

# SOLUTIONS FOR EFFECTIVE IMPLEMENTATION OF LABOR AND EMPLOYMENT POLICY FOR VIETNAM YOUTH FORCE

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## **Abstract**

Recognizing the role of the youth labor force, the Party and State of Vietnam over the years have had many supportive policies and measures to mobilize resources to implement programs to create favorable conditions benefits young people in accessing employment opportunities, vocational training and improving skills. Thereby, we have focused on supporting young people to start businesses, creating a fair working environment, as well as ensuring social security and contributing to the sustainable development of the country. However, besides the achieved results, there are still certain shortcomings and limitations, so the process of implementing policies on labor and employment for young people has not yet achieved the expected effectiveness. Therefore, properly assessing the current situation to propose solutions to strengthen and further promote this work in the current period is an urgent and important issue to create a support system. Flexible and effective employment support, thereby helping young people overcome challenges and take advantage of opportunities in the current integration context of the 4.0 era.

**Keywords:** Youth force; Youth startups; Labor, employment; Policy implementation.

## **1. Current status of implementing labor and employment policies for Vietnamese youth**

Vietnam's youth workforce plays an undeniable role in the country's socio-economic development. With energy, youth and a willingness to learn and absorb new knowledge and technology, the youth workforce is not only a part of the country's human resources in general but also a driving force for the country countries progress on the path of sustainable development.

The youth workforce is present and contributes in all fields of production and business, from industry to agriculture, trade and technology. Their initiative and creativity help come up with new ideas, advanced techniques and effective management models. Through participating in businesses and projects, young people not only create job opportunities for themselves but also create value and material wealth for the entire society. In addition, the role of the youth workforce is also shown through the positivity in the process of training and developing human resources. They contribute to improving professional qualifications, improving management capacity and a solid understanding of technology, creating an increasingly quality workforce that meets the requirements of the international labor market international.

In the country's workforce today, young people are one of the main labor segments with about 10.8 million people (accounting for 21.4% of the country's workforce), providing a large source of labor. Abundant, young, with lots of potential. The structure of youth labor is also continuing to shift in a positive direction, with the majority of youth working in the industrial and service sectors (accounting for 69.2%) [Duong, N., 2023a].

To promote the role and labor potential of the youth force, in recent years, the Party and State of Vietnam have issued many policies to promote the role, position and great potential of youth in general. , in labor, career development, and entrepreneurship in particular. The Vietnamese National Assembly has passed the Youth Law 2020, the Labor Code 2019, and the Employment Law 2013 (the first legal document to fully regulate and comprehensively regulate employment relations and the labor market). Dong), Law on Vocational Education 2014, Law on Vietnamese Workers Working Abroad Under Contract 2020...

Along with that, the Government and the Prime Minister have also issued many mechanisms and policies to support job creation for young people to institutionalize the above provisions of employment law, such as: Credit policy. Take advantage of job creation incentives through the National Employment Fund and many other preferential credit sources through the Bank for Social Policies.

In addition, every year, state agencies coordinate and organize the implementation of many employment support programs, schemes and projects and have contributed to consulting, career orientation and job introduction for students. millions of young people; supporting hundreds of thousands of young people to create jobs through preferential credit sources, especially up to 70% of young workers working abroad, mainly concentrated in high-income markets, stable such as: Taiwan (China), Korea, Japan [Vinh, N., 2023].

### **Regarding building and implementing startup support programs for young people:**

The Party and State of Vietnam have shown a strong commitment to supporting youth startups through the implementation of many policies and programs specifically. Notably, the National Assembly passed Law No. 04/2017/QH14 on supporting small and medium-sized enterprises in 2017, which includes special provisions to create a favorable environment for

start-up businesses, including businesses managed and operated by youth. Programs such as "Supporting youth startups" for the period 2022 - 2030 have also been approved, with the goal of supporting 2,000 startup projects and creating conditions for 500,000 young people to access knowledge and skills entrepreneurial ability [PM, 2022].

In fact, according to data from the General Statistics Office, Ministry of Planning and Investment, the number of newly registered enterprises as of October 2023: About 156,000 enterprises (an increase of nearly 7% over the same period in 2022), for the first time reached a record level of nearly 160 thousand businesses, of which a significant proportion are youth startups. In addition, venture capital funds and startup support initiatives such as the National Innovation Fund have also been established, to provide necessary capital for potential startup projects power.

However, this support still faces some challenges such as uneven access to resources and information between regions, as well as a lack of business management skills for young people. To further enhance the effectiveness of support programs, there is a need for closer links between government agencies, NGOs, and the business community, as well as a focus on building and develop high-quality training programs to fully equip young people with the necessary skills in their entrepreneurial journey.

### **Regarding the organization and implementation of vocational training programs for rural youth:**

The vocational training program for rural youth has also achieved significant achievements, contributing to significantly improving employment and income opportunities for young people in rural areas. According to the General Department of Vocational Education (Ministry of Labor, War Invalids and Social Affairs), up to now, a network of vocational education establishments has been formed and distributed nationwide with 1,917 establishments, of which 400 are high schools colleges, 492 intermediate schools and 1025 vocational education centers. The rate of graduates having jobs within 6 months reaches 80-85%, including 100% in some occupations, with an average income of 7-10 million VND/month [Quan, D.V. et al., 2022]. This not only helps reduce the unemployment rate but also supports the process of shifting labor structure from agriculture to industry and services, while improving the quality of human resources in rural areas.

Besides these positive results, the implementation of this program also faces some challenges such as uneven distribution of training resources among localities, lack of facilities and equipment training in some places, as well as rapidly changing labor market needs, make updating training programs necessary. To improve the effectiveness of the program, there needs to be stronger investment in facilities, while continuously updating training content to suit the development trends of the labor market and strengthen Connect training centers with businesses to create conditions for rural youth to access job opportunities after completing the course.

## **Regarding the organization and implementation of the preferential loan program for young people:**

The preferential loan program from the Vietnam Bank for Social Policies is one of the important initiatives to support young people, especially those in difficult circumstances, to access capital for economic development, create jobs and improve lives. According to statistics, by the beginning of 2023, the total outstanding debt of programs being implemented at the Bank of Social Policy entrusted through the Youth Union management reached VND 41,778 billion (accounting for 14.55% of the total outstanding debt entrusted capital) and accounts for 14.47% of total outstanding loans of programs with nearly 25,000 Savings and Loan groups, and 952,000 outstanding customers [Duong, N., 2023b]. In many localities, in order to support capital for union members and young people in the province to develop economically, create jobs, establish themselves and start a career, the Provincial Youth Union Standing Committee has coordinated with the Provincial Social Policy Bank to Directing and reviewing capital needs to support youth startups. Thereby, many union members and young people have been supported to borrow capital for production and business through funding from the Project "Preferential credit program to support youth startups". It can be said that through policy credit capital, it has helped young people borrow capital to develop production, business, start a business, create jobs, contributing to reducing unemployment rates, increasing income, and raising income levels high quality of life for young people.

This support has contributed to creating conditions for young people to expand the scale of their activities, innovate technology and enhance competitiveness. However, access to these loans still faces some barriers such as complex administrative procedures, collateral requirements and lack of information about loan programs. For the program to be maximally effective, it is necessary to simplify procedures, strengthen propaganda and provide specific guidance to young people on how to access capital, as well as expand the scope of beneficiaries benefit from the program, especially young people in remote areas and areas with difficult socio-economic conditions.

The inadequacies in promulgating and implementing the above policies have also caused the implementation of labor and employment policies for young people in recent times to still have certain limitations and have not been as effective as expected due to lacks legal basis. Meanwhile, resources to implement programs and projects to support job creation for young people are limited. According to actual statistics, although the rate of trained youth workers is higher than the national rate, it is not significant; A part of the youth has a weak sense of discipline and industrial style. Many students lack soft skills and working skills. The unemployment rate for young people (15-24 years old) in 2020 is 7.21%, in 2021 it is 8.55%, in 2022 it is 7.72%, in the first quarter of 2023 it is 7.61%, 3 times higher. .38 times the national unemployment rate (2.25%). Nearly 1/3 of unemployed people are in the age group of 15-24 years old [Cuc, T., 2023]. This is a big challenge for our country's economy. Not to mention the situation where a large number of students after graduation tend not to return to their localities, putting pressure on jobs in urban areas, potentially causing negative social risks for young people.

## **2. Solutions to effectively deploy labor and employment policies for Vietnamese youth in the new period**

In order to promote the role, position, and labor potential of the youth force, actively contributing to the country's socio-economic development, it is necessary to research and propose solutions for implementation have effective policies on labor and employment for youth in the coming period, specifically:

- Firstly, perfect policies and laws on labor and employment for young people. The system of institutions, policies, and laws on labor and employment for young people needs to be flexible to quickly adapt to changes in the labor market and the increasingly diverse needs of young people. The process of developing and implementing policies needs to be based on actual labor market research data, and at the same time requires timely evaluation, adjustment, and supplementation according to practical conditions in a flexible manner to ensure effectiveness and feasibility. Institutions and policies also need to focus on building flexible training and skills development programs that meet the needs of the modern labor market. Policies that invest in education and training will help young people improve the skills they need to confidently and effectively participate in the labor market. In addition, it is necessary to pay attention to integrating youth employment support policies into the implementation of 3 national target programs (on sustainable poverty reduction; new rural construction; regional socio-economic development) ethnic minorities and mountainous areas). Depending on the characteristics of which target group young people belong to, appropriate support programs can be integrated and implemented.

- Second, prioritize capital sources for young people. Currently, social policy credit capital is invested in vocational training, production development, livelihood creation, and job creation for young people mainly focusing on 6 programs, including: credit for poor households, near-poor households, households just escaping poverty, loans to create jobs, credit for students in difficult circumstances, credit for disadvantaged areas. In particular, the current source of loan capital to create jobs is still very limited due to mobilization from local capital sources. Therefore, the authorities need to have a solution to submit to the Government to prioritize capital sources for young people.

- Third, develop policies to support entrepreneurship for young people. This measure needs to focus on creating favorable conditions, providing financial resources and specialized training to promote innovation and economic development from the youth side. Thereby, it not only contributes to national economic development but also creates opportunities and motivation for the enthusiastic young generation. The state can develop financial support programs, management skills training and support experts to encourage young people to participate in the startup sector. This will spur creativity, create new job opportunities, and foster a spirit of autonomy. At the same time, the Government should also consider reducing financial and legal risks for youth projects through regulations on: preferential tax rates, providing loans with preferential interest rates and reducing reduce legal procedures to reduce the burden on new businesses. The government can also build support funds and sponsor youth

startups. In addition, the Government can organize seminars and forums to create an environment that promotes the exchange of ideas and support between new and successful businesses.

- Fourth, have preferential policies for small and medium-sized enterprises. Accordingly, strengthen tax incentives, loans, and other support for small and medium-sized enterprises, especially those run by youth. Small and medium-sized enterprises led, managed, and owned by young people need to enjoy reduced tax rates or tax exemptions in the early stages of establishment, creating conditions for them to focus resources on expanding business activities business and innovation. In addition, access to preferential loans from commercial banks and small and medium-sized enterprise support funds is simplified, making it easier for young people to implement business and development ideas your project. Not only that, consulting support programs, business management training and soft skills are also implemented to improve the competitiveness and autonomy of small and medium-sized enterprises. At the same time, there should be policies that closely connect training schools and businesses to ensure that students and young people have the opportunity to practice, learn more about the reality of work as well as develop networks connections in the business community. These measures not only contribute to awakening the entrepreneurial spirit among young people but are also a strong driving force for the country's economic development, creating many jobs and promoting innovation.

- Fifth, build and develop special support policies for disadvantaged youth groups. This measure not only focuses on alleviating financial hardship but also aims to enhance learning, vocational training, health care and entrepreneurship. Thereby ensuring that no young person is left behind in the journey of shaping the future. The government needs to consider providing financial support for disadvantaged youth's access to education and training through scholarship programs and study cost subsidies. The government also needs to create vocational training and job creation programs for disadvantaged youth, to help them accumulate practical skills and increase their access to the labor market. These programs often combine education and vocational training to optimize young people's opportunities during their education.

The development, completion and synchronous implementation of these policies will contribute to creating a positive and fair employment environment for young people, while also creating motivation for them to actively contribute to the development of youth development of Vietnam during the integration process.

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