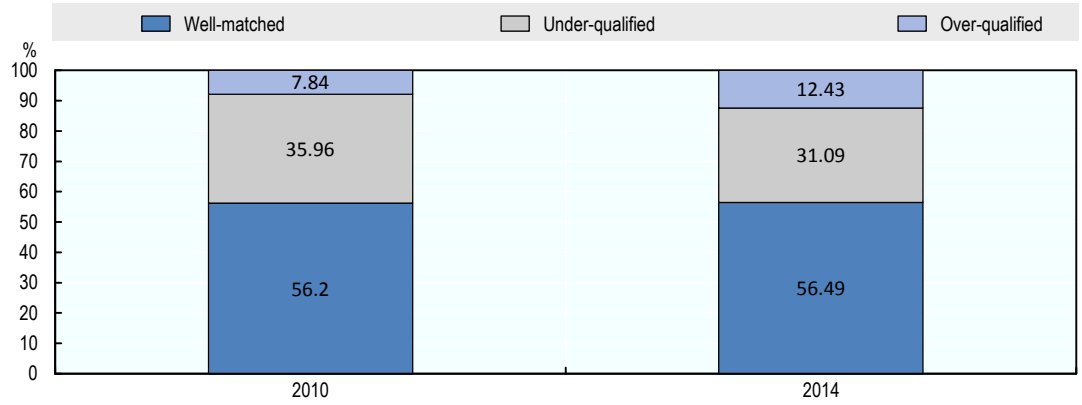
**Table 1.4. ISCO occupation groups and education levels**

| Code | Major ISCO groups | Broad occupation groups | Education levels |
|---|---|---|---|
| 1 | Legislators, senior officials and managers | High-skilled non-manual | Tertiary (ISCED 5-6) |
| 2 | Professionals | | |
| 3 | Technicians and associate professionals | | |
| 0 | Military occupations | Low-skilled non-manual | Secondary (ISCED 3-4) |
| 4 | Clerical support workers | | |
| 5 | Services and sales workers | | |
| 6 | Skilled agricultural and fisheries workers | Skilled manual | |
| 7 | Crat and related trade workers | | |
| 8 | Plant and machine operators and assemblers | | |
| 9 | Elementary occupations | Unskilled | Primary (ISCED 1-2) |

*Note*: ISCO 6 includes subsistence farmers and fish workers.
*Source*: ILO (2013).

In 2014, approximately 56.5% of employed youth had matching qualifications for their occupations. The share of overeducated employees was 12.4%, while the undereducated accounted for 31% of the total youth employed. Although the share of well-matched young employees remained relatively stable between 2010 and 2014, the share of under-qualified employed youth declined by almost 5 percentage points over the period, while the share of over-qualified employed youth increased by nearly 5 percentage points (Figure 1.17). Over-qualification was found primarily in low-skilled occupations. This happens when a degree holder is unable to find a job that matches his/her qualification. Under-qualification was mostly concentrated in jobs requiring higher skills levels. Being under-qualified for the job can have an impact on the self-confidence of the young worker as well as on labour productivity, stalling economic growth (Nguyen et al, 2015).

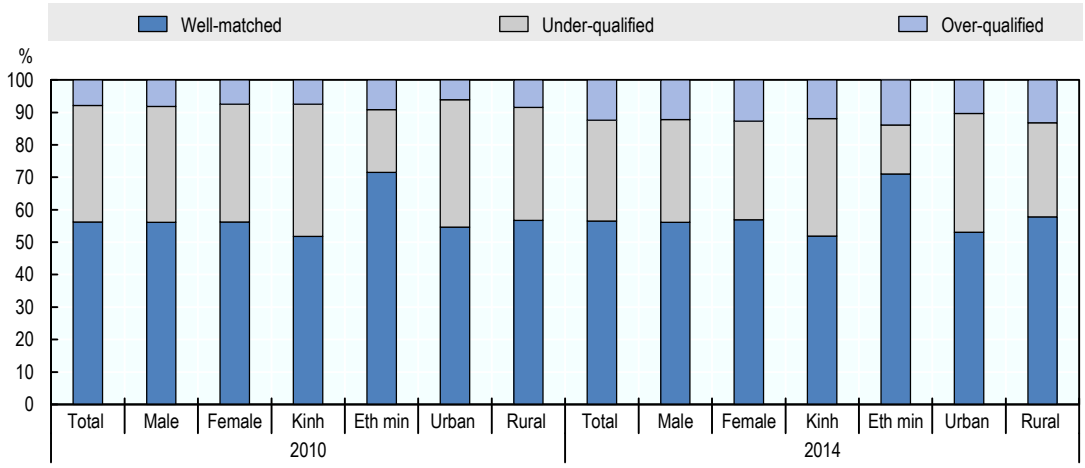
**Figure 1.17. Youth qualification mismatch, 2010 and 2014**




*Source*: Authors' calculations from Viet Nam LFS 2010 and 2014.

There were no significant differences between men and women regarding qualification mismatch. 56.1% of young male workers were in occupations that matched their level of education in 2014 compared to 56.8% of young female workers. The share of under-qualified young workers was slightly higher in urban areas (36.6%) than in rural areas (29%), while the rate of well-matched employment was quite similar at 53% and 57.7% respectively. In contrast, the share of under-qualified workers amongst the Kinh youth was more than twice that of the ethnic minority employed youth, at more than 36% compared to 15.1% in 2014 (Figure 1.18).

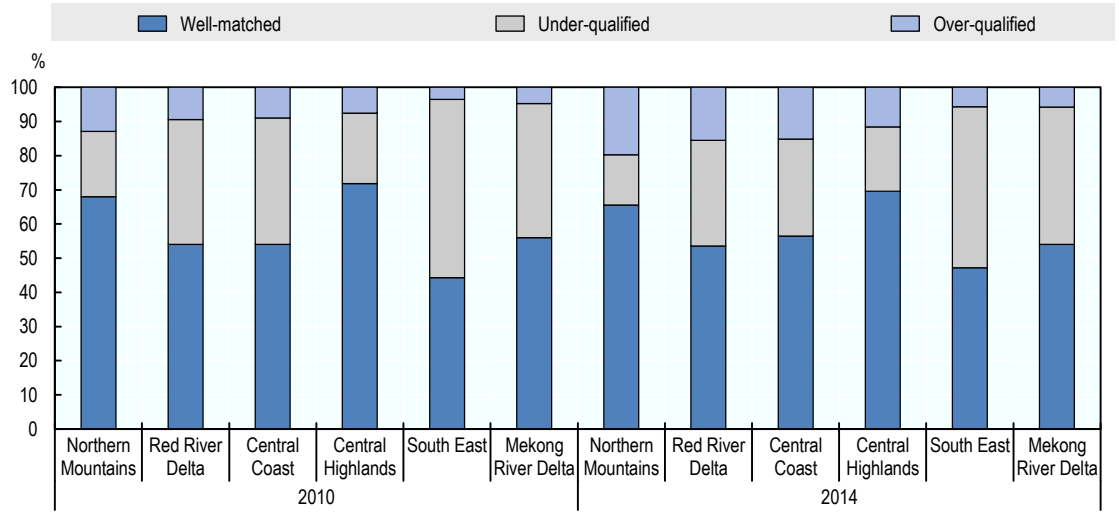
**Figure 1.18. Youth qualification mismatch by gender, ethnicity and place of residence, 2010 and 2014**




*Source*: Authors' calculations from Viet Nam LFS 2010 and 2014.

The Northern Mountains and Central Highlands, which are the two least developed regions of Viet Nam, showed the highest share of well-matched young employees in 2010 and 2014. On the contrary, the two most developed regions, the Red River Delta and the South East, had the lowest share of young workers who were in occupations that matched their level of education (Figure 1.19). These regional differences can be explained by the fact that the less developed regions have jobs that often require low levels of education and therefore, yield a higher qualification matching rate. In more advanced regions, job requirements are higher and therefore there is a higher rate of underqualified employees.

**Figure 1.19. Youth qualification mismatch by regions, 2010 and 2014**




*Source*: Authors' calculations from Viet Nam LFS 2010-2014.

Multivariate regression analysis confirms that the level of education is strongly linked to better job outcomes. Having high level of education (at least upper secondary education) decreases significantly the chance of getting an informal job. A university degree or a VET degree decreases by 50% the probability of having an informal job. Disabled youth and youth from poor households are more likely to end up as informal workers. There is little being done to include disabled youth into employment programmes or training. Youth living in Northern Mountain region are more likely to work as informal worker compared to those living in more developed regions like Red River Delta and Southeast.

Being married or belonging to rich households increases the likelihood of being a NEET. This is not surprising as women not working after marriage is common in Viet Nam and children from rich families can afford to stay idle until they decide to work. Poverty has an inter-generational effect, as youth from poor households are also more likely to end up earning lower incomes. The education of parents, especially of the father, is also a strong determinant for youth to not end up a NEET. Urban youth are more likely to be a NEET than their rural peers, inferring to the lack of jobs in urban areas. Youth in poorer regions like Northern Mountain are less likely to be NEET, but also more likely to earn low incomes.

An OECD study on youth aspiration and the gap with the reality of the labour market shows that in Viet Nam, 92% of tertiary educated young people aspire to get high-skilled jobs, but only 70% actually do, while 7.6% of young people aspire to get medium-skilled jobs, but in reality 30% end up in this job category. Addressing this misalignment will require that national policy makers focus on a two-pronged strategy of: i) helping young people shape career aspirations based on relevant labour market information so that they do not build unrealistic expectations, and ii) improving the quality of jobs with due regard to those job conditions that matter for young people. (OECD, 2017b).

## 1.5. Empowerment and participation

Participation and empowerment are important rights for the well-being of youth. Participation refers to a young person's level of engagement in political and social activities. Empowerment is a broad concept touching on many critical areas of youth well-being and inclusion, including social and human empowerment, economic empowerment, women's empowerment and political empowerment. As put forward in the United Nations Development Programme (UNDP) *Youth Strategy 2014-2017*, youth empowerment requires guaranteeing the rights of youth to participate in government decision making and processes at the national, sub-national and local levels (UNDP, 2014). Participation and empowerment can, however, only be made possible by the existence and enforcement of legal frameworks that protect the rights of youth to participate in civic and political activities and to freedom of expression. Participation and empowerment indicators usually include social capital (social support networks and trust), civic and political engagement, as well as crime and violence.

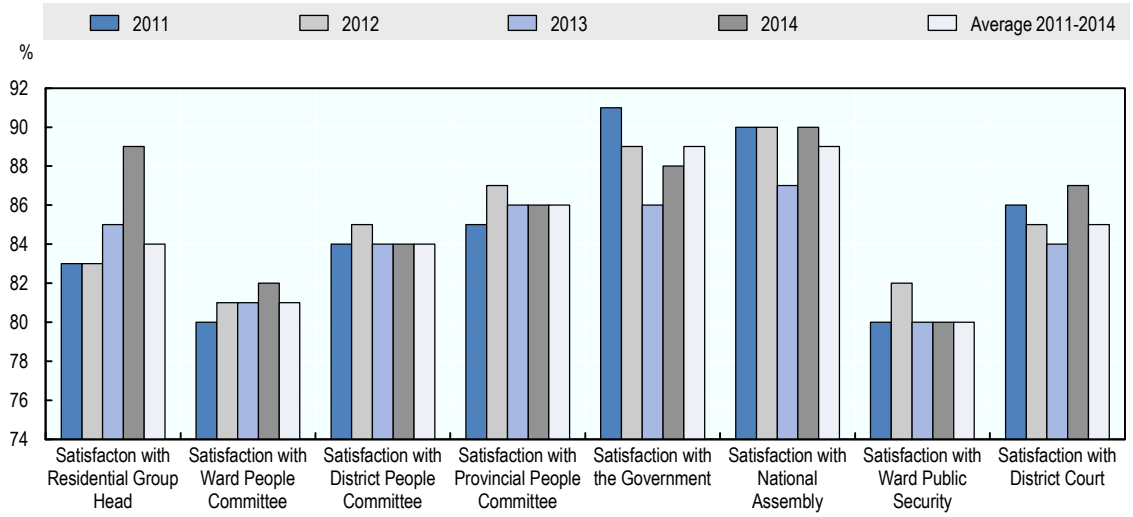
### *1.5.1. Social capital*

The level of trust given to policy makers and institutions by youth is an important determinant of youth participation (Uslaner and Brown, 2005). Trust can be defined as the citizens' evaluation of the institutions and of political leaders in keeping their promises efficiently, fairly and honestly (Blind, 2007). The analysis in this section used the Provincial and Public Administration Performance Index (PAPI) dataset implemented by the UNDP, Fatherland Front, and the Center for Community Support Development Studies. PAPI covers 63 provinces, 207 districts, 414 communes and 828 villages across the country (Malesky and Alfaro, 2014). The notion of "trust" in PAPI is the degree of satisfaction the youth population has with the performance of institutions and political leaders (Bouckaert and Van de Walle, 2001).

Over the 2011-2014 period, young people demonstrated a high level of satisfaction with the Vietnamese authorities at the village, communal, district, provincial and national levels. Young people gave an average score of 80 on all indices (measured on a scale of 0 to 100, with 100 being the highest level of satisfaction) between 2011 and 2014, illustrating a high degree of trust with all the authorities. The central government and the national assembly obtained the highest scores, with 88 and 90 out of 100, respectively in 2014. At the other end of the spectrum, ward public security showed the lowest score with 80 out of 100 in the same year (Figure 1.20).

Results of the study show that the level of trust may also differ depending on individual and household characteristics. The authors of this study applied a multiple correspondence analysis method, which used a range of durable assets to assess the level of wealth amongst young people. When asked to rate their satisfaction with the authorities, young people from the richest households gave significantly lower scores than their poorest counterparts over the 2011-2014 period. The more educated youth seemed to be less satisfied with the authorities than those who were less educated.

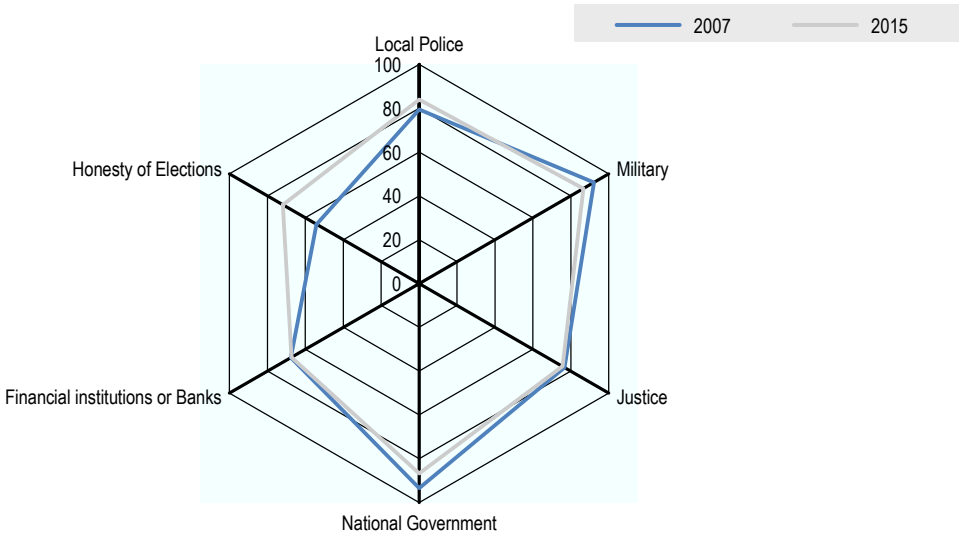
**Figure 1.20. Level of satisfaction amongst youth towards government and local authorities, 2011-2014**




*Source*: Authors' calculations using PAPI 2011-2014.

Gallup World Poll data confirm PAPI results on trust in institutions by youth. The youth expressed a high level of trust towards the national government (86.7%), the military (86.4%) and the local police (84%) in 2015, whereas they showed a lower level of trust for financial institutions (67.3%) and elections (71.8%) (Figure 1.21) Opinions on elections have, however, improved compared to 2007 when only 54% of youth believed that elections were carried out honestly. The Gallup World Poll is a cross-country representative survey, which captures the attitudes and beliefs of citizens on different topics in a particular country.

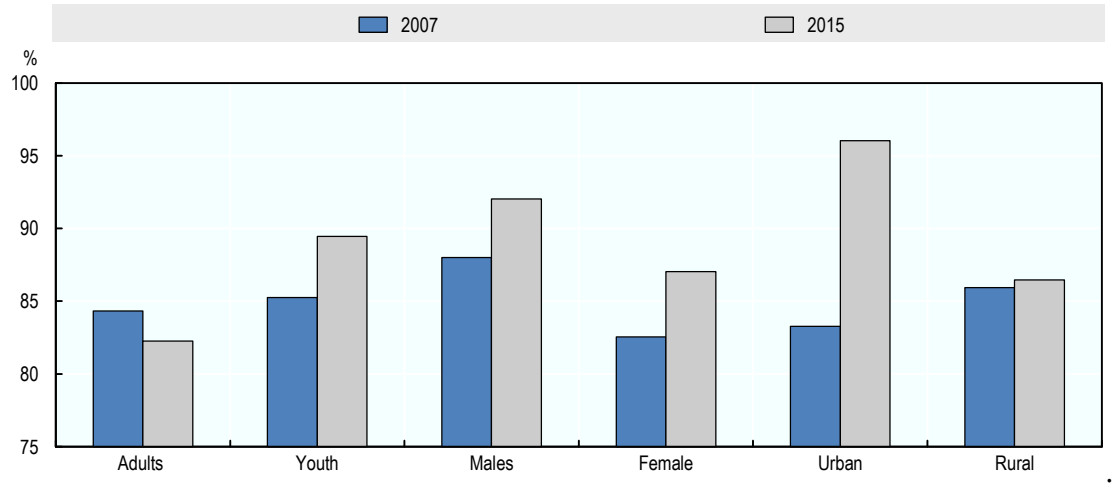
**Figure 1.21. Youth trust in public institutions, 2007 and 2015**




*Source*: Gallup poll, 2007 and 2015.

Trust is one of the key determinants of social capital. High levels of trust in a society helps lower transaction costs and builds social capital that can catalyse economic growth. One dimension of social capital is the level of social network support – the feeling or the experience of having others to turn to for help in times of need, but also as an everyday occurrence in personal relationships (Barnes and Duck, 1994). According to the Gallup World Poll, 89.5% of Vietnamese youth reported having a stable and reliable social network support in 2015, which represents a nearly 6% increase compared to 2007. In 2015, young men (92%) reported a higher level of social support than young women (87%). Youth living in rural areas also had weaker social connections and networks. In 2015, 96% of urban youth declared having a reliable social support network compared to only 86% of rural youth. Youth seem to have a better social network than adults. Between 2007 and 2015, the share of adults who declared having a strong social support network decreased by 2 percentage points from 84.3% to 82.3%, (Figure 1.22).

**Figure 1.22. Social network support in Viet Nam, 2007 and 2015**




*Source*: Gallup World Poll, 2007 and 2015.

### *1.5.2. Civic and political engagement*

Civic engagement can take many forms, including volunteering for an organisation, donating money to a charity or helping a stranger in need of help. These three criteria are often used to define the rate of civically engaged youth. The indicator on political engagement relates usually to youth voter turnout. It measures the percentage of youth who declare that they vote when elections take place, be it at the local or national level. Using the PAPI data, youth participation was measured based on two indicators: i) youth who voted or contacted political parties or civil society organisations to engage in activities or join as members; and ii) youth who expressed interest in politics and societal issues, youth civic engagement in voluntarism and community work.

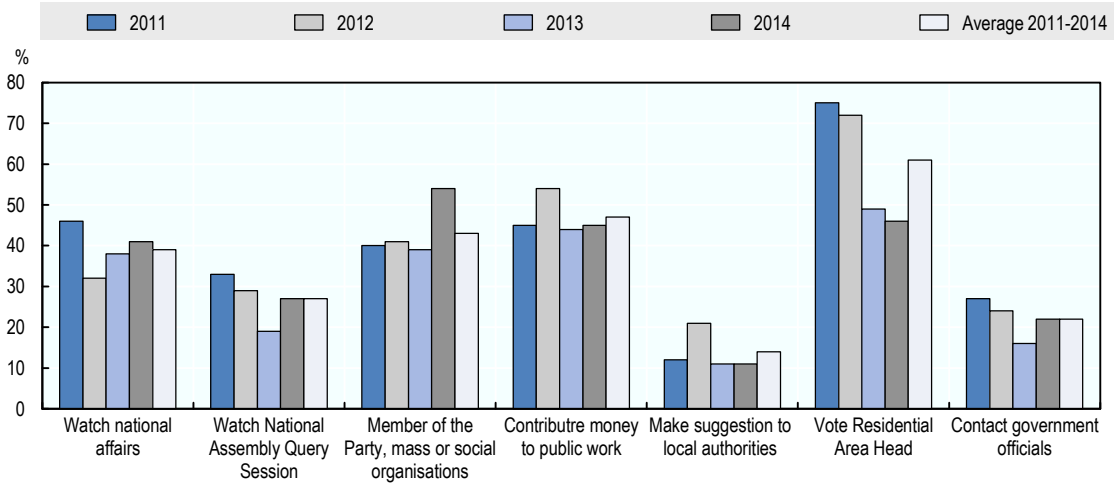
In Viet Nam, youth participation in policy development takes place at different levels – within families, schools, communities and the legal framework. The National Youth Development Strategy 2011-2020, for instance, foresees consultations with young people in its implementation, especially through the Ho Chi Minh Communist Youth Union (HCMCYU) (See Chapter 2). Nonetheless, a report on youth participation published by the research unit of HCMCYU indicated that only 14.4% of youth have ever participated in any step of the policy development process (HCMCYU, 2012).

A majority of eligible youth participate in voting. Elections are an important activity through which youth can express their political opinions. In Viet Nam, the minimum age for voting is 18 years old.

Results from the PAPI data show that between 2011 and 2014, on average, almost two-thirds of eligible young people participated in elections, which show a clear interest in the act of voting.

Half of Vietnamese youth are involved in some kind of political or civil society organisations. In 2014, 54% of 15-29 year olds declared being a member of the Party (the Communist Party of Viet Nam), a mass organisation, a professional association, or a cultural/social group, compared to 40% in 2011. By contrast, the level of youth engagement with the local authorities was low in 2014: only 11% of the interviewed youth declared that they made a proposal or a suggestion to the local authorities in the past twelve months. When asked about their interest in national news and politics, 41% of interviewed youth said that they watched or listened to the news about national affairs and the government the day before the interview, and only 27% had watched the most recent National Assembly Query Sessions on television (Figure 1.23).

**Figure 1.23. Youth participation indicators, 2011-2014**




*Source*: Authors' calculations based on PAPI data for 2011- 2014.

In Viet Nam, youth participation is also commonly known as volunteerism. In 2014, almost half of the young interviewees (45%) declared that they contributed money, labour or in-kind support to build or fix public works in their commune or ward in the past 12 months. The HCMCYU and other youth organisations such as the Viet Nam Youth Federation (VYF) or the Viet Nam Students' Association receive funding from the state budget for their operations and are major agents of youth mobilisation. The HCMCYU is present at every level of state administration, from the central to the communal level. In 2012, it had a membership of over seven million, accounting for 28% of all young people aged between 16 and 30 (HCMCYU, 2012).

Socio-economic gaps continue to discriminate youth participation. According to the analysis of the PAPI data, there are few differences in youth participation between gender, place of residence, age or ethnicity. However, the level of wealth and education are strong determinants of youth participation. The better-off a young person is, in terms of wealth and education, the more likely he or she is to be interested in politics and societal issues. Over the period 2011-2014, 54% of the richest youth interviewees declared that they watched or listened to the news about national affairs the day prior to the interview, compared to only 30% amongst the poorest youth. The same is true to the level of education, with 67% of youth with a higher education watching or listening to news about national affairs the day prior to the interview, compared to only 27% amongst those with only a primary-level education.

In addition, the better-educated and better-off youths are more likely to be members of a political or civic organisation and to contribute voluntarily to public works. Among the better-off youth, 56% said that they were a member of the single Party, a mass organisation, a professional association, or a cultural/social group, compared to 33% amongst the poorest youth. Similarly, 69% of the better-educated youth declared being a member of an organisation compared to only 25% of the primary-only educated.

### *1.5.3. Juvenile crime and justice system*

Juvenile crime is on the rise in Viet Nam. According to the Police Department for Administrative Management of Social Order, more than 17 000 law violations had been committed by over 25 000 children and adolescents between 2014 and 2015 (22 months period), including stealing (4 027 cases), robbery (2 105), and public order disturbances (2 035). Nearly 20% of offenders were less than 14 years old. Juvenile crimes are not only increasing but the type of offense is also getting more serious (Vietnamese National Assembly [VNA], 2015).

According to the Penal Code of Viet Nam, the legal age of criminal responsibility in Viet Nam is 14, while the majority age is 16. Offenders are considered as juvenile offenders if aged between 14 and below 18 years old. Juvenile offenders may be exempt from penal liability if they commit less serious crimes or serious crimes, which cause no great harm and involve extenuating circumstances. Yet, they will bear penal liability for serious crimes intentionally committed. Pecuniary punishment, additional penalties, life imprisonment and the death sentence cannot be imposed on juvenile offenders. When handing down sentences of termed imprisonment, the courts will impose lighter sentences on juvenile offenders than those imposed on adult offenders of the corresponding crimes. In the case of juvenile offenders who committed less serious crimes, the courts may decide to apply a commune/ward/district town-based education measure for between one and two years or to send them to reformatory schools (VNA, 2015).

Regarding imprisonment, juvenile offenders are not subject to the same penalties as adults. For instance, if the applicable law provisions stipulate life imprisonment or the death sentence for juvenile offenders who committed serious crimes, the highest applicable penalty shall not exceed 18 years of imprisonment for 16-18 years old and not more than 12 years for 14-16 years old (VNA, 2015). Juvenile convicts are not imprisoned together with adult offenders and are provided with job training or general education while serving imprisonment penalties (Quang, n.d.).

The age at which a child can be held criminally liable is an incessant debate around the world. With rising juvenile crimes, in July 2017, the VNA voted for amendments to the Penal Code. Under the amended law, persons aged 14 to 16 will have to bear penal liability for very serious crimes or extremely serious crimes of intentionally inflicting injury or causing harm to the health of other persons, rape and kidnapping in order to appropriate property. International research shows that due to their young age and developmental stages, convicting children as criminals at an early age can have a serious negative impact on their development and successful rehabilitation. Lowering the age of criminal responsibility is not in line with scientific evidence and is seen as a major step back in the protection of children's rights according to UNICEF (UN Viet Nam, 2017). Instead, UNICEF recommends proper rehabilitation programmes and services that will facilitate their reintegration as productive members of society.

Young women in particular are vulnerable to violent behaviours. Violence against women is a significant public health and human rights issue and includes all forms of physical, sexual, psychological and economic violence. At least one in every three women worldwide has experienced either physical and/or sexual intimate partner violence or sexual violence by a non-partner at some point in their lives (United Nations Department of Economic and Social Affairs [UN DESA], 2015). In Viet Nam, although the government has demonstrated commitment to eliminating violence against women, similar numbers were

revealed in the 2010 National Survey on Domestic Violence against Women (GSO, 2010b). According to the survey, 32% of ever-married women aged 15-49 had experienced physical violence by a partner in their lifetime, while 10% had experienced sexual violence and 5% were beaten during pregnancy. In addition, 54% of women had experienced emotional abuse in their lives. Less-educated women or women belonging to ethnic minority groups are the most vulnerable. The same is true for early marriage: marrying girls under the age of 18 is still a common practice in some ethnic minority groups.

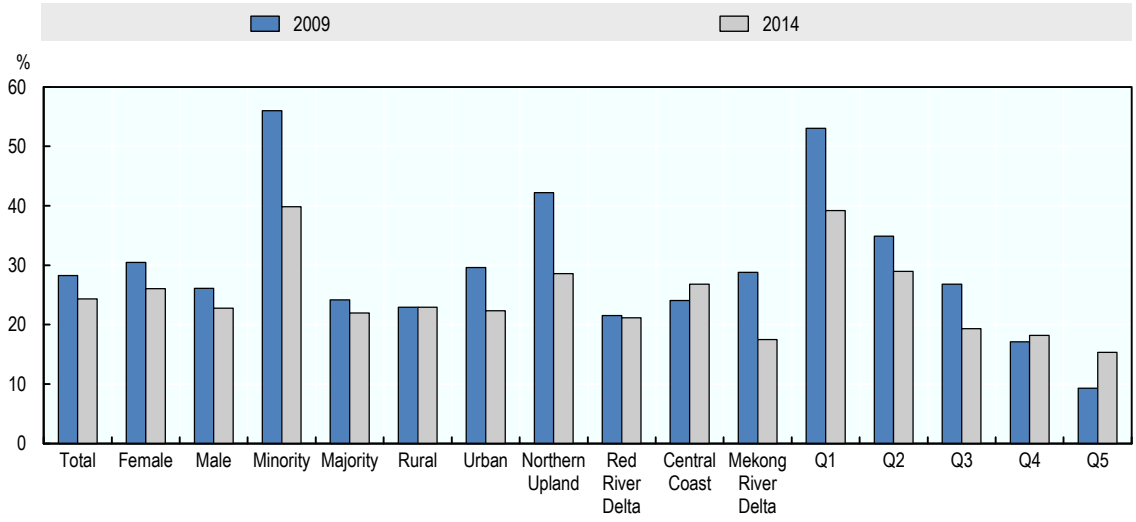
## 1.6. Subjective well-being

Life evaluation, feelings and meaning are important subjective dimensions of well-being, but are often overlooked in spite of their importance. These dimensions matter, first because youth are the best judges of their life situations, and second because how youth evaluate, experience and give sense to their lives has direct implications on their behaviours and subsequent outcomes (Boarini, Kolev and McGregor, 2014).

### *1.6.1. Life satisfaction among youth*

Life evaluation provides important information on the overall personal assessment of youth life quality. A positive life evaluation is typically associated with other positive well-being outcomes, including, for instance, higher social connections and productivity at work (Boarini, Kolev and McGregor, 2014). The indicator selected captures the percentage of youth who are currently dissatisfied with their lives as a whole. According to the Young Lives Survey, 24% of Vietnamese young people aged 19 said they were dissatisfied with their lives in 2014, which represents a 4 percentage points decrease compared to 2009 when the same young people were 15 years old. Large differences were noted amongst ethnicities and wealth quintiles. Ethnic minority youth (40%) were far more dissatisfied with their lives than Kinh youth (22%). Youth from poor families (39%) were also less happy than their richer peers (15%) (Figure 1.24).

**Figure 1.24. Youth dissatisfaction with life by age, gender, place of residence and wealth quintiles, 2009 and 2014**

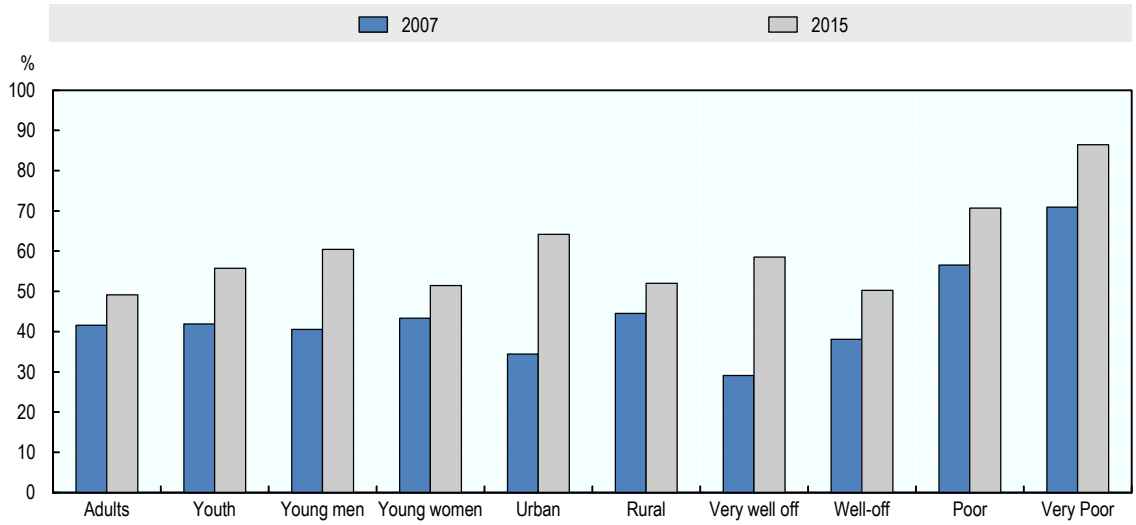



*Source*: Authors' calculations using Young Lives Round 3 and Round 4 data.

### *1.6.2. Negative feelings among youth*

The share of Vietnamese youth with negative feelings has significantly increased over the last years. According to the Gallup World Poll survey, the share of youth experiencing negative feelings increased between 2007 and 2015 from 42% to 56%. Young men were more likely to experience negative feelings than young women. Youth from the poorest households were also more prone to experience negative feelings than better-off young people. Urban youth (64%) also seemed more frustrated than rural youth (52%) in 2015 (Figure 1.25).

**Figure 1.25. Youth negative feelings by gender, place of residence and wealth quintiles, 2007 and 2015**




*Source*: Gallup poll, 2007-2015.

## 1.7. Conclusion

In Viet Nam, youth currently account for one-quarter of the total population, providing the country with a unique socio-economic development opportunity. Yet, this potential can only be tapped into if young people have proper access to quality education, health care, employment and participation in public life.

Overall, the health situation of young people has improved over the past decade, while both the mortality rate and the maternal mortality rate among youth have decreased since 2000. Road injury is now the leading cause of death among youth, especially among young men, which calls for increased public attention to road safety and better enforcement of the helmet legislation. Although the HIV prevalence rate among youth has declined, HIV/AIDS remains the second leading cause of death, and infection among young women has increased over the last decade.

Concurrently, the adolescent birth rate has slightly increased and affects especially ethnic minorities, people with a low level of education, poorest households and those living in remote regions. Youth-friendly health services and gender-sensitive clinics should be made accessible for women and less educated people, especially in rural areas. Social norms still affect young people from seeking SRH services. Building capacity and raising awareness among both young men and women is needed so that they themselves can drive this agenda. Peer-to-peer programmes have proven effective in communicating about SRH issues among adolescents and young adults. SRH education should also be implemented in schools and in communities to overcome gender-discriminatory social norms that prevent young people

from accessing family planning services and seeking treatment for STIs. Trained staff and youth-friendly services must be increased in rural areas. Digital technologies can provide creative ways to raise awareness on topics that carry specific stigma. Using champions within communities or among celebrities can help provide the right message.

With regard to education, issues of education equity and quality deserve more attention. Viet Nam has made significant progress in achieving universal primary education. The primary school enrolment rate is nearly universal, while the lower secondary school enrolment rate is close to 90%. However, early school dropout remains a sticky problem in Viet Nam, especially in upper secondary level. Although the dropout rate has slightly declined over the last years, dropout rates were still at 9% for primary school and 10% for lower secondary school in 2014. Among 25-29 years old, only 31% had completed upper secondary education or above.

Early dropout from secondary school is linked to physical access and economic constraints. The government should facilitate and encourage return to school for school-age youth and promote cash transfer programmes for the poorest households to remove financial constraints in upper secondary education. Financial assistance should be linked to performance at school. Youth at-risk of falling out of the system will need closer supervision, monitoring of their grades and support systems, including educating parents about the value of education. Physical access to upper secondary school remains still difficult in many parts of the country. This problem affects ethnic minority groups, poor youth and young people living in rural and remote areas in particular.

Indeed, there are considerable differences in the enrolment and dropout rates between groups of youth depending on their ethnicity, wealth and location. Education outcomes also vary greatly depending on the region, with the lowest education enrolment rates in Northern Mountain and Mekong River Delta. The literacy gap between the poorest and richest youth was as wide as 12 percentage points in 2014 and between ethnic minority youth and Kinh youth the gap was 19 percentage points. Literacy rates also vary by regions: the Northern Mountains as well as the Central Highland regions lag behind other regions. Parents should be educated in the value of continuing education until at least upper secondary education, especially in rural areas and among ethnic minorities. School days or years could be also adapted to take into account the local context, such as agricultural activities.

The gross enrolment rate in tertiary schools has also increased over the last decade, reaching 29% in 2015. However, tertiary graduates have difficulties finding jobs that match their qualifications and aspirations. Universities and higher education should adapt their curriculum to better match local labour market needs. More majors on science, technology, engineering and mathematics (STEM) should be offered and promoted. Young people need career counselling early on, in primary and secondary education with more accurate information about the labour market demands and changes. Vocational and technical options should be explained to both students and parents, with evidence on career paths and potential development. Finally, data on upper secondary and tertiary education, including dropout rates should be regularly collected in education surveys or through VHLSS and allow for international comparison.

In terms of employment, both youth informal employment and employed youth with poor wage rates have decreased between 2010 and 2014, while the share of waged workers has increased from 45% in 2010 to nearly half of the youth labour force in 2014. Yet, young people still have a greater likelihood of being unemployed and among the working poor than adults. The number of young NEET has also increased over the past five years from 8% to 10%, while young women are far more likely to be inactive than their male counterparts. In this context, the government should improve employment information

and counselling through more jobs centres and better communicate with industries to identify needs in the labour market.

Poor wages and informality are also concerns in youth employment, especially among ethnic minorities and youth workers in rural areas. Ethnic minorities persistently have the highest share of unpaid family workers. The least developed regions such as the Mekong River Delta, the Northern Uplands or the Central Highlands experience worse employment incomes than more developed regions such as the Red River Delta and the South East, where labour intensive industries are located. Greater efforts should be made to expand adequate training opportunities to all youth. The government should establish new educational schemes to recognise and validate past experiences for low-skilled workers in the informal sector as well as supporting second-chance vocational training and apprenticeship programmes to upgrade skills amongst disadvantaged youth. Small and medium-sized enterprises should also be promoted in the agricultural sector along the value chain in the least developed areas.

Additionally, skills shortage is still a significant problem in the Vietnamese labour market. In 2014, just over half of the employed youth had matching qualifications for their occupations, while the share of overqualified youth has increased by nearly 5% in the past five years. Interestingly, there is a higher number of under and over qualified employees among the Kinh majority youth group than among ethnic minorities. The government should develop a skills strategy which is an embedded skills build-up within a broader development strategy. On-the-job training, second-chance vocational training and apprenticeship programmes should be supported, while the Technical Vocational Education and Training (TVET) curriculum should be revised to better match the needs of the labour market.

With respect to civic participation, the government has significantly increased its focus on youth over the last decade. Almost half of young people participated in elections in 2014, and many are members of a political or civic organisation. Trust in both local and central public institutions remains high among youth, with ethnic minorities and youth from the poorest households displaying the highest levels of trust in governmental institutions. The HCMCYU and other youth organisations such as the VYF or the Viet Nam Students' Association are major agents of youth mobilisation, the HCMCYU being the primary vehicle for youth to participate in politics with a membership of over seven million.

However, participation of youth in policy making is still low, with only 14.4% of youth who have ever participated in any part of the policy development process. Young Vietnamese show a relatively low interest in politics, with less than one in two watching or listening to news about national affairs. Additionally, socio-economic inequalities are strong determinants of youth participation, while the better-off as well as the better-educated show more interest in politics and are more likely to be politically and civically active. The government should promote volunteerism and the activities of non-governmental organisations for youth in rural areas to allow them to gain soft skills and learn about both politics and citizenship. Civic activities should be incorporated into the regular curriculum from primary school. The government could also use social media to create innovative participatory platforms and organise awareness activities around policy-making processes. The authorities should ensure an environment conducive to an open political debate in order for youth-led initiatives to flourish and for young people to express their opinions freely.

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# Annex 1.A1 Determinants of school dropouts

Young Lives is an international study of childhood poverty following the lives of 12 000 children and adolescents in Ethiopia, India, Peru and Viet Nam over 15 years. Analysis to understand the determinants of school dropouts was carried out by estimating logit models of the older cohort using data from two rounds of Young Lives surveys. In Viet Nam, Round 3 and Round 4 follows children born in 1994-95 at age 14-15 (Round 3) and again at age 19-20 (Round 4). This means that information about the same children at different ages is collected to see how their lives are changing. Information on school attendance/dropout could be found across rounds, allowing to identify school dropouts as those attending school in Round 3 but then no longer enrolled in school in Round 4. The highest grade/level of education at the time of dropping out enables the analyses on the determinants of youth's dropping out of upper secondary and college/university level.

Three groups of risk factors, including individual, family and community characteristics are taken into account in the models. *Individual characteristics* comprise of age (in years), gender, ethnicity (ethnic minority or not), permanent disability and class performance (five levels from very bad to excellent). Youth's *family characteristics* include household size, wealth index, self-reported poverty, father and mother's level of education (less than lower secondary education or not), number of siblings who dropped out. *Community characteristics* consist of the location (rural or urban area), social problems such as violence and gangs in the neighbourhood, and Community Service Index.

Table 1.A1.1 present the marginal effects of the specified factors on the probability of dropping out of upper secondary level and above (college/university). The estimation results imply that the overall model is statistically significant, with at least one effect in the model being important to predict the probability of dropping out. The goodness-of-fit test shows no evidence of gross deficiencies in the model.

The results are as follows: Good class performance is significantly and negatively associated with the probability of dropping out. For each higher level of performance, the probability to leave school declines by 22%. Being a female or an ethnic minority does not affect the probability of dropping out of upper secondary school. Being employed increases by 28% the likelihood for the youth to drop out, compared to their non-working peers. Economic status is an important predictor of dropping out. A self-reported poor youth are 40% more likely to drop out of upper secondary school and above than non-poor. Children with mothers who have less than lower secondary education are 15% more likely to drop out of upper secondary education and above than children whose mothers have more than lower secondary education. Children with many members in the household are more likely to drop out of upper secondary education. Community characteristics are also important factors of youth dropping out. Youth living in communities where there are juvenile gangs are 18% more likely to drop out of upper secondary education than those who live in places where there are no gang activities.

**Table 1.A1.1. Logit model of determinants of dropping out of upper secondary education and above, the marginal effect**

| | Drop out of USE and above | Drop out of USE | Drop out of college/univ |
|---|---|---|---|
| Age (years) | -0.1168** | -0.0267 | -0.0572* |
| | (0.0518) | (0.0253) | (0.0336) |
| Male | 0.0186 | 0.0141 | -0.0031 |
| | (0.0476) | (0.0246) | (0.0314) |
| Minority | -0.1293* | -0.0198 | -0.0926** |
| | (0.0783) | (0.0354) | (0.0466) |
| Permanent disability | -0.0348 | 0.0243 | -0.0538 |
| | (0.1564) | (0.0902) | (0.0901) |
| Class performance (5 levels) | -0.2236*** | -0.1076*** | -0.0137 |
| | (0.0449) | (0.0217) | (0.0283) |
| Employment | 0.2863*** | 0.0594** | 0.1713*** |
| | (0.0445) | (0.0260) | (0.0290) |
| Woman's best age for giving birth | -0.0632*** | -0.0180*** | -0.0008 |
| | (0.0121) | (0.0055) | (0.0027) |
| Household size | 0.0309** | 0.0091 | 0.0072 |
| | (0.0133) | (0.0058) | (0.0084) |
| Wealth Index | -0.2104 | -0.2364** | 0.2020 |
| | (0.2471) | (0.1175) | (0.1729) |
| Poverty (self-reported) | 0.4054*** | 0.1392* | 0.0438 |
| | (0.0962) | (0.0839) | (0.0763) |
| Mother's education less than LSE | 0.1544*** | 0.0311 | 0.0707** |
| | (0.0517) | (0.0279) | (0.0357) |
| Father's education less than LSE | 0.0101 | 0.0400 | -0.0072 |
| | (0.0548) | (0.0300) | (0.0363) |
| Number of siblings who dropped out | -0.0188 | -0.0052 | -0.0201 |
| | (0.0370) | (0.0179) | (0.0254) |
| Urban | 0.1305 | 0.0467 | 0.0457 |
| | (0.0801) | (0.0465) | (0.0549) |
| Community violence | -0.0030 | 0.0190 | -0.0318 |
| | (0.0547) | (0.0287) | (0.0361) |
| Community Service Index | 0.0102 | 0.0047 | 0.0138 |
| | (0.0259) | (0.0138) | (0.0176) |
| Community gang | 0.1470 | 0.1803* | -0.0450 |
| | (0.1287) | (0.1041) | (0.0721) |
| Number of observations | 622 | 622 | 622 |
| chi2 | 199.4217 | 129.2033 | 42.5295 |
| p | 0.0000 | 0.0000 | 0.0006 |
| Adjusted R2 | 0.239 | 0.234 | 0.068 |
| Goodness-of-fit test | | | |
| Pearson chi2 | 0.5255 | 0.9947 | 0.3823 |
| Hosmer-Lemeshow chi2 | 0.6185 | 0.6598 | 0.8792 |

*Source*: Authors' calculations using Young Lives data Round 3 and Round 4.

# Chapter 2. Policies and institutional framework for youth

Many governments are demonstrating growing political will to develop comprehensive policies to provide a better response to the needs and aspirations of young people. Nearly two out of three countries in the world today have a national youth policy. National youth policies, however, are often not sufficiently integrated into overall national development plans or sectorial policies and remain ill funded. In addition, lack of horizontal and/or vertical co-operation and co-ordination amongst sectorial actors can, and often does, distort youth policy outcomes and generate inefficiencies, such as overlapping or counteracting policies. Improving youth well-being thus requires assessing the broader youth environment and determining how policies and social norms may contribute to enable or disable youth's development potential and how youth can in turn participate in these policy processes.

This chapter examines the policy gaps, especially for disadvantaged youth, the policy co-ordination and coherence between government institutions involved in youth policies and programmes, including the Ministry of Education and Training (MOET), the Ministry of Labour, Invalids and Social Affairs (MOLISA), the Ministry of Home Affairs (MOHA), the Ministry of Health (MOH), the Committee of Culture, Education and Youth of the National Assembly, as well as the Ho Chi Minh Communist Youth Union (HCMCYU) and the National Committee on Vietnamese Youth (NCVY). It looks in particular at the capacity needs of the Department of Youth Affairs within MOHA, which is in charge of overseeing the implementation of the Vietnamese Youth Development Strategy 2011-2020. Finally, it examines the state of civic participation and what legal and practical mechanisms are needed to improve youth participation in policy processes.

## 2.1. Youth policy mapping

The youth agenda has progressively moved to the centre of the policy debate in Viet Nam as demonstrated by the adoption of a Youth Law in 2005 and the Vietnamese Youth Development Strategy 2011-2020. The strategy is multi-sectoral and covers all aspects of youth well-being including health, vocational training, drug control, employment, life skills, and civic and political participation. Implementing the strategy in co-ordination with all the relevant ministries and youth organisations is, however, a daunting challenge. Despite the presence of well-structured youth organisations, youth participation in policy making is low, especially amongst the less educated and poorer youth. State-controlled mass youth organisations remain the most common way for civic engagement, in the form of volunteerism. Freedom of expression on line, in print, and through public demonstrations is still largely supressed (Freedom House, 2014). This section reviews the key contents of the Youth Law (2005), Decree 120/2007/ND-CP (2007) and the Vietnamese Youth Development Strategy 2011-2020, and their linkages to relevant sectoral policies.

### *2.1.1. National development frameworks*

The Constitution of the Socialist Republic of Viet Nam (1992 and 2013) recognises and protects young people's rights to protection, care and education. The Constitution is the highest legal document in Viet Nam and can be amended by at least two-thirds of the National Assembly's deputies. Under the Constitution are laws, passed by a simple majority in the National Assembly. The enactment of the Youth Law in 2005 marked a major step towards fulfilling the rights of young people in Viet Nam. The text of the law describes the 'rights and obligations of youth', as well as the 'responsibilities of the State, family and society towards youth'. The Youth Law provides a legal framework necessary to the creation of a state apparatus dedicated to the rights of young people. It mandates the State to develop policies for youth in areas such as education, vocational training and employment, and health care with priorities given to ethnic minorities, children from socio-economically disadvantaged families and people with disabilities.

In the field of education, the law provides that the State create favourable conditions for young people to complete the universal education programmes, to have increased access to vocational training and to expand more opportunities to pursue higher education. In order to ensure the learning rights of youth, social subsidies, scholarships and fee exemption or reduction are to be provided on a needs-basis. In addition, for the socio-economically disadvantaged youth, the State has a scheme for the provision and distribution of free textbooks and material support. The Youth Law also highlights the importance of creating opportunities for young people to participate in science and technology-related activities as a means to accelerating scientific knowledge and technological developments and meeting the needs of the expanding economy.

With regards to employment, the law affirms the key role of the State to take measures to create job opportunities and promote vocational training to meet the diverse needs of youth. Measures include encouraging organisations and individuals to create employment opportunities for youth and granting preferential tax, credit and land schemes for vocational education. The law includes the State's role of implementing policies that promote consulting services to help young people access the labour market and further their efforts to build a successful career. Priority is given to rural youth, youth who completed military service, and those who benefit from social programmes. Furthermore, youth from disadvantaged families should be able to take loans from the National Fund for Employment Creation or the Poverty Reduction and Hunger Elimination Fund, as well as preferential loans to develop their own businesses.

In the field of health, the Youth Law underlines the State's responsibility to adopt policies to encourage organisations and individuals to: i) invest in medical establishments, physical training and sports facilities; ii) raise the quality of health care for young people, and provide nutritional counselling, mental health, reproductive health and life skills services; iii) prevent and control drug consumption amongst youth and fight against HIV/AIDS; and iv) prevent STDs and other diseases.

Youth participation is also guaranteed under the Youth Law, which mandates the State to consult with young people and youth organisations before making decisions concerning youth. Amongst these organisations, the HCMCYU plays a core role in youth movements and makes relevant proposals to the authorities to address youth issues. The Youth Law also encourages the State to create opportunities for young people to participate in public administration and to take part in socio-economic and development programmes through youth organisations.

The Youth Law also pays special attention to the vulnerable and disadvantaged youth. The Law notes the special responsibility of the State in ensuring that all youth have equal access to proper education, employment and health care regardless of their ethnicity, their class and their disabilities. For instance, the Law mandates the State to facilitate access to quality education for minority youth and to support them in entering the labour market through job training, capacity-building programmes and financial support. Similarly, youth with disabilities should benefit from exemption or reduction of tuition fees at school as well as in public health establishments. Young people living with HIV/AIDS or drug addicts should receive support through medical treatment, rehabilitation and re-integration and access to education and employment opportunities.

The Youth Law mandates the Government to issue implementation guidelines in the form of decrees, which resulted in the adoption of Decree 120/2007/ND-CP approved in July 2007. The Decree details various policies in important areas for youth, namely education, jobs and employment, culture, sport, entertainment, defence, and state management. From 2010, the Department of Youth Affairs within MOHA led government efforts in developing the Youth Development Strategy 2011-2020. The Strategy

provides the framework for relevant ministries and sectors to give a co-ordinated response to the needs of young people in various aspects of their social and civic life.

Despite this progress, the implementation of youth policies faces some challenges. Decree 120/2007/ND-CP provides a wide-ranging framework for action and will require prioritisation of actions and adequate funding for implementation. In addition, the different state agencies involved need reliable data on the impact of implemented youth policies. In order to address this problem, the Prime Minister approved the establishment of the Vietnamese youth development indicators (Decision 158/QD-TTg) in January 2016. This decision mandates MOHA to collaborate with the Ministry of Planning and Investment (MPI) and other relevant agencies to exploit and analyse data on youth to serve as a basis for monitoring and developing better youth policies.

### *2.1.2. Inventory of policies and programmes relevant for youth*

This section lists the different policies and programmes targeting or concerning youth from MOET, MOLISA, MOHA, Ministry of Science and Technology (MOST) and MOH (Table 2.1).

**Table 2.1. Policies and programmes relevant for youth**

| Sector | Programmes | Description |
|---|---|---|
| Education | **Access to education (All levels)** | |
| | **School fee exemption for children and youth living in difficult conditions** (Decree 49/2010/ND-CP approved in May 2010) | Effective 1 July 2010. Children and youth living in areas with difficult socio-economic and physical conditions are exempt from school fees for all educational grades. Eligibility: 1) persons with meritorious services to the revolution or their family members; 2) preschool class pupils and students whose parents reside in border, mountainous, island or difficulty-hit areas; 2) orphans, disabled or abandoned children; 3) children whose parents are imprisoned; 4) children of poor families; 5) non-commissioned officers or soldiers who are learning at preschool classes and general schools; 6) ethnic minority boarding school pupils. These pupils may also receive a monthly monetary support of VND 70 000 for up to nine months in a school year. The ceiling level of undergraduate tuition fee will be VND 340 000 per month in 2010 and increase to VND 550 000-800 000 per month in 2014-15 school year from the current VND 240 000. Professional secondary, collegial, master and doctoral tuition fees will be equal to 70%, 80%, 150% and 250% of the undergraduate level, respectively. |
| | **Credit for pupils and students** (Decision 157/2007/QD–TTg approved in September 2007) | The objective is to support pupils and students in difficult circumstances (orphans, young people from families with incomes not exceeding 150% of the poverty line and families struck by calamities) by covering education fees and other related expenses through a credit scheme. The loan size is currently VND 13 200 000 (USD 600) yearly, with an interest rate of 0.5%. By the end of 2013, 3 million students had benefited from the programme. |
| | **Scholarships** (Decision 152/2007/QD-TTg) | Scholarship to students who are enrolled in and studying at the following educational institutions in the national education system: 1) pupils and students of selected systems; 2) pupils and students studying in ethnic boarding schools, pre-university schools (except for ethnic minority students who already receive scholarships under Decision 82/2006/QD-TTg); 3) war invalids, disabled people and persons with disabilities who are studying in vocational schools. The scholarship amount is VND 360 000/person/month as of 1 January 2008, replacing amount prescribed in Decision 1121/1997/QD-TTg and Decision 194/2001/QD-TTg. |
| | **Access to primary and secondary education** | |
| | **Creating conditions for youth to achieve universal education** (Decree 120/2007/ND-CP approved in July 2007) | Under this programme, youth living in areas of especially difficult conditions and from poor households[1] are provided with textbooks and are exempt from school fees with the aim of completing universal education. Additionally, youth from poor households are provided with a stipend equivalent to 50% of the education cost for one student at a boarding school. |
| | **Food and allowance for primary and lower secondary students living in extremely disadvantaged areas** (Decree 116/2016/ND-CP) | Effective 1 September 2016. Students in primary or lower secondary schools living in areas regarded as extremely disadvantaged will be provided with 15kg of rice per month for no more than nine months per year. Each student will also receive an allowance to cover part of the cost of meals and housing which is equivalent to 40% and 10% of the basic salary per month, respectively. Boarding schools for ethnic minorities receive financial support to provide meals for students. |
| | **Rice allocation to students living in remote areas** (Decision 36/2013/QD-TTg) | Effective 1 September 2013. The decision provides rice to students in day-boarding schools in remote provinces. Students, mostly from ethnic minority groups, will receive around 15 kg per month per person for up to nine months. The rice is drawn from national reserves. |
| | **Programme to strengthen and develop boarding secondary schools for ethnic minority pupils in the period 2011-2015** (Decision 1640/QD-TTg approved in September 2011) | This policy (2011-2015) aimed at strengthening and developing boarding secondary schools in mountainous and ethnic minority areas. The objective was to allow these remote schools to become local leaders in quality education and to fulfil the task of developing cadres for ethnic minorities and a quality labour force for socio-economic development. By 2015, every province and district with a large ethnic minority population was supposed to have at least one provincial or district boarding school (317 schools in total) to cover 85 000 students accounting for 7% of ethnic minority students in junior and higher secondary education. According to MOET, by the end of 2015, a total of 308 schools were functioning in 50 provinces, including 36 newly built schools. The number of students who benefited from the programme exceeded the target reaching 88 000 pupils. |
| | **Education development programme for ethnic minorities with a very small population in the period 2010-2015** (Decision 2123/QD-TTg approved in November 2010) | This policy (2010-2015) targeted children and youth from nine ethnic minorities with a very small population (under 10 000 people), namely the O Du, Pu Peo, Si La, Ro Mam, Cong, Brau, Bo Y, Mang, and Co Lao. The policy aimed to allow 100% of the targeted youth to continue high school education after completing junior secondary education; and 95% of the targeted youth to continue vocational or higher education after completing high school. If students continued their education, the beneficiaries received a stipend equivalent to the minimum wage. They were also entitled to benefit from the nominated admission system once they had completed high school education (see Decree 134/2006/ND-CP). |

[1] The Government of Viet Nam defines poverty lines for each five-year planning period. As the country develops economically, poverty lines tend to increase from one year to the next. For the current period 2016-2020, households with an average monthly income per person below VND 700 000 (32 USD) in rural areas, or below VND 900 000 (41 USD) in urban areas, and with limited access to basic social services (health care, health insurance, education, housing, clean water, sanitation and information) are considered poor. The threshold for near-poor households is an average per capita income between VND 700 000 VND and VND 1 000 000 VND (45 USD) in rural areas and between VND 900 000 and VND 1 300 000 VND (59 USD) in urban areas (Decision 59/2015/QD-TTg issued on 19 November 2015). In the previous period (2011-2015), the official poverty line was lower: VND 400 000 VND in rural areas and 500 000 VND in urban areas.

| | | |
|---|---|---|
| **Education (cont)** | ***Access to higher education*** | |
| | **Provisions for boarding students in colleges and vocational schools** (Decision 53/2015/QD-TTg approved in October 2015 and Decision 85/2010/QD-TTg) | Effective from 1 January 2016. This decision provides boarding students at schools, colleges and vocational schools scholarships, personal maternity support, travel allowance to go home for Lunar New Year. The scholarship consists of: a) 100% of the base salary/month for ethnic minority pupils and pupils belonging to the poor, near poor, persons with disabilities; b) 80% of the base salary/month for pupils and students graduating from boarding schools for ethnic minorities, Kinh students and students are people with disabilities who have permanent residence in areas with extremely difficult socio-economic conditions, ethnic minority, border and island areas; c) 60% of the base salary/month for Kinh pupils and students of poor households and near-poor households who have permanent residence registration in regions with exceptionally difficult socio-economic conditions; ethnic minorities, borders, islands.<br>Decision 85/2010/QD-TTg provides support to boarding and semi-boarding ethnic minority students. |
| | **Financial incentives for public higher education institutions** (Decree 86/2015/ND-CP) | Allows public higher education institutions (HEIs) that are independent from state budget to set their fee ceiling twice as high as those of state budget dependent HEIs. This creates an incentive for public HEIs to become less dependent on state budget in exchange for greater autonomy. |
| | **Policy to allow disadvantaged youth to continue vocational or higher education** (Decree 120/2007/ND-CP approved in July 2007) | This policy allows disadvantaged youth to access vocational or higher education. Youth from poor households living in especially difficult circumstances are prioritised in accessing student loans, benefiting from exemption or reduction of education fees and being provided with textbooks. |
| | **Nominated admission policy for youth living in areas with especially difficult conditions** (Decree 134/2006/ND-CP approved in November 2006 and Decree 49/2015/ND-CP approved in May 2015) | This current policy targets youth under 25 living in areas with especially difficult conditions (high poverty rate, poor physical infrastructure, poor social and production conditions) and youth from ethnic minorities with no or few people attaining vocational or higher education in their communities. The proportion of youth from the Kinh majority benefiting from the programme has to remain under 15%. Under this policy, the eligible young people are admitted to vocational or higher education institutions without an entry exam after completing high school. |
| | **Scholarship and social assistance** (Decision 1121/1997/QT-TTg) | Scholarships to encourage students with good results. Eligibility: Pupils and students in public training schools, long-term and short-term programmes, who obtain good results. Full scholarship incentives are VND 120 000/month for college and university students and 110 000 VND/month for vocational and vocational secondary students. Excellent students can receive double the full scholarship. Scholarships are for 11 months of the year.<br>Social allowances are also given to students enrolled in public training schools who are ethnic minorities in upland areas; orphaned fatherless or both father and mother; disabled persons according to the common regulations of the State and meet with economic difficulties; pupils and students who are in particularly difficult economic circumstances. The social allowance is VND 100 000/month for 12 months/year. |
| **Employment** | ***Vocational training for employment creation*** | |
| | **Programme to support youth in vocational training and entrepreneurship 2008-2015** (Decision 103/2008/QD-TTg approved in July 2008) | The policy aimed to facilitate youth's access to credit for vocational training, employment creation and labour export. The objective was also to support young people in their entrepreneurship activities and to modernise and upgrade the capacities of the Centres for Employment Information and Vocational Training of the HCMCYU.[2] |
| | **Exemption of education fees in vocational training institutions** (Law on Vocational Education effective from July 2015) | This policy targets all students and trainees in vocational training institutions, the majority of them being young people (aged 16-30). This law exempts students from poor or near-poor ethnic minority households from education fees in vocational schools and colleges. Orphans as well as young people from ethnic minorities with a very small population in areas of difficult socio-economic conditions are also targeted by this policy.<br>Youth who have completed junior secondary school and who wish to pursue a mid-level vocational education are exempt from vocational training fees, regardless of their socio-economic status. |
| | **Policy to promote vocational training for youth who completed police, military or similar services** (Law on Employment and the implementation guidelines) | Effective from January 2015. Under this policy, youth who have completed police, military or similar services within 12 months of the completion date are entitled to a reduction or exemption of education fees in mid-level and college-level vocational training institutions. They also benefit from preferential loans to cover other expenses while pursuing the training. Additionally, if they decide to undertake basic-level vocational training, they are entitled to receive a vocational training card valid for one year and equivalent to 12 months of basic salary. |
| | **Programme on vocational training for rural labour force until 2020** (Decision 1956/QD-TTg approved in November 2009 and Decision 971/QD-TTg) | This programme aims to vocationally train one million rural labourers and 100 000 rural commune officials every year until 2020. The objective is to improve the quality and effectiveness of vocational training in order to create employment and increase rural incomes. The aim is that 70% of the beneficiaries find a job after the training. War veterans with merits, poor and near-poor households, ethnic minority people, disabled people and farmers who have lost arable land are prioritised under this programme. Between 2011 and 2015, the estimated number of beneficiaries was 5 million. Although the programme does not specifically target rural youth, young people must account for a significant proportion of the rural labour force that is trained. There is currently no estimation of the proportion of youth among the beneficiaries of the programme.<br>Decision 971/QD-TTg sets new objectives for 2016-2020 period: The programme is to train 5.5 million rural labourers and 500 000 commune officials. |

| | | |
|---|---|---|
| **Employment (cont)** | ***Career counselling*** | |
| | **Policy to support youth career entry and youth start-ups** (Law on Employment and the implementation guidelines effective from January 2015) | This policy aims to provide youth (16-30) with career advice, information on jobs and professions, job searching skills, internships and preferential loans from the National Fund for Employment. The policy also provides knowledge on legal framework, enterprise management and other related issues to youth who wish to create or who already have a start-up. |
| | ***Financial schemes*** | |
| | **National Fund for Employment policy** (Law on Employment and the implementation guidelines effective from January 2015) | The National Fund for Employment provides loans to small and medium-sized enterprises, co-operatives, collaborative groups, household businesses and workers for the purpose of employment creation, maintenance or expansion. The interest rate is about 70% of the market rate. If businesses employ over 30% of disabled and/or ethnic minority employees, they are entitled to a lower interest rate. The same entitlement applies to ethnic minorities living in areas of especially difficult conditions. Young people are key beneficiaries of the Fund and the HCMCYU reported that it channelled VND 72 billion of the Fund's loans by April 2015 (HCMCYU, 2015). MOLISA estimated that the Fund has contributed to the annual creation of 100 000 jobs since 2015, in which 50% are occupied by young people. |
| **Health** | **Youth-friendly health services** | |
| | **The National Targeted Programme for Health Care 2012-2015** (Decision 1208/QD-TTg approved in September 2012) | This programme aims to prevent and control dangerous epidemics and social diseases in order to reduce death rates, to contribute to social equality in health care access and to improve people's lives. The objective is to strengthen a comprehensive health care system from the grassroots to the national level and to enhance health awareness among the population. Among the five sub-projects of the programme, one focuses on improving the sexual and reproductive health of adolescents and youth. The programme aimed to reduce by 20% the number of adolescent pregnancies and abortions between 2010 and 2015. Additionally, the objective was that at least 50% of reproductive health care establishments provide youth friendly services by 2015 and 75% by 2020. |
| | **Adolescent and youth friendly health services** (National Project on Adolescent Reproductive Health and Decision 420/QD-BYT on the issuance of the National Guidelines on Reproductive Health Care) | The guideline stipulates the following: Adolescent and youth friendly health services have to meet the World Health Organization (WHO) criteria of right price, safety and being delivered in the right style to be acceptable to young people and encourage them to come back when necessary, as well as to refer the services to friends. Youth friendly health care services should be established from the communal to the national level, including establishments that provide information and communication on reproductive and sexual health (cultural centres, entertainment places, bookstores, internet cafes), establishments that provide counselling (counselling centres, counselling rooms in health clinics) as well as treatment (hospitals). All Reproductive Health Care Centres should have a specific unit for adolescent reproductive health in every province of the country. Under the National Project on Adolescent Reproductive Health Care, youth friendly health services have been established in 40 provinces, while 20 other provinces provide activities related to adolescent and youth health care under other programmes.<br>By 2017, 185 youth reproductive health clubs will be established, including Friendly Corners in schools. A total of 105 youth-friendly service points provide information, counselling and technical services on reproductive health care to adolescents and youth (MOH, 2009). |
| | ***Health insurance*** | |
| | **Health insurance for students** | This policy covers 50% of health insurance premium to all students. |
| | **Health insurance for disadvantaged** (Revised Law on Health Insurance, effective from January 2015) | Under this policy, youth from poor households and from ethnic minorities living in areas of especially difficult circumstances receive free health insurance paid by the State. |
| | **Credit for PhD candidates** (Decision 09/2016/QD–TTg approved in March 2016) | The objective is to support PhD candidates in difficult circumstances through a credit scheme. The loan size is currently VND 15 000 000 (USD 681) yearly, with an interest rate of 6.6%. By the end of 2013, 3 million students had benefited from the programme. |

| | | |
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| **Civic participation** | ***Consultation with youth*** | |
| | **Regulation on co-operation between the Government and the HCMCYU** (Joint Resolution 01/2002/NQLT-CP-BCHTWDTN between the Government and the HCMCYU in December 2012) | Under this regulation, the different ministries and the government agencies have the responsibility to consult the HCMCYU while developing and implementing policies related to youth. The regulation also establishes communication practices between the Government and the Union to ensure that both sides have relevant and up-to-date information. |
| | ***Civic rights*** | |
| | **Voting age and age to be elected to People's Councils and the National Assembly** (Viet Nam's Constitution 2013) | Every citizen who reaches the age of 18 has the right to vote. Every citizen who reaches the age of 21 has the right to stand for election to the National Assembly and People's Councils. As estimated by an interviewee working at the Office of the National Committee on Vietnamese Youth, the share of young deputies to the National Assembly may be around 10% in 2017. |
| | ***Volunteerism*** | |
| | **Policy on Youth Pioneers** (Decree 12/2011/ND-CP) | Youth pioneers participate in socio-economic and development programmes in difficult areas, rehabilitation projects after calamities or extra-ordinary events, drug rehabilitation services, production of goods and services linked to employment for young people, and capacity building of youth pioneers and managers. All youth pioneers receive salaries, allowances, uniforms and capacity building training. If serving in difficult areas, the State also provides them with a living allowance, free transportation and priority access to higher education or vocational training on the same basis as youth who had completed military or police services. Under the Pioneer Youth policy, the State also provides funding, exemptions on land use fees as well as other incentives (such as access to credits) to the apparatus managing youth pioneers in order to promote the implementation of socio-economic development programmes. |
| | **Policy for volunteerism** (Decision 57/2015/QD-TTg approved in November 2015) | Volunteers get a contract with social, accidental and health insurance and financial support during the volunteering time, for State and HCMCYU programmes and projects. |

*Source*: Based on a questionnaire answered by ministries in 2016 for this study, unless reference indicated; MOH (2009), Report of the Ministry of Health for the Mid-term Review of the Implementation of Resolution 45/NQ-CP of the Government on 11 September 2009; HCMCYU (2015), Report 250-BC/TWDTN-TNNT of the Central Committee of HCMCYU dated 14 April 2015 on the assessment of the implementation and results of loans from the National Fund for Employment in the period 2011-2015.

### *2.1.3. Youth programme budget*

The State budget has been seriously constrained over the last years, with recurrent expenditures accounting for about 60% of the total budget and budget deficits often surpassing the limit set by the National Assembly. In this context, a request for a separate and additional budget for youth policies seems challenging. The Vietnamese Youth Development Strategy 2011-2020 provides a comprehensive framework for youth development, assigning specific tasks to relevant ministries, but the strategy remains under-budgeted. A mid-term evaluation of the progress on the youth strategy's implementation was carried out by MOHA under the guidance of the present study and finds that the majority of tasks assigned to the ministries were not implemented or delayed due to limited financial support and low capacity among staff in the respective ministries.

The absence of prioritisation among the youth policies and programmes listed in the Youth Law and the youth strategy further complicates resource allocation. Lack of consultation between the MPI, the Ministry of Finance (MOF) and sectoral ministries responsible for youth programmes is a major constraint to budget allocation and co-ordination. There is also no regular consultation between sectoral ministries and other stakeholders (youth organisations, non-governmental organisations [NGOs], UN agencies) to discuss and set real priorities.

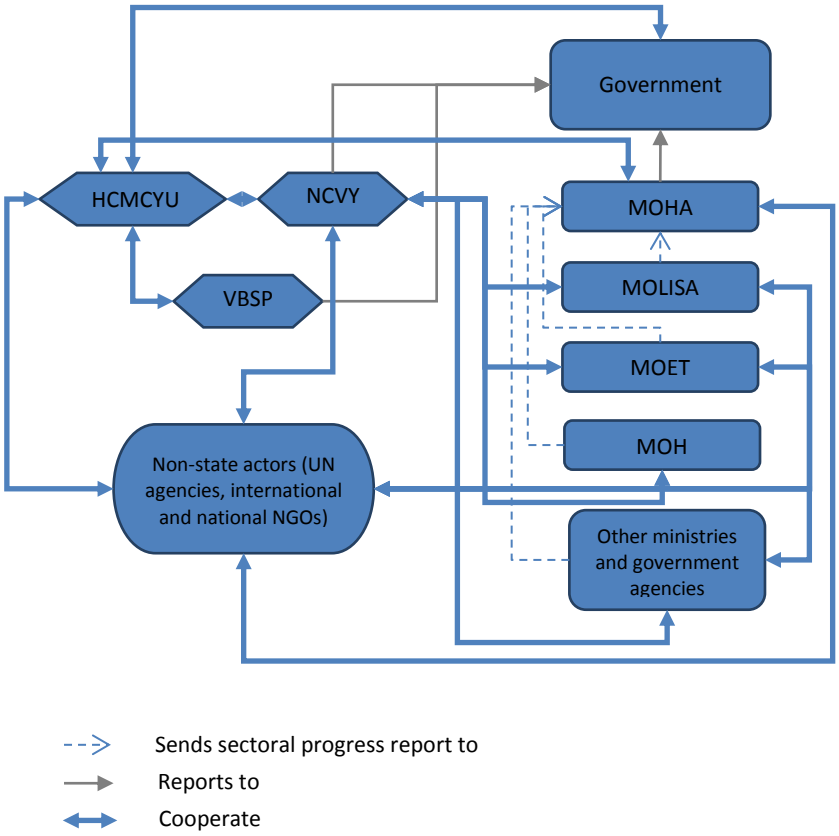
Policy implementation requires the development of circulars, which set up the modalities for budget allocation and reporting. Although Decree 120/2007/ND-CP mandates MOF to guide the implementation of financial policies mentioned in the Youth Law in co-operation with relevant actors, no circular to this effect has been developed so far.

## 2.2. Youth institutional landscape

There are three key institutions related to youth affairs in Viet Nam: the Department of Youth Affairs of MOHA, the NCVY and the HCMCYU. The role of the Department of Youth Affairs is mainly to support MOHA in designing, implementing and monitoring youth policies and programmes, while the NCVY is an advisory body in charge of advising the Prime Minister and other government agencies on youth affairs. The mandate of the HCMCYU is to promote and facilitate youth participation in policy making.

In addition to the three institutions, sectoral ministries are responsible for the implementation of youth policies in their respective sectors, such as MOH, MOLISA and MOET. The Youth Law and the youth strategy make them responsible for integrating youth issues into their sectoral plans with the support of MOHA, HCMCYU and the NCVY. In addition, the Viet Nam Bank for Social Policies (VBSP) plays an important role in implementing government youth policies by providing disadvantaged young people with preferential credits without collateral. As for non-state actors, several international organisations and NGOs such as the United Nations Population Fund (UNFPA), International Labour Organization (ILO), United Nations Educational, Scientific and Cultural Organization, ActionAid, Plan International or Oxfam implement programmes for youth and co-operate with Vietnamese institutions (Figure 2.1).

**Figure 2.1. Relationship mapping of state and non-state actors working on youth in Viet Nam**




*Source*: Based on interviews with youth stakeholders (2016).

### *2.2.1. The Department of Youth Affairs in MOHA*

In 2005, the Youth Law clearly defined, for the first time, the content and responsibilities of the State with regards to youth issues and created a state apparatus dedicated to overseeing youth affairs. This responsibility was assigned to MOHA after the adoption of Decree 48 in April 2008 by the government (Decree 48/2008/ND-CP). Two years later, the Department of Youth Affairs was created by the Prime Minister within MOHA (Decision 1471/QĐ-TTg). The role of the Department is to advise the minister of home affairs in fulfilling its mandate on youth, namely: i) designing, implementing and monitoring youth policies and programmes; ii) supporting other sectors in integrating youth policies into their plans and programmes; and iii) reporting on the implementation of youth policies and programmes. In 2017, the Department of Youth Affairs had 11 dedicated staff members.

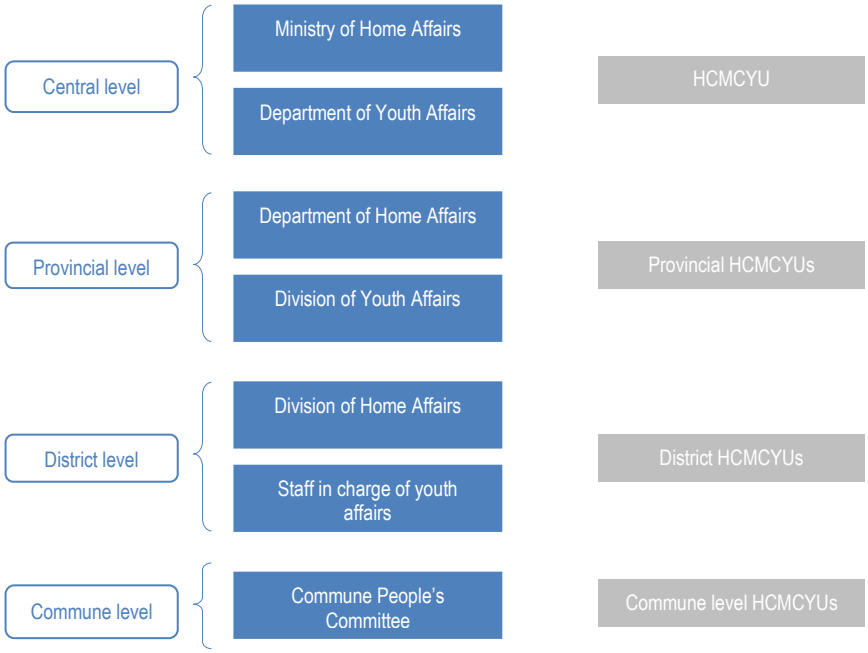
In 2010, the Department of Youth Affairs took the initiative to produce the Youth Development Strategy 2011-2015 approved by the Prime Minister. The Department of Youth Affairs was in charge of co-ordinating its implementation and communicating its strategies with officials, youth experts and young people in co-operation with the media, HCMCYU and other relevant organisations. The Department of Youth Affairs issued 35 documents providing guidance to sectoral ministries and local authorities on implementing the strategy. As a result, all 30 ministries and ministry-level agencies, as well as the 63 provinces produced their own youth development programmes for 2011-2016 and subsequent years. A mid-term evaluation carried out by the Department of Youth finds that the majority of the programmes and projects assigned to sectoral ministries were delayed due to financial and capacity constraints.

Viet Nam is a unitary state consisting of various institutions at the national and sub-national levels. The sub-national administration is comprised of three levels, starting with the provincial administrations, the district administrations and the communes. In 2016, the sub-national administration was comprised of 8 administrative regions, 58 provinces and 5 municipalities, which are the biggest cities of the country, 713 districts (urban districts, rural districts, towns and provincial cities) and 11 162 communal units (communes, wards and townships). The Department of Youth Affairs required the involvement of sub-national authorities to implement the youth strategy. For this to happen, human and financial capacity at the local levels had to be aligned with the development agenda.

Based on the Youth Law and Decision 1471 (2010) of the Prime Minister, MOHA issued Circular No. 04/2011/TT-BNV in February 2011 instructing all provinces to create a Division of Youth Affairs in their Department of Home Affairs at the provincial and district level. The Circular highlighted the importance of providing the necessary resources and staff at the district level to the Departments of Home Affairs to allow them to properly carry out their mandate related to youth affairs. By the end of 2013, all provinces had established a Division of Youth Affairs, while all districts had recruited one full-time staff in charge of youth affairs at the district level. Since these staff members were new to the youth field, building their capacity became an urgent matter. In this context, MOHA approved a plan to train the recruited personnel in state management of youth affairs (Decision 1923/QD-BNV issued on 28 November 2011).

At the central level, the capacity building plan targeted the staff of the Department of Youth Affairs, HCMCYU and other line ministries directly involved in youth affairs. At the provincial level, the staff of the Division of Youth Affairs, leaders in the Department of Home Affairs, representatives of provincial HCMCYUs and staff from other sectoral departments directly in charge of youth affairs were targeted for training. District and commune level staff and HCMCYUs were also targeted for the training.

**Figure 2.2. The sub-national structures in charge of youth affairs in Viet Nam**




*Source:* Authors' own elaboration.

The capacity building consisted of equipping staff with knowledge of the Party's directions and State policies regarding youth; professional skills necessary for youth works and understanding the institutional arrangements related to youth affairs. In 2012, the Department of Youth Affairs started organising training courses at the provincial level, and then supported provinces to provide further training in the lower administrative levels.

In 2014, MOHA issued a new circular to reform the mandate and structure of the provincial Department of Home Affairs and Division of Home Affairs at district level (Circular 15/2014/TT-BNV). Under this circular, the Division of Youth Affairs had to merge with the Division of Administration Building, creating a Division of Administration Building and Youth Affairs. Consequently, the directors of the former Division of Administration Building became directors of the new units, creating a redundancy of the directors of the former Division of Youth Affairs. Although they had been previously trained in management of youth affairs, these directors had to change positions within the Department or in other public structures. This reform caused a high turnover rate of key youth experts negatively impacting the provincial capacity to manage youth affairs and undermining the previous efforts to build capacity at the sub-national level. Securing funds to re-train new staff at the provincial level may now be challenging.

### *2.2.2. The National Committee on Vietnamese Youth*

The NCVY is an advisory body to the Prime Minister on youth affairs (Article 6 in the Youth Law 2005). The NCVY was established in 1997 by the Prime Minister (Decision 36/1997/QD-TTg). Its structure and mandate were broadened in 2010 (Decree 1328/QD-TTg approved on 28 July 2010) when the Department of Youth Affairs in MOHA was created, reflecting the government's commitment to strengthening the state apparatus in charge of youth affairs. The NCVY is in charge of advising the Prime Minister on youth affairs and guiding ministries, government agencies and relevant organisations in addressing multi-sectoral issues related to youth.

NCVY uses office space and secretarial support of HCMCYU and receives funds from the state budget to cover operational costs. In 2013, the NCVY received 2.3 billion VND from the HCMCYU. The vice-ministers of MOHA, MOET and MOLISA are also appointed as vice-chairs of the NCVY. The committee is composed of 14 other vice-ministers and deputy chairs of major mass organisations (See Table 2.2. for the structure of the NCVY).

In 2015, the NCVY participated in reviewing the Youth Law and the Law on Protection and Care of Children. The NCVY collaborated with non-governmental actors such as ActionAid, Plan International and ChildFund to solicit youth's opinions on the revised laws. The committee, in co-operation with MOHA and HCMCYU, also submitted to the Prime Minister a policy proposal on youth's voluntary activities, as well as a mid-term review of the Youth Development Strategy 2011-2020 and a youth development index for approval. In addition, the committee established nine monitoring teams to report on the implementation of youth policies in 13 provinces and two ministries. The committee conducted, more specifically, a study to evaluate the impact of youth policies on ethnic minorities, disabled youth, youth after drug rehabilitation and youth with special talents. In 2016, the committee focused on five priorities: i) reviewing the Youth Law and its implementation guidelines; ii) monitoring the implementation of youth policies and co-ordination mechanism; iii) assessing youth policies, especially for the ethnic minority youth; iv) organising foreign relations activities; and v) improving the quality of the committee's works.

**Table 2.2. The structure of the NCVY**

| | |
|---|---|
| Chairperson | The first secretary of the HCMCYU |
| Standing vice-chairperson | A secretary of the HCMCYU |
| Vice-chairpersons | Vice-ministers of MOHA, MOET and MOLISA |
| Members | Vice-ministers of the following ministries:<br>1. Ministry of Finance;<br>2. Ministry of Planning and Investment;<br>3. Ministry of Culture, Tourism and Sport;<br>4. Ministry of Information and Communication;<br>5. Ministry of Science and Technology;<br>6. Ministry of Health;<br>7. Ministry of Public Security;<br>8. Ministry of Justice;<br>9. Ministry of Foreign Affairs.<br>Vice-director of the General Political Department of the Viet Nam People's Army<br>Vice-chairperson of the National Assembly's Committee for Culture, Education, Youth, Adolescents and Children<br>Vice chair-persons of three mass organisations:<br>1. General Confederation of Labour;<br>2. Viet Nam Women's Union;<br>3. Viet Nam Farmers' Union. |

*Source*: Decision 1328/QD-TTg by the Prime Minister dated 27 July 2010.

### *2.2.3. The Ho Chi Minh Communist Youth Union*

Before 2005, the HCMCYU had the primary responsibility for youth affairs. The HCMCYU led efforts to develop the 2005 Youth Law in co-operation with NCVY and other relevant ministries. The HCMCYU acts as one mass political youth institution and plays a key role in youth and children activities. The core mandate of the HCMCYU is to promote and facilitate youth participation in policy making. For instance, in 2013 and 2015, the HCMCYU organised country-wide activities to collect ideas and comments from youth on the revision of the Constitution, the Land Law and the Criminal Code. Additionally, the HCMCYU is in charge of promoting and initiating diverse youth movements, such as the Young Volunteers' Movement. It also provides its members with access to preferential credits from the Viet Nam Bank for Social Policies. Such loans do not require collateral since the Bank uses the HCMCYU as a loan guarantor.

The HCMCYU is led by the Central Committee, which is elected by the Congress and elections take place every five years. The Union's structure is present at every level of state administration, from the central to the communal level. Staff members of the HCMCYU benefit from the status of civil servants working for special socio-political organisations. In 2012, the organisation had a membership of over seven million people, accounting for about 28% of all young people (HCMCYU, 2012). All Vietnamese citizens aged between 16 and 30 can become a member of the Union, as long as long as they fulfil basic conditions of membership according to the charter and volunteer to take part in a grassroots organisation of the Union.

The HCMCYU sits at the table when MOHA and sectoral ministries develop youth policies in their respective sectors. Indeed, the HCMCYU is an organisation under the umbrella of the Vietnamese Fatherland Front (VFF) and has therefore the constitutional right and responsibility to provide critical social feedback on government policies and programmes. Despite budgetary constraints, the state budget allocation to the HCMCYU has steadily increased over the last three years to carry out capital investments, such as building the Employment Information and Vocational Training Centres.

**Table 2.3. Fund allocations from the state budget to the HCMCYU (in billion VND)**

| Expenditure category | Final account | | | Budget | | |
|---|---|---|---|---|---|---|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Capital investment | 247.5 | 293.6 | 257.1 | 228.6 | 361.5 | 454 |
| Recurrent expenditures | 95.4 | 97.5 | 144.2 | 111.1 | 99.5 | 97.5 |
| Loan repayment | 0 | 2.9 | 26.0 | 0 | 0 | 0 |
| National targeted programmes | 0 | 0 | 2.3 | 20.3 | 36.4 | 0 |
| **Total** | **342.9** | **394.0** | **429.6** | **360.0** | **497.4** | **551.5** |

*Source*: Interview with the Ministry of Finance, 2016.

Along with MOHA and the NCVY, the HCMCYU plays a key role in advising the government on youth issues and developing youth policies.

## 2.3. Youth participation in policy processes

Strong economic growth and demographic dividends with the currently widely available news media and social networks, such as Facebook, are facilitating youth participation in politics and development. Youth participation in political and civic life is, however, dominated by a few mass organisations. The degree of freedom of expression and the level of inclusiveness still remain questionable but nonetheless, nowadays, youth have increasingly better access to policy-related information and are able to express their opinions and debate over public issues.

### *2.3.1. Participation through youth organisations and volunteerism*

In Viet Nam, youth organisations are crucial actors of youth mobilisation. The HCMCYU and other youth organisations such as the Viet Nam Youth Federation (VYF), the Viet Nam Students' Association and the National Council of Young Entrepreneurs act as central forums where youth can engage in public life and carry out diverse community activities. Although all these organisations have an extensive membership and receive funding from the state budget to finance their operations, the HCMCYU is undoubtedly the strongest youth organisation politically and financially. The total budget for the VYF and the Students' Association accounted for only a small fraction (7.5%) of the HCMCYU's budget in 2013.

Youth organisations provide opportunities for youth volunteerism and implement a number of programmes and community activities throughout the country. According to the 2014 Provincial and Public Administration Performance Index (PAPI) data, almost half of young Vietnamese declared that they contributed with money, labour or in-kind support to build or fix public works in their commune or ward over the last year (PAPI, 2014). In 2008, HCMCYU initiated the "Green Summer" Youth Volunteer Programme. Since then, the programme has been implemented by the HCMCYU and every year, more than 500 000 undergraduate volunteers provide services in remote, mountainous and disadvantaged areas throughout the country. They participate in activities such as literacy courses, environmental protection activities, road building and housing construction for the poor and disadvantaged residents.

In Viet Nam, the majority of civic engagement and volunteering programmes are supported by the State and the Communist Party, and therefore primarily focus their activities on civic duties, nationalism and the delivery of social programmes. Some civil society organisations, such as Volunteers for Peace Vietnam (VPV), a non-profit and non-state organisation founded in 2005, started to promote volunteerism as a means of non-formal education for about 300 young people annually. Its objective is to promote the participation of young people in community development in Viet Nam by organising

international camps, sending Vietnamese young volunteers abroad and welcoming international volunteers in the country. In 2006, VPV also initiated the Vietnamese Volunteer Club programme, which supports young people in carrying out their own six-month civic programmes.

### *2.3.2. Participation through elections and political parties*

Viet Nam is a single-party system, elections are an important activity through which youth can express their political opinions. In Viet Nam, the minimum age for voting is 18. The PAPI data show that on average more than two-thirds of young people participated in elections between 2011 and 2014, while a study conducted by the United Nations Development Programme (UNDP) in 2014 demonstrated that more than 80% of youth had cast their vote in the last elections (PAPI, 2014; UNDP, 2014).

Furthermore, the majority of Vietnamese youth commit politically, and more than half of them were members of the single Communist Party of Viet Nam, a mass organisation, a professional association, or a cultural/social group in 2014 (PAPI, 2014). It is also important to note that the strongest youth organisation in the country, the HCMCYU, is also the youth wing of the Communist Party, which gives it significant weight in the management of state affairs. The Communist Party gives a central role to youth, while various official documents of the party emphasise the importance of youth involvement in policy making. In 2008, resolution 25 on Youth Work of the Party was adopted by the Central Committee and stated that the role of youth in decision-making had to be strengthened within the party.

### *2.3.3. Participation through social media*

The digital landscape across Viet Nam continues to grow. Overall, mobile phone subscriptions have continued to rise with 130 subscriptions per 100 people in 2015, due to the fact that many Vietnamese people have multiple handsets and phone subscriptions (World Bank, 2015). In the same year, one out of four households had Internet connection (24.1%), while more than half of the population were Internet users (52.7%) (Broadband Commission, 2016).

In this context, social media experienced a significant growth over the last years. Social interaction is an important online activity for young Vietnamese, while Facebook appears as the leading platform for social media. Thirty-seven per cent of the total population are active social media users, including on mobile phones. Almost half of social media users (45%) are aged between 20 and 29 years old (We Are Social, 2016). Social media have thus become an important information channel and have significantly enhanced youth's capacity to become informed and express their voice. Social media have become effective outlets through which various public issues such as public health, environment protection and corruption are raised and discussed. Facebook became the main platform for news, petitions, rallies, and other forms of social activism over the last years. Social media and online code of conduct will need to be defined through clear rules and regulations and taught in schools so that youth can use this medium to participate freely and respectfully.

Yet, all young people do not have equal access to the Internet. Although Internet is widely available in the cities, access can be rare in rural and remote areas. Political content on a number of sensitive issues online is still restricted and Internet content producers face diverse pressures that negatively affects the quality of online information. For instance, Circular 09 issued in 2014 requires website owners to immediately remove content at the request of the authorities, which resulted in increased self-censorship. Editors and journalists risk post-publication sanctions including imprisonment, fines and job loss. Decree 174, effective since 2014, can fine up to VND 100 million (USD 4 700) to anyone who "criticises the government, the Party or national heroes" or "spreads propaganda and reactionary ideology against the state" on social media (Freedom House, 2017).

### *2.3.4. Participation in government bodies and policy making*

In 2005, the Youth Law made youth participation in policy processes explicit saying that the state had the responsibility to consult with young people and youth organisations before making decisions on youth. The Youth Law encouraged the State to create opportunities for young people to participate in public administration and to take part in socio-economic and development programmes through youth organisations. The proportion of youth in the National Assembly for 2016-2020 is 14.3%. More importantly, the Youth Law mandated the HCMCYU to play the core role in youth movements and to make relevant proposals to the authorities to address youth issues. As one of the national socio-political organisations and a member of the VFF, the HCMCYU has the official mandate to monitor and give social feedback on youth policies. The Union also has the responsibility to collect opinions and comments on youth policies from its members to draft proposals and organise the dialogue with policy makers.

As a result, the government signed a joint resolution with the Central Committee of the HCMCYU on co-operation mechanisms in December 2012 (Resolution 01/2012/NQLT-CP-BCHTWDTN). This resolution assigned the responsibility to ministries and government agencies for acting on proposals from the HCMCYU when developing or amending policies related to youth. Upon request from the government, the HCMCYU shall appoint representatives in youth advisory bodies. In addition, both the HCMCYU and MOHA can be appointed to oversee developing and submitting youth policy proposals in co-operation with other relevant ministries and agencies. The 2012 joint resolution also highlighted the need for co-operation between the government and the HCMCYU in monitoring and evaluating the implementation of youth-related policies.

Diverse co-ordination mechanisms have been put in place to facilitate communication between the Central Committee of the HCMCYU and the government. Both institutions share information on major decisions and they organise regular meetings to co-ordinate their activities and share their views on youth issues. The Prime Minister holds an annual meeting with the Committee to discuss its activities report and takes action on its proposals, while the First Secretary of the Central Committee is regularly invited to participate in government meetings related to youth affairs.

Despite its mandate to facilitate youth participation in policy making engaging young people from all socio-economic backgrounds has been challenging. Nevertheless, the majority of HCMCYU projects target vulnerable groups such as children and elderlies, and young people through various youth events. HCMCYU is also present at every state level therefore youth can participate through their closest local youth unions. When considering the HCMCYU programme activities for 2016, only a small number of its priorities concretely relate to youth participation in policy making (HCMCYU, 2016). According to the National Youth Report, jointly developed by MOHA and UNFPA in 2015, the participation of youth in policy making in Viet Nam is still very low. A report on youth participation published by the research unit of the HCMCYU indicated that only 14.4% of youth have ever participated in any step of the policy-development process. According to the study, this low participation is due to the fact that policy makers do not consult and listen to youth, while the HCMCYU and youth associations are not active enough in mobilising youth participation at the grassroots level. In addition, many young people do not perceive themselves as active agents in policy making and choose to stay out of political life. Socio-economic discrepancies are still a strong determinant of youth participation in policy making, with the better-educated and better-off youths being far more likely to be active members of political and civic organisations.

## 2.4. Conclusion

The enactment of the Youth Law in 2005 marked a major step towards fulfilling the rights of young people in Viet Nam. In 2007, Decree 120/2007/ND-CP was adopted to guide the implementation of the Youth Law and contained policies in important areas for youth. Another significant development in 2010 was the Vietnamese Youth Development Strategy 2011-2020, which provides a comprehensive framework for relevant government bodies and ministries to respond to the needs and rights of young people. A number of policies and mechanisms have been introduced and adopted to improve outcomes in health, education, employment and civic participation for all youth, including the most vulnerable ones from poor households and ethnic minorities.

While such initiatives reflect the commitment of the government and public institutions to integrate youth issues into the national development agenda, more action and budget are needed for further progress. Despite recognition of the importance of investing in youth and the establishment and empowerment of youth-related institutions, structural and financial constraints remain a big challenge. First, the state budget for youth development is seriously limited. Lack of prioritisation in the implementation of policies complicates the process of budget decision and allocation. In order to ensure sufficient allocation of financial resources for youth development, the government should take measures to prioritise youth policies and programmes by engaging and consulting with MOHA, the NCVY and the HCMCYU, non-governmental organisations working on youth and international agencies in this process.

Second, youth programme implementation and monitoring between ministries and related agencies will need to be co-ordinated by MOHA, in consultation with NCVY and HCMCYU. It is therefore important to develop and materialise the appropriate co-ordination mechanisms and provide a platform for the leaders of ministries, sectors and municipal governments to meet regularly amongst themselves but also with youth to receive updates and ideas on how to best solve the challenges youth are facing. Roles and responsibilities should be clearly spelt out for each of the three bodies with MOHA responsible for overseeing the implementation of the youth strategy, the NCVY being an inter-ministerial committee to advise policy makers and the HCMCYU providing a platform for youth participation and consultation.

In Viet Nam, youth participation is commonly understood as youth volunteerism. The HCMCYU and other youth organisations such as the Viet Nam Youth Federation or the Viet Nam Students' Association receive funding from the state budget for their operations and are major agents of youth mobilisation. The Youth Law mandates the HCMCYU to play the core role in youth movements and to support the authorities in addressing youth issues. The Union is present at every level of state administration, from the central to the communal level, and has a broad membership across the country. Yet, real consultation with youth is limited and participation of youth in policy making is low. The HCMCYU has branches at the district and commune levels which could be used to implement bottom-up consultation processes between youth and local authorities. Socio-economic inequalities remain a strong determinant of youth participation. Greater efforts are needed to make policies more inclusive and to listen to the needs of the most disadvantaged youth in remote and rural areas.

Finally, the implementation of the youth development strategy needs close monitoring and evaluation. MOHA's Department of Youth Affairs will need to set baseline indicators and build the capacity to monitor the different targets in the strategy at local levels. Projects and programmes implemented by other sectoral ministries will need to be monitored through regular progress reports and monitoring and evaluation systems. The strategy also needs to be revised and updated based on progress and the evolving needs of youth. Efforts should be stepped up to collect youth-specific data and regularly monitor and evaluate progress of the youth development strategy. Integrating youth-specific modules into every Viet Nam Household Living Standards Survey could be discussed with the General Statistics Office.

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# Chapter 3. Reforming vocational training for rural youth

Skills mismatch and lack of skilled labour are the biggest challenges for the labour market in Viet Nam. Nearly half of the youth are in jobs that do not match their qualifications (see Chapter 1). In response to this challenge, a new Law on Vocational Education and Training (VET) took effect in July 2015 to reduce the gap between workers' skills and employers' needs by reforming the vocational training system and to establish stronger co-operation between vocational training institutions and industries. To date, however, there are limited data sources on the outputs and outcomes of VET in Viet Nam, which would be needed as a baseline to measure the effectiveness of the new reform (Asian Development Bank [ADB], 2014).

An evaluation of an ADB-funded VET project confirms that university degrees are still preferred over VET and that many students who enter vocational institutions are low-performing and unmotivated (ADB, 2013). At the same time, access to vocational education is not inclusive. The system attracts relatively few women and disadvantaged students such as ethnic minorities, geographically isolated households and the poor. Moreover, the difference in training rates of employees in urban areas (30.9%) and rural areas (9.0%) is significant (ADB, 2014). Yet, the rural population in Viet Nam constitutes 66% of the national population, with the working age in rural areas consisting of 73.5% of the total rural population (GSO, 2015). Close to one-quarter of Vietnamese are between the ages of 15 and 29, with the rural youth making up about 70%. A rethinking of education and training in rural areas is therefore urgent.

This chapter presents the incentives and challenges of VET in rural areas of Viet Nam as expressed by 426 respondents, consisting of young people living in rural areas, their parents, VET directors and community leaders. Interviews were conducted in three provinces: Ha Giang, Nam Dinh and Quang Nam. The objective of this qualitative survey was to get a better understanding of the real and perceived value of VET in rural areas and the factors that influence rural youth’s decision to pursue a VET or not. Discussions were focused around local labour market conditions, aspirations and motivations of young VET learners, prevailing socio-cultural norms on vocational training, perceived quality of VET programmes and employment prospects and outcomes of VET graduates.

## 3.1. Labour market situation of young people in rural areas

In 2015, the Vietnamese labour force reached 53.98 million people, including 37.07 million people working in rural areas and accounting for 68.7% of the total labour force. Between 2011 and 2015, the rural labour force increased annually by 175 000 people on average, which represents an average increase of 0.43% per year. The number of young people (15-24 years) living in rural areas was 9.14 million in 2015, accounting for 67% of total youth population and almost 20% of the total rural population is above 15 years old (Table 3.1.).

In 2015, 36.5 million people were employed in rural areas, of which youth (15-24) accounted for about 15% (or 5.6 million). While the total number of employed people in rural areas has slightly increased since 2011, the number of employed young people has significantly decreased in rural areas, from 6.3 million to 5.6 million, over the same period, illustrating the phenomenon of rural exodus among youth (Table 3.2). On the other hand, the share of waged employees among employed rural youth has increased from 37.4% in 2011 to 44.3% in 2015 (Table 3.2.). This supports the idea that the structure of the labour market in Viet Nam is progressively changing, as the rate of young waged workers across the country has significantly increased over the last decade.

**Table 3.1. Labour indicators of rural population and rural youth, 2011-2015**

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| **RURAL POPULATION** | | | | | |
| Rural population over 15 years old (in '000) | 45 143 | 45 495 | 45 875 | 45 793 | 45 895 |
| Rural labour force (in '000) | 36 375 | 36 462 | 36 748 | 37 222 | 37 073 |
| Rural labour force participation rate (%) | 80.58 | 80.15 | 80.10 | 81.28 | 80.78 |
| Share of trained workers with qualification (% of the labour force) | 9.20 | 10.26 | 11.48 | 11.48 | 12.89 |
| **RURAL YOUTH** | | | | | |
| Rural population aged 15-24 years old (in '000) | 10 293 | 9 741 | 9 457 | 8 915 | 9 135 |
| Youth rural labour force (in '000) | 6 518 | 5 915 | 5 934 | 5 662 | 5 861 |
| Labour force participation rate of rural youths (%) | 63.32 | 60.72 | 62.75 | 63.51 | 64.16 |
| Share of trained rural youth with qualification (in % of total rural youth) | 5.95 | 7.35 | 9.10 | 13.59 | 10.88 |

*Note:* Qualification refers to any of the following degrees: vocational training, mid-term professional training, college, university and above. Labour force comprises people aged 15 and above who supply labour for the production of goods and services during a specified period. It includes people who are currently employed and people who are unemployed but seeking work as well as first-time job seekers.
*Source:* GSO (2012-2016), Data from Labour Force Surveys 2011-2015.

**Table 3.2. Employment trend of the rural labour force and rural youth labour force, 2011-2015**

| | 2011 | 2012 | 2013 | 2014 | 2015 | Growth rate (%) 2011-15 |
|---|---|---|---|---|---|---|
| **RURAL LABOUR FORCE** | | | | | | |
| Number of employed people in rural areas ('000) | 35 851 | 36 010 | 36 243 | 36 736 | 36 465 | 0.43 |
| Employment rate in rural areas (%) | 98.56 | 98.76 | 98.63 | 98.69 | 98.36 | |
| Waged employment rate in rural areas (%) | 27.22 | 27.08 | 27.51 | 27.85 | 31.35 | |
| **RURAL YOUTH LABOUR FORCE** | | | | | | |
| Number of employed youth in rural areas ('000) | 6 258 | 5 663 | 5 655 | 5 400 | 5 554 | -2.93 |
| Employment rate of rural youth (%) | 96.02 | 95.75 | 95.30 | 95.37 | 94.77 | |
| Number of wage employed rural youth ('000) | 2,342 | 2,210 | 2,143 | 2,113 | 2,462 | 1.26 |
| Wage employment rate among rural youth (%) | 37.43 | 39.11 | 37.89 | 39.14 | 44.34 | |

*Source*: GSO (2012-16), Data from Labour Force Surveys 2011-2015.

Over the last decade, with the development of the services and industrial sectors, the share of people working in the agricultural sector in rural areas has gradually declined from 56.8% in 2005 to 43.6% in 2015 (GSO, 2006 and 2016). Yet, among the rural labour force, more than half still work in the agricultural sector, while only 21.4% and 20.5% work in the services sector and the industry and construction sector, respectively (Figure 3.1.A). Agriculture remains the primary source of employment for rural youth. In 2015, over half of rural young people (58.1%) worked in the agricultural sector while 20.5% worked in manufacturing, industry and construction and 21.4% in services (Figure 3.1.B). Another important employment sector within services was wholesale and retail with 7.1% of rural youth employed.

**Figure 3.1.A Structure of rural labour employed by economic sector, 2015 (%)**

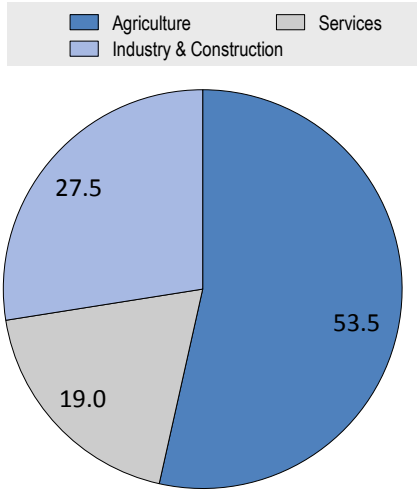
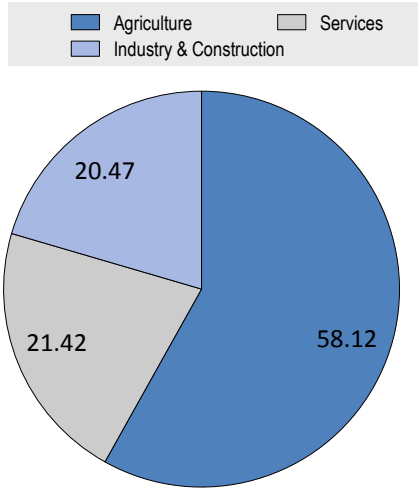


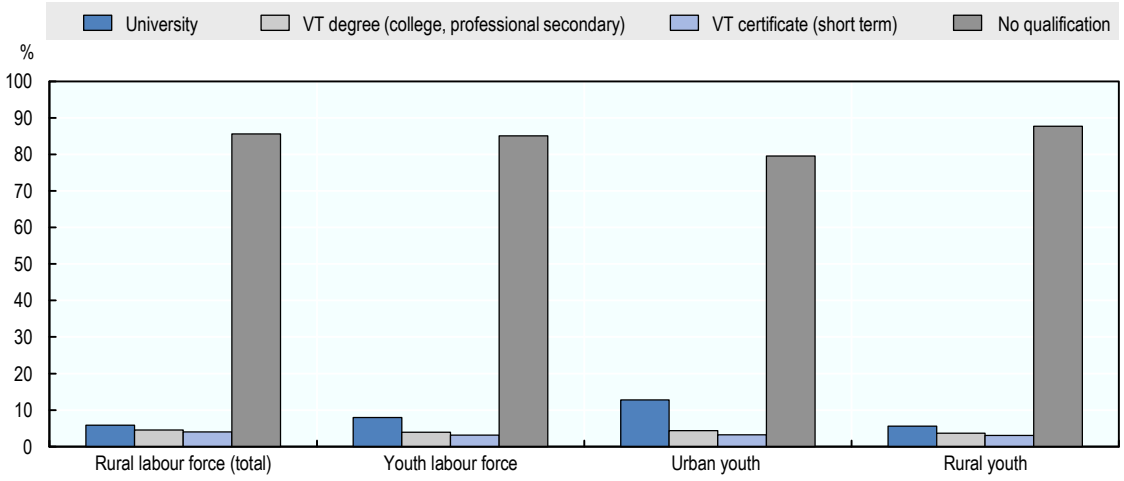

**Figure 3.1.B Structure of rural youth employed by economic sector (%)**




*Source*: Authors' calculations using Labour Force Survey 2015.

The share of skilled workers is higher in urban than in rural areas. However, the labour force in rural areas is also becoming increasingly qualified. The share of trained workers with qualifications among the rural labour force increased from 9.2% in 2011 to 13% in 2015. Young people living in rural areas followed this trend, with the share of trained young rural workers increasing nearly 5 percentage points between 2011 and 2015. Despite this progress, the vast majority of rural youth remains unskilled, with about nine in ten having no training or certificate. Only 5.5% of rural young people have a university degree, compared to 12.8% in urban areas (Figure 3.2).

**Figure 3.2. Structure of the urban and rural youth labour force, by level of education, 2015**




*Source*: GSO (2016), Authors' calculations using Labour Force Survey, 2015.

The majority of young employees in rural areas have no technical qualification. In the agricultural sector, which provides the majority of jobs for youth in rural areas, 95% of young workers had no qualification at all. Additionally, most of the other sectors that generate jobs are characterised by low-skilled workers, such as manufacturing and processing industry, construction, wholesale and retail as well as hospitality and food business. On the other hand, sectors like communication and water supply management had the highest share of rural skilled youth workers (53.5% and 37.7% were university graduates, respectively), but they had a small number of youth working in these sectors. In 2015, 33% of rural youth working in the electricity and gas sector had professional secondary or college level vocational degrees, while 40% of rural youth working in the transportation sector had short-term vocational training certificates (Table 3.3).

**Table 3.3. Distribution of rural youth employed in economic sectors by qualification, 2015**

| Qualifications | Total number of rural youth employed (in '000) | No qualification | Short-term vocational training | Professional secondary and intermediate, college level vocational training | College university and post-university |
|---|---|---|---|---|---|
| | **5 555** | **4 663** | **235** | **274** | **383** |
| | | **Distribution of rural youth employees by sector (%)** | | | |
| | | **83.95** | **4.23** | **4.93** | **6.9** |
| Agriculture, forestry and fishery | 2 973 | 94.68 | 1.13 | 1.95 | 2.24 |
| Mining | 17 | 78.16 | 12.45 | 8.82 | 0.57 |
| Manufacturing and processing industry | 1 222 | 78.10 | 7.89 | 5.78 | 8.23 |
| Electricity, gas production and distribution | 6 | 39.03 | 2.17 | 33.09 | 25.71 |
| Water supply; garbage and waste water management and treatment | 3 | 59.48 | 0 | 2.83 | 37.69 |
| Construction | 309 | 86.82 | 4.32 | 3.98 | 4.88 |
| Wholesale and retail | 398 | 73.05 | 5.6 | 8.51 | 12.84 |
| Transportation and warehouse | 97 | 41.66 | 41.37 | 8.51 | 8.46 |
| Hospitality and food services | 166 | 81.96 | 3.17 | 4.97 | 9.89 |
| Information and communication | 20 | 35.63 | 5.73 | 5.15 | 53.49 |
| Other services | 343 | 38.91 | 5.91 | 22.66 | 32.52 |

*Source*: Survey on Labour and Employment by GSO in 2015.

## 3.2. Vocational training system in Viet Nam and programmes for rural workers

The youth law emphasises the importance of skills development and access to employment. It recognises the responsibility of the state to create opportunities and incentives for youth, especially from vulnerable groups, to complete their education, participate in vocational training and obtain adequate jobs. The youth development strategy forms part of a broader socio-economic development strategy and includes several ambitious targets for 2020 to improve the qualifications and employment situation of young people (OECD, 2014):

- Vocational training to be made accessible to the entire youth population.
- 80% of youth to reach upper secondary education.
- The youth workforce to be composed of 70% of skilled labour.
- 80% of youth to benefit from counselling and job search assistance services.
- 600 000 new jobs to be created annually for the youth population.

### *3.2.1. Vocational training in Viet Nam*

Up until 2015, the 2006 Law on Vocational Training regulated the vocational training system in Viet Nam. At that time, the system included three different levels of training, namely: i) vocational elementary training and training under three months; ii) intermediate vocational training; and iii) college vocational training. In July 2015, a new Law on VET replaced the 2006 Law on Vocational Training to restructure the VET system. Under the new law, the professional training system previously managed by the Ministry of Education and Training (MOET) was integrated within the vocational training system of the Ministry of Labour, Invalids and Social Affairs (MOLISA). Professional colleges and secondary schools as well as other vocational training programmes administered by the MOET were also transferred to MOLISA at the beginning of 2017.

The 2015 VET Law provides participants in vocational training with various means of financial support and incentives. For instance, beneficiaries of social programmes, pupils graduating from lower secondary schools and pursuing vocational education at the secondary level as well as trainees in some specific vocational tracks may benefit from tuition fee exemptions. In addition, the format of some training has been adapted to meet the diversified needs of the learners, such as reducing the duration of the training for lower secondary students.

The current VET system includes both formal and initial education. While formal vocational training is organised around consecutive courses in VET institutes, initial education is more flexible and includes various programmes to improve and update vocational knowledge and skills, vocational tutoring and teaching as well as technology transfers. The new system consists of the three levels of training as in the previous system. Despite the merging of MOET and MOLISA's vocational institutes, the different types of vocational institutes did not really change and they consist of: i) VET centres (including training and career-oriented centres), ii) secondary schools (including both professional secondary schools previously under MOET and vocational secondary schools under MOLISA) and iii) colleges (including both professional colleges previously under MOET and vocational colleges under MOLISA). In 2015, there were 1 467 vocational training institutes in Viet Nam, including 997 VET centres, 280 vocational secondary schools and 190 vocational colleges, with a total of 9 171 371 students enrolled. This participation rate reaches 95.5% of the target set in the 2011-2020 Vocational Training Strategy (General Directorate of Vocational Training [GDVT], 2016).

According to MOLISA interviewed for this study, at the secondary and college levels, industrial, electricity and automobile technology have been the majors with the highest enrolment rates in recent years, followed by network administration, air-conditioning technicians, fashion and garment, business accounting, cooking, electronics, information technology and hotel management. For elementary vocational training and vocational training under 3 months, majors were more varied. Each Provincial People's Committee approves a list of different vocational majors based on the demand compiled at the district and commune levels. The most popular non-agricultural majors included garment, electricity, automobile driving and traditional crafts (e.g. rattan and bamboo knitting, fine art woodwork, copper minting, pottery). Agriculture vocational training covered three different majors, namely feeding (livestock and poultry), planting as well as fishery, farming and processing. The agriculture vocational training is under the management of the Ministry of Agriculture and Rural Development (MARD) and training courses are often organised in collaboration with agricultural and forestry extension centres.

**Box 3.1. Technology and the future of vocational education and training**

New developments in technology are affecting consumers and the labour market more rapidly than previous technology revolutions. While for some this means improved productivity, for others it will impact negatively on jobs. There is little evidence on how technology will affect developing countries. Based on 330 interviews, 4 000 enterprise surveys and 2 700 student surveys across ASEAN, ILO looked at the impact of technology on five key sectors: automotive and auto parts, electrical and electronics (E&E), textile, clothing and footwear (TCF), business process outsourcing (BPO), and retail. The study concludes that for all five sectors, technologies will increase productivity, make some occupations obsolete but also create new ones. The real question lies in whether ASEAN countries will be able to benefit from new technologies and prepare its workforce adequately.

The current manufacturing production models that have created jobs and facilitated the rise of a middle class in many ASEAN countries are beginning to dissipate. Customisation technology, such as 3D printing, is enabling production closer to markets, especially in the TCF sector. Rising wages and operating costs in low-wage countries are also shifting production sites closer to home. The TCF sector in ASEAN will experience slowdown in export and employment growth. The sector will no longer offer as many new jobs, let alone keep current workers in the TCF sector, unless domestic markets can be developed quickly. Women will be particularly more vulnerable to this change, as labour-intensive sectors have a large female workforce (70% in ASEAN's TCF sector). Women in Viet Nam and the Philippines face more than twice the probability of being in a high risk occupation than their male counterparts. Automation and robotics in the E&E sector are performing low-skilled work such as packaging and assembling. This is a risk for migrant workers in Malaysia and Thailand who rely on remittances to support their families back home.

Reforming training and education systems to fit the labour market requires great effort, but must be addressed urgently. Education and training infrastructures have been slow in evolving in ASEAN. Existing institutions are not able to respond to the changing needs of industries and enterprises as they lack qualified instructors and updated equipment. Young people will need to be trained in industry-relevant and forward looking skills, particularly in science, technology, engineering and mathematics.

The impact of technologies on jobs is difficult to predict because of changing consumer demands, government regulations and dynamics in non-ASEAN economies. However, one clear conclusion is that countries that rely heavily on labour-intensive sectors are particularly vulnerable to disruptive technologies. Countries competing on low-wage labour will need to reposition themselves. Their labour force will need to be trained to take advantage of opportunities presented by new technologies, innovate and develop new and domestic markets.

*Source*: Chang, J., G. Rynhart and P. Huynh (2016), "ASEAN in transformation: How technology is changing jobs and enterprises", *Working Paper* No.10, International Labour Organization, Geneva.

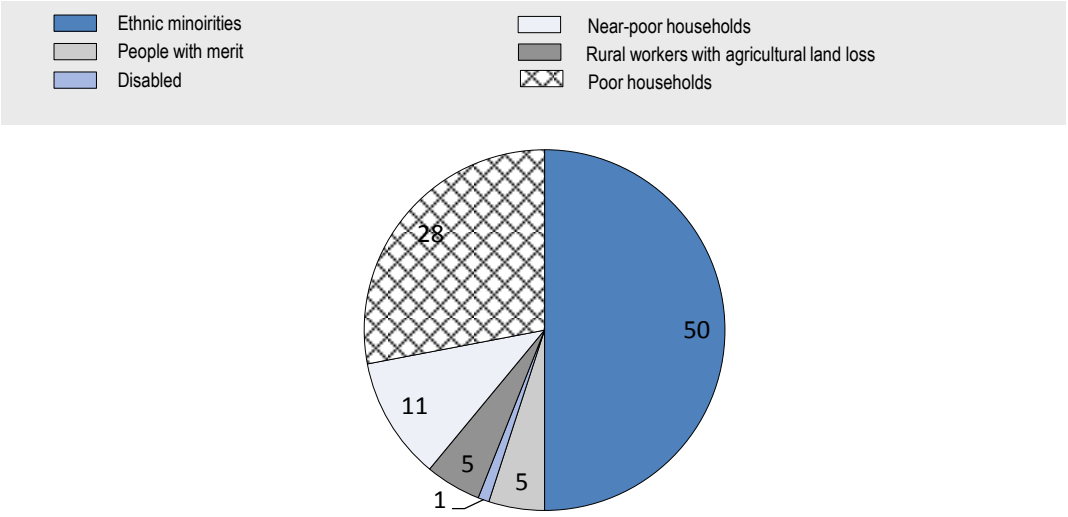
### *3.2.2. Vocational education and training programmes for rural workers*

Cognisant of the challenges faced by rural youth to upgrade their skills, the government has been promoting VET among rural youth through diverse policies. In 2008, the Prime Minister approved a project on supporting youth in vocational training and job creation to run from 2008 to 2015 (Decision No. 103/2008/QD-TTg). The project aimed to provide credits to youth for attending vocational training, finding jobs locally or going abroad for fixed-term employment; to build capacity and modernise 10 job centres of the Youth Union; to train 60 000 Youth Union officers in vocational training and job consultancy; to increase the ratio of youth accessing information on employment consultancy; and to provide youth with knowledge on start-ups. MOLISA was responsible for implementing the project among rural youth, while the Ho Chi Minh Communist Youth Union (HCMCYU) was assigned to implementing the project on "Raising youth and society's awareness of vocational training and setting up business" through vocational training and career guidance. The HCMCYU was also in charge of providing youth with support in setting up new businesses and start-ups, transferring scientific and technical knowledge and appraising young entrepreneurs with excellent economic results. The HCMCYU also selected and built the capacity of the 10 selected Youth Union's job centres.

In 2009, the Prime Minister approved a project on "Vocational training for rural workers to 2020" (Decision No. 1956/QD-TTg), also known as 'Project 1956'. The objective of the project was to provide vocational training to one million rural workers per year, including 100 000 commune officials and civil servants. All men aged 16-60 and all women aged 16-55 were eligible for the programme, with priorities given to beneficiaries of social programmes (including people with merit, poor households, ethnic minorities, disabled people and people who lost their land) (Figure 3.4). Financial support for disadvantaged households and social programme beneficiaries included a tuition subsidy of a maximum of VND 3 million (USD 132) per person, per course and food allowance of VND 15 000 (USD 0.66) per learning day and a travelling allowance of a maximum of VND 200 000 (USD 9) per person and per course for students living 15 km away from the training place. This programme has been revised in 2015 (Decision No.971/QD-TTg) and sets as objectives for the 2016-20 period, to provide vocational training to 6 million rural workers, including 5.5 million rural labours (1.4 million in agriculture and 4.1 million in non-agricultural occupations) and 500 000 commune staff and civil servants on management skills to industrialise and modernise agriculture.

In addition, rural workers belonging to households with a maximum income of 150% of poor households' income can receive cost support of up to VND 2.5 million per person (USD 110) for short-term vocational training (at preliminary level and for vocational training under 3 months). Other rural workers can receive support of up to VND 2 million per person ($88) for short term vocational training. All other rural workers wanting vocational training can borrow money from banks according to the current regulation on credits for pupils and students, and can receive a 100% support on interests on loans. Each rural worker can receive support for vocational training only once, with some exceptions made for those who lost their jobs after the training, but no more than three times. Between 2011 and 2015, some 2.17 million rural workers benefited from the project.

**Figure 3.3. Distribution of Project 1956 main beneficiaries. 2011-2015 average (%)**




*Source*: GDVT, 2016.

Under Project 1956, more than 2.1 million rural workers received vocational training in the period 2011-15, of whom 48% were women. Most of the beneficiaries were trained in short-term courses (less than 3 months) and a small number of rural workers joined vocational training at the intermediate and college levels. About 43% joined vocational training in agriculture, while the rest followed non-agricultural training. According to the first evaluation of the project, 78% of the trained rural workers found jobs after the training, including 66% who continued their previous job with higher productivity and income and 23% who found waged employment in enterprises. The project had a relatively low employment impact in remote areas where presence of non-agricultural enterprises was low (GDVT, 2016).

Project 1956 put emphasis on agricultural vocational training through agricultural extension centres. About 5 000 agricultural extension officers were re-trained and were certified in teaching skills (MARD, 2016). During the period 2011-15, agricultural extension centres in 63 provinces organised more than 31 000 training classes for about 1.3 million farmers, as well as 1 535 classes for more than 50 000 agricultural extension officers and collaborators. Additionally, more than 2 000 meetings and seminars were organised to allow farmers to exchange their experiences on advanced techniques and agricultural production.

Other complementary programmes implemented by MARD, such as the Programme on Agricultural Extension, started in 2010 (Decree No. 02/2010/ND-CP) aim to support the production, processing, preservation and sale of products in the agricultural, forestry, fishery and electro-mechanics sectors. Agricultural extension centres at the provincial and district levels are also in charge of improving production and business efficiency of producers, providing rural workers with knowledge of and skills for agricultural services and businesses, enhancing the quality, food safety and hygiene of products, speeding up agricultural and rural modernisation, ensuring national food security and guaranteeing environmental protection.

Despite these efforts, training in rural areas remains unequal in terms of quality, accessibility and investment. The project failed to mobilise enough funds to provide sufficient training and agricultural equipment. Lack of co-ordination between the different ministries and agencies brought about overlaps in a context of financial constraint (MARD, 2016). Training programmes for rural areas are often supply-driven and modelled on urban programmes. They do not sufficiently cover topics such as production planning and modern agricultural production, value addition, business management and marketing. As a result, rural areas are losing their attractiveness and young people see rural life as hard labour on farms. There is no clear strategy of education and training development for rural areas (Pham and Tran, 2015). The ADB also evaluates the project as having insufficient analysis of the needs and case for rural training. Local market surveys would be useful to better design rural training programmes (ADB, 2014).

## 3.3. Case studies: Vocational education and training in Ha Giang, Nam Dinh and Quang Nam provinces

The present study was conducted in three provinces in the north and central regions of Viet Nam: Ha Giang, Nam Dinh and Quang Nam with the aim to better understand the training needs of rural youth. These provinces are at different levels of development and their economies are based on different sectors. Ha Giang is a poor and mountainous province with a low level of economic development, while the provinces Quang Nam and Nam Dinh have an average to above average economic development level, respectively. In 2014, income per capita in Ha Giang was VND 15 843 million (USD 697), compared to VND 30 million in Nam Dinh (USD 1 320) and VND 31 million in Quang Nam (USD 1 364). More than 20% of households were considered poor in the province of Ha Giang in 2014, in comparison with only 12.1% in Quang Nam and 3.7% in Nam Dinh (GSO, 2016b).

Ha Giang's economy is largely driven by agricultural production, with 80% of its labour force working in the agricultural sector. Only 5.7% of young workers are waged employees in this province, compared to 54% in the provinces of Nam Dinh and Quang Nam. There are very few local enterprises in Ha Giang, operating mostly in the construction sector with limited demand for trained workers. In contrast, the province of Nam Dinh has a high demand for skilled workers due to the rapid development of industrial parks in the region, and young people can easily find jobs in enterprises. The industrial sector is the primary provider of employment in Nam Dinh and generates 40% of gross domestic product (GDP), followed by the services sector, which accounts for 35% of GDP. Movements of labour from the agricultural sector to the industrial and services sectors are vigorous, especially in the fields of garment manufacturing, mechanics, welding and construction. The same phenomenon occurs in the province of Quang Nam, where the labour demand for industry and services is high. More than 2 500 enterprises are located in the province and provide jobs for almost 100 000 workers. In this province, the agricultural sector alone generates 17.5% of GDP, while the industrial and services sectors constitute about 40% of GDP each.

The three provinces were selected to carry out focus group discussions and interviews with rural youth (who did or did not follow a VET), parents, community leaders and training institutes to better understand the value of VET for rural youth in Viet Nam and how VET programmes could become more effective and attractive (Table A.1.1 in the Annex). Each province reflects different levels of economic development, but in all three provinces, the majority of the population is rural (Quang Nam 81.2%, Nam Dinh 83% and Ha Giang 86.3%) and all three face difficulties attracting students to attend VET programmes (GSO and UNFPA, 2016).

### *3.3.1. Vocational training programmes in Ha Giang, Nam Dinh and Quang Nam*

In Ha Giang, there is only one vocational high school, one intermediate vocational training school, 13 vocational training centres and three other institutions that provide VET. Vocational training

programmes generally include agriculture courses, such as planting, cattle and poultry breeding and non-farm activities like handicrafts. In 2016, 63 programmes on agriculture for rural workers were approved at the preliminary level and as training of less than three months. Some vocational programmes also include non-agricultural training, such as construction, mechanics, electricity or sewing. Yet, these non-agricultural training programmes have not met local enterprises' labour demands and only a small number of the learners have found jobs after finishing training. A survey conducted by vocational training institutions in the province of Ha Giang as part of a VET improvement project shows that about 90% of students who were trained in agricultural majors found a job afterwards, compared to only 45% of students who followed non-agricultural training. Such poor results have led to low enrolment rates in college and intermediate vocational training levels. Between 2010 and 2015, only 5% of the 17 000 students enrolled in vocational training at the intermediate or college levels, while the majority of students were trained at the elementary level or short-term programmes of less than three months, which require lower levels of education.

> *"Enterprises in neighbouring provinces don't want to go to Ha Giang province to recruit workers because of the difficulties in travelling. On the other hand, vocational learners in Ha Giang province are mainly from ethnic minorities with limited education and they mostly want to work near their home due to their local traditions. Therefore, many students face difficulties in finding jobs in their localities after finishing non-agricultural vocational training, which has led to lower enrolment rates at the college and intermediate vocational training levels."* – Interview with an officer at the Vocational Training Division of Ha Giang

Although VET is receiving greater attention from provincial leaders, it is still struggling to attract students in Ha Giang. Movements of labour from the agricultural to non-agricultural sector have been slow, while the services sector is still lagging behind. Although some districts provide higher support to young people who join training in tourism with the purpose of developing this sector, the demand for vocationally trained workers in the tourism sector is still low. Complex topography, underdeveloped infrastructure, scattered vocational training institutes and low educational levels all hamper the efficiency and the development of vocational education and training in the province.

The story is different in Nam Dinh, where the network of vocational training institutes has steadily grown since 2010. There are four vocational training colleges, six vocational secondary schools, 13 vocational training centres and 12 other institutions providing vocational activities in the province. The vocational training system has become increasingly well-organised and better-funded. The provincial authorities developed various social programmes to promote vocational training among youth by using provincial funds. For instance, farmers who have lost their lands due to the development of industrial parks may benefit from preferential policies and offers of work in industrial parks. Additionally, the province has many enterprises that commit to giving financial support to train their employees.

According to the report on "The implementation of vocational training for rural labour project 2010-2015" provided by Nam Dinh DOLISA, during the 2010-15 period, about 31 000 people were trained each year at three vocational training levels in diverse majors, while 34 667 people in total received financial support under Project 1956, including 25 891 in non-agricultural majors. Agricultural programmes are mainly short-term and focus on rice cultivation, pig and chicken feeding as well as traditional handicrafts making. Interestingly, agricultural programmes also include courses on business development. Yet, the most popular training courses are non-agricultural, especially in the garment manufacturing sector. As the garment industry is developing fast in the province, this sector's labour demand is growing rapidly. Thus, many young people join short-term, intermediate and college vocational training in garment production.

According to the first evaluation of Project 1956, more than 80% of the trained people were employed or had a stable income after training. Despite these positive results, fewer and fewer people show interest in joining vocational training in Nam Dinh, since most of the interested candidates have already benefited from the programme. In addition, enterprises prefer to hire unskilled and low-paid workers and train themselves, which is less costly than hiring a VET graduate, especially if the skills they have learned are not up to date. This is a disincentive for youth to enrol in VET since they can always find low-paid jobs in industries, including seasonal jobs, without training. Additionally, poor investments have led to lower efficiency of the programme due to a lack of quality equipment and facilities in some VET institutes.

The province of Quang Nam encounters similar difficulties. Poor equipment, limited investment resources and lack of teachers' skills in modern technology undermine VET efficiency. However, the province has succeeded in developing a solid vocational training network: 47 vocational training institutes exist in the province, including seven vocational training colleges, six vocational secondary schools and 24 training centres. More than 30 000 people have been trained yearly between 2010 and 2015. Quang Nam's authorities have established special vocational training programs for disadvantaged youth and provide enterprises with support when they commit to training their employees. Alongside public vocational training programmes, diverse international organisations have implemented vocational training projects targeting vulnerable rural youth, such as Plan International, World Concern International and the International Labour Organization (ILO).

As in Nam Dinh, industries are growing fast in Quang Nam and most of the young people want to learn non-agricultural vocations to increase their chances of finding a job. Programmes mainly include non-agricultural majors due to the decline in agricultural employment. Local enterprises express strong demand for a vocationally trained workforce, and most VET graduates have no difficulty in finding a job in the non-agricultural sector after graduating. Although garment production is also popular in this province, especially among women, the most attractive sector of training remains automotive technology, as the Truong Hai Auto Corporation provides numerous employment opportunities in this sector.

### *3.3.2. Motivations and aspirations of rural youth*

Focus group discussions and interviews with a total of 426 individuals in Ha Giang, Nam Dinh and Quang Nam provided insights into the realities of the labour market for rural youth and why they chose to do a VET programme or not. Interviewees were mostly young people aged 15-24, but also included VET teachers, representatives of VET institutes, national and provincial authorities, VET experts, as well as parents. The interviews questioned the motivations and aspirations of potential and actual VET students, perceptions of a VET degree among youth and parents, and constraints to promote VET programmes and make them effective and attractive.

Among the interviewees, 270 were young people living in rural areas (197 young men and 73 young women). One third of them were VET students, another third were VET graduates and the last third had never followed a VET programme. Young people aged 19-24 represented the majority of the interviewees (80%) and the rest were 15-18 years old. Most of the rural young people interviewed in Nam Dinh and Quang Nam provinces were from the Kinh majority, while young people interviewed in Ha Giang were mostly ethnic minorities living in mountainous areas. In total, about 70% had completed lower secondary education and 28% had completed upper secondary education. Only a small number had only primary education. About 80% of the interviewees' parents were employed at the time of the study. A full description of the interviewees' profiles and their responses can be found in Annex 3.A1 (Table 3.A1.2).

The main reason for joining VET was that the profession students were training for was their first career choice. The majority of the surveyed VET students were enrolled at the intermediate and college levels. Only a small number were attending training programmes of less than three months or VET at the

preliminary level. Contrary to the common view that young people enrol in VET by default because they could not pursue higher education or because they had to work to earn a living, many of the young interviewees chose their current programme because they wanted to. Most of them expressed their enthusiasm and dedication for the programme. In the group discussions, most of the young people said they decided to join VET because such an orientation corresponded to their learning capacity, academic competence and objectives. The diversity of options offered by VET was also a source of motivation for them, as they could find a major corresponding to their aspirations and skills.

The second most important reason given for enrolling in VET was the ease in finding a job after graduation. Finding themselves in difficult economic situations, many of the youth interviewed opted for vocational training because they wanted to find a job as soon as possible to make a living. The short-term VET programmes adequately met the needs of these students.

> *'Based on my years of experience as a teacher, I have noticed that students graduating from secondary schools mostly opt for vocational training because of their limited learning capacities or their difficult family conditions. They generally want to attend vocational training to find a job early. Thus, the exemption from academic subjects and shorter courses (up to two years) under the 2015 VET law made vocational training more suitable for young learners and met the needs of the majority of them.'* - Interview with an industrial electricity teacher from Nam Dinh Vocational secondary school No.8

Other reasons for enrolling in VET included: earning a higher income, avoiding sitting a selection exam or because of the low cost of training. It is thus true that some young people decide to undertake VET by default, because they lacked the academic abilities and financial means to choose other educational options. A relatively small proportion of the youth interviewed said that they enrolled in VET because they were not accepted into college or university.

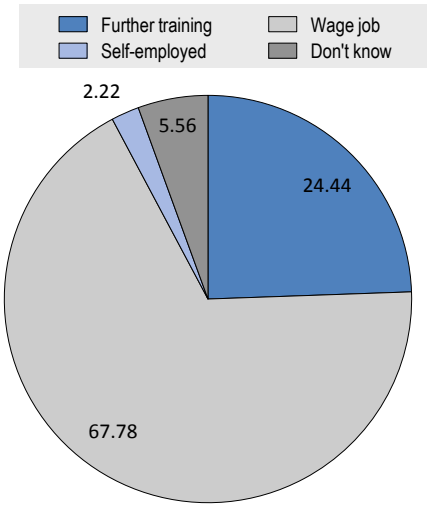
Looking further at the household characteristics of young people who were enrolled in VET, their socio-economic situations seemed to play an important part in the decision. Young people with fewer economic constraints said that they joined the VET programme as a career choice. However, most young people from poor households opted for VET to find a job as soon as possible or because of the low cost or no cost of training. Although it is difficult to generalise based on this qualitative survey, reducing financial constraints for some young people seems to have had a positive impact on young people's choice to continue education.

Most of the surveyed VET students were enrolled in non-agricultural training, in popular majors such as garment manufacturing, welding, automobile technology and industrial electricity, especially in the provinces of Nam Dinh and Quang Nam. Students who enrolled in short-term training programmes of less than three months or VET at the preliminary level generally chose to study agriculture or garment manufacturing. Most young men were studying automobile technology or welding, and most young women garment making or agriculture. In contrast, a larger number of young people enrolled in agricultural training in the province of Ha Giang in order to apply their skills in their farming households. Few young people chose non-agricultural majors because of the difficulties in finding a job in the small industrial sector in this province (Table 3.A1.3 in Annex 3.A1).

When asked about their employment prospects after graduation, most VET students said they wanted to get a paid job, in the field they studied (Figure 3.4). Machinery, metal welding, as well as the processing industry were the most popular employment sectors mentioned by the respondents, followed by food processing, furniture, textiles, garments and footwear. About one-quarter of the respondents said that they wanted to undertake further training after their graduation, mostly in the same major to improve

their expertise or to diversify their skills and increase their chances of being employed. Only a few declared that they wanted to be self-employed in the future. In Ha Giang, most of the VET students wanted to train in short-term agricultural courses to apply their new skills to their households' production business.

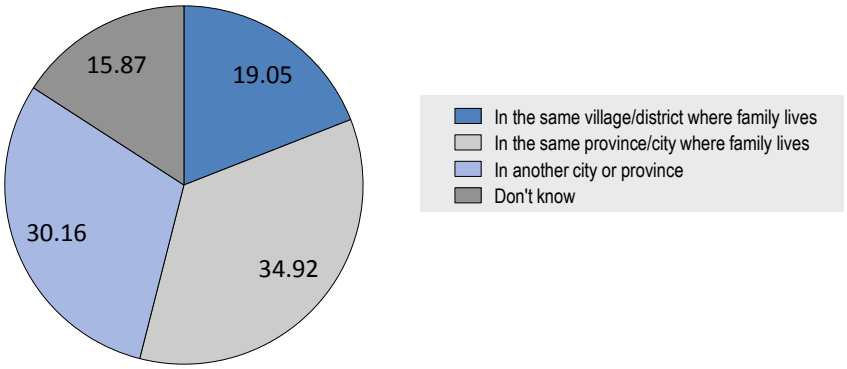
**Figure 3.4. Desired employment prospects of VET students after graduation (%)**




*Note:* Based on a total of 90 respondents attending VET at the time of interview.

Most of the VET students wanted to find a job in the province they currently lived in or their hometown. More than half of the respondents said that they wanted to stay in the same village or province as their family, while about one-third wanted to work in the exact same commune or district. This attachment to their hometown and family showed that rural-urban migration is not always a choice but undertaken out of necessity. With the right investment for local development in rural areas and more job opportunities, young people are likely to be more motivated to stay in their hometowns. Still, more than one third declared that they wanted to find a job in another province or city, mostly vocational learners enrolled in non-agricultural majors who were ready to move to find better employment opportunities with higher wages (Figure 3.5).

**Figure 3.5. Desired places of employment of VET students after graduation (%)**




*Note:* Based on a total of 90 respondents attending VET at the time of interview.
*Source:* Calculated from the survey results.

Rural youth who did not join any VET programme stated that they wanted to work immediately to earn an income. Their family's difficult economic conditions came in second place. Some also had already found a job and did not need further training. Other reasons included the desire to study in college or university later, or current enrolment in high school, college or university.

Overall, the main concern for most young people in rural areas was to find a paid job. Better-off youth claimed to choose the VET track according to the occupation they preferred, while most poorer youth's selection criteria were based on the possibility of finding a job easily afterwards. However, even for those young people who chose a preferred track, many ended up changing during the programme for majors that seemed to offer better job opportunities, especially in Nam Dinh and Quang Nam provinces. Interviews with representatives from Nam Dinh intermediate vocational training schools confirmed this trend and showed that young people paid increasing attention to labour market demands rather than their own aspirations.

### *3.3.3. Perceptions and social norms about vocational training*

Negative perceptions about vocational training in Viet Nam might perhaps be one of the most influential factors discouraging young people from joining VET. When compared to university, VET programmes do not attract good academic performers and are considered suitable for students with limited learning capacities. Even students with low performance in lower secondary school will not readily choose a VET programme, even if it means getting bad grades in upper secondary school and eventually dropping out. Youth fear that a VET degree will keep them in low-skilled, difficult jobs, with little chance of promotion. Many young people and especially parents continue to think that only a university degree will open up good professional careers. This is a common problem in OECD countries as well. In Korea, for example, VET qualifications do not effectively signal occupational skills, making university graduates a preferred choice for employers and leaving VET graduates with poorer labour market outcomes. Observing this, secondary school students will have strong preference for university degrees, while only the weaker students will choose a VET programmes, creating a vicious cycle (Kis and Park, 2012).

Over recent years, the perception of vocational education and training has significantly improved amongst youth and their families in Viet Nam. The State's communication efforts to create a good image of VET are starting to have a positive impact on its acceptance and recognition. According to the entrepreneurs and VET institutes interviewed, vocational training is increasingly recognised by society. Various mass media have extensively communicated on the value of vocational training, which seems to have increased its popularity amongst the population. According to the group discussions carried out as part of this survey, vocational learners are no longer seen as unskilled and manual workers, but rather as well-qualified workers bringing new skills to the labour market. Discussions with VET students also showed their enthusiasm and pride in their programmes. The majority of students interviewed declared no feelings of inferiority to university students and said that they did not feel judged and treated with contempt by their friends and relatives.

Interviews with parents also confirmed this positive evolution in the perception of VET. Parents seemed willing to see their children join VET and generally saw it as beneficial in terms of employment and income. Most of the parents interviewed supported or would support their children in joining VET programmes. They were also convinced that VET would help their children find a job without difficulty after graduation. As most of the VET graduates find a job, the image of vocational training has thus significantly improved amongst both youth and adults in Viet Nam.

Up until a few years ago, parents tended to systematically push their children towards university after high school. Even when they did not have good grades, parents insisted that their children study at university, even if they had to go to private and poor-quality universities with low admission grades.

Although this is still happening, more and more parents accept that their children join VET programmes instead and no longer perceive this option as inferior. Such evolution is also due to the fact that an increasing number of high school graduates decide not to enrol in university anymore.

> *'Since many university graduates cannot find jobs, more and more students in Nam Dinh province choose to join vocational training. The number of students who want to study at university is decreasing because it is difficult for them to find a good job after graduation. Many bachelors have to hide their university or college degrees to work in companies and enterprises. Enterprises do not want to recruit highly qualified workers for low-skilled jobs because they are afraid that university graduates will work only for a short time and quit. Some enterprises even try to avoid 'wrong recruitment' of university-level workers by pretending to recruit team managers with university degrees so that they can then eliminate those candidates.'* – An officer from *the* Department of Labour, Invalids and Social Affairs (DOLISA) in Nam Dinh province.

Nevertheless, a university degree remains prestigious and more valued than VET in Viet Nam. Most of the parents interviewed admitted to placing greater value on a university degree than a VET degree. Many families would prefer to see their children enter university and they would put a lot of effort into it, including borrowing money in spite of their economic difficulties. In contrast, few parents would be ready to borrow money to pay for vocational training. Most of the good performers study at university to get high-skilled jobs in offices with good salaries. Despite the increasing importance given to VET by the government, vocational courses are still very much considered as a default option for those who could not enter university.

> *"It can be said that vocational learners are not yet well appreciated. I often recall a contrasting picture when starting a school year: pupils who pass a university entrance exam or have obtained good results at high school are extensively praised by their relatives in the families' shrine during ceremonies, but never vocational students."* – An officer of the Vocational Training Division in Quang Nam province

### *3.3.4. Employment outcomes of VET graduates*

Improving employability of VET graduates remains the primary objective of VET programmes. Employment outcome is the most important indicator to evaluate the credibility and attractiveness of VET institutes. The employment rate of VET graduates is the best proof of the value of the institute and has more impact than any communication effort or advertisement. VET graduates in rural areas, however, obtain mixed employment outcomes. This is mostly due to the fact that the demand for qualified workers is quite limited in rural areas. In 2016, almost two-thirds of the recruited workers in companies working in rural areas were unskilled, including 37.3% of workers with no qualifications and 23.2% with no job or vocational certificate. Only about 10% of the recruited workers had received short-term or elementary vocational training, while only 5.2% attended vocational secondary training and 1.8% college vocational training (Table 3.4). Such results reflect the fact that VET failed to create concrete differences between unskilled and trained workers in the labour market.

On the one hand, as industries are growing rapidly in some provinces such as Nam Dinh and Quang Nam, enterprises tend to recruit unskilled and cheap workers to meet their intensive production needs in the garment or processing industry. On the other hand, they recruit only a small number of high-skilled workers who have received higher education for the design and development processes. VET graduates find themselves in the middle of these two extremes and may struggle to find qualified positions related to their training. There are therefore few differences related to positions and income between VET workers and unskilled workers in some labour-intensive sectors such as the garment or electronics assembly sectors.

**Table 3.4. Enterprises' responses on the number of new employees forecast by end of year 2016**

| Technical qualifications | Total | | Of which in rural areas | |
|---|---|---|---|---|
| | Number | % | Number | % |
| **Total** | **947 416** | **100.00** | **192 960** | **100.00** |
| No technical qualifications | 356 548 | 37.63 | 72 001 | 37.31 |
| Technical workers with no job/vocational certificate | 185 945 | 19.63 | 54 527 | 28.26 |
| Short-term vocational training (under 3 months) | 38 849 | 4.10 | 7 712 | 4.00 |
| VET Elementary certificate (from 3 to 12 months) | 68 145 | 7.19 | 11 798 | 6.11 |
| Vocational secondary training (intermediate level) | 47 440 | 5.01 | 10 046 | 5.21 |
| Professional secondary | 52 447 | 5.54 | 9 940 | 5.15 |
| Vocational colleges | 19 091 | 2.02 | 3 482 | 1.80 |
| Professional colleges | 48 118 | 5.08 | 8 147 | 4.22 |
| University or higher | 130 831 | 13.81 | 15 306 | 7.93 |

*Source*: MOLISA (2015), *Survey on Labour, Salaries and Employers' Needs in Enterprises 2015*.

VET institutions and teachers interviewed believed that enterprises still prefer to recruit cheap, untrained labour. Young people with an intermediate or college vocational training level may have the same position as a primary vocational graduate, short-term vocational graduate or even an unskilled worker because companies do not differentiate between vocationally trained workers and untrained workers. However, they argue that after a certain time, VET graduates might be promoted more quickly to higher positions such as team managers, unlike untrained workers.

Despite this challenge, VET has a positive impact on the employment prospects of young people and programmes are increasingly meeting the labour market needs. Vocational graduates may have the opportunity to be directly recruited by some enterprises during their internship or just after graduation. Some industrial companies make arrangements with vocational training institutions to recruit students from technical majors such as mechanics assembling, electromechanical or metal welding. For instance, in the province of Nam Dinh, LILAMA Corporation had an agreement with the Hai Hau district's intermediate vocational training school to recruit electricity, mechanics and welding trainees after their graduation. The offered wage is equivalent to VND 9 million per month (about USD 395), which represents nearly three times the value of the region's minimum wage, or four times the value of a university student's starting salary in the public sector.

Amongst the 90 young VET graduates interviewed for this study, 71 had found a job, 16 were unemployed and three were continuing to study in a new programme. Most of the unemployed VET graduates said that they did not find a job because the sector in which they received training did not recruit. Others mentioned too low wages, unsatisfactory job conditions and poor job searching skills. In Ha Giang, young people who did non-agricultural training struggled to find a job in companies due to limited recruitment opportunities. Similarly, those who were enrolled in agricultural training also faced difficulties in finding a job or selling their products due to a lack of support from the local authorities and poor connections with enterprises. Most of them were doing the same job as before. On the other hand, VET graduates, especially secondary vocational schools and vocational colleges in non-agricultural majors, found jobs easily in Quang Nam and Nam Dinh, where many industries are burgeoning. The economic environment seemed to play an important role in employment outcomes.

The majority of employed VET graduates worked in the industry and construction sector, or in the agriculture, forestry and fishery sector. Furthermore, most of the employed VET graduates who took part in the study were self-employed (not employers). Waged employees were another significant share, while

only a minority were unpaid family workers or employers. The majority of the employed VET graduates interviewed worked in agricultural households as many lived in rural areas, while over 25% worked in individual business households. A small minority declared that they worked in the private sector and none in the public sector. By contrast, some of the untrained employed youth interviewed said that they worked in the public sector, while the majority of them were paid employees in the private sector.

**Table 3.5. Employment outcomes of rural VET graduates and non-VET graduates (%)**

| | VET graduates | Non-VET graduates | |
|---|---|---|---|
| | | College/University graduates | Untrained |
| **Total number of persons** | **90** | **13** | **77** |
| **Employment status** | | | |
| Currently working | 71 | 10 | 43 |
| Studying full-time | 3 | 3 | 18 |
| Looking for jobs | 16 | - | 16 |
| **By economic sector (among 71 currently working)** | | | |
| Agriculture, forestry and fishery | 34 | 5 | 10 |
| Industry and construction | 33 | - | 31 |
| Services | 4 | 8 | 2 |
| **Employment status** | | | |
| Employer | 3 | | - |
| Self-employed (not employer) | 31 | - | - |
| Unpaid family worker | 10 | 5 | 9 |
| Wage employee | 27 | 8 | 34 |
| **By economic activity** | | | |
| Agricultural household/individual | 35 | 5 | 9 |
| Household business | 18 | - | 5 |
| Cooperatives (collective economy) | 1 | - | - |
| Private sector | 17 | - | 27 |
| State-owned enterprise | - | 8 | 1 |
| Foreign investment capital | - | - | 1 |

*Source*: Calculated from the survey results.

Most of the VET graduates interviewed who were employed at the time of the study declared that they worked more than 48 hours per week (the standard working week in the Vietnamese regulation). VET graduates worked 51.2 hours per week on average, which is higher than college and university graduates who worked 41.5 hours and untrained workers who work 49.2 hours per week. Only a few VET graduates worked less than 35 hours per week.

**Table 3.6. Working hours of employed rural youth by education degree (%)**

| | VET graduates | Non VET graduates | | Total (124) |
|---|---|---|---|---|
| | | College/university graduates | Untrained | |
| Total in number | **71** | **10** | **43** | **124** |
| Less than 35 h/week | 3 | 2 | 4 | 9 |
| From 35-48 h/week | 24 | 6 | 18 | 48 |
| More than 48 h/week | 44 | 2 | 21 | 67 |

*Source*: Calculated from the survey results.

In terms of income earned, VET graduates seemed better-off than their untrained peers. Young VET graduates in the survey earned a higher average monthly income than those without vocational training. VET graduates earned on average VND 5 333 000 (USD 234) per month, compared to VND 4 226 000 (USD 186) for untrained young workers. The few untrained young people who earned a very high income had established their own farm business or worked for a foreign enterprise, such as Thai Nguyen Samsung Company in Ha Giang. A regression analysis based on Viet Nam Household Living Standards Surveys (VHLSS) 2014 supports this finding, showing that trained workers have a 29% greater chance of finding a job with a higher income than untrained workers. For college or university graduates this probability was higher by 56%.

The employed VET graduates in the survey who worked in the industrial and construction sectors tended to earn higher incomes than those working in the agricultural sector. Those working in the services sector had the lowest incomes. VET graduates who were self-employed earned the highest incomes at more than VND 6 000 000 (USD 263).

**Table 3.7. Income of rural youth by qualification and employment characteristics (in '000 VND)**

| | VET graduates | Studying at college/ university | Untrained |
|---|---|---|---|
| **Total number of rural youth** | **71** | **10** | **43** |
| ***By economic sector*** | | | |
| Agriculture, forestry and fishery | 5 279 | 4 750 | 3 040 |
| Industry and construction | 5 603 | - | 4 526 |
| Services | 3 625 | 4 367 | 5 500 |
| ***By employment status*** | | | |
| Employer | 5 333 | - | - |
| Self-employed (not employer) | 6 000 | - | - |
| Unpaid family workers (in kind payment equivalent) | 2 820 | 4 750 | 2 267 |
| Wage employee | 5 531 | 4 367 | 4 744 |
| ***By economic activity*** | | | |
| Agriculture households/individuals | 5 153 | 4 750 | 2267 |
| Business households | 4 889 | - | 3 460 |
| Cooperatives (collective economy) | 4 000 | - | - |
| Private sector | 6 300 | - | 4 926 |
| State-owned enterprise | - | 4 367 | 3 000 |
| Foreign investment capital | - | - | 8 000 |
| **Average income per month** | **5 333** | **4 520** | **4 226** |

*Source*: Calculated from the survey results.

The rate of return (ROR) to vocational training is also a good indicator of the positive impact VET has on young people's employment prospects. The ROR estimates the relationship between the number of years of schooling and income earned in the job market. In Viet Nam, the average schooling years of waged workers has significantly increased over the last years, reflecting an improvement in the skills of the labour force. The average number of schooling years has increased from 12.4 years in 2010 to 12.6 years in 2014 in urban areas and from 8.8 to 9.3 years in rural areas (calculated from VHLSS 2010 and VHLSS 2014). The present study estimated the ROR to education based on the Mincer model and using data from the VHLSS and found that there is no difference in income below four years of schooling. However, income increases in proportion to the year of schooling beyond that point reaching the highest with a university degree. These results are consistent with previous similar studies (Huong, N. L., N.T. Lan, and L. Q. Tuan, 2006).

The ROR to education for youth waged workers with upper secondary school education and higher decreased between 2010 and 2014. In rural areas, the ROR has decreased from 5.6% to 5.2% among secondary VET graduates. Though modest, such a trend is worrisome for VET trainees, illustrating a loss in the value of a VET degree over recent years. Nevertheless, VET graduates have a much higher ROR than their untrained peers, both in urban and rural areas.

**Table 3.8. ROR to education of youth (15-24) waged workers, by level of education (%)**

| | 2010 | 2014 | 2010 | 2014 |
|---|---|---|---|---|
| | Urban | | Rural | |
| No degree | -0.42 | 1.70 | 0.62 | 0.38 |
| Primary school | 2.14 | 3.15 | 2.30 | 1.98 |
| Lower secondary school | 3.92 | 4.38 | 3.41 | 3.17 |
| Upper secondary school | 5.57 | 5.45 | 4.64 | 4.33 |
| Elementary VET | 5.55 | 5.45 | 4.44 | 4.29 |
| Secondary professional VET | 6.81 | 6.38 | 5.56 | 5.23 |
| Bachelor Degree | 8.67 | 7.58 | 6.81 | 6.46 |
| Master Degree and Doctorate | 9.95 | 8.42 | 7.62 | 7.35 |

*Source*: Calculations using data from the VHLSS 2010 and 2014.

When looking at the ROR among young workers in different sectors, the services sector had the highest ROR to education in 2014 in both urban and rural areas. In urban areas, the ROR to education was higher in the extractive industry and the gas production and distribution sectors, while it was higher in the gas sector and the manufacturing and processing industry in rural areas. By contrast, the water and waste management sector as well as agriculture, forestry and fishery lagged behind in 2014 with the lowest rates. These results show that these sectors have struggled to attract highly qualified workers, pushing productivity and therefore wages down.

**Table 3.9. ROR to education of youth (15-24) waged workers, by economic sector (%)**

| | 2010 | 2014 | 2010 | 2014 |
|---|---|---|---|---|
| | Urban | | Rural | |
| No degree | -0.42 | 1.70 | 0.62 | 0.38 |
| Primary school | 2.14 | 3.15 | 2.30 | 1.98 |
| Lower secondary school | 3.92 | 4.38 | 3.41 | 3.17 |
| Upper secondary school | 5.57 | 5.45 | 4.64 | 4.33 |
| Elementary VET | 5.55 | 5.45 | 4.44 | 4.29 |
| Secondary professional VET | 6.81 | 6.38 | 5.56 | 5.23 |
| Bachelor Degree | 8.67 | 7.58 | 6.81 | 6.46 |
| Master Degree and Doctorate | 9.95 | 8.42 | 7.62 | 7.35 |

*Source*: Calculations by the authors using data from the VHLSS 2010 and 2014.

## 3.4. Remaining challenges of VET

### *3.4.1. Vocational orientation and communication efforts*

Since the mid-2000s the Vietnamese government has made sustained efforts to communicate on VET and to improve its reputation and attract more students. Every year, provinces establish a fund under their respective Department of Labour, Invalids and Social Affairs (DOLISA) to communicate and organise campaigns on VET through diverse mass media such as television, radio and newspapers. In Nam Dinh province, DOLISA has extensively communicated on Project 1956 through television channels VTC12 and VTV1, central and local newspapers, as well as district and commune radio stations. Bulletins of Employment and Vocational Training, leaflets and books on VET have been distributed in wards,

communes and townships in Nam Dinh. In addition, surveys are regularly conducted across the province to understand the demand for vocational training among young people, while districts and communes organise annual surveys to revise their vocational training plan based on the population's demand. The same methods are used in the province of Quang Nam, where DOLISA is also in charge of disseminating information about vocational training in rural areas through the media and communication materials.

The VET institutions interviewed all said that they paid particular attention to communication and counselling on vocational training. College and intermediate vocational training schools generally have a budget and staff for communication activities and guidance for young people. VET institutions send their staff to lower secondary schools and high schools in neighbouring provinces to raise awareness about VET. In addition, they often collaborate with commune radio stations to provide information about enrolment procedures, courses, social programmes and job opportunities related to VET.

Communication efforts are not only targeted at young people but also at parents, as they are important decision-makers for youth, especially after lower secondary school. In rural areas, most parents do not have much knowledge about VET. They are encouraged to attend meetings in lower secondary schools to be informed about enrolment procedures, learning methods and preferential benefits. These efforts aim to raise parents' awareness about the value and relevance of VET for their children, and change the general perception that university is the only viable option.

According to the survey results, about one-third of the VET learners interviewed learnt about VET through vocational training institutions and from their commune notices. About one-quarter of the VET students interviewed said that they heard about VET through relatives and friends. One-fifth obtained information through vocational orientation sessions at lower secondary schools and high schools. Male respondents seemed more proactive than their female peers in obtaining information about VET. In addition, VET students who had graduated from upper secondary school showed a better awareness of vocational training options, while those who had graduated from lower secondary school were less informed about VET and were enrolled in the training because their parents had told them to.

Despite significant efforts in recent years, communication campaigns to encourage rural youth to enrol in VET have not been implemented uniformly across regions and communities. As explained by the representatives of DOLISA and VET institutions interviewed, communication activities have not yet reached many remote and isolated areas. Additionally, communication content is often too succinct and incomplete, lacking full information about social benefits, specific regulations and enrolment procedures. The dissemination materials are often one-way (radio broadcasting, leaflets) without the opportunity for questions and more in-depth consultations with VET experts. Even VET orientation meetings in schools provide little information about recruitment procedures, labour market demands, possible job prospects, wage levels and financial assistance.

### 3.4.2. *Financial barriers and incentives*

The Vietnamese government has made significant progress in encouraging young people to enrol in VET by removing financial barriers. Students who benefit from preferential policies, such as the poor, disabled, ethnic minorities and demobilised soldiers, are exempt from tuition fees and get financial support for transportation costs, food and accommodation. Regarding short-term vocational training programmes of less than three months for rural workers, most of the students are exempt from tuition fees and get cost support under Project 1956 (see section 3.2.2). In addition, Province and City People's Committees regulate tuition fees for regular vocational training and some provinces have decided to waive tuition fees for students graduating from secondary school and joining vocational training to encourage them to enrol in VET. Many VET institutions have their own social programmes, such as

scholarships or tuition fee exemptions for first year students. Some of them also facilitate on-the-job training so that students are able to earn a wage while following training.

Based on the interviews for this study, financial incentives seem to be a strong determinant in the families' decision to send their children to VET. VET college tuition fees fluctuate between VND 300 000 and VND 400 000 (USD 13-17) per month, while they are generally between VND 250 000 and VND 300 000 per month (USD 11-13) for vocational secondary schools, considering that each semester has five months and each academic year ten months. As a result, VET tuition fees are equivalent to about half the tuition fees for university or professional colleges, which range from VND 500 000 to VND 1 000 000 per month (USD 22-44).

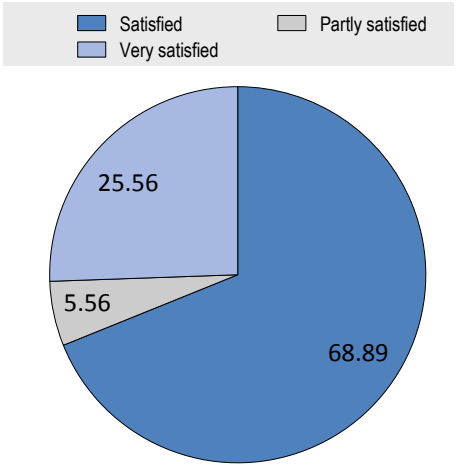
Financial incentives from VET institutes and the government are an important decision-making factor for parents to send their children to VET. The interviewed parents said that one of the main reasons for accepting that their children join VET was the low cost of the training, since they could only afford a maximum of VND 500 000 on average per month (USD 22) for the payment of tuition fees and cost of living. The majority of the VET students interviewed were exempt from tuition fees. One-fifth of the respondents, mostly young people from ethnic minorities living in Ha Giang, benefited from room and board subsidies. Young people from poor households were also generally exempt from VET tuition fees under Project 1956.

Vocational training appeared as a reasonable alternative in terms of economic conditions for the majority of the rural households interviewed, allowing them to save a lot of money. In Ha Giang, most of the poor farming households interviewed declared that the course was affordable for them as they benefited from social programmes. However, the majority of those who found VET affordable were benefitting from Project 1956 for short-term vocational training and elementary vocational training. The cost of vocational training at college level is not as well covered by social programmes and subsidies and tuition fees are not negligible for most households. This raises the question of the affordability of college vocational training.

### *3.4.3. Quality of VET programmes*

Besides financial considerations, the quality of VET programmes also influence the decision to enrol or not. The quality of VET programmes was assessed based on the direct feedback from VET students and graduates. When asked about their satisfaction level with the VET curricula, the majority of the VET students said that they were satisfied with the training courses. They found the curricula practical, learning conditions good and teachers helpful. They felt confident that they would find a job with a stable income after graduating. The low (or no) tuition fee was often mentioned as a source of satisfaction. Many pointed however to the lack of investment in equipment and facilities as well as the limited qualifications of teachers. Those who were unhappy about the VET programme said that they were forced to enrol by their families.

**Figure 3.6. Satisfaction of the young interviewees participating in vocational training (%)**




*Source*: Calculated from the survey results.

Vocational training programmes increasingly combine theory and practice. This is the aspect most appreciated by students. At the vocational secondary level, theoretical courses account for 15% to 30% of the programme, while practical courses represent 70% to 85% of the programme. At the college level, 25% to 35% of the courses are theoretical, while the rest are practical. In addition, students at secondary and college levels do a practical internship of two or three months during their last semester, and the curriculum generally includes visits to enterprises. A few VET institutions have recently introduced new integrated teaching methods combining theory and practice in the same lesson. Many students however complained that the theoretical part was too long, and the time spent in practice during workshops and internships too short.

For short-term agricultural training, students generally follow practical courses in agriculture in the field. VET centres rent or borrow cultural houses in villages and communes and bring the necessary equipment to teach theoretical content to students while training them directly on the farm. VET centres have endeavoured to create ideal conditions for the trainees by organising courses near their living place to avoid transportation costs. In this favourable context, trainees can easily participate in their household agricultural production during the training.

Lack of modern equipment for training seems to be the major drawback for VET students. Most of the students interviewed said that the classrooms were too hot, practising equipment outdated, hygiene standards limited and the libraries out of date. Lack of support from the VET institutes in finding jobs was also mentioned several times by students. On the other hand, the students were relatively satisfied with the learning support provided by the teachers during the classes through information, advice and feedback.

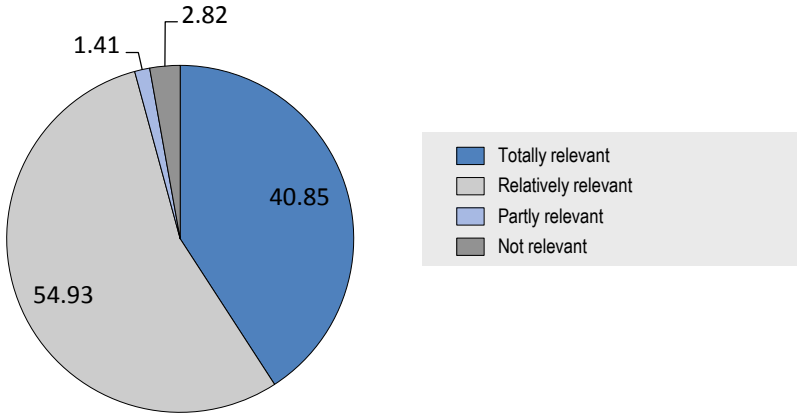
VET curricula do not include any soft skills training. Most VET students agreed that soft skills training would be useful for their future jobs and expressed the desire to practise teamwork, presentations and management skills. VET institutions and teachers acknowledged the lack of soft skills training in their curricula. In the same vein, foreign language courses are very limited, except for tourism, catering and hospitality majors. Recently, a few VET institutions have introduced soft skills training into the curricula, such as family life, environmental protection, or start-up management, but such efforts remain an exception.

The quality of VET programmes varies depending on the major and the institutions. Most of the VET institutions are specialised in a small number of specific occupations that are based on the local enterprises' recruitment needs as well as on the provincial, regional or national development agenda. In this context, each institution tries to create and promote a brand image of its vocational specialisations. According to VET institutions, the qualifications of the trainees in these specialised fields generally meet the recruiters' needs, although some graduates may require further training after taking a new position in an enterprise. Due to limited resources, VET institutions need to prioritise and cannot guarantee the quality of all training programmes they offer. As a result, students that choose a major that is not a priority for the institution receive poor quality training.

The quality of teachers also remains a challenge. Although most students interviewed found the teachers to be adequate, the quality of teaching seems uneven and for some majors, teachers have difficulties keeping up with the latest technological developments, while at the same time, access to modern equipment is limited due to insufficient resources. VET institutions have limited sponsorships from enterprises and depend almost entirely on the state budget. Short-term vocational programmes in agriculture face similar issues. Trainees are only taught basic skills and knowledge to improve their small-scale production techniques.

Despite these deficiencies, the majority of VET graduates interviewed found their curriculum to be more or less relevant for the job they were currently doing (Figure 3.7). Most of them said that the programme they attended helped them find a better job with a better working environment and a higher income, especially among young people who had participated in short-term and elementary training. Graduates from secondary vocational schools said that the VET programme had increased their chances of finding a job. Only a few graduates did not see the benefits of VET at all.

**Figure 3.7. Answers from VET graduates about the relevance of their training for current jobs in the labour market (%)**




*Source*: Calculated from the survey results

### *3.4.4. Investment in agricultural development and local value chains*

In the three provinces of Ha Giang, Nam Dinh and Quang Nam, the authorities strive to connect agricultural development with vocational education and training, which is essential to agricultural development. In line with their agricultural agenda, many provinces have developed comprehensive vocational training in agriculture, which includes courses on sustainable development, environmental protection, hygiene and safety standards, disease control, microbiology techniques, organic farming and

local market-driven production. Vocational trainees in agricultural majors gain knowledge of modern agricultural production techniques to increase their productivity while learning how to preserve the environment and how to meet the local agriculture demand.

In Ha Giang, agricultural vocational training includes mainly courses on animal feeding and plant cultivation with high yields but also hygiene standards and sustainable agriculture practices. According to the "Project on restructuring agriculture in 2016-2020", agricultural development in the province should focus on planting (especially thick-skinned orange trees and tea trees), feeding (cattle, pigs, poultry and bees), forestry and medicinal tree cultivation (such as cardamom, huong fruit, anise, cinnamon) (Decision No. 1838/UBND). Since 2012, households who cultivate thick-skinned oranges receive support from the province, including vocational training and technical support. The province also promotes local value chain development, by encouraging local producers to form co-operatives, better connect with enterprises and develop trade associations. Furthermore, the province committed to creating synergies between vocational training institutes, enterprises and agricultural experts to develop a pool of human resources with technical skills in animal feeding and tree planting. Yet, efficient value chain linkages from production to processing and to sales have not yet been established. Enterprises and agricultural producers are not well integrated in the local markets. Small-sized agricultural enterprises and agricultural co-operatives still suffer from low productivity and productions are often at subsistence level.

In Nam Dinh, the Provincial People's Committee approved the Project on Agricultural Restructuring 2014-2020 (Decision No. 1346/QD-UBND). The project focuses on increasing agricultural value addition, ensuring sustainable development in the province and expanding linkages between enterprises and agricultural producers. Planting (rice, peanuts, corn, potatoes, soya beans), livestock and poultry rearing and fisheries (oyster and tiger prawn cultivation) are the key agricultural activities in Nam Dinh. Production models are based on high yields and competitive products in line with the Vietnamese Good Agricultural Practices (VietGAP) issued by MARD, which guarantee safety, quality, health of producers and consumers as well as environmental protection and product traceability. Building technical knowledge and agricultural techniques among rural workers is a top priority in Nam Dinh's agricultural agenda. Farmers are thus sensitised to sustainable agriculture practices, as the province is heavily affected by climate change. Despite these initiatives and support, provincial authorities encounter various difficulties in promoting sustainable agricultural development among producers. Transitions to sustainable practices require considerable resources and techniques, and farmers often struggle to make the transition with limited resources and lack of knowledge of technical procedures, hygiene standards and disease prevention.

Quang Nam province also promotes agricultural models that ensure environmental protection and hygiene standards, especially regarding pig and chicken feeding. Over the last years, the province has encouraged farmers to use new agricultural techniques such as organic fertilisers, biogas technology to treat waste and microbiology products in line with VietGAP standards and procedures for disease prevention. The project on Restructuring Quang Nam province's agriculture 2014-2020 (Decision No. 2577/QD-UBND) emphasises the importance of transiting from traditional agriculture to intensive farming and specialisation and promoting organic agriculture with optimal production procedures. The project aims to reduce fruit tree cultivation while developing vegetables, aquatic cultivation as well as industrial and feeding crops. Ginseng is becoming one of the key agricultural products of Quang Nam, and is attracting many rural farmers. Most of the large-scale cultivations in Quang Nam are produced in co-operation with large supply companies, which provide input and buy output products from farmers, creating efficient linkages in the production chain. Additionally, the province has put in place various measures to protect forests and limit their destruction. For instance, combining agricultural tree plantations with industrial forest tree plantations preserves the quality of the land, increases biodiversity, improves the living environment of local communities and creates a beautiful landscape.

Despite all these efforts to promote sustainable agriculture development, efficient local value chains are scarce in most of the studied places. Although the provincial authorities endeavour to encourage synergies between enterprises and producers, enterprises rarely engage in the upstream phases of production, such as supplying seeds, materials and providing quality management. In addition, farmers face substantial difficulties in transitioning from traditional agricultural practices to modern agricultural techniques and in applying new technical knowledge and procedures in their daily work even though they received training. But mostly, local young people are less and less interested in joining agricultural vocational training due to the expansion of non-agricultural sectors and lower value added in agriculture. As employment opportunities are reducing in the agricultural sector and incomes remain lower than in other business sectors, few young people want to pursue agricultural vocations, especially in more developed provinces such as Nam Dinh and Quang Nam. Agricultural development requires a lot of land and significant capital investment, and young people who wish to engage in local agricultural development face many difficulties in accessing land and financing.

## 3.5. Conclusion

The VET system in Viet Nam has significantly improved over the last decade, due to greater consideration by policy makers and increased public investment. Particularly in rural areas, the government has made substantial efforts to promote VET among youth and rural workers through preferential policies such as Project 1956 that provide financial subsidies and fee exemption for VET. The negative perception of VET is also slowly changing in Viet Nam thanks to the government's efforts to better communicate about VET via mass media and in lower secondary schools.

VET is becoming increasingly accepted socially and seen as a viable option for many rural youths. The qualitative survey carried out by this study of 270 rural youths shows that most VET students are enthusiastic about their field of study and decided to enrol in a VET programme by choice. VET graduates are, in most economic sectors, getting better income than their untrained peers. Further analysis using a larger number of observations from the VHLSS confirms that the rate of return to education is higher for VET graduates than untrained youth.

Most of the rural youth interviewed wished to join the labour force as soon as possible and aspired to get waged jobs. Many of the youth enrolled in VET programmes after lower secondary school wanted to find a job mainly for economic reasons and due to family constraints. Most of the youth who were attending VET programmes were enrolled in industrial electricity, welding and garment making. VET graduates in fast developing provinces with burgeoning industries and companies such as Nam Din and Quang Nam found waged employment quickly after vocational training. Youth living in the less developed region of Ha Giang mostly enrolled in short-term courses related to agriculture and farming to work on their family farm. The few who trained in non-agriculture related fields had difficulties finding jobs as the region has not yet attracted many industries and companies.

Although there has been great improvement in terms of VET quality, access and relevance, social norms around VET and employers' preference for untrained cheaper labour still prevail. Public investment in VET institutes increased and majors have become more diversified and practical. However, many institutes lack modern equipment and facilities to adequately train their students to be employment-ready. The quality of VET programmes varies widely from one institute to another and less popular majors are largely under-funded with unqualified teachers. Youth in Ha Giang complained about VET programmes not having enough courses on agricultural production management, marketing and business development. VET quality is a challenge shared by many OECD countries as well, as schools struggle to keep up with rapidly changing technology and cannot offer competitive salaries to attract skilled workers to teach.

VET must be reformed to ensure high-quality so that qualifications are valued in the labour market. VET qualifications must signal effectively occupational skills otherwise everyone will opt for university degrees and only the weak students will choose VET programmes, perpetuating the bad reputation of VET. The OECD, based on its VET reviews, recommends making use of work-based learning as a means to address these challenges (OECD, 2010). Because workplaces have up-to-date equipment, they have trainers with the skills needed to use that equipment, students not only learn technical skills but also soft skills (e.g. dealing with colleagues, teamwork) and work-based learning connects students to potential employers.

Efficient linkages from agricultural production to processing and sales are not well-developed in agricultural regions and producers lack business skills to develop their products. Youth often face difficulties in transiting from traditional agriculture to modern and sustainable methods of production. Although VET in agriculture provides some technical knowledge, young people face additional challenges from lack of financial resources and access to land. With the rapid expansion of some industries like automobile and garment making, young people are less and less interested in joining agricultural vocational training due to the expansion of non-agricultural sectors and reduced employment opportunities in the agricultural sector, where incomes are significantly lower.

Further policies supporting young people in rural areas in finding jobs after graduating from VET should be implemented. This includes improving rural labour market information systems to identify occupational trends. Rural training must be more demand-driven, better adapted and linked to local economies. For example, in rural areas where few industries are present, VET programmes should focus more on business skills development or adding value to agricultural products. Curriculum design of agriculture-related subjects needs to be more comprehensive, considering all possible jobs along the agro-value chain, beyond production techniques. Community-based learning approaches have proven effective for income generating activities and local job creation (ADB, 2014). Courses on new agricultural production models, including sustainable agricultural practices, should be developed to create new job opportunities in the local economies. Rural youth also need financial assistance or access to land to start their own businesses after graduation.

Better linkages between VET institutions and local enterprises should be made through internships, on-the-job training, knowledge-sharing between teachers and experts, and co-operation in VET programme design based on industry's needs. Regular dialogues with industries and enterprises need to be organised through an official committee, which includes student representatives, teachers, employers, local authorities and VET institutes (Kis, 2017). VET institutes should have the flexibility to organise short courses for enterprises. These exchanges should be organised at local, provincial and national levels. One option might be to design and deliver VET programmes together with companies – so that workers can earn a qualification which enables them to move jobs, and develop the skills needed through on-the-job training. Curriculum design should, however, not be limited to industry's technical needs but encompass general education, languages, soft skills and business skills to allow for students to acquire lifelong skills and change careers if needed or desired.

Incentives such as training cost subsidies, salary subsidies of new recruits or tax exemptions should be given to companies to train and recruit VET students and graduates. Small and medium-sized companies should benefit from these incentives as the cost of training is often too high for them, and they are the ones more likely to generate jobs. Payroll levy has proven to be effective in promoting work-based learning. An impact evaluation of the Human Resource Development Fund in Malaysia found that a 1% payroll levy was effective in the promotion of training within enterprises, especially medium-sized, and training increased firm-level productivity (ADB, 2014). Employers' engagement in VET curricula must be strengthened.

The quality of VET should be improved in order to guarantee favourable conditions for VET learners and meet the recruitment needs of enterprises. First of all, teachers must be regularly trained themselves and keep up with the latest technologies. New vocational teachers should have relevant work experience in industry before joining the institute. Better linkages with industries should also allow teachers to get practical training from enterprises. Technological changes are creating new jobs that require greater knowledge in science and technology. In a survey of 4 000 enterprises in ASEAN, the majority of firms indicated a greater need for engineers with specialised knowledge of automated process design and robotic programming (Chang et al, 2016). VET programmes must be expanded to cover more subjects in science, technology, engineering and mathematics. VET institutes should invest in modern and new training equipment and update the teaching content on new technologies. The OECD recommends encouraging part-time teaching so that teachers can keep a job in industry and regularly update their skills.

Better monitoring and evaluation of the impact of VET programmes should be carried out. Little quantitative data exist on the impact of VET programmes on employment outcomes, particularly several years after graduation. Evidence-based information about VET options and career prospects should be provided. Career guidance counselling in lower and upper secondary schools should accompany young students and their parents in making decisions about VET, especially in rural and remote areas.

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# Annex 3.A1 Description of survey sample

**Table 3.A1.1. Survey sample (number of persons)**

| | Hà Giang | Nam Định | Quảng Nam | Total |
|---|---|---|---|---|
| 1. Representatives of DOLISAs and staff of VET departments | 1 | 1 | 1 | **3** |
| 2. Representatives and staff of agricultural extension departments | 1 | 1 | 1 | **3** |
| 3. Representatives of VET institutes | 5 | 5 | 5 | **15** |
| 4. VET teachers | 12 | 18 | 15 | **45** |
| 5. Rural youth – VET students | 24 | 39 | 27 | **90** |
| 6. Rural youth – VET graduates | 23 | 36 | 31 | **90** |
| 7. Rural youth not in VET | 30 | 33 | 27 | **90** |
| 8. Parents of rural youth | 27 | 45 | 18 | **90** |

**Table 3.A1.2. Profiles of rural youth interviewed**

| | | VET students | VET graduates | Never attended VET | Total |
|---|---|---|---|---|---|
| **Total number of persons** | | **90** | **90** | **90** | **270** |
| Gender | Male | 61 | 71 | 65 | 197 |
| | Female | 29 | 19 | 25 | 73 |
| Age group | 16-18 years old | 44 | - | 8 | 52 |
| | 19-24 years old | 46 | 90 | 82 | 218 |
| Ethnicity | Kinh | 66 | 64 | 64 | 194 |
| | Other | 24 | 26 | 26 | 76 |
| Education level | Elementary | - | 2 | 8 | 10 |
| | Lower secondary | 72 | 60 | 52 | 184 |
| | Higher secondary | 18 | 28 | 30 | 76 |
| Technical expertise | Untrained | - | - | 77 | 77 |
| | VET under 3 months and elementary | 22 | 41 | - | 63 |
| | Intermediate VET | 64 | 43 | - | 107 |
| | College VET | 4 | 6 | - | 10 |
| | College/university graduates | - | - | 11 | 11 |
| | College/university students | - | - | 2 | 2 |

**Table 3.A1.3. VET learners by training majors (%)**

| | Vocational training under 3 months | Elementary vocational training | Intermediate vocational training | College vocational training | Total |
|---|---|---|---|---|---|
| **Total number of persons** | **14** | **8** | **64** | **4** | **90** |
| Metal cutting | 0 | 0 | 2 | 0 | 2 |
| Wood carving | 0 | 0 | 2 | 0 | 2 |
| Automobile technology | 0 | 0 | 11 | 4 | 15 |
| Industrial electricity | 0 | 0 | 13 | 0 | 13 |
| Welding | 0 | 0 | 23 | 0 | 23 |
| Industrial garment | 0 | 8 | 13 | 0 | 21 |
| Agriculture (planting) | 14 | 0 | 0 | 0 | 14 |

**Table 3.A1.4. Distribution of VET graduates by field of study (%)**

| | Short vocational training less than 3 months | Elementary vocational training | Intermediate vocational training | College vocational training | Total |
|---|---|---|---|---|---|
| **Total number of persons** | **10** | **31** | **43** | **6** | **90** |
| Wood carving | 0 | 1 | 9 | 0 | 10 |
| Feeding | 7 | 3 | 0 | 0 | 10 |
| Mechanics | 0 | 0 | 10 | 0 | 10 |
| Automobile technology | 0 | 0 | 3 | 0 | 3 |
| Industrial electricity | 0 | 0 | 13 | 0 | 13 |
| Industrial electronics | 0 | 0 | 1 | 0 | 1 |
| Welding | 0 | 0 | 1 | 0 | 1 |
| Accounting | 0 | 0 | 4 | 2 | 6 |
| Industrial garment | 3 | 3 | 0 | 2 | 8 |
| Aquatic cultivation | 0 | 14 | 2 | 0 | 16 |
| Agriculture (planting) | 0 | 8 | 0 | 0 | 8 |
| Construction | 0 | 2 | 0 | 2 | 4 |

# Annex 3.A2. Summary of survey results

**Table 3.A2.1. Principal reasons for enrolling in vocational training (in percentage out of total of 180)**

| Reasons for joining VET | Male (132) | Female (48) | Total (180) |
|---|---|---|---|
| 1. This is my favourite occupation | 57.58% | 68.75% | 60.56% |
| 2. Because it's easy to find a job | 31.06% | 12.50% | 26.11% |
| 3. To earn higher income | 0.76% | 2.08% | 1.11% |
| 4. Not passing college/university | 0.00% | 4.17% | 1.11% |
| 6. For low-cost or no cost of training | 4.55% | 2.08% | 3.89% |
| 7. Shorter apprenticeship | 0.00% | 2.08% | 0.56% |
| 8. According to family's orientation | 4.55% | 2.08% | 3.89% |
| 10. Not finding a job by occupation learned | 0.00% | 6.25% | 1.67% |
| 11. Other | 1.52% | 0.00% | 1.11% |

**Table 3.A2.2. Principal reasons for not enrolling in vocational training (in percentage out of total of 90)**

| Reasons for not joining VET | Total (90) |
|---|---|
| I have found a job (no need to learn vocation) | 12.22% |
| I want to work immediately to earn income | 43.33% |
| I want to learn at college/university | 8.89% |
| I am learning at high school or college/university | 7.78% |
| I think vocational training means working harder than learning at college/university | 4.44% |
| I think working after vocational training brings about low income | 4.44% |
| Due to family's difficult conditions | 15.56% |
| No/lack of information on vocational training courses | 3.33% |

**Table 3.A2.3. VET pupils by training occupations (in percentage out of total of 90)**

| Occupation | Male (61) | Female (29) | Total (90) |
|---|---|---|---|
| Metal cutting | 3.28% | 0% | 2.22% |
| Wood carving | 3.28% | 0% | 2.22% |
| Automobile technology | 22.95% | 3.45% | 16.67% |
| Industrial electricity | 19.67% | 3.45% | 14.44% |
| Welding | 37.70% | 0% | 25.56% |
| Industrial garment | 6.56% | 58.62% | 23.33% |
| Planting | 6.56% | 34.48% | 15.56% |

**Table 3.A2.4. Means to access information on vocational training courses (in percentage out of total of 180)**

| Means to access information on VET | Male (132) | Female (48) | Total (180) |
|---|---|---|---|
| From information on vocational orientation consultancy at schools (lower secondary and high schools) | 15.15% | 29.17% | 18.89% |
| From on the spot introduction by vocational training institutions | 31.82% | 16.67% | 27.78% |
| Through notifications from village/commune | 27.27% | 14.58% | 23.89% |
| From advertisements: newspaper/radio/television/Internet | 9.09% | 0.00% | 6.67% |
| From notifications by relatives/friends | 15.15% | 39.58% | 21.67% |
| Other | 1.52% | 0.00 % | 1.11% |

**Table 3.A2.5. Vocational training learners by level of financial or other support (%)**

| | Yes | No |
|---|---|---|
| 1. Free tuition | 66.10% | 33.90% |
| 2. Reduced tuition | 1.69% | 98.31% |
| 3. Scholarships from supporting policy | 3.39% | 96.61% |
| 4. Free / reduced travel costs | 1.69% | 98.31% |
| 5. Accommodation (boarding) | 20.34% | 79.66% |
| 6. Subsidised meals | 20.34% | 79.66% |
| 7. Other | 3.39% | 96.61% |

**Table 3.A2.6. Ability of young learners to afford the cost of VET (%)**

| | Low, negligible cost | Affordable cost |
|---|---|---|
| ***By household type*** | | |
| Poor households | 59.26 | 40.74 |
| Near poor households | 54.55 | 45.45 |
| Not poor households | 40.46 | 59.54 |
| ***By household working sector*** | | |
| Aquaculture and agriculture | 46.58 | 53.42 |
| Industrial and construction | 40.91 | 59.09 |
| Services | 33.33 | 66.67 |
| Other | 33.33 | 66.67 |
| ***By vocational training level*** | | |
| Vocational less than 3 months | 41.67 | 58.33 |
| Elementary vocational training | 76.92 | 23:08 |
| Secondary vocational training | 37.38 | 62.62 |
| Vocational colleges | 10:00 | 90.00 |
| **Total** | 45.00 | 55.00 |

**Table 3.A2.7. Evaluation of the quality of the training courses by young people graduating from vocational training (on a scale from 1 to 4, 4 being good)**

| Standard | Average evaluation point |
|---|---|
| **I. The structure and content of the programme** | |
| 1.1 The balance between the time for theory and practice is relevant | 3.24 |
| 1.2 Content of the course is practical for the students | 3.36 |
| 1.3 Training content is up-to-date | 3.43 |
| **II. Teaching and learning methods** | |
| 2.1 Methods of teaching and learning help students acquire knowledge and how to apply it | 3.19 |
| 2.2 Methods of teaching and learning allow for initiative taking and creativity of learners | 3.33 |
| **III. Quality of the teachers** | |
| 3.1 Capacity to transfer knowledge understandably, create excitement for students | 3.42 |
| 3.2 Subjects are suitable to professional qualifications, experience and skills | 3.40 |
| **IV. Equipment and infrastructure** | |
| 4.1 Classrooms meet standards | 3.38 |
| 4.2 The library meets the learner's needs and is up-to-date | 3.00 |
| 4.3 The laboratory meets needs and is modern | 3.13 |
| 4.4 The standards of safety and sanitation meet requirements | 3.33 |
| **V. Support and Outcome evaluation** | |
| 5.1 Students receive full information and advice, learning support and school performance feedback | 3.52 |
| 5.2 Method of assessing study results are relevant (test, exam) | 3.45 |

**Table 3.A2.8. Answers from VET graduates about the benefits of training, by training level (%)**

| | Vocational course less than 3 months | Elementary vocational training | Secondary Vocational Training | Vocational colleges | Total |
|---|---|---|---|---|---|
| ***Total (person)*** | ***10*** | ***31*** | ***43*** | ***6*** | ***90*** |
| **Proportion (%)** | **100.00** | **100.00** | **100.00** | **100.00** | **100.00** |
| Increased opportunities to find a job | 12.00 | 12.00 | 58.14 | 12.00 | 27.78 |
| Find better jobs | 60.00 | 51.61 | 25.58 | 50.00 | 40.00 |
| Having ability to create jobs | 30.00 | 35.48 | 13.95 | 16.67 | 23.33 |
| Don't see the benefit of it at all | 10.00 | 12.00 | 2.33 | 33.33 | 4.44 |
| Other | 12.00 | 12.90 | 12.00 | 12.00 | 4.44 |

**Table 3.A2.9. Summary of estimated results of probit model**

| | Jobs with salary | | Signed labour contract | | Participated in social insurance | |
|---|---|---|---|---|---|---|
| **Variables** | **Probit** | **Marginal impact** | **Probit** | **Marginal impact** | **Probit** | **Marginal impact** |
| Trained | 0740 *** | 0288 *** | 0762 *** | 0276 *** | 0714 *** | 0278 *** |
| | (0018) | (0007) | (0001) | (0000) | (0001) | (0000) |
| Graduated from college, university or higher | 1604 *** | 0555 *** | 1176 *** | 0398 *** | 1416 *** | 0518 *** |
| | (0024) | (0005) | (0001) | (0000) | (0001) | (0000) |
| Youth | 0332 *** | 0128 *** | 0010 *** | 0004 *** | -0202 *** | -0075 *** |
| | (0014) | (0005) | (0001) | (0000) | (0001) | (0000) |
| There are control variables | x | x | x | x | x | x |
| Constant | -0897 *** | | -1605 *** | | -1841 *** | |
| | (0009) | | (0001) | | (0001) | |
| Observations | 64.623 | 64.623 | 23.541 | 23.541 | 23.541 | 23.541 |

*Note:* Standard errors in brackets: ***P<0.01, **P>0.05, *P<0.1
*Source*: Calculated using VHLSS, 2010, 2012, 2014.

## Annex 3.A3. Survey methodology

The study was based on several methods:

**a.** ***Literature review:*** the authors undertook a retrospective study based on the available documents related to VET policies for rural youth from different sources, such as regulatory documents, plans of action, annual or quarterly reports by local and national government agencies concerning research content; evaluations, technical reports related to research content, quantitative data, including survey data.

***b. Primary Data Analysis:*** data from different sources were analysed, such as from the Viet Nam Households Living Standards Survey (VHLSS), the Labour Force survey (LFS), the census of rural areas, agriculture and fisheries (2006 and 2011) and other primary sources related to VET and the employment situation for youth in rural areas.

***c. Quick assessment and qualitative research:*** the authors organised interviews and group discussions with diverse stakeholders, including policy makers at national and provincial levels, experts from the Labour, Invalids and Social Affairs (LISA) sector, national and provincial agency officials as well as representatives from VET institutions.

***d. Survey for collecting quantitative data:*** the survey was conducted in three provinces, which had been identified during the early stages of the project. Quantitative research tools included questionnaires and a toolkit reviewed by experts before dissemination.

# Youth Well-being Policy Review of Viet Nam

In Viet Nam, young persons aged 15-29 currently account for around a quarter of the country's population. This is the highest youth population ever for Viet Nam, providing the country with a unique socio-economic development opportunity. Youth represents an asset for the nation's prosperity which can only be tapped if young people have access to quality education, healthcare, decent employment and active social and political lives. However, Vietnamese youth face challenges on multiple fronts. The *Youth Well-being Policy Review of Viet Nam* takes a multisectoral approach to look in-depth at the situation of young people with regard to education, health, employment and civic participation and provides policy recommendations to narrow youth well-being gaps. A thematic chapter looks at the potential of vocational education and training in narrowing the skills gap among rural youth.

Consult the full report on line at:
**www.oecd.org/dev/inclusivesocietiesanddevelopment/youth-country-studies.htm**

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