

TO PROMOTE THE HUMAN RESOURCE QUALITY IN HCMC

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I. A MISTAKE

If based on statistics on educational attainment and professional skill of the population and well-educated workers as compared to the whole country in the latest census in April 1 1999, we are very likely to make a mistake of the HCMC human resource quality. The 1999 survey disclosed the whole country had 1,440,289 college and university graduates, 23,302 masters and 14,161 doctors while HCMC was home to 234,542 college and university graduates, accounting for 16.28%; 4,867 masters or 20.89% and 2,790 doctors or 19.70%. As such, one-fifth of the total well-educated working population clustered in HCMC. Moreover, HCMC is a hub of universities, colleges, research institutes and centers. Its scientists, lecturers and college students

taled 858,621, or 4.8%; vocational high school 42,352 or 14.09%; 281,861 college students, or 23.84%. The city acquired 30,524 high school teachers or 4.72%; 1,280 vocational high school teachers, or 11.20% and 6,338 lecturers or 19.68%. While the high

son with the city socio-economic requirements. This is indicated in the city high unemployment rate while its labor demand has been not satisfied.

II. LABOR DEMAND AND SUPPLY

college 10.02% and master 1.44%.

In the meantime, the new labor market entrants increase by 100,000 persons per annum. Nevertheless, according to statistics, the number of unemployed laborers in HCMC remains high, and

Table 2: HCMC working population

	1995	1996	2000	2001
Working population	2,096,023	2,166,037	2,494,895	2,514,739
- Employed	1,820,695	1,894,667	2,237,168	2,260,910
- Unemployed	275,328	271,370	257,727	253,829
Unemployment rate (%)	13.14	12.53	10.33	10.09

(Source: 2001 Statistics Yearbook)

school students made up a common percentage, 4.8% of the national total, the percentage of vocational high school students was rather high, 14.09% and the college students higher 23.84%. HCMC is almost responsible for training the human resource not

The human resource quality and trained occupations have not yet met requirements of the city socio-economic development. According to statistics of the HCMC Service of Labor, War Invalids and Social Welfare, the city demand for skilled labor is

some 250,000 per year. The city annual unemployment rate is 10%. That implies there is an asymmetric structure in the HCMC human resource, especially in terms of trained careers and quality.

As a result, the low quality of human resource and unproportional structure of trained careers have given rise to high unemployment rate of HCMC. The unemployment is not caused by labor surplus. It is structural unemployment caused by the changing structure of the economy, such as an industry that is getting smaller because of a reduction in demand for the product. Furthermore the labor quality has not yet met the market demand.

In our opinion, if policymakers and agencies under the central or HCMC government do not pay full attention to this problem right now, the situation will become more serious and produce bad effects on

Table 1: HCMC labor demand in 2001-2005 (persons)

	Some training	Vocational highschool	College	Master	Total
Industry agriculture, forestry and fishery	51,123	4,005	3,895	214	59,237
Industry and construction	181,615	30,145	45,344	5,014	262,118
Services	319,686	45,294	22,249	5,018	392,247
Total	552,424	79,444	71,488	10,246	713,602

Source: HCMC Service of Labor, War Invalids and Social Welfare

topped the list of quantity. The city currently has 22 universities and colleges (131 across the country), 65 technology institutes, 36 centers for scientific research and application, 26 vocational high schools, 14 technical workers training schools and hundreds of vocational units. In 2000, its high school students to-

only for itself but also for southern provinces.

Nevertheless, we would like to introduce a realistic view on the HCMC human resource. In our opinion, the HCMC human resource is currently facing a serious imbalance, especially for occupational structure and human resource quality in compari-

put at 713,602 workers from now to 2005. The figure will be 1,005,415 employees if including unskilled labor. That means the city annually needs 201,000 workers including 143,000 skilled workers. The percentage of trained workers represents 77.41%; vocational high school graduates 11.13%,

Table 3: Ratio of retrained college graduates (%)

	Retraining	Learning more in IT	Learning more in foreign language
College Total	57.34	58.05	60.06
1. Technology	58.05	59.83	63.37
2. Basic science and multi-discipline	58.01	55.64	58.08
3. Agriculture-forestry-fishery	63.31	69.03	59.73
4. Economics and Law	73.39	63.62	72.98
5. Medicine – Sports	60.08	45.30	56.11
6. Culture – art	42.36	72.14	69.65
7. Pedagogics	65.26	55.43	47.83

Source: Survey on employment of college graduates – Higher education project.

the national industrialization and modernization.

III. MAJOR SOLUTIONS

1. To reform the system of vocational training and training programs to meet the labor market requirements:

According to our survey on college students in 2001, there were 57.34% of graduates who had to learn other careers, even those they have been trained in; 58.05% had to learn more in information technology; and 60.06% in foreign language. Only by doing so, can they satisfy the market demand or find jobs.

It is noteworthy that graduates from schools of culture-art, economics, law have great demand for re-training to find good jobs. That proves the system of vocation training and

training programs becomes out of date and incompatible with the labor market requirement.

2. To promote training quality, teaching and learning methodology and improve learning and research facilities.

There are some industries having high labor demand, however, the relevant graduates (even with college degree) can hardly find jobs and encounter very high unemployment rate. For example, in the information technology, the unemployment rate amounts to 12%; law and press 7.69%. This indicates the trained labor quality is poor, not satisfying the market.

3. To have policies on attracting talents and high quality labor, and

create a healthy competition in the labor market.

At present, in HCMC, the number of foreign-invested enterprises financing good students in universities, colleges and vocational schools is increasing with the aim to attract high quality human resource. They also offer higher wages, better working conditions and professional promotion. This may be proved by the fact that 70% of excellent graduates are working for these companies. It is really an encouraging sign.

Nevertheless, what we like to mention is not only foreign-invested companies but also local enterprises and state agencies should have policies on attracting talents and well-

educated workers and better working conditions. Only by doing so, can they encourage workers to regularly enhance their human capital and skills.

In addition, the recruitment procedure must be fair and transparent. The negative acts including corruption, abusing government authority, and discrimination must be alleviated. Talents and high-skilled workers should be given proper incentives.

4. To enhance the quality of teacher and researchers by reforming the salary system

There will be no high quality human resource with low-skilled teaching staff. These teachers can hardly improve their knowledge and skill if they are not well paid and not provided with good conditions and facilities for their teaching and researching.

The Government cannot depend upon restricted budget to explain their delay of wage reform because the Party has pointed out: "Education and technology is a key national policy". It is a paradox when the government makes large investments in building roads and ports but modest ones in promotion of human resource quality – a decisive factor in the economy. It is ironical to spend thousands of billions of Vietnamese đồng in building government offices and procuring automobile and waste thousands of billions of VND in low quality projects while the army of teachers are not paid in accordance with their labor value.

We suggest the Government should soon make a breakthrough to get out of the current wage vicious circle. Only by doing so, can the country build a high quality labor force for the national industrialization and modernization in the coming 10, 20 years. ■

Table 4: Unemployment rate by industry (%)

Industry	Unemployment	
	Number	%
Total	1,201/23,195 IGs (*)	5.39
1. Information technology	85/739 IGs	12.32
2. Culture-art	22/117 SP	10.43
3. Human science	215/2,227 IGs	10.20
4. Natural science	57/613 IGs	9.93
5. Law-press	42/566 IGs	7.69
6. Agriculture-forestry-fishery	49/793 IGs	6.30
7. Economics-business administration	288/6,570 IGs	4.55

(*) IGs: interviewed graduates

Source: Survey on employment of college graduates – Higher education project.