# *Skills Development for the Disadvantaged and for Inclusive Growth in Vietnam: The Role of Policy, Partnerships and Programs*

**Do Minh Hoai**
**General Directorate of Vocational Training**

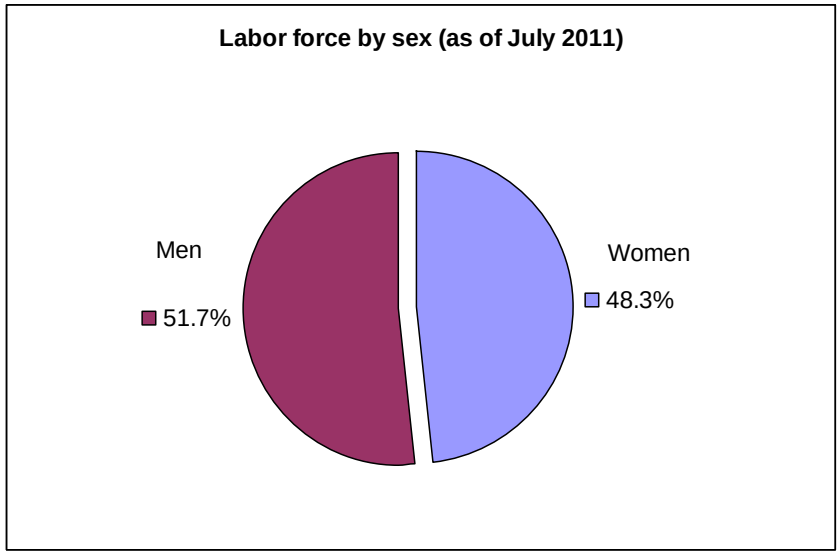
This is not an ADB material. The views expressed in this document are the views of the author/s and/or their organizations and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy and/or completeness of the material's contents, and accepts no responsibility for any direct or indirect consequence of their use or reliance, whether wholly or partially. Please feel free to contact the authors directly should you have queries.

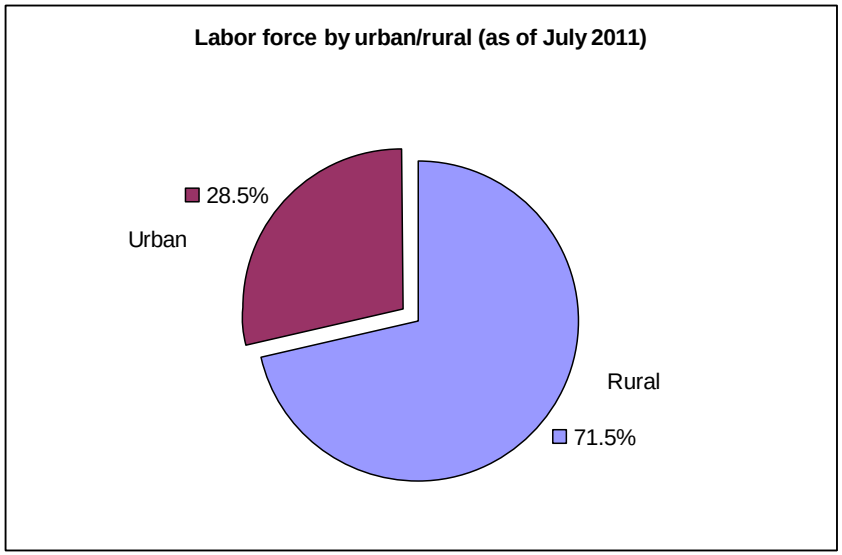
# Contents

- Some Statistics
- Legal Framework for Provision of Training for the Disadvantaged
- Policies and Programs

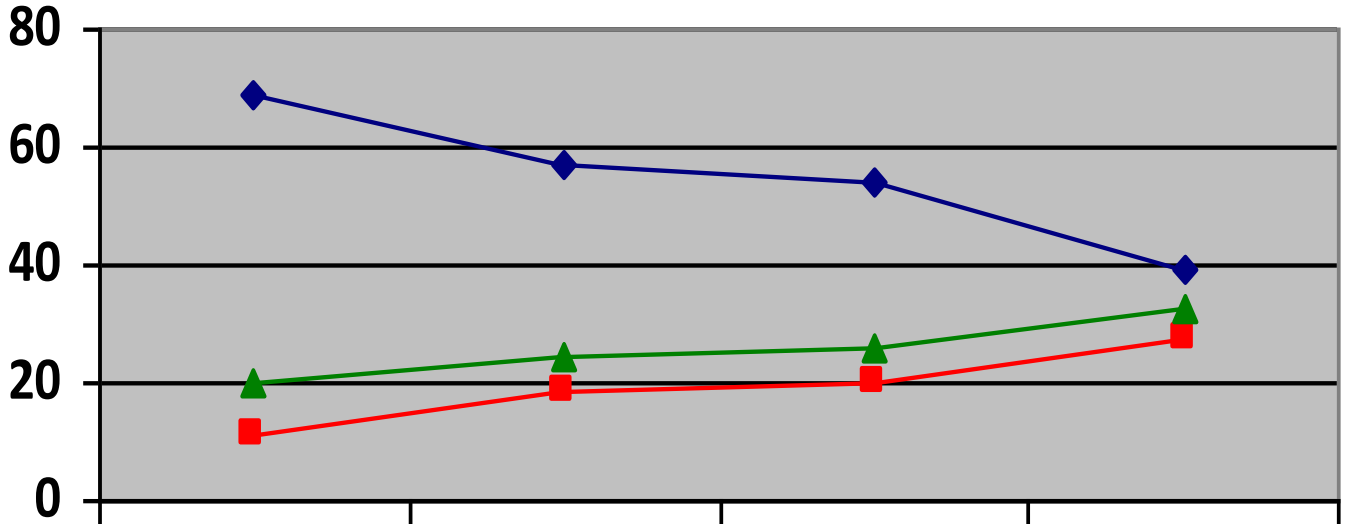
# Labor Force

As of July 2011, there was a total of 51.3 million in labor force, accounting for 58.4% of total population



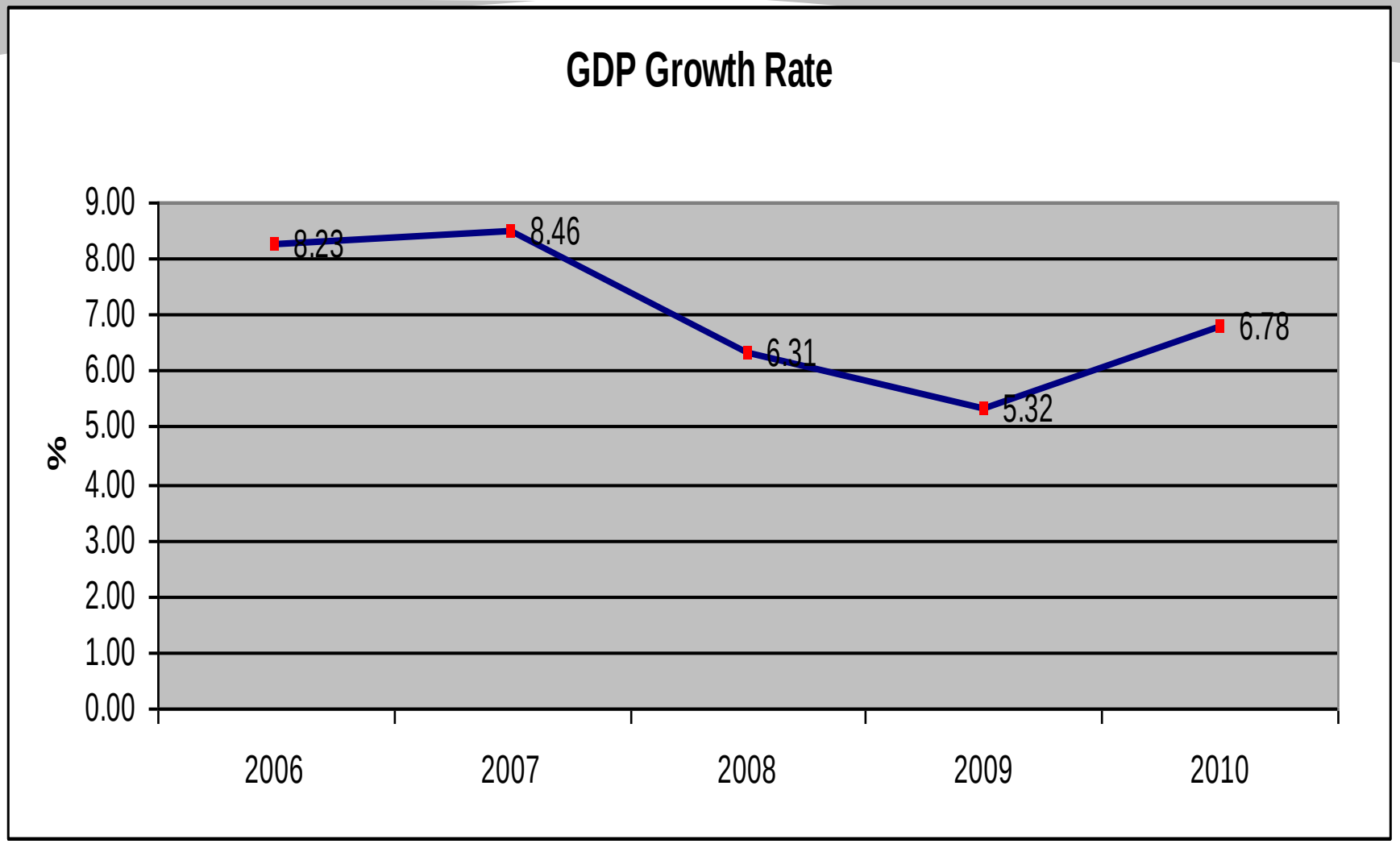



# Labor Force by Sector (1997-2015)



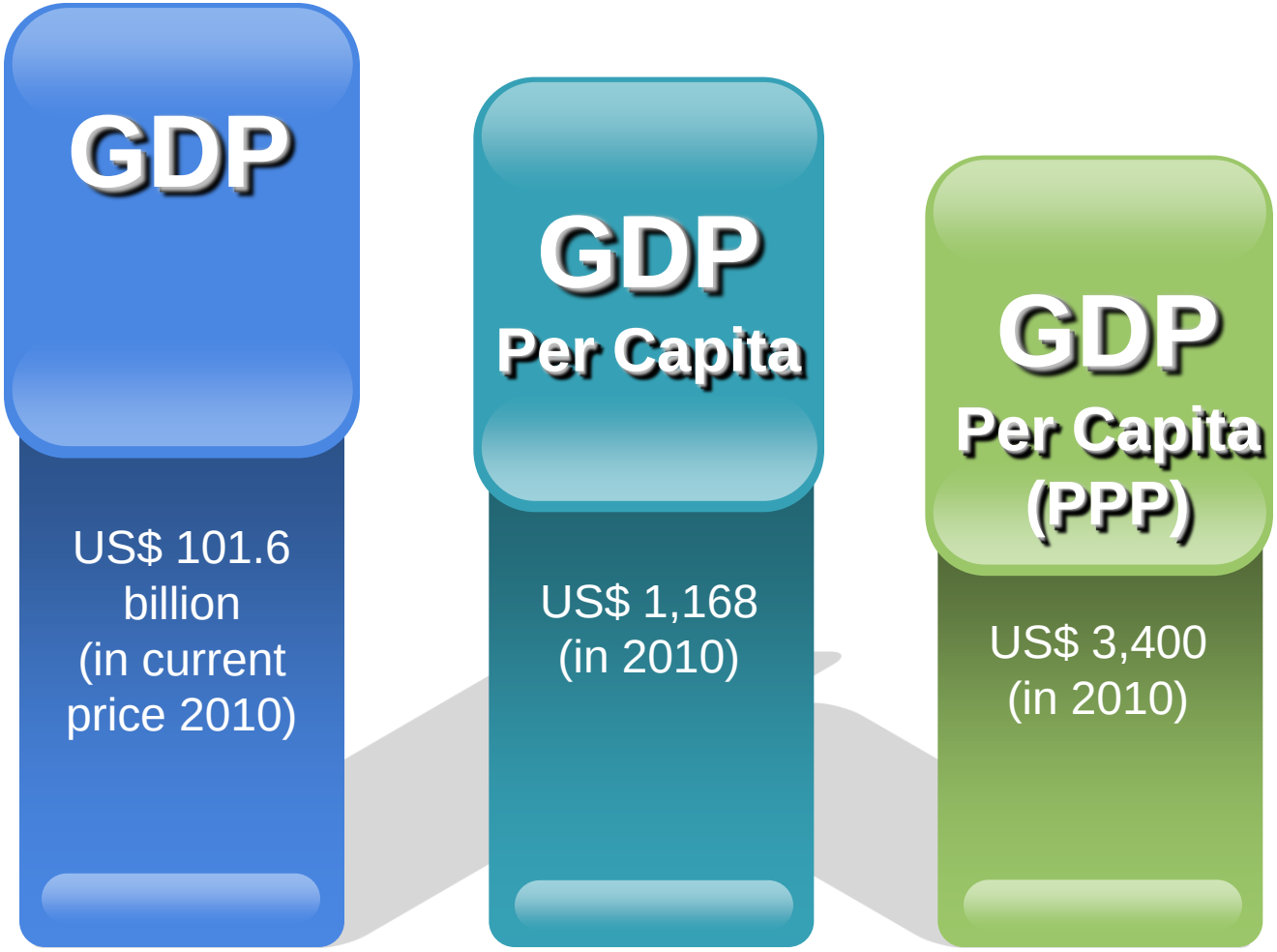

| | 1997 | 2005 | 2009 | 2015 |
|---|---|---|---|---|
| Agriculture | 69 | 57.3 | 53.9 | 39.6 |
| Industry | 11 | 18.2 | 20.3 | 27.7 |
| Services | 20 | 24.5 | 25.8 | 32.7 |

# GDP Growth Rate

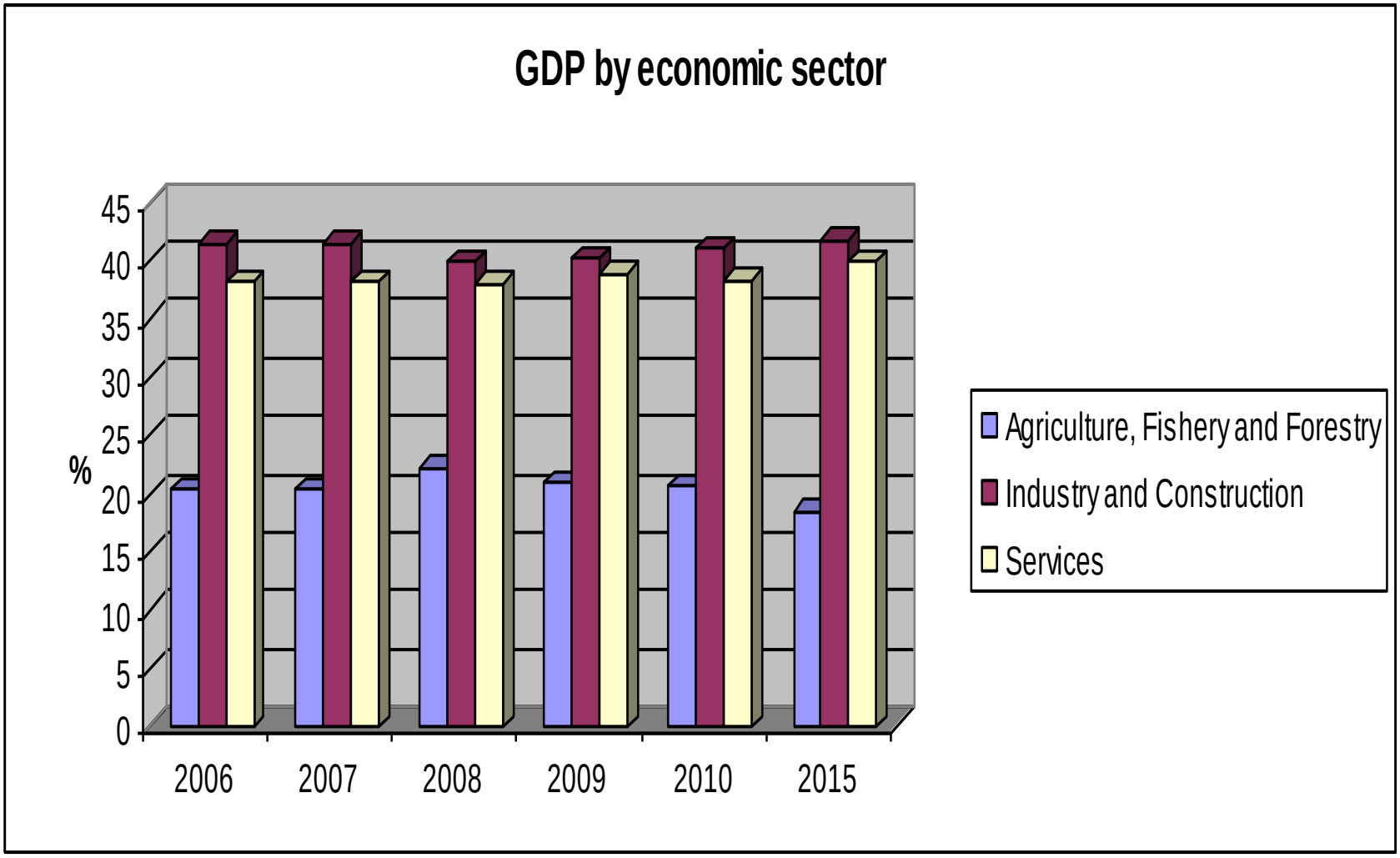



GDP growth rate (2006-2010): Average 7% per annum

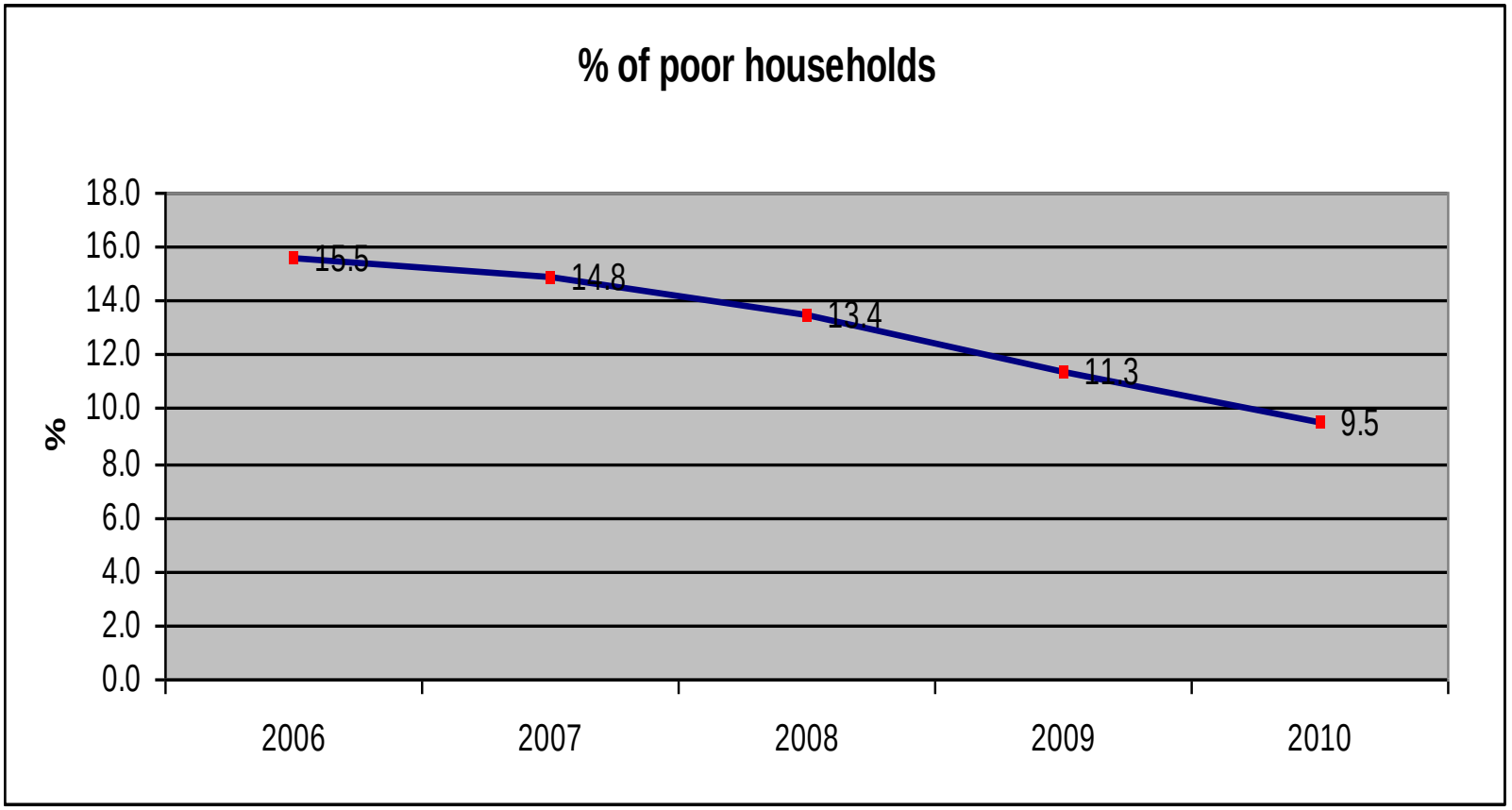
# GDP Growth Rate



# Share of GDP by Sector

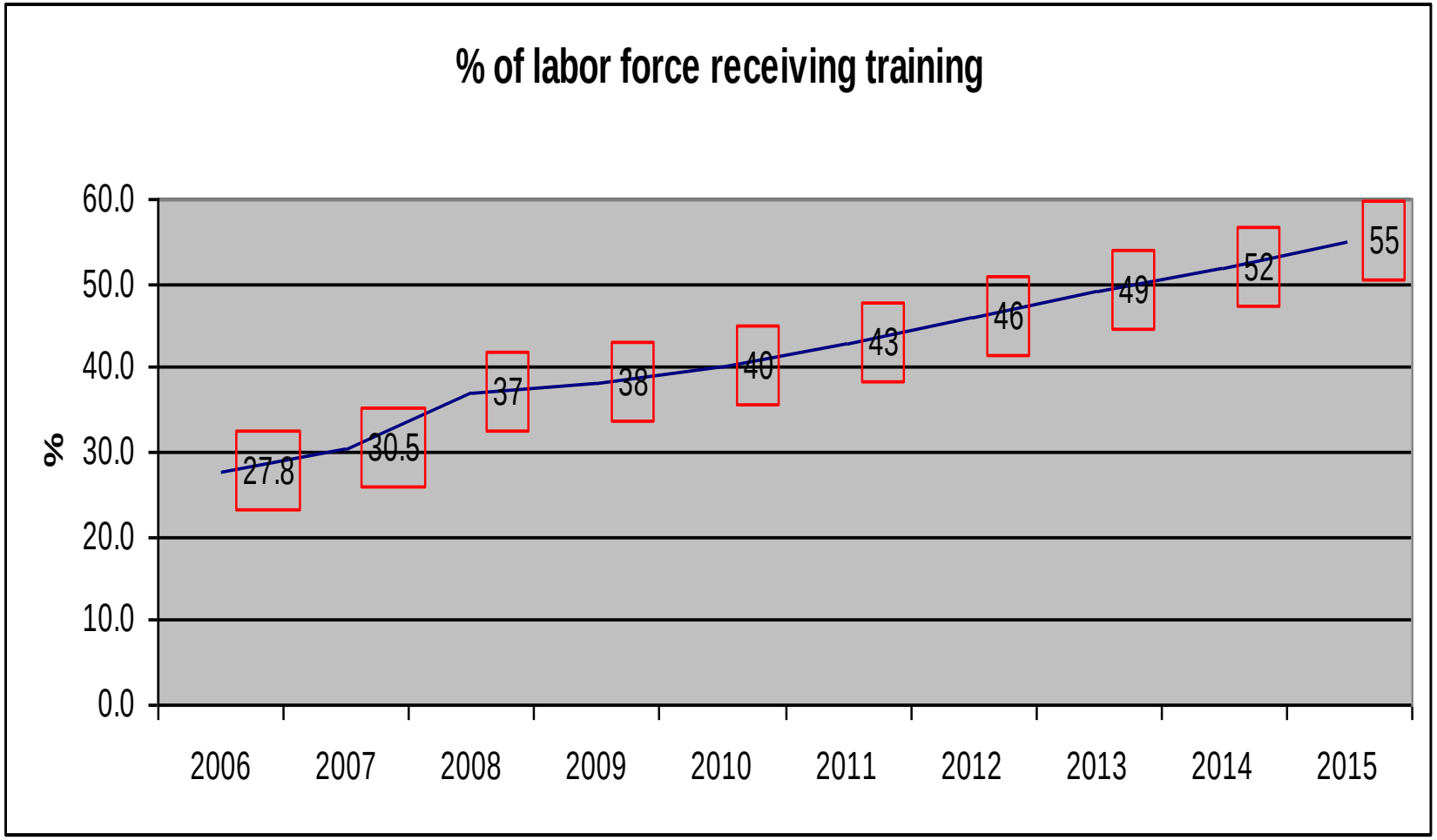


# Poverty in Vietnam



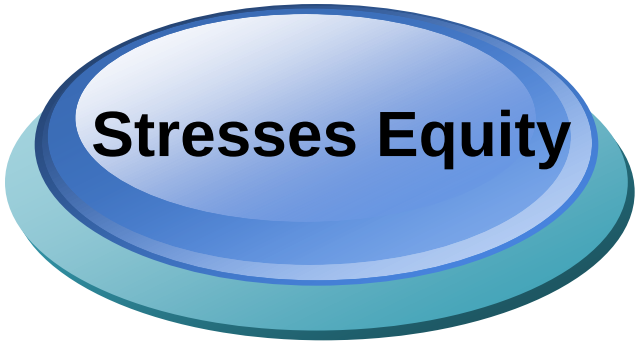

Projected decremental rate of poor households: 2% per year during 2011-2015

# Labor Force Receiving Training



# Legal Framework

# Law on Vocational Training



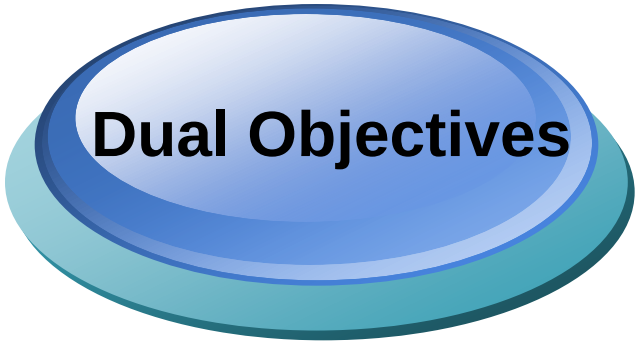

**Paying due attention to disadvantaged areas**

**Supporting the following target groups: the poor, disabled, homeless, orphans, landless agriculture workers, ethnic minorities, veterans**

# HRD Plan 2011-2020

**Calls for an expansion of vocational training institutional network to cover all the country and so provide favorable conditions for trainees, especially rural workers, ethnic minority people and the disabled**

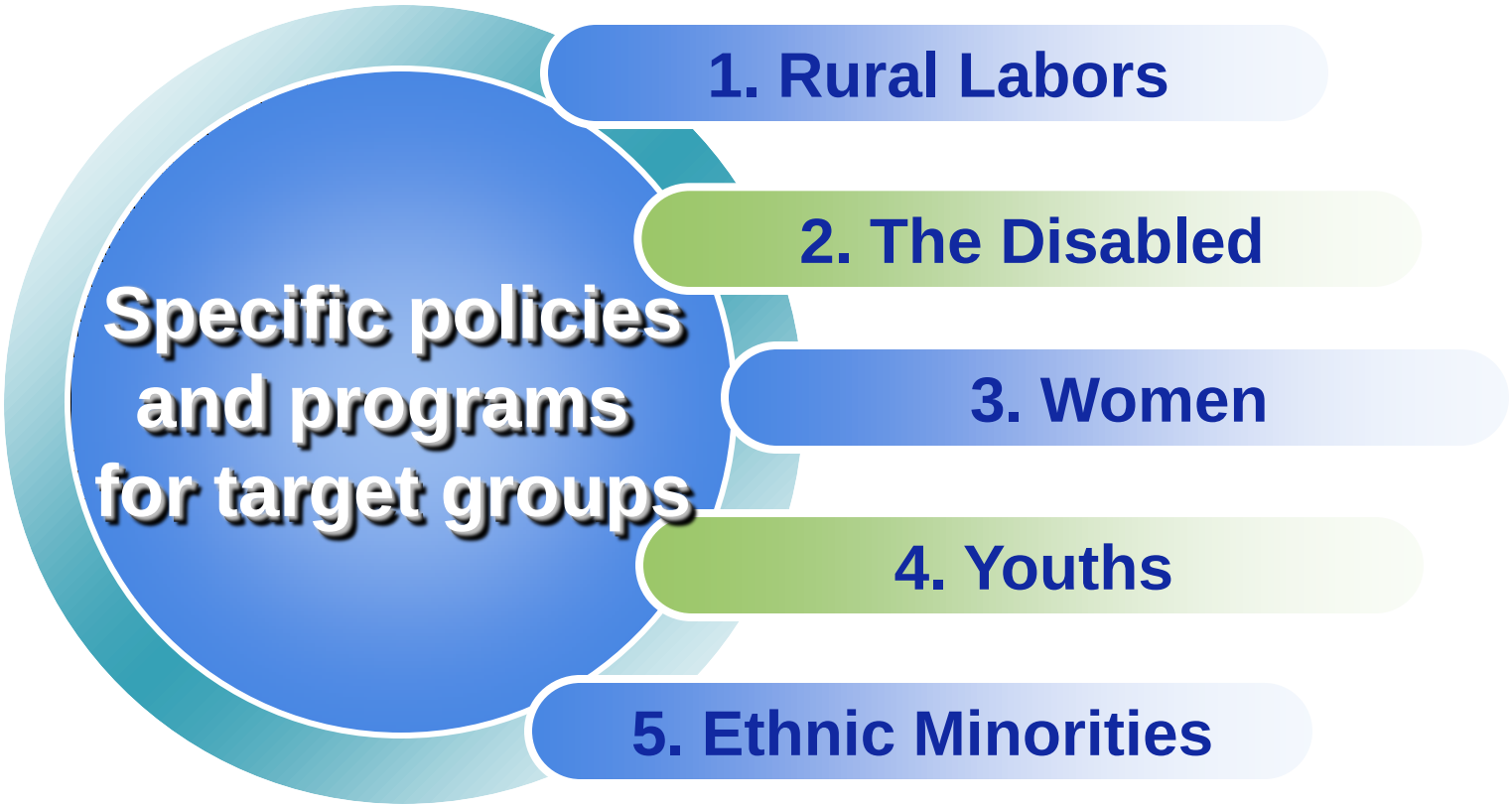
# Vocational Training Development Strategy 2011-2020




Gives priority to high-tech training where economic payoff is likely to be high

Does not ignore the need to provide skills development for disadvantaged people

# Policies and Programs



# 1. Vocational training for rural labors

Provide vocational training for an average of about one million rural workers per year, including training & upgrading for 100,000 village civil servants

Improve the quality and efficiency of vocational training in order to generate employment, increase incomes, contribute to restructuring the rural economy and labor force, support the industrialization & modernization of agriculture and rural areas

Develop a pool of qualified village civil servants to support industrialization & modernization of agriculture and rural areas

The Rural Training Program is a tangible expression of the overall priority accorded to assisting disadvantaged people and regions

**Improve quality of rural workforce and gradually shift economic and labor structure**

# 1. Vocational training for rural labors

**2009-2010**

Train 800,000 rural laborers
Of which: training orders: 12,000
Employment rate after training: 80%

**2011-2015**

Train 4.7 mil rural laborers
Of which: training orders: 120,000
Employment rate after training: 70%
Train 500,000 civil servants

**2016-2020**

Train 5.5 mil rural laborers
Of which: training orders: 380,000
Employment rate after training: 80%
Train 500,000 civil servants

# 1. Vocational training for rural labors

1. Subsidy for short-term training cost

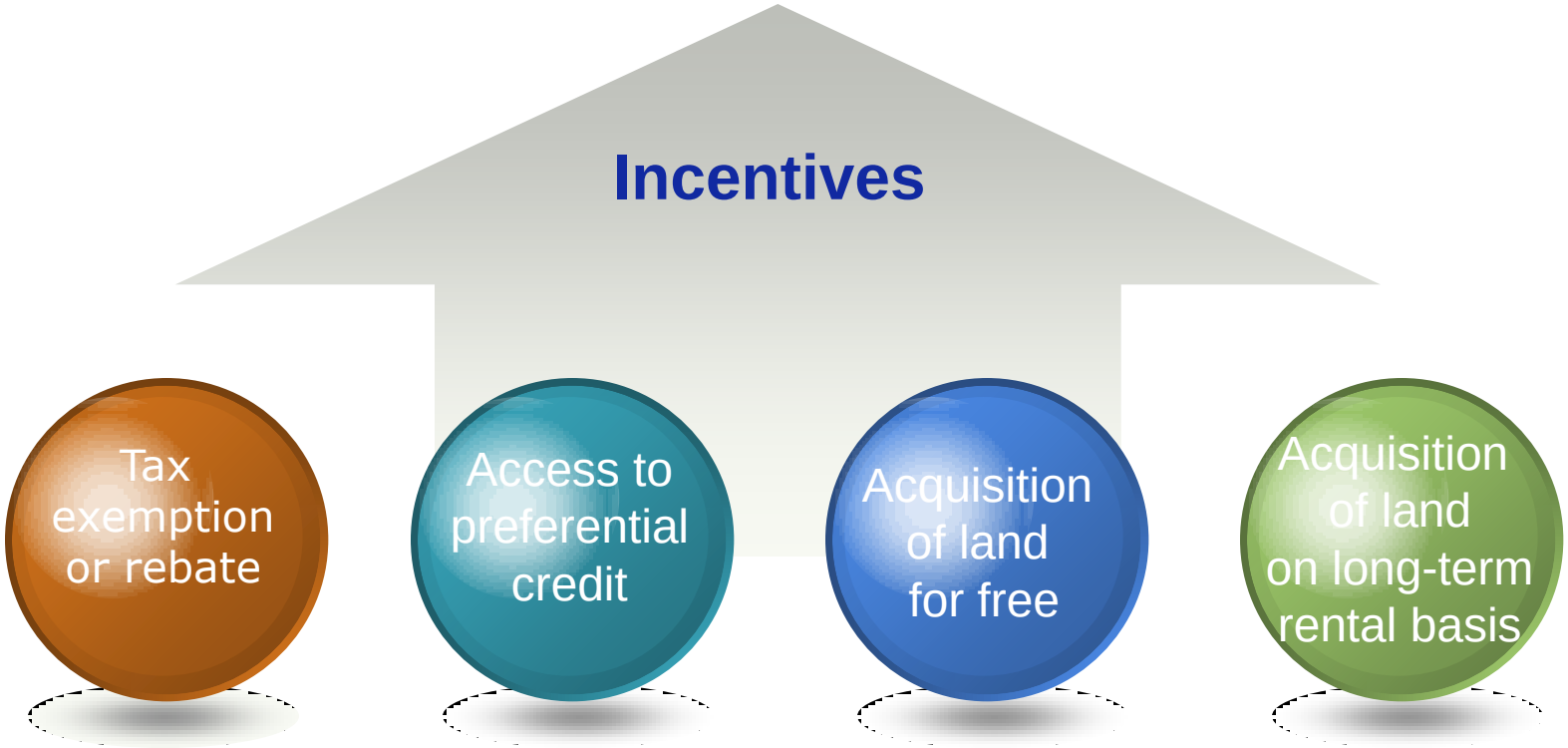
2. Access to student loans. 100% interest subsidy for those who gain stable employment in rural areas

3. Access to preferential credits for self-employment

Subsidy for short-term training cost, meals allowance and travel cost for rural laborers, who are the poor, ethnic minorities, the disabled, who lost arable land.

# 2. Vocational training for the disabled, invalids

Vocational Training Institutions that enroll the disabled and invalids



# 2. Vocational training for the disabled, invalids

The disabled and invalids

**Incentives**

- Scholarships and subsidies
- Tuition fees exemption or rebate
- Exempted from public services fees
- Free career guidance services

# 3. Vocational training for women

**Special program on "Supports for women on vocational training and employment generation during 2010-2015"**

**Subsidy for short-term training cost for all women**

**Subsidy for short-term training cost, meals allowance, travel cost for women who are the poor, ethnic minorities, who lost arable land and job**

# 4. Vocational training for youths

**Special program on "Supports for youths on vocational training and employment generation during 2008-2015"**

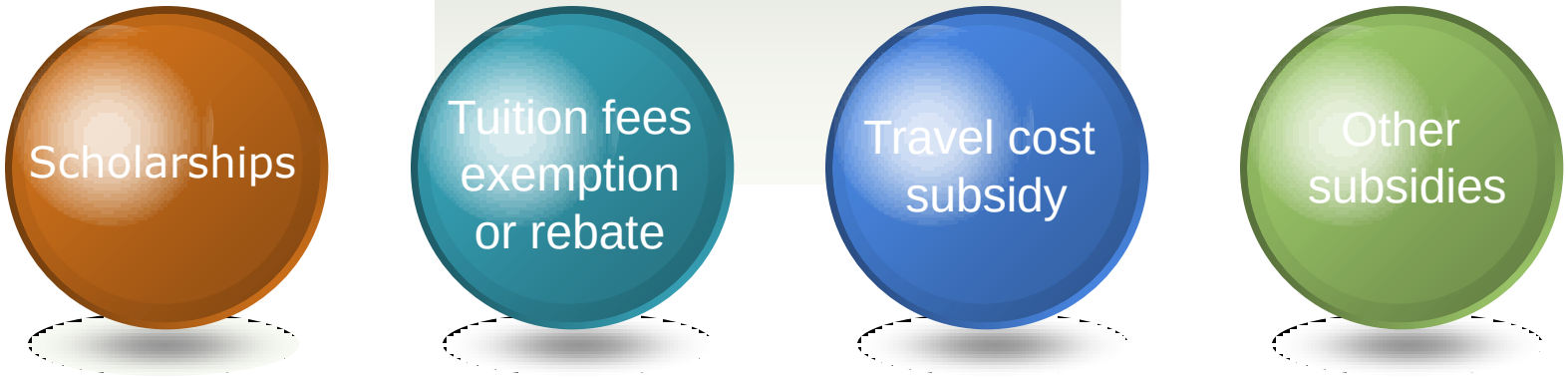
**Access to preferential credit to attend vocational training, self-employment and overseas employment**

**Access to career guidance and job placement services, and training on business start-up**

# 5. Vocational training for ethnic minorities

Ethnic minorities

**Incentives**



# Conclusion

To avoid middle-income trap, development of vocational training in Vietnam is a priority. With a view to ensuring sustainable and inclusive growth as well as the development of a highly-skilled workforce, priority is accorded to assisting the disadvantaged in Vietnam so that they can have an equal opportunity for access to skills development.

As the market mechanism cannot solve the equity issue in vocational training, the role of the government in setting policies in support of the disadvantaged people is indispensable.

Many policies, programs are in place in Vietnam to support the disadvantaged in order to bring them into the formal training and learning system and give them an open door for further training and recognition.

# Thank you very much!