

A paradox persists seriously in the Vietnam's labor market, especially in big cities. It is the concurrence of high unemployment and shortage of labor.

For example, the HCMC's unemployment rate is rather high, 7-8% and sometimes 9-11%. The proportion occurs everywhere, even for well-educated persons such as graduates from vocational schools, junior colleges and universities. According to our statistics (based on the number of job applicants at the Employment Service Center), the percentage of new entrants with three-month duration of unemployment amounts to 42% of unemployed college, university graduates, and 28% of unemployed vocational trainees. It is an abnormal event that a lot of new graduates continue to learn additional skills or study in those industries requiring labor while seeking jobs. In the meantime enterprises find it hard to recruit workers.

PARADOX OF VIETNAM'S LABOR MARKET

by MEcon. TRẦN THU VÂN

Recently on the mass media, enterprises have expressed their difficulties in recruitment. Some vacancies were not filled although ads for jobs had been put on newspapers or placed with the employment service centers for months. They even paid to the employment center a service fee equal to or double the worker salary so that it helped them to find the worker, but it failed to do that. The job market is short of skilled workers including personnel director, financial director, general managers and executives of programs and project; vocational teachers...for such fields as advertisement design, market research, sample design, cooking...It seems hard to find BAs on economics and business management who understand economic laws and are able to write economic and trade contracts, and BAs on law who thoroughly know how to assess tax, wages and benefits in compliance with the Labor Code. This is another paradox of Vietnam's labor market.

In our opinion, with an annual

economic growth rate of 7.5% in the following 20 years, an increase of 3% in working population, and a labor elastic coefficient of less than 3%, to offer 1.5 million new jobs per year is not a worry.

HCMC'S LABOR DEMAND IN 2001 BY EDUCATIONAL ATTAINMENT (person)

Educational attainment	Labor demand	%
Junior college, university graduates	12,209	8.42
High school graduates	6,278	4.33
Trained worker	16,428	11.33
Technician	79,055	54.52
Unskilled labor	31,030	21.40
Total	145,000	100

Although the number of the unemployed in HCMC is rather high, about 240,000-250,000 yearly, the recruitment of HCMC-based enter-

ties, is not fully attributed to the imbalance of labor supply and demand ($S > D$). It is mainly structural unemployment, that is local imbalance in training industry, content and quality as well as the worker's adaptability.

The urgent task to reduce the unemployment rate is not only to create new jobs but more importantly to bridge the gap between the market diversified requirements and the impracticality, rigidity, and monotony of Vietnam's training system.

Some measures are proposed as follows:

1. The system of education and vocational training should meet requirements of new industries and occupations in the labor market. It also updates its training programs and contents practically.

2. Private vocational schools should be given incentives. The on-the-job training in enterprises should be encouraged.

3. The employment advisory centers should be developed to link employers with vocational training managers with a view to narrowing the difference between training syllabuses and practical skills.

4. There should be close connections between training managers, trainers and employers in building training syllabus, making conditions for apprentice of trainees, and offering scholarship to students. The businesses' assistance in vocational training is not only their benefits but also obligations.

5. All of the above mentioned solutions should be legalized to reach planned targets ■

