

INVESTING AND EMPLOYING HUMAN RESOURCE EFFECTIVELY

Prof. Dr. NGUYỄN THI CÀNH

Human resource is the best factor in resources to realize strategic targets of economic development, industrialization and modernization.

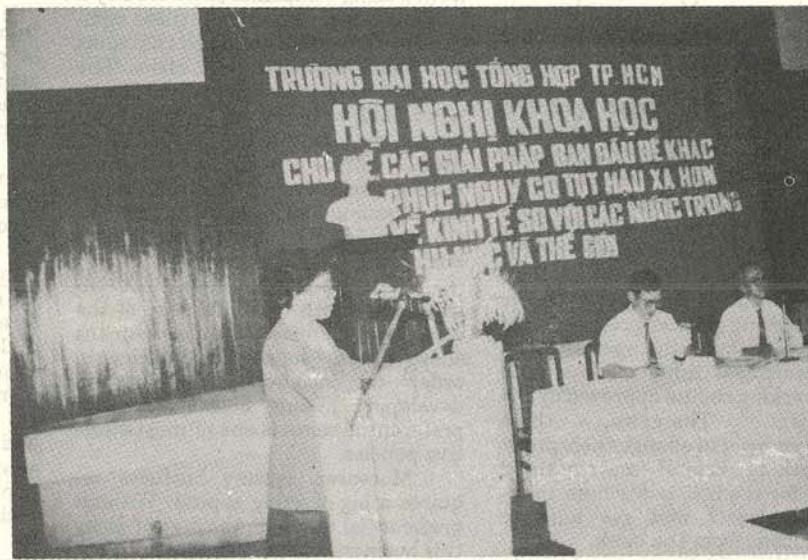
Up to 1993, VN population was nearly 71 million, rural people amounting to 78.6 %, of which labor force was over 38 million, taking 53.7% (1). In spite of abundant labour resource, the country's economic development at present is just at the first stage of bright future. The growth rate is still low (7% on average per year in 1986-1993), the labour efficiency is ill-improved (GDP per capita is around US\$ 200 a year). One of causes to restrict growth rate and labour efficiency is underdeveloped labor and human resource, the main reason originates in human quality which doesn't meet requirements to develop, in investment and employing policy of human resource which doesn't really give impetus to development. The quality of labour resource is very poor, over 54% of working force hasn't graduated from secondary school. The percentage of formally-trained workers is very low, about 2.4%, graduates from middle vocational schools occupy 2.9%, from universities 1.65% of labor force (2).

Since VN changed into the market economy, businesses of various sectors improved and attracted outside capital, as a result more jobs were created. However development is still limited due to low quality of labor resource, shortages of specialized or skilled workers in every industries, irrational policy of salary and income. This will be more difficult when doing the task of industrialization and modernization.

From the above concern, in order to reduce conflicts in supply of labour resource and to use it effectively, some solutions are needed as follows:

ALTERATION OF LABOUR STRUCTURE

The structure of investment should be altered so as to make labor structure efficient, that means to move labor in agriculture sector to industrial one. For the time being, agriculture sector holds the big share of labor resource (over 60%), with 78.6% of VN population, while the cultivating land isn't expanding, but even narrowing, investment capital rarely flows into





this sector, therefore its labor efficiency is lower than ever. It can be said that agriculture sector contains redundant laborers because it doesn't really offer more jobs whereas the growth rate of population and laborers in this sector is highest. The problem is agriculture production itself must be structurally altered from cultivating to breeding and technically renovated to improve productivity and efficiency. Otherwise in order to draw surplus labor force in agriculture, non-agricultural occupations should be developed including those of processing industry, agriculture-forestry-fishery, handicrafts with small scale and services for rural production and living.

Altering labour structure in favour of agriculture-industry-service is to say that industry structure alteration should secure both targets of industrialization, modernization and social matters. Consequently, besides industries having techno-scientific application are invested, labor-intensive ones should be improved including consumer goods production, exports processing.

REARRANGEMENT OF WORKERS IN THE PUBLIC SECTOR

Workers in the public sector need to be just rearranged. At present in this sector, especially in administrative bodies, the number of workers is large whereas their quality and efficiency are low. Therefore they should be rearranged, based on state administrative reform with simplified management agencies and less intermediaries. Labor force in this sector would be only streamlined if the position system and civil servants' standard are applied in accordance with task requirement, qualification and skill are stressed, and those who have distinguished services but no skill are well-treated.

TRAINING AND RETRAINING LABOR

FORCE

Workers should be trained and retrained to adapt to new demand for developing industries in favour of raising productivity, quality and efficiency, along with meeting industrialization and modernization. As mentioned above, cultural and learning standard of population on the whole is still low, labor quality is poor, supply for training lacks similar standards, technical staff and skilled workers are short, those who have been trained are not suitable to practical requirement. Therefore it's necessary to reinforce training and retraining workers in accordance with production reform and demand for economic development.

RENOVATING EDUCATIONAL SYSTEM

In order to meet training requirement stated above, it's indispensable to renovate educational system and management mechanism, to raise investment sources for education, to complete training curricula, to upgrade teacher staff's qualification.

In recent years, Party and the government have stressed the role of education and training, considered it the prior national strategy and the crucial step to improve human factor. Nevertheless our educational system hasn't actually changed in quality. Particularly training system has been recently enlarged concerning scale in universities, training centers have been expanded in the private sector, but in fact a large number of universities and centers pursue beforehand profits so as to get revenue for improving teachers' living, and don't really pay attention to heightening training quality.

To train human resource then, in advance it's important to renovate educational structure, to reinforce investment source, especially state in-

vestment to reform present training system, at the same time to alter management mechanism, in which to push up the state role of management and inspection in training curricula and system. Along with structure reform, it's necessary to take steps to standardize teacher staff and enhance their qualification.

THE REASONABLE POLICY OF INCOME AND SALARY

The salary and income policy should be reasonable. This is impetus to encourage production and those who want to enrich legally by their own capacity. It makes every person have to try to raise their standard and skill, to comply with labor regulations in order to improve productivity and efficiency.

The just and reasonable policy of salary and income is presented in some following view points:

- The income tax policy should assure both to regulate income among social strata and to encourage individuals to put their own capital in trading and to contribute to economic development.

- The salary and income policy in the public sector should increase step by step the salary and income of workers in this sector to the same level as that of workers in private businesses or foreign investment sector.

- The salary and income policy should stimulate talent improvement, that means talented workers must be well-paid.

- The salary and income policy should count in VN characteristics and express gratitude to persons credited with services to the revolution by satisfactory treatment policies.

COMPLETING SOCIAL SECURITY POLICY

Allowance funds need to be set up. The developing market economy will indispensably form labor market, this result in labor competition and elimination. Otherwise the rigour of the market economy will generate bankrupt enterprises. In such conditions, laborers could be temporarily jobless or have to be retrained to look for jobs in other fields. Therefore allowances granted to the unemployed not only secure their living but also help them find new jobs or change their occupations to other fields attracting labor force. This is a measure to maintain and recreate labor power aiming at streamlining labor force for growth and economic development ♣

(1): figures of the 1993 Statistics Yearbook
(2): figures of the 1989 Population and Labor General Survey