

An Overview of Labor in the Cần Thơ Industrial Parks and Export Processing Zones

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Cần Thơ is the economic, cultural and social hub of the Mekong Delta. Over the past ten years, the Cần Thơ province's economy has recorded an annual growth rate of 9.48%, including agriculture-forestry-fishery up 5.58%; industry and construction up 14.5%; and trade and services up 12.11%. In 2001 and 2002, the province's industrial production maintained a rise of 14%, services 14.5%, to which enterprises in industrial parks (IPs) and export processing zones (EPZs) made important contributions.

Cần Thơ province has great advantages of many training establishments comprising the Cần Thơ university, Cần Thơ In-Service Training Center, colleges, vocational secondary schools, technical training schools and the Mekong Delta Rice Institute. These educational institutions are playing important role in providing skilled labor to the province's economy. At the same time, they are steadily transferring new modern technologies to local industries.

Human resource is a decisive factor to the socioeconomic development. In 2003, Cần Thơ's IPs and EPZs attracted more than 13,000 workers who are almost young and trained in various skills and professions.

In this article, we made an analysis of the working force in the Cần Thơ IPs.

1. An overview of the Cần Thơ IP

To enhance domestic and foreign investments, the Government promulgated the Regulations on IPs, EPZs and Hi-tech IPs in 1991 with the aim to mobilize investment capital into vital economic regions. Since the Tân Thuận IP was established in 1991, until March 2003, the whole country had 73 IPs and 3 EPZs covering an area of 15,214 hectares (not including Dung Quất IP).

The Cần Thơ province is home to 3 IPs and EPZs (Trà Nóc, Hưng Phú and Vị Thanh) with a combined area of 1,363 ha. The Trà Nóc IP is one of the most successful of 12 IPs across the country.

By February 2003, Cần Thơ IPs had realized 79 effective projects with total

businesses attained the following achievements:

- Export value of US\$102.5 million, accounting for 36.6% of the province's total export earnings; industrial production worth US\$212.3 million, or 42.5% of the province's total manufacturing value.
- 13,000 workers in IPs
- Tax payment of VND407 billion, making up 29.7% of total tax payments of the province.

2. Facts of labor in the Cần Thơ IPs

2.1 General situation: the Cần Thơ IPs increasingly offers jobs to workers because many enterprises engaging in labor-intensive industries are located here. The following table will prove it.

production scale was already stabilized. The labor-intensive industries include garment, service, footwear, aqua product processing...; those employing less labor are companies manufacturing steel, beer, and beverage and so on.

Regarding labor structure: the proportion of permanent workers is increasing while that of seasonal labor declining. The seasonal workforce focuses mainly on enterprises of garment, food processing, canned food production and services. The decline in seasonal labor shows a good sign because workers have permanent jobs and they feel more assured in working.

Regarding gender analysis of labor force: the

Table 1: Labor in the Cần Thơ IPs from 2000 to 2001 (person)

Indicators	2000		2001		2002	
	Number	%	Number	%	Number	%
1. Permanent labor	7,500	75	9,522	79.20	10,790	82.70
a. Male	3,000	40	3,580	37.60	3,727	34.50
b. Female	4,500	60	5,942	62.40	7,063	65.46
2. Seasonal labor	2,500	25	2,500	20.80	2,257	17.30
a. Male	850	34	800	32.00	537	23.79
b. Female	1,650	66	1,700	68.00	1,720	76.21
Total	10,000	100	12,022	100	13,047	100

Source: The Cần Thơ IPs Management Board's report

registered capital of US\$203.391 million including 19 foreign-invested projects capitalized at US\$84.296 million, accounting for 38.25% of total investment capital.

According to the Cần Thơ IPs Management Board, IP and EPZ busi-

The above table shows the work force in 2001 increased 20.22% as compared to 2000; but in 2002 the figure was only 8.53%. The job growth was slow-down because the number of enterprises using fewer workers increased while labor-intensive industries'

proportion of female labor in permanent and seasonal jobs steadily increased over years. For example, the proportion of female labor in permanent jobs was 60% in 2000, and the figure climbed to 65.46% while in seasonal employment, the female workers

accounted for 66% in 2000 and 76.21% in 2003. The reason is that in the Cần Thơ IPs, labor-intensive industries including garment, aqua product processing, canned food production, services require mainly female labor.

2.2. Professional skill of workers

As far as we know, the process of industrialization and modernization demands a great quantity of skilled and well-educated labor. In the meantime, as much as 86 % of labor force in our country is not trained, the figure is even higher in the Mekong Delta, 90% and the Cần Thơ's proportion is 60%. However, as previously mentioned, the Cần Thơ province has many training institutions including Cần Thơ University, colleges and technical schools. These establishments provide skilled and professional workers to the Cần Thơ IP.

The above table indicates the proportion of trained labor increased from 75% in 2000 to 82.7% in 2003, this is a very high rate. Why are skilled workers attracted to IPs? This may be explained as follows: firstly, the Cần Thơ IP has a supply of skilled labor from local educational institutions (as above mentioned); secondly, it accommodates a lot of factories using modern production lines, equipment and machinery, so they require technical workers.

Among trained workers, those graduated from universities increased from 600 persons in 2000 to 833 persons in 2003. However, the proportion of these employees sees a slide; and the workers with degrees of secondary vocational schools are also the same. At the same time, the proportion of technical workers rose from 74% in 2000 to 88.32% in 2002. The cause is that these workers have

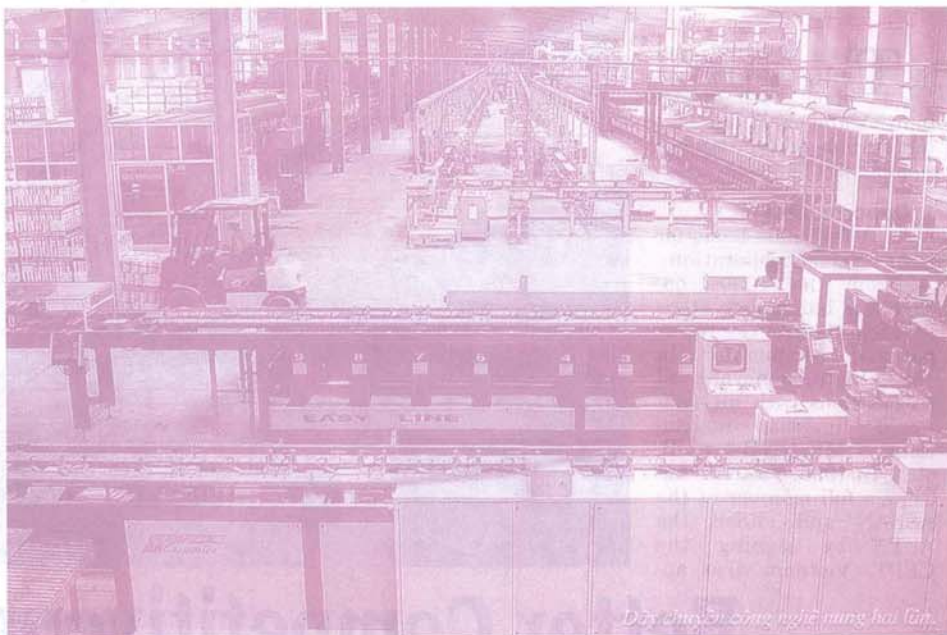


Table 2: Professional skill of workers in the Cần Thơ IP (person)

Indicators	2000		2001		2002	
	Number	%	Number	%	Number	%
1. Already trained	7,500	75	9,522	79.20	10,790	82.70
a. University	600	8	705	7.40	833	6.38
b. Secondary vocational school	1,350	18	543	5.70	692	5.30
c. Technical training	5,550	74	8,274	86.90	9,265	88.32
2. Not yet trained	2,500	25	2,500	20.80	2,257	17.30
Total	10,000	100	12,022	100	13,047	100

been trained in short-term courses. They are conferred with diplomas or certificates. This is also a characteristic of several industries including garment and mechanical engineering. These industries employ workers who are able to do a specific job and need not a diploma.

2.3 Workers' incomes

According to results of the survey titled: "Employment and training of human resource with skills from the secondary level and higher in Cần Thơ province by 2010", the wages of workers (without university degree) in IPs range from VND500,000 to 1,500,000 per month. Most of them feel satisfied with this payment because they come from rural areas in

the Mekong Delta where earnings from farming jobs are even lower and not stable. Furthermore, rural jobs are scarce and even trained workers find not easy to find a job.

The college-graduated workers may earn higher wages, especially in foreign-invested companies where their income may reach VND3 to 4 million per month after four or five years of working. These wages seem very attractive to local employees. However, they must work hard and their jobs may not last for a long term.

In addition to the above analysis, a lot of problems still remain: the Cần Thơ IPs have not yet invested in building houses and entertainment sites for work-

ers, some companies have not yet paid insurance for workers, assigned tasks to workers not in accordance with their professional skill, and many companies have not planned training and retraining their labor...

The problem of labor in concentrated IPs becomes more important and requires permanent examinations. We hope training institutions will provide high-quality and high-qualifies workers to the market. At the same time, enterprise and organizations inside and outside IPs are expected to utilize labor more effectively with a view to promoting productivity and competitiveness in the process of regional economic integration. ■