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**HIV WORKPLACE
PROJECT**



HANOI LABOR MARKET ANALYSIS

Workplace-Based Prevention and Employment and Supportive Services for High-Risk Individuals in Vietnam

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List of Abbreviations

CES	Centre for Employment Services
DOLISA	Department of Labor, Invalids, and Social Affairs
FDI	Foreign Direct Investment
HRI	High Risk Individual
HCMC	Ho Chi Minh City
DU	Drug User
ILO	International Labor Organization
LMA	Labor Market Analysis
MOLISA	Ministry of Labor, Invalids and Social Affairs
MOET	Ministry of Education and Training
MSM	Men who have Sex with Men
NGO	Non-governmental Organization
PEPFAR	President's Emergency Plan for AIDS Relief
PE	Private Enterprise
PLHIV	People Living with HIV
RDU	Recovering Drug User
SHG	Self-help Group
GE	Government Enterprise
SW	Sex Worker
VCCI	Viet Nam Chamber of Commerce and Industry
VTC	Vocational Training Centre
DVT	Directorate of Vocational Training

INTRODUCTION

1. Rationale

The Workplace-based Prevention and Employment and Supportive Services for High-risk Individuals project in Viet Nam (USAID HIV Workplace Project), managed through a USAID contract with Chemonics International, focuses on preventing HIV infection among high-risk individuals (HRIs) and providing employment opportunities and services for people living with HIV/AIDS (PLHIV) and other HRIs, such as drug users (DU), including returnees from rehabilitation centers.

As part of the project, the economic rehabilitation and employment program aims to maximize job opportunities for HRIs, to provide HRIs with the greatest entry points into the job market, and to support both employers and employees in successful recruitment, placement, and retention. A labor market analysis (LMA) in Ha Noi was conducted in order to analyze the local labor market and to identify and understand the key factors that influence opportunities for the economic rehabilitation of HRIs.

The main objective of the study was to analyze the labor market information on the supply of and demand for jobs that are related to PLHIV and DU populations. A second objective of the study was to identify appropriate intervention services for these target populations.

Information presented in the study can provide the building blocks for interventions that lead to expanded access to long term employment with adequate remuneration for PLHIV and DUs. The information can also be useful in understanding better the costs of economic rehabilitation programs and how to balance and integrate efforts related to vocational training, employment services, and micro-enterprise development, which have been defined as the components of economic rehabilitation in the USAID HIV Workplace Project

2. Content of LMA

This LMA is based on data from a survey of PLHIV and DUs in Ha Noi, workshops with enterprises, and from secondary sources such as reports, surveys, and other statistical information. The LMA is divided into 4 chapters. Chapter 1 provides an overview of the study methodology. Chapter 2 presents the survey findings on the general characteristics of the PLHIV and DU population as an employment pool, their background in education and work, and obstacles to entering the job market. Chapter 3 analyzes factors that influence the employment opportunities of PLHIV and DUs including labor market conditions, enterprises as potential employers, training providers, and the policy environment. The last chapter, chapter 4, presents conclusions and recommendations for policy development and direct interventions.

CHAPTER 1: METHODOLOGY

1.1. Conceptual Framework

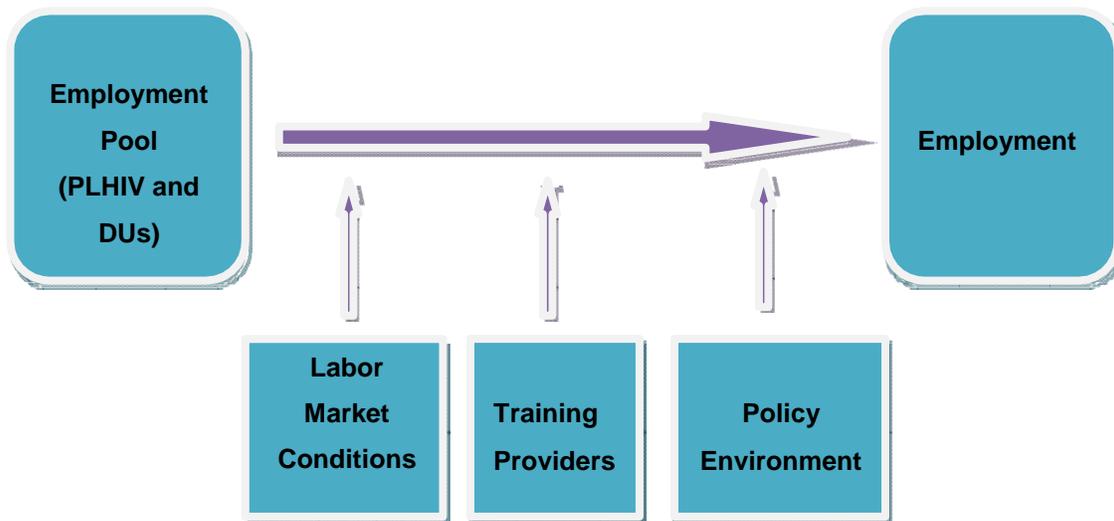
A model of the labor market was introduced by Monika Aring in 2002¹. The model is considered to be a comprehensive depiction of the labor market with four key market factors and multiple linkages among them. The four factors are:

- Employment Pool: the supply side;
- Employers: the demand side which provides employment;
- Training Providers: the linkage between demand and supply sides;
- Market conditions and Policy environment: which influence the relationships between the demand and supply sides.

In this study, we investigated the above labor market factors and their linkages which are presented in Figure 1 as follows:

Figure 1. Labor Market Factors and Linkages

(Adapted from Labor Market Participants Model)



¹ Aring, Monika. (2002) "Workforce Rapid Appraisal Profile (WRAP)." Prepared for USAID Global Workforce in Transition (GWIT) project. Columbus, OH: Center for Employment and Training.

In each key factor, the following important variables were studied:

Employment Pool – PLHIV and DUs population	Labor Market Conditions	Training Providers	Policy Environment
General information: age, gender, family background, occupation, financial status	Overview of Labor Market: demand and supply sides	Vocational Training System and Training Providers	Policies that influence employment opportunities for HRIs
Training, skills, and work experience	Business sector/ industry targeted	Training Effectiveness	Preferred Loans Scheme
Desired jobs and expected salary	Salaries and Remuneration Packages	Employment Services	Tax Exemption
Demand for loans	Recruitment Practices and Challenges		
Barriers to getting jobs and supports needed	Perception of Employers about HRIs		
Health condition and special requirements			
Personal perceptions about well being			

The specific questions for each of the factors which the study explored are:

1. Employment Pool – PLHIV and DU populations: What characteristics of PLHIV and DUs may influence their ability to get a job?
2. Labor Market Conditions: What labor market conditions influence employment possibilities for PLHIV and DUs? What type of work is available and suitable for PLHIV and DUs? What are the labor market demands in the short-term and in coming years that match the ability and supply of PLHIV and DUs?
3. Training Providers: What is the situation of training providers in the market as a linkage between labor demand and the supply side? What is the role of employment agencies and training providers in bringing the two sides together?
4. Policy Environment: What support does the government need to provide for enterprises to participate in employment placement for PLHIV and DUs?

1.2. Study Methods

A range of information sources was used to formulate the response to the above questions:

- A survey among 330 PLHIV and DUs who are members of self-help groups in Ha Noi was carried out for the purposes of this study.
- Secondary data from academic research studies, legal documents, program reports and previous labor market surveys such as the Viet Nam living standard survey and enterprise survey from the Government Statistic Office of Viet Nam; labor market and employment conditions in Viet Nam; Viet Nam Salary Survey from Navigos Group; and statistics of job fairs from Ha Noi and HCMC employment introduction centers under DoLISA.
- Quantitative and qualitative data from the Baseline Assessment on Workplace-based HIV Prevention and Employment Services for HRIs in 7 PEPFAR focus provinces (Ha Noi, Hai Phong, Quang Ninh, Nghe An, Ho Chi Minh city, Can Tho, and An Giang) which included a survey of 106 enterprises and in-depth interviews with enterprise managers and employees. Since there is a small sample size of enterprises in Ha Noi (15), this report uses results from a subset of 30 enterprises in Ha Noi and Hai Phong to obtain a broader perspective on attitudes among enterprises where HRIs in Ha Noi might seek employment.
- Qualitative data gathered from workshops with 140 enterprises in Ha Noi, Hai Phong, and Ho Chi Minh City which were carried out under the auspices of the USAID HIV/AIDS Workplace Project in 2009.

Details on each of the methods will be presented in each chapter below.

CHAPTER 2: PLHIV AND DU POPULATIONS AS AN EMPLOYMENT POOL

2.1. Survey of the PLHIV and DU populations in Ha Noi

The employment pool, as the supply side, is one of the key factors in a labor market. Since this study was conducted for the purpose of providing employment support services for a specific population, the analysis of the employment pool focused on PLHIV and the DU populations. The purpose of the survey of the population pool was to answer the following question: “What characteristics of PLHIV and DUs may influence the ability to get a job?”.

2.2. Survey Method, Data Collection and Processing

A cross-sectional survey was carried out using a self-administered questionnaire consisting of 53 questions (Appendix 1) that was designed to collect primary data on PLHIV and DUs² who would be in the employment or “job demand” pool. For the purposes of this survey, the job demand pool is defined as PLHIV and DUs who would be currently interested in seeking a job, whether or not they currently hold a job or have some forms of employment. Questionnaires were tested with 10 randomly selected PLHIV and DUs in the Bright Future self-help group and revised.

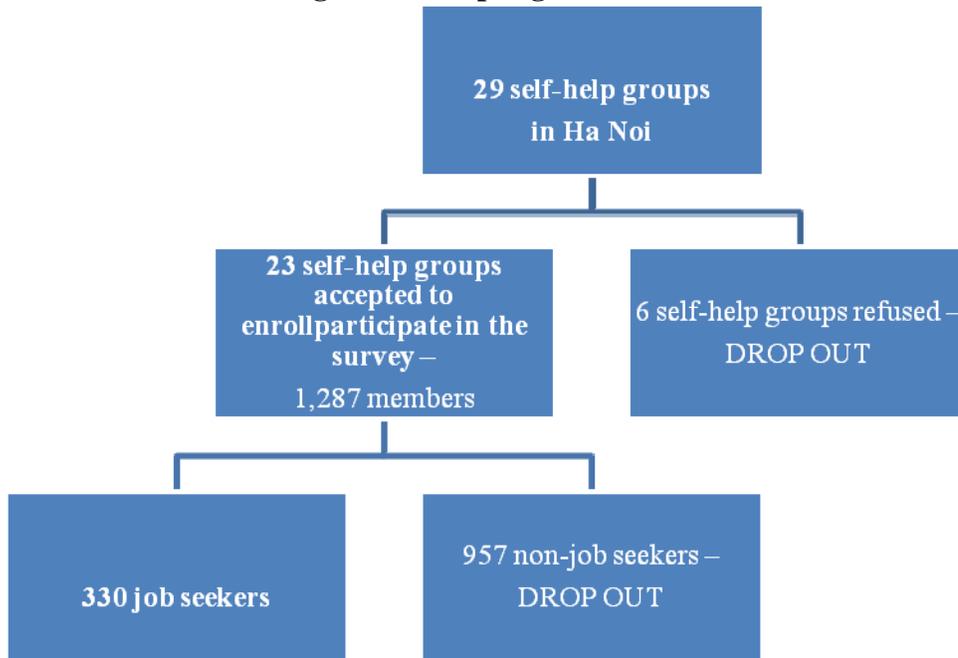
Out of 29 self-help groups in Ha Noi, leaders of 23 groups representing 1,287 members attended a meeting with the study team which included 3 project staff members. Among survey-participating groups, 20 groups represented PLHIV and 3 groups represented DUs. However, PLHIV groups also included members who are DUs, and the other groups had PLHIV members as well.

At the meeting, self-help group leaders registered the number of their group members and number of members who were currently employed. The current employment rate³ among members of 23 self-help groups was estimated at 38%. The purpose and requirements of the survey were introduced, and afterwards questionnaires were distributed to the self help group leaders who then delivered them to their group members, collected the questionnaires, and returned them to the study team. Respondents were all self-selected because of the intention of selecting HRIs who were most motivated to seek employment. This sample serves the purpose of the project in better understanding the needs, incentives, and support that such motivated HRIs may need in order to become active members of the labor market. The survey was carried out between 25 April and 30 May 2009. See Figure 2 below for the sampling selection Process.

² HIV and drug use status were self-reported by survey respondents.

³ The term “employment” in Viet Nam refers to lawful (i.e. registered) income generating activities. Unemployment, on the other hand, is defined as the state of looking for a job during the reference period (in Viet Nam, that period is defined as seven days), waiting to take up a job or not looking for a job. In this study, however, employment covered all varieties of working modes, including working full-time and part-time, being self-employed or working for enterprises, agencies or organizations in Viet Nam.

Figure 2: Sampling Selection Process



Among 1,287 registered members⁴ of self-help groups who received a questionnaire, 418 people filled out the questionnaires with a response rate of 33 percent. Among them, 330 persons self identifying as job seekers filled out at least 25 out of 53 questions. Collected questionnaires were checked by project staff for completion and logical answers. Incomplete questionnaires were returned to data collectors to re-contact respondents for completion. Data were coded and entered into SPSS 12.0 for analysis.

2.3. Results

2.3.1. General Information: gender, age, family background, occupation and financial status

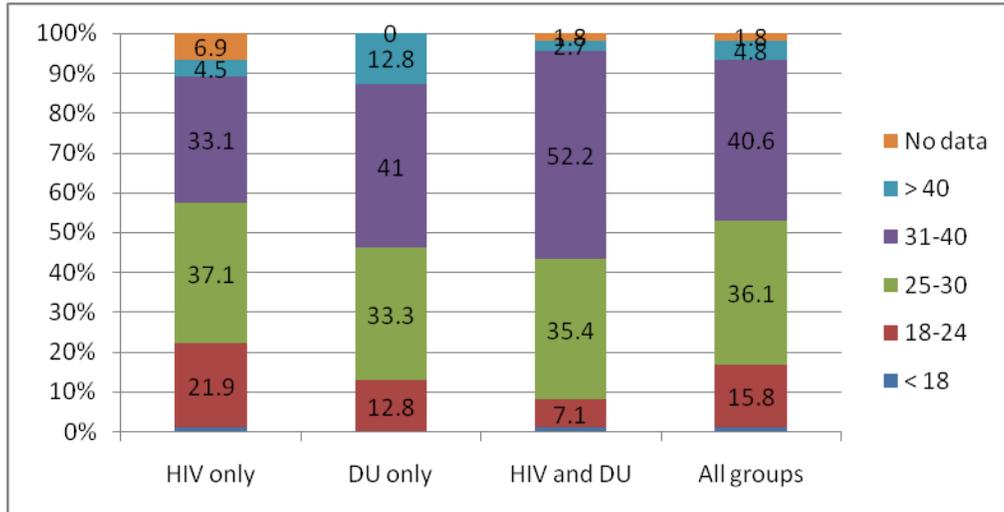
Table 1. Gender Distribution among Respondents

<i>Gender</i>	HIV only		DU only		HIV and DU		All groups	
	n	%	n	%	n	%	n	%
Male	68	38	18	46	85	75	171	52
Female	110	62	21	54	28	25	159	48
Total	178	100	39	100	113	100	330	100

Among the 330 respondents who want a job, the percentage of PLHIV without a drug use history was 54 percent, non HIV-infected DUs was 12 percent, and 34 percent were HIV-infected DUs. More than 60 percent of the PLHIV group was female while the majority (75 percent) of HIV-infected RDUs were male (Table 1).

⁴ Accounted for approximately 10.6% of all reported PLHIV in Ha Noi who were still alive by the end of 2008

Figure 3. Age group of respondents

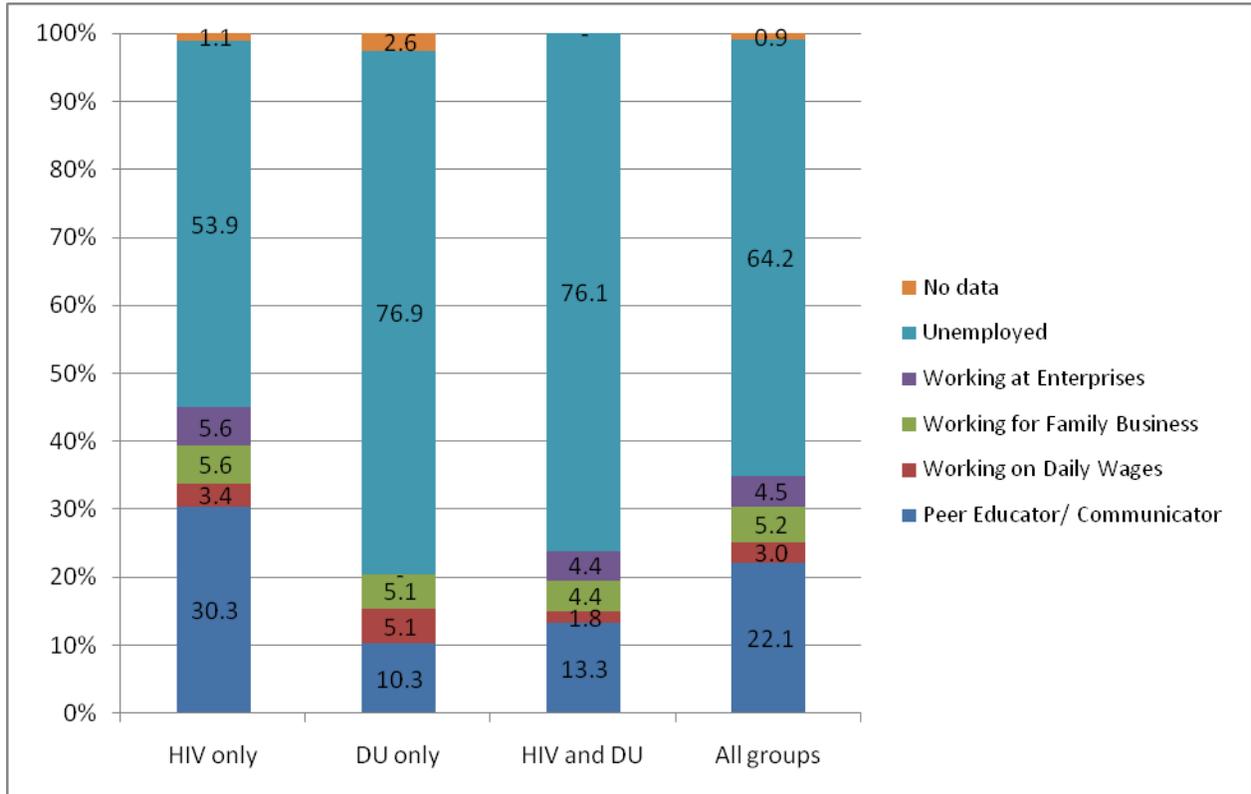


According to Viet Nameese labor statistics, the working age for men is defined generally between 18 and 60 years of age and for women from 18 to 55⁵. Figure 3 shows that the target group is in the working age with 16 percent from 18 to 24 years of age, 36 percent from 25 to 30 years of age, and 41 percent from 31 to 40 years of age.

With regard to family status, nearly half of the respondents (47 percent) said they were married, 28 percent were single, 10 percent were divorced or separated, and 15 percent were widowed; 41 percent mentioned they were living with their wife, husband, or partner, and 31 percent living with their parents; 40 percent had no children, 42 percent had one child, 15 percent had two children, and a small percentage had three or four children.

⁵ Viet Nam Labor Code, Section II, Article 123

Figure 4. Current occupations among respondents



For people who reported current employment, Figure 4 shows that 22 percent were mainly working for HIV/AIDS projects as a peer educator/communicator. The rest were doing simple unskilled labor work on a daily wage basis such as motorbike drivers, street vendors or motorbike guards etc. and providing help to a family business without an official salary. A very small number of people, only 4.5 percent, were working in enterprises. Unemployment among people with a history of drug use was more common than among those infected with HIV but without a drug use history. In contrast, a higher percentage of PLHIV who have never used drugs reported they worked as peer educators for HIV/AIDS projects than those who ever used drugs, irrespective of their HIV status.

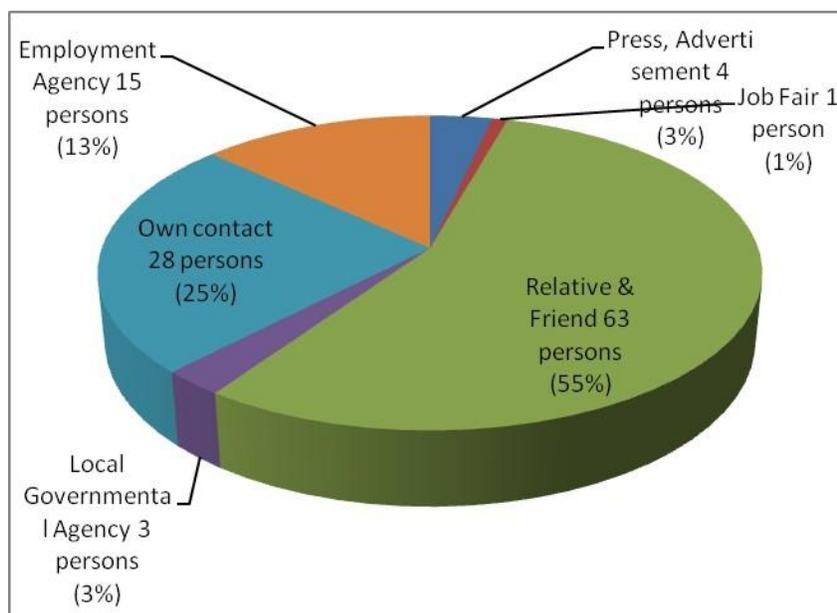
Among employed people, nearly 60 percent were working part-time and 48 percent of those had no contract. Table 2 below details contract of employment:

Table 2. Contract of Employment

Contract of Employment	HIV only		DU only		HIV and DU		All groups	
	n	%	n	%	n	%	n	%
No contract	37	43.5	7	70.0	16	53.3	60	48.0
Indefinite contract	12	14.1	2	20.0	4	13.3	18	14.4
Definite contract (3 -12 months)	36	42.4	1	10.0	10	33.3	47	37.6
Total	85	100	10	100	30	100	125	100

For the 52 percent who had labor contracts with their employers, only 3 people (4.6%) who worked for enterprises received benefits regulated by law⁶, such as health insurance, social insurance, annual leave, etc. For the others, mostly working as peer educators and communicators, these benefits were excluded.

Figure 5. Job seeking channels



In term of job seeking channels, among 104 answers, 55 percent of respondents mentioned they got jobs via the introduction of friends or relatives, and 25 percent found jobs by themselves; 13 percent were successful in finding jobs via employment agencies. A very small number of respondents relied on advertisements, newspapers, job fairs, and local governmental agencies (Figure 5).

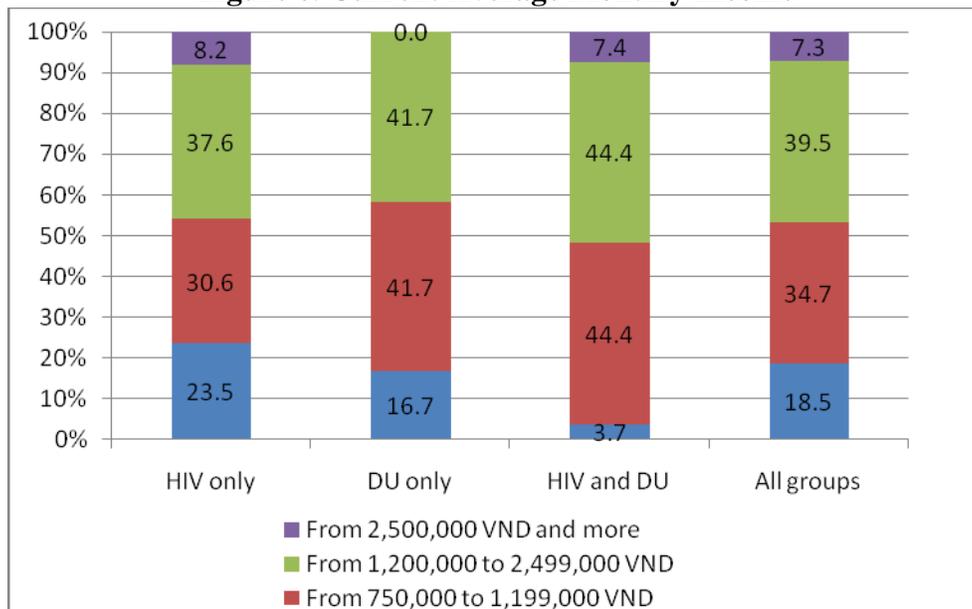
⁶ Viet Nam Labor Code, Social Insurance, Chapter XII

Table 3. Income Sources

Income Sources	HIV only		DU only		HIV and DU		All groups	
	n	%	n	%	n	%	n	%
Current Job	85	47.8	12	30.8	27	23.9	124	37.6
Financial support from Family	82	46.1	27	69.2	79	69.9	188	57.0
Financial support from companies/ organizations	11	6.2	0	0.0	7	6.2	18	5.5
Total	178	100.0	39	100.0	113	100.0	330	100.0

With regard to the income sources of the target group, 38 percent of respondents indicated that they got income from their current jobs, while more than half of them needed to have financial support from their family. A greater percentage of people with a drug use history received additional financial support than those without drug use history. Table 3 shows more details about other income sources.

Figure 6. Current Average Monthly Income

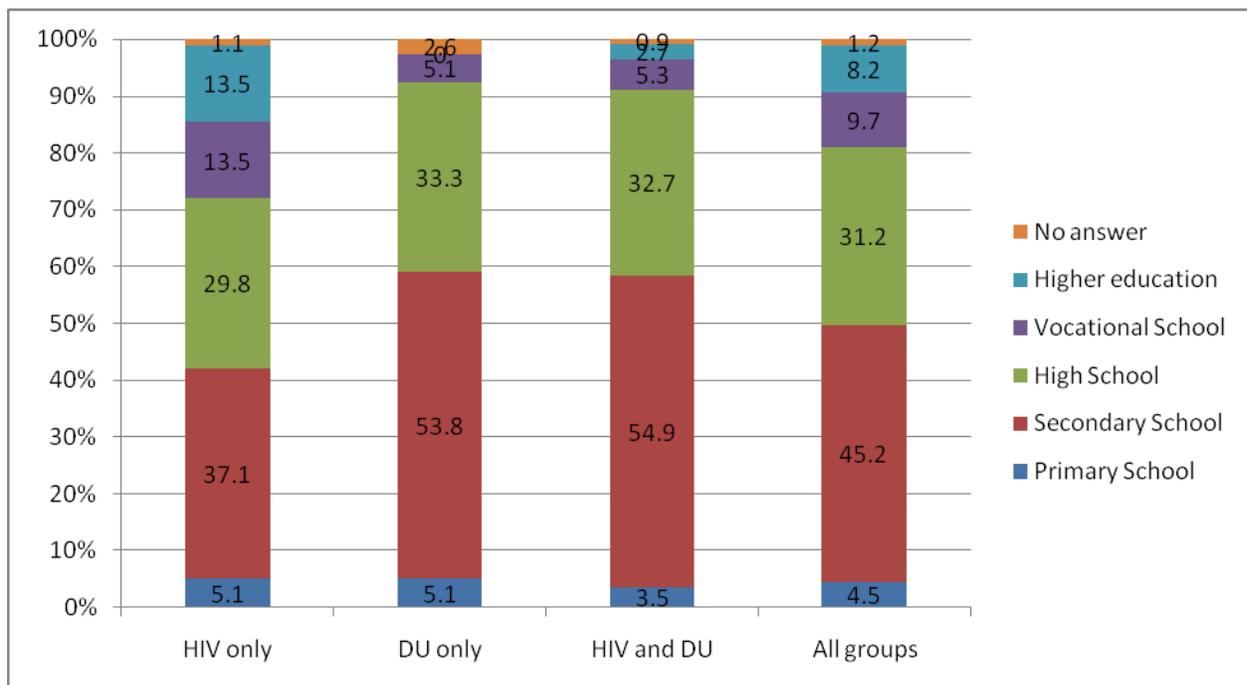


Among the 124 people who reported currently having an income from their job, 53 percent revealed that they earned, on average, less than 1,200,000 VND per month which is considered the minimum amount for basic life necessities⁷. People who had an income range from 1,200,000 to 2,499,000 VND per month accounted for almost 40 percent, while the number of people who earned more was 7.3 percent. Although the proportion of people with an average monthly income less than 1,200,000 VND is almost the same among the three sub-populations, PLHIV who have no drug use history seem to have a lower income than those in other sub-populations (Figure 6).

2.3.2. Training, Skills and Work Experience:

Employment possibilities of a job seeker are often determined by his skills and work experience which can meet the employer’s requirements. It is, therefore, important to consider training, work skills and experience of the employment pool.

Figure 7. Educational Level among Respondents



The education level of three combined subgroups (HIV only, DU only and HIV/DU) is presented in Figure 7 above, with 45 percent of them at the secondary school level, and 31 percent at the high school level. Only 10 percent were trained in a vocational school and 8 percent studied at a university. PLHIV with a drug use history have a higher education than those without drug use history.

⁷ Minimum salary for inner districts in Ha Noi, Decree No.111/2008/ND-CP

**Table 4. Participated in Vocational Training School
and/or Listed a Job Experience**

Vocational Training and Job Experience	HIV only		DU only		HIV and DU		All groups	
	n	%	n	%	n	%	n	%
Street Vendor/ Shop assistant	55	30.9	10	25.6	19	16.8	84	25.5
Tailor	31	17.4	11	28.2	13	11.5	55	16.7
Cooking	41	23.0	5	12.8	9	8.0	55	16.7
Machinery	8	4.5	5	12.8	15	13.3	28	8.5
Driver	8	4.5	3	7.7	19	16.8	30	9.1
Accounting, Finance	13	7.3	0	0	1	0.9	14	4.2
Construction Work	10	5.6	1	2.6	5	4.4	16	4.8
Services (tourism, restaurant...)	9	5.1	1	2.6	0	0.0	10	3.0
Electricity, Electronics	4	2.2	1	2.6	7	6.2	12	3.6
Information Technology	5	2.8	0	0	1	0.9	6	1.8
Carpentry	5	2.8	2	5.1	0	0	7	2.1
Kinder garden Teacher	2	1.1	0	0	0	0	2	0.6
Athlete	1	0.6	0	0	0	0	1	0.3
Hair dresser	0	0	1	2.6	3	2.7	4	1.2
Painter/ Artist	0	0	0	0	1	0.9	1	0.3
No profession	34	19.1	10	25.6	31	27.4	75	22.7

Table 4 lists the vocational training courses the respondents participated in and/or their list of job experiences. Among the professions, 26 percent of the target group worked as street vendors or shop assistants, 17 percent worked as tailors, and the same percentage did kitchen related works. Notably, more than one in every five (23 percent) said they had no profession.

Only one in three respondents, 34 percent, participated in a training program and only 55 percent of people who completed a training program succeeded in finding a job. Of those who participated in a training program, 12 percent, who were trained in rehabilitation centers, were not able to find any job when returning to their community. However, 59 percent of respondents expressed a willingness to participate in a training program to improve their professionalism and work skills.

With regard to other skills that are often required by employers such as foreign languages and computer literacy, 19 percent knew a little English, and the remaining 81 percent did not have a foreign language skill. Most respondents, 96 percent, reported not being able to use a computer.

Desired jobs and expected salary

Table 5. Desired Job List

Expected job	HIV only		DU only		HIV and DU		All groups	
	n	%	n	%	n	%	n	%
Job that require higher skills	30	16.9	4	10.3	11	9.7	45	13.6
Accountant	4	2.2	0	0.0	0	0.0	4	1.2
Designer	1	0.6	0	0.0	0	0.0	1	0.3
IT	2	1.1	0	0.0	2	1.8	4	1.2
clerk	8	4.5	0	0.0	2	1.8	10	3.0
Salesperson	15	8.4	4	10.3	7	6.2	26	7.9
Factory worker	16	9.0	4	10.3	13	11.5	33	10.0
Construction worker	3	1.7	0	0.0	1	0.9	4	1.2
Mechanic	0	0.0	0	0.0	6	5.3	6	1.8
Electronic	1	0.6	1	2.6	1	0.9	3	0.9
Printing worker	1	0.6	0	0.0	0	0.0	1	0.3
Garment worker	9	5.1	1	2.6	4	3.5	14	4.2
Factory worker	2	1.1	2	5.1	1	0.9	5	1.5
Trading	28	15.7	7	17.9	11	9.7	46	13.9
Scooter repair	3	1.7	0	0.0	1	0.9	4	1.2
Cell phone repairer	0	0.0	0	0.0	1	0.9	1	0.3
Trading	0	0.0	2	5.1	2	1.8	4	1.2
Shop assistant	25	14.0	5	12.8	7	6.2	37	11.2
Others	25	14.0	1	2.6	31	27.4	57	17.3
Driver	6	3.4	0	0.0	14	12.4	20	6.1
Handicraft	1	0.6	0	0.0	1	0.9	2	0.6
Taxi scooter	1	0.6	0	0.0	0	0.0	1	0.3
Security man	5	2.8	1	2.6	11	9.7	17	5.2
Spa staff	1	0.6	0	0.0	0	0.0	1	0.3
Cleaner	2	1.1	0	0.0	0	0.0	2	0.6
Cooking	7	3.9	0	0.0	1	0.9	8	2.4
Delivery man	0	0.0	0	0.0	2	1.8	2	0.6
Work on daily wage	2	1.1	0	0.0	2	1.8	4	1.2
PE	29	16.3	5	12.8	15	13.3	49	14.8
Any job that appropriate	31	17.4	15	38.5	28	24.8	74	22.4
No idea	19	10.7	3	7.7	4	3.5	26	7.9
Total	178	100	39	100	113	100	330	100.0

Table 5 above shows a list of desired jobs of the people in the target group. Nearly 14 percent expressed a desire to have a job which requires higher skills, such as accountant, designer, IT, clerk, or sales person. Only 10 percent expect to work as factory worker, while 14% would like to do trading and 6.1 percent want to work as a driver. Additionally, almost 15 percent of respondents would like to work as a peer educator. As many as 22.4 percent of them want to get any job that is appropriate to their health condition and time availability while almost 8 percent had no idea of which job they would like to do. PLHIV without a drug use history seem to have a better idea of their desired job and a higher proportion of them would like to have a job requiring higher skills compared to other groups. People who have ever used drugs seem prepared to be drivers or security. Almost 60% of respondents would like to work full time while 31.5% want to work part-time; the other 9% had no idea.

Table 6. Desired Monthly Income

Desired Monthly Income	HIV only		DU only		HIV and DU		All groups	
	n	%	n	%	n	%	n	%
Less than 750,000 VND	2	1.1	0	0	1	0.9	3	0.9
From 750,000 to 1,199,000 VND	8	4.5	3	7.7	1	0.9	12	3.6
From 1,200,000 to 2,499,000 VND	90	50.6	11	28.2	43	38.1	144	43.6
From 2,500,000 VND and more	63	35.4	24	61.5	31	27.4	118	35.8
Don't know	15	8.4	1	2.6	37	32.7	53	16.1
Total	178	100	39	100	113	100	330	100

Respondents were asked to give an amount of their desired monthly income. There were 43.6% percent who wished to earn 1,200,000 to 2,499,000 VND per month; and 35.8% percent wanted to earn at least 2,500,000 VND per month. People with a history of drug use but not infected with HIV expected to have a higher income than people in other groups (HIV only and HIV/DU) (Table 6).

Demand for Loans

Respondents were asked if they wanted to get a loan for self-employment and nearly 70 percent said yes. Table 7 indicates how the loan would be used by borrowers.

Table 7. Loan Purposes

Loan Purposes	HIV only		DU only		HIV and DU		All groups	
	n	%	n	%	n	%	n	%
Opening a small shop	76	67.3	21	61.8	52	71.2	149	67.7
Breeding	12	10.6	0	0.0	4	5.5	16	7.3
Attending a training course	6	5.3	0	0.0	3	4.1	9	4.1
Buying a motorbike for transportation	12	10.6	12	35.3	10	13.7	34	15.5
Don't know	7	6.2	1	2.9	4	5.5	12	5.5
Total	113	100	34	100	73	100	220	100

Among respondents who wanted a loan, two-thirds of them wanted to open a small shop such as a grocery shop, food vendor, tailor shop, hairdresser, telephone sim/card seller, internet café, mechanical repair shop etc; 15.5 percent said they needed a loan to buy a motorbike to have means of transportation to work. Breeding pigs and poultry made up 7.3 percent of loan utilization. A small number of respondents (about 4 percent) wished to spend money on training to improve their work skills.

Barriers to getting jobs

Table 8 summarizes respondents' answers to the question about challenges and difficulties they often face in the workplace or in the process of finding a job.

Table 8. Employment Challenges

Employment Challenges	HIV only		DU only		HIV and DU		All groups	
	n	%	n	%	n	%	n	%
Discrimination	41	23.0	17	43.6	37	32.7	95	28.8
No transportation means	38	21.3	14	35.9	27	23.9	79	23.9
Health condition	48	27.0	6	15.4	30	26.5	84	25.5
Medical treatment schedule	41	23.0	0	0.0	16	14.2	57	17.3
No profession	3	1.7	0	0.0	3	2.7	6	1.8
Never worked before	8	4.5	0	0.0	14	12.4	22	6.7
No difficulty	5	2.8	4	10.3	10	8.8	19	5.8
No answer	6	3.4	0	0.0	3	2.7	9	2.7

Discrimination towards HRIs still exists. This was considered as one of the difficulties encountered by HRIs during the process of finding a job. Around 29 percent reported that the main challenge for them was discrimination from employers and co-workers; this is more common among people with a drug use history. No means of transportation and health conditions each accounted for 24 percent of employment challenges, while 17 percent of respondents also said that medical treatment schedules could negatively influence work schedules. Health problems seem to be more common among PLHIV than the “DU only” group. According to survey results, only half of the target group, (57 percent) used motorbikes for travelling; 16 percent depended on bicycles and 27 percent said they did not have any means of transportations. In the Ha Noi area of 920 km², buses are the only public transportation available within the city and suburb areas, but the existing network falls far of meeting the demand due to the lack of routes, the low quality of old buses, frequent delays, and inconvenience. Ha Noi residents have no other choice than to use their own vehicles, and motorbikes are the easiest and the most comfortable means of getting around, especially for low and middle-income people.

Support Needed

In terms of support that is available for the HRI population, 40 people (13 percent) said they receive support from organizations or individuals in the form of free medical treatment, tuition fee reduction for children, employment support, and micro finance, etc.

The respondents were asked what kind of support they needed to do their desired job. Their answers are shown in Table 9.

Table 9. Support Needed

Support Needed	HIV only		DU only		HIV and DU		All groups	
	n	%	n	%	n	%	n	%
Participating in	46	25.8	4	10.3	23	20.4	73	22.1
Employment Support	33	18.5	20	51.3	35	31.0	88	26.7
Loan Support	41	23.0	11	28.2	24	21.2	76	23.0
Do not need any Support	10	5.6	2	5.1	8	7.1	20	6.1
“Do not know”	48	27.0	2	5.1	23	20.4	73	22.1
Total	178	100	39	100	113	100	330	100

Among respondents who expressed a need for support, 22 percent needed training, and a similar number, 23 percent, wanted to have loan support; 27 percent required employment support services, including recruitment information and support during the job application process. A small percentage (6 percent) indicated they did not need any kind of support, and 22 percent said they “don’t know”.

Health conditions and special requirements

The health conditions of the respondents are important for their employability. With regard to self-perceptions about their health, 40 percent believed they were in very good health and in good condition, and the rest said they were in fairly good condition and in average health. For mental health, all respondents said they were in good health and in normal conditions (55 percent and 44 percent respectively).

Around 21 percent of respondents reported recent illness with a cough, sore throat, fever, flu, stomachache, and allergy, etc. Nearly half of the target group (49 percent) was currently on ARV treatment while only one person, (equal to 0.3 percent) was on Methadone treatment.

For medical treatment in a month, almost all respondents indicated they either required less than 1 day off, or from 1 to 2 days off (43 percent and 42 percent respectively).

Personal Perceptions about well being

Attitude is an important issue for HRIs and may affect their transition into working life. This information was collected to design appropriate interventions to assist them in overcoming attitudinal barriers.

The majority of the 330 respondents (75 percent) participated in self-help groups and clubs for PLHIV and/or DUs. Concerning psychological support, most respondents (79 percent) said they often shared their work and desires with someone; 12 percent had a need to share but had not yet found anybody to talk to and share with. Family, specifically husband/wife and parents, gave psychological support for 73 percent of respondents while friends supported 19 percent.

2.4. Conclusion

The PLHIV and DU survey findings presented in this labor market study paint a picture of them in the position of job seekers, with an emphasis on their characteristics, education, skills, and work ,experience as well as their attitudes to work and life.

Based on the estimates of the number of peer educators in the 23 self-help groups in Ha Noi, the employment rate among members of these groups is at 38 percent, including full-time and part-time employees.

Among the 330 respondents who want a job, more than half were PLHIV without a drug use history, non HIV-infected DUs were 12 percent, and 34 percent were HIV-infected DUs.

Similarities

- Number of job seekers aged between 25 and 40 years was similar in the three sub-populations.
- Peer educator/communicator was the most common job, followed by other simple work such as street vendors, motorbike drivers, and day labor. A very small number of people worked in enterprises. Despite these jobs many of them needed additional financial support from their

families. More than half of people have an average monthly income of less than 1,200,000 VND with almost the same proportion among the three sub-populations.

- Among employed people, nearly 60 percent were working part-time and 48 percent of those had no contract of employment. For people who had contracts, benefits such as health insurance, social insurance, and annual leave were ignored.
- For educational background, most of them were at the secondary school and the high school level.
- Concerning the most wanted jobs, nearly half of respondents expressed their desire to open a small shop such as grocery, food vendor, tailor shop, hairdresser, internet café, etc., and to be self-employed, to work as a peer educator/ communicator, or to work on a daily wage basis.
- Given that two-thirds of people in the group found jobs via the introduction of relatives or friends, this raised the possibility that they had little awareness or knowledge of other work options and information about the labor market.

Differences

Categories	HIV only	DU only	HIV and DU
Gender	- Majority was female	- Male and female were relatively equally	- Majority was male
Age	- Likely to be younger with more people in group 18-24 years of age	- Likely to be older with more people in group 31-40 years of age.	- Likely to be older with more people in group 31-40 years of age.
Employment rate	- Employment rate was higher with more people working as peer educator/ communicator	- Lowest employment rate compared with other sub-populations	- Lower employment rate than PLHIV only.
Main income source	- Current job and financial support from family were equally. - Had lower income (or accept lower income jobs) than those in other sub-populations	- Financial support from family	- Financial support from family

Desired jobs	- Have better idea of their desired job with higher proportion of them would like to have a job required higher skills	- Had less idea of their desired jobs - Expected to have higher income - Higher demand for loan to buy motorbike for transportation	- Expected to be driver or security man.
Barriers to employment	- Health condition was the most challenge to get job, while other barrier include medical treatment schedule, discrimination and no transportation means.	- Discrimination was seen as the most challenge to enter job market, following by no transportation means to work place	- Discrimination was the most challenge to enter job market, following by health condition and no transportation. Never work before was also seen as a significant barrier to get a job.
Required support	- Vocational training and loan	- Employment services and loan	- Vocational training, employment services and loan

CHAPTER 3. FACTORS THAT INFLUENCE JOB OPPORTUNITIES OF PLHIV and DUs

3.1. LABOR MARKET CONDITIONS and EMPLOYMENT OPPORTUNITIES FOR PLHIV and Dus

This section investigates employment opportunities for PLHIV and DUs in Ha Noi and explores labor market information for a labor forecast which helps to answer the following study questions:

“What type of work is available and suitable for PLHIV and DUs?”

“What are the labor market demands in the short-term and in coming years that match with the ability and supply of PLHIV and DUs?”

3.1.1. Methods

Data on enterprises and labor market information were collected from different sources including employer surveys and workshops with enterprises, as well as secondary data from labor market research, salary surveys etc.

- Quantitative and qualitative data from the Baseline Assessment on Workplace-based HIV Prevention and Employment Services for HRIs in 7 PEPFAR focus provinces which included a

survey of 106 enterprises and in-depth interviews with enterprise managers and employees. This report used the results of 30 enterprises in Ha Noi and Hai Phong.

- Qualitative data gathered from workshops with 140 enterprises in Ha Noi, Hai Phong and Ho Chi Minh City which were carried out under the auspices of the USAID HIV/AIDS Workplace Project in 2009.
- Secondary data from academic research studies, legal documents, program reports, and previous labor market surveys such as the Viet Nam Living Standard Survey and the Enterprise Survey from the Government Statistic Office of Viet Nam; labor market and employment conditions in Viet Nam; the Viet Nam Salary Survey from Navigos Group; and statistics of job fairs from Ha Noi and HCMC employment introduction centers under DoLISA.

3.1.2. Results

Overview of Labor Market: Demand and Supply sides

Thank to the rapid and stable economic growth rate over the last decade, the number of newly created jobs has been increasing rapidly every year. Since 2001, the employment growth rate has stayed higher than the labor force growth rate; the number of new jobs generated annually has exceeded the increase of the labor force⁸. The economic integration of Viet Nam has occurred mainly in expanding export markets. And the rapidly expanding export-led industries have brought more jobs for labor.

There are more opportunities to turn the competitive advantages of Viet Nam labor, such as the high rates of literacy (90.3 percent)⁹ and cheap labor costs, into better economic effectiveness. However, the labor demand and supply relationship will eventually evolve to an equilibrium point where Viet Nam no longer has a comparative advantage of cheap labor. Many studies indicate that, in regard to cheap labor, Viet Nam is seriously lacking skilled workers. The weaknesses of Viet Nameese labor force are low productivity and a poor sense of labor discipline¹⁰.

It is also very important to consider the recovery of Viet Nam economy after a slowdown period due to the impact of the global economic crisis in 2008 and early 2009. Export industries are starting to recover and enterprises expand production and business operations. As a result, the labor market has been positively affected in terms of increased job demand and recruitment, salary growth, and improved working conditions.

Ha Noi, the country's capital, is the second largest city and the economic center in the Northern region with an estimated population of 6.5 million (2009)¹¹. Though representing only 3.6% of the country's population and 0.3% of the national territory, Ha Noi contributes 8% to the national GDP and 45% to the Red River Delta's economy. The city's GDP per capita reached USD 1,673

⁸ Dao Quang Vinh (2007) "Labor Market and Employment Conditions in Viet Nam", Institute of Labor Sciences and Social Affairs, Viet Nam

⁹ Viet Nam's human development index (2007), Human Development Report 2009,

¹⁰ Dao Quang Vinh (2007) "Labor Market and Employment Conditions in Viet Nam", Institute of Labor Sciences and Social Affairs, Viet Nam

¹¹ The National Population and Housing Census (2009), General Statistic Office of Viet Nam

in 2006, 2.3 times higher than that of the whole country's at USD 720.¹² According to a recent ranking by PricewaterhouseCoopers, Ha Noi will be the fastest growing city in the world in terms of GDP growth from 2008 to 2025.¹³

Business sector/industry targeted

According to enterprise surveys in Ha Noi conducted by the General Statistic Office of Viet Nam (GSO) on employment by business sector, service, industry, and construction sectors were the three largest employers. Table 10 shows details of employment by business sector in Ha Noi.

Table 10. Employment by Business Sector¹⁴

	2000	2001	2002	2003	2004	2005	2007
All Ha Noi (person)							
Agriculture, Forestry and Fishery	3,602	3,234	4,140	3,553	4,147	3,953	2,846
Industry and construction	288,465	314,463	382,249	436,780	491,971	579,219	575,715
Services	156,828	187,014	220,509	250,013	284,761	506,377	579,310
Growth rate (%)							
Agriculture, Forestry and Fishery	NA	-10.22	28.01	-14.18	16.72	-4.68	-28.00
Industry and construction	NA	9.01	21.56	14.27	12.64	17.73	-0.60
Services	NA	19.25	17.91	13.38	13.90	77.83	14.40

Consistent with the fact that Ha Noi is the engine of the Northern economy, the industry and construction sectors provide the most jobs for labor market. The growth rates for the industry and construction sectors were almost 200 percent from 2000 to 2007. In addition, the service sector is playing an increasingly important role in employment creation with a significant employment growth rate, 369 percent, in the same period.

Another labor market study¹⁵ in Ha Noi and Ho Chi Minh City provides additional information with reference to employment opportunities based in the business sector. It indicates that in the

¹² *Why choose Hanoi to invest* (2007), Asia Invest, EuropeAid Co-operation Office

¹³ *Top 30 urban agglomerations by projected average real GDP growth in 2008-2025* (UN definitions and projections) (2009), Pricewaterhouse Coopers.

¹⁴ *Enterprises Survey* (2000-2007), General Statistic Office of Viet Nam

¹⁵ Dao Quang Vinh (2007) "*Labor Market and Employment Conditions in Viet Nam*", Institute of Labor Sciences and Social Affairs, Viet Nam

industry sector especially, export industries have double the level of labor usage compared to the import substitution industries. The study also estimates that Viet Nam has great comparative advantages that have not been fully exploited in export industries, especially for light industries, which are considered to be labor intensive consuming industries.

The employer survey, a part of the Baseline Assessment on Workplace-based HIV Prevention and Employment Services for HRIs provides more detailed about employment opportunities in different sectors. 30 enterprises in Ha Noi and Hai Phong were asked whether they would recruit employees in the next 12 months, whether they would recruit HRIs, and whether they would use vocational training resources for recruitment or training of potential employees. The answers are shown below in Tables 11 and 12.

Table 11. Job openings by type of employment opportunity¹⁶

Type of employment opportunity (n = 30)	No job opening		1-10 job openings		11-100 job openings		>100 job openings	
	n	%	n	%	n	%	n	%
Unrestricted contract	12	40.0	10	33.3	5	16.7	3	10.0
Term contract (1 year)	11	36.7	7	23.3	9	30.0	3	10.0
Seasonal labor	14	46.7	5	17.6	7	23.3	4	13.3

Table 11 indicates that surveyed enterprises were more likely to have job openings for permanent positions with unrestricted contracts when recruiting a small number of employees. Enterprises with more vacancies, from 11 to 100, would employ term contract positions for a period of 1 year. Also, with more than 100 jobs opening, enterprises were often looking for seasonal labor.

Data in Table 11 show results consistent with results from previous research that the industrial sector, specifically production enterprises in industrial zones, had more employment vacancies irrespective of the type of employment opportunity. Employment created by industrial enterprises is three to four times higher than by enterprises in other sectors.

¹⁶ Baseline Assessment on Workplace-based HIV prevention and employment services for HRIs in 7 PEPFAR focus provinces (2009), the HIV Workplace project

Table 12. Job opening by business sectors¹⁷

Types of Employment Opportunity/ Business Sectors	No job opening		1-10 job openings		11-100 job openings		>100 job openings	
	n	%	n	%	n	%	n	%
Unrestricted contract								
Construction	2	6.7	2	6.7	1	3.3	1	3.3
Mining	3	10.0	2	6.7	0	0	0	0
Transportation	0	0	0	0	1	3.3	0	0
Service	1	3.3	1	3.3	0	0	0	0
Production in industrial zone	5	16.7	5	16.7	3	10.0	2	6.7
Others	1	3.3	0	0	0	0	0	0
Term contract								
Construction	1	3.3	2	6.7	1	3.3	2	6.7
Mining	2	6.7	1	3.3	2	6.7	0	0
Transportation	1	3.3	0	0	0	0	0	0
Service	1	3.3	1	3.3	0	0	0	0
Production in industrial zone	5	16.7	4	13.3	5	16.7	1	3.3
Others	1	3.3	0	0	0	0	0	0
Seasonal labor								
Construction	2	6.7	0	0	1	3.3	3	10.0
Mining	4	13.3	0	0	1	3.3	0	0
Transportation	0	0	0	0	1	3.3	0	0
Service	1	3.3	1	3.3	0	0	0	0
Production in industrial zone	6	20.0	4	13.3	4	13.3	1	3.3
Others	1	3.3	0	0	0	0	0	0

Regarding employment by ownership sector, GSO data indicates that private enterprises appear to provide more job opportunities when compared to government. The data in Table 12 shows the distribution of jobs in each ownership sector.

¹⁷Baseline Assessment on Workplace-based HIV prevention and employment services for HRIs in 7 PEPFAR focus provinces (2009), the HIV Workplace project

Table 13. Employment trend by Ownership Sector in Enterprises¹⁸

	2000	2001	2002	2003	2004	2005	2006	2007
Total employment(person)								
All Ha Noi	448,895	504,711	606,898	690,346	780,904	1,089,549	893,633	1,157,902
Government	338,364	350,276	380,084	380,929	367,504	494,583	163,420	346,694
Non-Government	86,575	129,619	193,543	271,331	362,685	532,979	649,105	716,477
Foreign Direct Investment	23,956	24,816	33,271	38,086	50,715	61,987	81,108	94,731
Employment Growth rate (%)								
All Ha Noi	NA	12.43	20.25	13.75	13.12	39.52	-17.98	29.57
Government	NA	3.52	8.51	0.22	-3.52	34.58	-66.96	112.15
Non-Government	NA	49.72	49.32	40.19	33.67	46.95	21.79	10.38
Foreign Direct Investment	NA	3.59	34.07	14.47	33.16	22.23	30.85	16.8
Structure of employment by Ownership in Ha Noi								
All Ha Noi	100	100	100	100	100	100	100	100
Government	75.38	69.4	62.63	55.18	47.06	45.39	18.29	29.94
Non-Government	19.29	25.68	31.89	39.3	46.44	48.92	72.64	61.88
Foreign Direct Investment	5.34	4.92	5.48	5.52	6.49	5.69	9.08	8.18

Similar to the overall trend for Viet Nam, in Ha Noi the government sector has seen a decreasing trend in employment. The non-government and the FDI sectors have been assuming an increasingly important role in employment generation for the economy. In the period between 2000 and 2007, non-government enterprises and FDI have increased sharply by 828 percent and 395 percent respectively while the government sector has not increased.

In term of structure by ownership, in the year 2000 the government sector played the most important role in the labor market with 75 percent of total employees. However, seven years later, in 2007, the non-government sector took the leading role with nearly 62 percent employees, pushing the government sector down to around 30 percent.

¹⁸ *Enterprises Survey (2000-2007)*, GSO

Table 14 below points out the similar outcomes of job openings by ownership sector in enterprises:

Table 14. Job opening by ownership sector in enterprises¹⁹

Types of enterprises	No job opening		1-10 job openings		11-100 job openings		>100 job openings	
	n	%	n	%	n	%	n	%
Unrestricted contract								
Government	2	6.7	1	3.3	1	3.3	0	0
FDI	2	6.7	1	3.3	0	0	1	3.3
Non-government	8	26.7	8	26.7	4	13.3	2	6.7
Term contract								
Government	2	6.7	0	0	1	3.3	1	3.3
FDI	3	10.0	0	0	1	3.3	0	0
Non-government	6	20.0	7	23.3	7	23.3	2	6.7
Seasonal labor								
Government	2	6.7	0	0	1	3.3	1	3.3
FDI	4	13.3	0	0	0	0	0	0
Non-government	8	26.7	5	16.7	6	20.0	3	10.0

¹⁹Baseline Assessment on Workplace-based HIV prevention and employment services for HRIs in 7 PEPFAR focus provinces (2009), the HIV Workplace project

Overall, the non-government sector provides most the employment opportunities, mainly in small and medium enterprises, from 1 to 10 and from 11 to 100 vacancies, respectively. FDI enterprises in this study, however, create the least number of jobs, compared to the government sector. This may be caused by the sample selection which focused more on large enterprises in the government sector.

Salaries and Remuneration Packages

According to the latest salary adjustment of the Viet Nameese government, the minimum basic salary is regulated at VND 650,000 per month for domestic enterprises. For FDI enterprises, the minimum salary depends on location: VND 1.2 million per month for inner districts of Ha Noi and Ho Chi Minh City and VND 1.08 million per month for outer districts of these cities and VND 920,000 per month for other locations²⁰. An employee who has been trained (by his/her enterprise or elsewhere) is entitled to a wage which is at least 7% higher than the minimum salary.

As the Viet Nam labor market becomes more flexible, more dynamic, wage rates are gradually determined by a supply–demand relationship. Since 2005, the salary survey of Navigos Group, a well-known international agency in Viet Nam, has been the first and foremost local salary survey, developed in-house and fully independent. The 2008 salary survey conducted of 206 companies in a variety of industries, including major ones such as manufacturing, IT & telecoms, financial services, and construction/engineering, in major cities of Viet Nam. The four major types are: wholly foreign-invested companies (46 percent), local Viet Nameese companies (29 percent), joint venture companies (13 percent), and representative offices (12 percent). Collectively, the survey amassed data from 37,000 employees, spanning all job levels including production/manual, admin/clerical, professional, supervisor/management, and top management. The salary range in Table 15 below was converted from US dollars into Viet Nameese currency. The exchange used is the average rate of the year 2008, \$1 USD to 16,336 VND.

²⁰ Decree No 111/2008/ND-CP, October 10-2008, Minimum salaries applied since January 01, 2009

Table 15. Salary Range²¹

Occupation/ Work Level		Value	Monthly Average Salary	
			USD	VND
Production/ Manual		Net Base	79.2	1,293,267
		Net Total	121.5	1,984,824
		Gross Total	156.5	2,556,584
01 - Unskilled	Net Base	67.8	1,106,764	
	Net Total	165.9	2,710,415	
	Gross Total	211.9	3,461,871	
Professional		Net Base	460.4	7,521,367
		Net Total	557.7	9,110,043
		Gross Total	743.8	12,004,237
02 - Intermediate		Net Base	408.9	6,680,063
		Net Total	521.0	8,511,056
		Gross Total	698.1	11,403,889
Supervisory & Management		Net Base	613.9	10,028,943
		Net Total	810.1	13,233,521
		Gross Total	1,054.9	17,233,119
01 - Supervisor 02 – Functional Manager	Net Base	559.9	9,146,799	
	Net Total	754.3	12,322,789	
	Gross Total	986.5	16,115,464	
	Net Base	701.6	11,461,065	
	Net Total	900.8	14,714,652	
	Gross Total	1,166.0	19,047,776	

²¹ Viet Nam Salary Survey (2008), Navigos Group

The data in Table 15 reveals that the basic salary of workers in the production/manufacturing industry or doing manual labor was about 1.3 million VND per month, and the total monthly income, including basic salary, bonuses, and allowances in net take home pay was approximately 2 million VND, while employers had to pay a total gross amount of 2.5 million VND per month with additional contributions for health insurance and social insurance.

Other data from the Viet Nam Enterprise Survey²² shows that the monthly average salary in Ha Noi has increased three times during the last seven years, from 1.03 million to 3.1 million VND per month (Table 16)

Table 16. Average salary of employment in Ha Noi²³

	2000	2001	2002	2003	2004	2005	2007
Average salary (Thousand dong/person/ month)							
All Ha Noi	1,031.67	1,124.17	1,230.00	1,412.50	1,550.00	2,101.67	3,166.67
Agriculture, Forestry and Fishery	500.83	615.00	660.83	850.83	723.33	1,187.50	1,816.67
Industry	920.83	1,067.50	1,130.83	1,278.33	1,505.83	1,760.83	2,579.17
Services	1,247.50	1,227.50	1,410.83	1,655.00	1,637.50	2,498.33	3,757.50
Growth rate (%)							
All Ha Noi	NA	9.0	9.4	14.8	9.7	35.6	50.7
Agriculture, Forestry and Fishery	NA	22.8	7.5	28.8	-15.0	64.2	53.0
Industry	NA	15.9	5.9	13.0	17.8	16.9	46.5
Services	NA	-1.6	14.9	17.3	-1.1	52.6	50.4

The average salary in Ha Noi is as high as the average salary in Ho Chi Minh City and is higher than salaries in other cities and regions of Viet Nam. The service sector seems to be the highest paid sector and also the highest salary growth sector.

Recent official statistics show that FDI businesses provide the highest average salary, while the government sector provides the lowest. Salaries from party and mass organizations, security, and defense fall in between the two²⁴.

²² *Enterprises Survey (2000-2007)*, GSO

²³ *Enterprises Survey (2000-2007)*, GSO

²⁴ *Viet Nam Labor Market Analysis (2009)*, Development and Policies Research Center (DEPOSEN)

Table 17. Salary of employees by different business sectors and ownerships²⁵

Characteristics	Total employees	< 1 million VND/month		1-3 million VND/month		3-5 million VND/month		5-7 million VND/month		> 7 million	
		n	%	n	%	n	%	n	%	n	%
Type of business	<i>n = 2095</i>										
Construction	166	5	3.0	140	84.3	21	12.7	0	0.0	0	0.0
Mining	199	4	2.0	141	70.9	40	20.1	7	3.5	7	3.5
Transportation	277	23	8.3	208	75.1	36	13.0	7	2.5	3	1.1
Service	418	58	13.9	295	70.6	47	11.2	11	2.6	7	1.7
Production in industrial zone	686	107	15.6	468	68.2	99	14.4	10	1.5	2	0.3
Type of enterprise	<i>n = 2095</i>										
Government	416	44	10.6	302	72.6	55	13.2	10	2.4	5	1.2
FDI	283	37	13.1	173	61.1	53	18.7	12	4.2	8	2.8
Non-government	1396	149	10.7	1057	75.7	170	12.2	14	1.0	6	0.4
Job category	<i>n = 2037</i>										
Worker	1238	194	15.7	962	77.7	72	5.8	6	0.5	4	0.3
Clerical worker	611	21	3.4	428	70.0	135	22.1	16	2.6	11	1.8
Manager	49	1	2.0	22	44.9	16	32.7	8	16.3	2	4.1
Province	<i>n = 2095</i>										
Hai Phong	273	8	2.9	216	79.1	41	15.0	5	1.8	3	1.1
Ha Noi	235	27	11.5	179	76.2	20	8.5	6	2.6	3	1.3
HCMC	289	7	2.4	177	61.2	91	31.5	9	3.1	5	1.7

²⁵ Baseline Assessment on Workplace-based HIV prevention and employment services for HRIs in 7 PEPFAR focus provinces (2009), the HIV Workplace project

Table 17 indicates the most common monthly salary range was from 1 million to 3 million VND. The majority of workers received a salary of less than 3 million VND per month (93.4 percent) while clerical workers often received 1 to 3 million VND per month and managers received 3 to 7 million VND per month. Employees in construction, transportation, and mining sectors had relatively higher salaries compared to those working in other sectors. The proportion of employees working for FDI enterprises that had a high salary is higher than among those working for government and non-government enterprises. Enterprises located in Ha Noi were more likely to pay lower salaries for employees than those in Ho Chi Minh City and Hai Phong.

Recruitment Practices and Challenges

One of the important aspects of the labor demand in the market is how enterprises recruit their labor force. Recruitment channels depend on the employment pool, work location, business fields etc. Specifically, manufacturers in industrial zones often recruit local people for manual jobs. Job fairs are used by enterprises to find fresh graduates or junior employees while employment services are used to attract highly qualified candidates.

Table 18 below summarizes the recruitment practices by small and medium sized enterprises (SMEs) in Viet Nam.

Table 18. Recruitment practices (How does the enterprise hire workers?)
Calculated from SME survey 2002-2007²⁶

	2002	2005	2007
Newspaper, advertisement etc.	2.19 (%)	6.77 (%)	7.32 (%)
Through labor exchange	2.36	4.75	2.61
Recommended by friends, relatives, other workers	32.28	42.99	44.22
Recommended/allocated by local authorities	2.10	1.27	1.26
Personal contacts	57.66	38.81	34.65
Through employment service centers	0.00	4.84	4.85
Other	3.41	0.57	5.08

For SMEs, most of the recruitment is done through informal channels such as personal contacts and recommendations. However, there have been significant changes in the way enterprises recruit their employees. It seems that enterprises now rely less on personal contacts to recruit labor, decreasing from 57 percent in 2002 to 35 percent in 2007. The role played by formal channels such as newspapers, employment services, and labor fairs is becoming increasingly more important.

²⁶ *Viet Nam Labor Market Analysis* (2009), DEPOCEN

Results of the employer survey²⁷ revealed that the main sources for recruitment were advertisements in newspapers (approximately 53 percent) and through contact with relatives of job seekers (52 percent). Enterprises which recruited their potential employees through employment agencies or business partners accounted for one-third of all surveyed businesses. FDI enterprises tended to use formal recruiting channels with three-fourths posting an advertisement in newspapers and half contracting with employment agencies for recruitment. Enterprises with larger work forces used various means for recruitment, including newspaper advertisements, contracts with employment agencies, relatives, business partners, local authorities, and job fairs; referral by relatives was more common among smaller businesses.

As the labor market has been more dynamic, enterprises have more choices to select better workers, but they also face challenges in recruiting qualified employees and retaining them. Many studies point out that manufacturing enterprises, especially in industrial zones, experience labor scarcity and high employee turnover²⁸. Working skills, techniques, labor commitment, and industrial working styles are concerns that are frequently raised by employers.

In the industrial sector, particularly export processing industries, an emerging issue is that workers have to work longer working hours than stipulated by law. Working hours in these enterprises often are prolonged from eight to ten hours per day. A survey²⁹ reported that almost all workers in garment, textile, and leather production had to work at least four hours overtime per day. The reasons given by employers include a higher pressure on product delivery and more severe competition to finish orders or reduce production costs. To tighten management control over labor, a number of enterprises, mainly FDIs, even impose strict regulations on working overtime and frequency of toilet use by workers. By setting overly stringent labor requirements, the working environment was said to be only slowly improving, and this was compounded by delays in salary payments and salary increases, and evasion of contributions to social insurance. These were considered as contributing to labor conflicts and strikes in recent years in this industrial sector.

Employers' Perception of HRIs

Many studies have documented the experiences of PLHIV with stigma and discrimination in communities, health care providers, and workplace settings all over the world.³⁰ In Viet Nameese culture, HIV is an infection with a high level of stigma and discrimination, commonly associated with “social evils”. This situation has undermined public health efforts to combat the epidemic. HIV positive disclosure is closely linked with other cultural and social issues (family pride, child care and education, family relationships, ways of making money, power abuse, and bribery). It acts as a barrier to support-seeking by PLHIV, decreasing their access to adequate care and support.^{31,32}

²⁷ “Recruitment Sources by Enterprise”, *Baseline Assessment on Workplace-based HIV prevention and employment services for HRIs in 7 PEPFAR focus provinces* (2009), the HIV Workplace project

²⁸ Dao Quang Vinh (2007) “*Labor Market and Employment Conditions in Viet Nam*”, Institute of Labor Sciences and Social Affairs, Viet Nam

²⁹ Dao Quang Vinh (2007) “*Labor Market and Employment Conditions in Viet Nam*”, Institute of Labor Sciences and Social Affairs, Viet Nam

³⁰ Brown, L., Trujillo, L., & Macintyre, K. (2001). *Interventions to Reduce HIV/AIDS Stigma: What Have We Learned?* New Orleans: Horizons Project.

³¹ Oosterhoff P, Nguyen TA, Pham NY, Ngo TH, Wright P, Hardon A. Holding the line: Viet Nameese family responses to pregnancy and child desire when a family member has HIV. *Culture, Health and Sexuality*.

A study was conducted among 323 employers in 106 enterprises in 7 PEPFAR provinces³³ to ask about their general accepting attitude³⁴ towards PLHIV. Table 19 shows that of the 323 employers responding to these four questions, only 45.5% would agree to buy food from an HIV-infected shopkeeper or vendor and one-third believed that the HIV-positive status of a family member did not need to remain a secret. Particularly, as little as 13.6% of employers expressed an accepting attitude in response to all four questions. In-depth-interviews with 14 managers indicated that the main reason was that PLHIV are often associated with negative images of injecting drug users and sex workers. Among all, managers in fisheries and the transportation business and those located in the South (HCMC, Can Tho, and An Giang) were less likely to have an accepting attitude toward PLHIV. Managers aged 30-39 years had a more positive attitude toward PLHIV than managers in other age groups. There were minor differences in attitudes in relation to types of enterprises and gender.

³² Khuat Thu Hong, Nguyen Thi Van Anh, Ogden J. (2004). Understanding HIV and AIDS-related Stigma and Discrimination. Hanoi: ISDS.

³³ USAID HIV Workplace Project (2009). Baseline Assessment on Workplace-based HIV policy and Prevention Interventions.

³⁴ Would buy food from HIV-infected shopkeeper or vendor, believes HIV-positive status of a family member does not need to remain a secret, willing to care for HIV infected family member, and believes HIV-infected teacher should be allowed to continue teaching in school.

Table 19. Proportion of managers who express accepting attitudes toward people living with HIV

Manager characteristics	Total respondents	Would buy food from HIV-		Believes HIV-positive status of a		Willing to care for HIV		Believes HIV-infected teacher		Has an accepting	
		n	%	n	%	n	%	n	%	n	%
Total	323	147	45.5	108	33.4	314	97.2	260	80.5	44	13.6
Type of business	<i>N = 323</i>										
Construction	28	13	46.4	12	42.9	28	100.0	25	89.3	5	17.9
Mining	27	16	59.3	14	51.9	26	96.3	21	77.8	8	29.6
Transportation	42	15	35.7	13	31.0	42	100.0	28	66.7	3	7.1
Service	73	30	41.1	22	30.1	73	100.0	66	90.4	9	12.3
Manufacturing in industrial zone	105	54	51.4	35	33.3	101	96.2	84	80.0	15	14.3
Fisheries	31	14	45.2	9	29.0	29	93.5	22	71.0	3	9.7
Others	17	5	29.4	3	17.6	15	88.2	14	82.4	1	5.9
Type of enterprise	<i>N = 323</i>										
Government	62	34	54.8	17	27.4	60	96.8	51	82.3	8	12.9
FDI	35	17	48.6	7	20.0	35	100.0	29	82.9	5	14.3
Private	226	96	42.5	84	37.2	219	96.9	180	79.6	31	13.7
Province	<i>N = 323</i>										

Manager characteristics	Total respondents	Would buy food from HIV-		Believes HIV-positive status of a		Willing to care for HIV		Believes HIV-infected teacher		Has an accepting	
		n	%	n	%	n	%	n	%	n	%
Quang Ninh	48	28	58.3	19	39.6	47	97.9	38	79.2	9	18.8
Hai Phong	46	28	60.9	21	45.7	45	97.8	35	76.1	12	26.1
Ha Noi	47	19	40.4	14	29.8	45	95.7	39	83.0	6	12.8
Nghe An	48	27	56.3	15	31.3	48	100.0	39	81.3	6	12.5
HCMC	45	16	35.6	12	26.7	43	95.6	42	93.3	4	8.9
Can Tho	44	13	29.5	11	25.0	42	95.5	34	77.3	3	6.8
An Giang	45	16	35.6	16	35.6	44	97.8	33	73.3	4	8.9
Gender	<i>N = 323</i>										
Male	204	94	46.1	72	35.3	199	97.5	162	79.4	28	13.7
Female	119	53	44.5	36	30.3	115	96.6	98	82.4	16	13.4
Age group	<i>N = 303</i>										
< 30	51	23	45.1	14	27.5	50	98.0	43	84.3	5	9.8
30-39	82	41	50.0	34	41.5	78	95.1	71	86.6	19	23.2
40-49	88	44	50.0	23	26.1	85	96.6	65	73.9	10	11.4
50 +	82	32	39.0	28	34.1	82	100.0	65	79.3	8	9.8

The study also asked for employers' perceptions on job retention for employees who were found to be infected with HIV or who used to be drug users. Table 20 shows that, in general, employers had accepting attitudes on retaining employees who were PLHIV and RDU, but, the willingness to maintain employment for PLHIV is much higher than for drug users. Private sector employers seemed less willing than their government counterparts. The least willing appear to be in the fisheries and transportation businesses.

However, from our interviews with employers, many said that it would be hard for them to give priority to PLHIV or RDU over non-infected people even if PLHIV and recovering drug users had the same level of knowledge and skills compared to people without these conditions, particularly during a period of global financial crisis.

Table 20. Attitudes of employees and managers on retaining or employing HRIs

Characteristics	Retaining jobs for employees who are recovering DU	
	% of Manager	% of Employee
Type of enterprise		
Government	44.3	67.3
FDI	40.0	57.0
Private	44.7	57.6
Type of business		
Construction	58.3	60.8
Mining	55.6	66.0
Transportation	22.0	58.7
Service	44.9	61.7
Manufacturing in industrial zone	54.9	61.2
Fisheries	16.0	47.5
Others	31.3	52.8

Advocacy workshops with selected employers (Appendix 2) were organized to create a forum for discussion and sharing experiences to better understand the perceptions of enterprises, as potential employers, of HRIs to identify institutional barriers against HRIs in the recruitment process. According to enterprises' managers, employing HRIs is a challenge because of the following reasons:

First, employees in HRI groups would be likely to affect productivity and product quality because of their lack of concentration and poor compliance with labor discipline. Therefore, they could have a negative effect on the enterprises' business.

Second, because discrimination against HRIs is still high, employing HRIs would create problems with the other employees. For example, employees are not likely to work with HRIs due to fear of disease transmission and because HRIs are seen as social evils.

Third, high risks are faced by enterprises in terms of security and property losses.

Finally, there are no specific financial support policies for enterprises employing HRIs such as loan support, tax reduction, or exemption.

However, there are still employment opportunities for HRIs. Like any other job seekers, if HRIs show that they have the skills and abilities to do work as any other employees, they are more likely to be accepted. Additionally, employers could see that there are advantages in employing HRIs, such as long term commitments to the employer and lower turnover rates.

Conclusions

Demand for labor in the market is analyzed in the context of Viet Nam's transition to a market economy and further integration into regional and global markets. The employer survey and many market studies indicate that the construction, industry, and service sectors have the highest capacity to create employment. Exported industries, especially light industries, are forecasted to have a high growth rate in coming years and to require intensive labor use. The non-government and the FDI sectors are estimated to be increasingly important in employment generation for the economy. The service sector seems to be the highest paid sector and also the highest salary growth sector. Given the fact that Ha Noi is the second largest city in the country and the economic center in the Northern region, job availabilities, salary levels, and remuneration packages in the city are reported to be higher than in other regions.

Regarding recruitment practices, enterprises recruit new employees via many channels, such as personal contacts, advertisements via mass media, job fairs, and employment services. FDI enterprises are likely to use formal recruitment channels such as advertisements, newspapers, and employment agencies, while SMEs appear to have a preference for informal connections via personal contacts and recommendations. It is noticeable that many enterprises face labor shortages, especially for manufacturing in industrial zones, where working conditions are considered tough due to pressure and high discipline.

Regarding employment opportunities for HRIs, employers expressed their hesitation in employing them due to a negative perception about this disadvantaged group and the lack of government financial incentive policies.

**Table 21: Comparison of Employment Demand Supply
for PLHIV and DU groups**

Demand	Supply		
Sector with more employment opportunities: Non-Gov and FDI, 1 year contract	Education	Job experience	Desired job
- Production enterprise	Secondary and high school	Machinery (8%)	Garment worker
- Construction		Construction (5%)	
- Service		Street vendor/shop	Street vendor/shop
Salary offers	Expected salary		
Two-thirds: 1-3 million/month 10%: 3-5 million/month	1.2 - 2.5 million/month: 44% > 2.5 million/month (DU expect to have higher salaries than other HIV only and HIV and DU groups)		
Recruitment source	Recruitment channels		
Friend/relative recommendation Personal contact			
Challenges	Challenges		
Lack of concentration Poor compliance with discipline Discrimination Risk related to security and property losses No support policy	Discrimination No transportation means Health condition Medical treatment schedule		

The above table suggests that “service sector” jobs seem to offer the most realistic employment prospects for PLHIV and DU who are interested in a job. More innovative recruitment methods should be explored to maximize the opportunities to get a job for PLHIV and DU. Furthermore, several challenges at the community level need to be addressed so that PLHIV and DU have the support needed to find and keep their jobs.

3.2. VOCATIONAL TRAINING PROVIDERS

Training providers play an important role in providing the labor force with the knowledge and skills to work. This section outlines the situation of training providers in the market as well as the role of employment agencies. The questions to be answered in this section are:

“What is the situation of vocational training providers in the market as a linkage between labor demand and supply sides?”

“What is the role of employment agencies and training providers in bringing the two sides together?”

Data on vocational training centers were collected from secondary data while taking into consideration that there are few surveys and reports on VTC in Viet Nam.

Vocational Training System and Training Providers

In Viet Nam, Vocational Training Centers (VTCs) include vocational colleges, vocational secondary schools, and other training-related centers. Accurate figures of VTC numbers are not available due to a complicated and overlapping management system in which VTCs could be under the umbrella of the Ministry of Education and Training (MOET) or the Directorate of Vocational Training (DVT), a unit of the Ministry of Labor, Invalids and Social Affairs (MOLISA).

According to Mr. Nguyen Thien Nhan, Minister of MOET, Viet Nam has 2,182 VTCs, providing training in a wide range of professions. Statistics of the general department of job training under MOLISA disclosed that 6.6 million workers were trained at VTCs between 2001 and 2006, with an average increase of 6.5 percent annually; 1.14 million people received long-term training and 5.46 million people undertook short-term training. Besides, Viet Nam has nearly 150 training centers run by business corporations like Viet Nam Shipbuilding Industry Corporation (Vinashin) and Viet Nam Machinery Erection Corporation (Lilama).³⁵

In Ha Noi, official data indicates 81 VTCs of which 46 are supervised by MOET³⁶ and 35 VTCs which are supervised by Ha Noi DOLISA³⁷. There are no data on VTCs under the supervision of DVT and VTCs run by enterprises.

³⁵ “*Viet Nam needs radical vocational training reforms*”, Thanhniennews online, June 9, 2008.

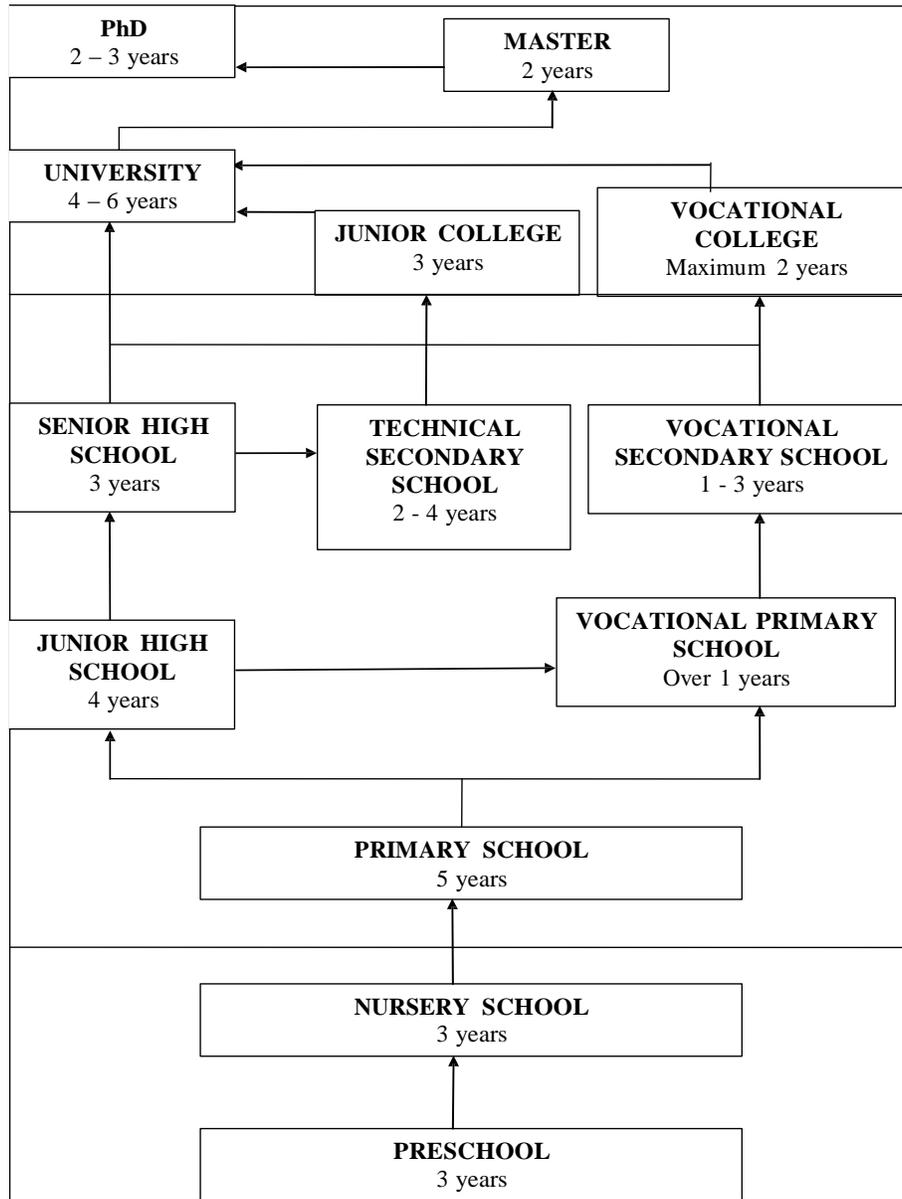
<http://www.thanhniennews.com/features/?catid=10&newsid=39163>

³⁶ “*List of Vocational Training Schools*”, Education Network-MOET.

http://moet.edu.net.vn/?page=8.11&loai_bphan=262

³⁷ “*List of Vocational Training Schools*”, Ha Noi Dolisa. <http://www.hanoi.edu.vn/danhba/tccdlist.asp?cmd=resetall>

Figure 8. Education System in Viet Nam



The vocational training structure in Viet Nam offers three training levels including short courses of less than one year for basic skills; intensive vocational skill training from one-and-a-half to two years; and advanced training in three years. Table 22 below taken from research on Viet Nam’s educational and vocational training sector which summarizes the important characteristics and features of the training structure.

Table 22. Vocational Training Structure in Viet Nam³⁸

Level 1 Short-course Training: Producing Basic-skilled Workers	Level 2 Intensive Training: Producing Skilled Workers	Level 3 Highly-skilled Training: Producing Advance-skilled Workers, Technicians and Craft persons
* Short courses that train people in specific skills or job competencies	* Training is modularized and develops highly-qualified skilled workers	* Training produces highly skilled technical workers, master craft persons, and practical technicians at college level.
* This level satisfies labor market demands for basic-skilled workers in manual occupations, provides workers for SMEs, meets shifting labor demands in rural areas, and increases opportunities for employment or self-employment.	* Duration of training is one-and-a-half to two years.	* Duration of training generally lasts two-and-a-half to three years
* Training courses or modules less than one year in total.	* Training provided mainly at technical secondary schools, vocational schools, and technical colleges.	* Training provided by technical or industrial colleges.
* Modules can be accumulated leading to a Level 1 Basic Skilled Worker Qualification.	* Supplies skilled staff to industrial parks, export-processing zones (EPZs), advanced manufacturing technologies (AMTs), and labor exporters.	* Supplies skilled personnel for modern industrial production technologies.
* Training most likely offered at VTCs or job placement centers	* Any worker or trainee who successfully completed all program modules is awarded a level 2 National Qualification (in a specific technical field or occupation)	* Any worker or trainee who successfully completed all program modules is awarded a level 3 National Qualification (in a specific technical field or occupation)
* Lower secondary school (grades 6-9)		

³⁸ Marvin M.E, Lamourex M.B, Kennedy, and Nguyen D.T (2005), “*Viet Nam’s Technical Education and Vocational Training Sector*”, International perspectives on workforce education and development.

In short courses at level 1, entry level is the lowest without an official diploma and graduates are granted vocational certificates. At higher levels with training courses lasting from one-and-a-half to two years, participants are required to complete at least secondary school. For long term training of two-and-a-half to three years, students need to have a high school diploma to be accepted into the training program and graduates are entitled to a technical diploma.

Training Effectiveness

Although education and vocational training systems have been invested in and have been developing rapidly during recent years, the rate of skilled workers remains low, at 26 percent of total working people in 2005³⁹. Many enterprises report difficulties in employing skilled workers.

Training providers failed to provide learners with practical skills and training programs were not demand-driven. It was reported that the physical infrastructure for training and vocational training systems in Viet Nam is too out of date compared to the general level of many other countries in the region and the world. The investment capacity in education and vocational training was reported to be at a very low level⁴⁰. As a result, skills taught in vocational training centers do not match employers' needs and demands.

Data from the employer survey⁴¹ shows that half of enterprises did not contact VTCs at all. Discussion with enterprise managers indicated the main reason was vocational training does not provide the sufficient quantity and quality of workers that companies need.

Employment Services

By 2005, it was reported that there were 177 public agencies for employment services, including 64 agencies under the provincial DOLISA, and another 117 under the mass organizations, ministries, and industries⁴². Also, over 3000 enterprises are providing services in employment and human resource consultancy. The number and types of such services run by agencies and enterprises are highly diversified, from head hunting services and recruitment to soft skills training. The quality of employment services in general, nevertheless, is low and inefficient due to the lack of information on the labor market and a lack of close collaboration with enterprises and training providers.

In Ha Noi, there are less than five employment agencies operating. Table 213 below lists some employment agencies and their provided services in Ha Noi:

³⁹ *The Statistic Book on Employment – Labor* (2005), Labor – Employment Publishing House.

⁴⁰ Report by General Department of vocational training in the 2006 annual review meeting of MOLISA

⁴¹ “*Recruitment sources of Enterprises*”, *Baseline Assessment on Workplace-based HIV prevention and employment services for HRIs in 7 PEPFAR focus provinces* (2009), the HIV Workplace project

⁴² Dao Quang Vinh (2007) “*Labor Market and Employment Conditions in Viet Nam*”, Institute of Labor Sciences and Social Affairs, Viet Nam

Table 23. Employment Agencies in Ha Noi⁴³

Employment Agency	Ownership	Services provided
Ha Noi Employment Introduction Center (HEIC)	Government/ supervised by Ha Noi DOLISA	Job fair; job website; direct phone employment counseling; job searching and interview skills; short vocational training course (3-6 months): cooking, vehicle repair, foreign language for export workers.
Labor newspaper – Interserco	Government / supervised by Labor newspaper	Job fair; job advertisement on labor newspaper; screening interview and counseling services
Navigos Group	FDI	Job online website; head hunting service; soft-skill training (team work, job searching skills)

Job Fairs

Together with the activities of employment agencies, the job fair is a tool for the labor market, which has been effectively organized and run. In addition to the general job fairs, a number of professional job fairs and ones for particular groups of people have been organized. In such job fairs, employers have a chance to meet with a large number of candidates and job seekers are offered advice and job opportunities. Regular job fairs, organized twice a month by HEIC, attract enterprises in different sectors and a high number of job seekers. Statistics of job fairs in 2009 are presented in Table 24:

⁴³ Interview with Employment Agencies in Ha Noi, August 2009, the USAID HIV Workplace project

Table 24. Statistics of Job Fairs in Ha Noi in 2009⁴⁴

Month/ Year	No of participating Enterpr ises	No of Job Applica tions	Candidates for the 2nd Interview		Successful Job Seekers							
					College/ University Graduate		Vocation al training/ Technical Worker		Unskilled Worker		Total	
			n	%	n	%	n	%	n	%	n	%
Jan 09	36	616	298	48	200	63	88	28	30	9	318	52
Feb 09	106	2,645	825	31	694	54	461	36	137	11	1,292	49
Mar 09	108	2,784	848	30	566	44	557	43	163	13	1,286	46
Apr 09	210	3,280	1,364	42	931	52	656	37	195	11	1,782	54
May 09	186	4,040	1,030	25	976	58	540	32	174	10	1,690	42
Jun 09	225	5,704	1,432	25	636	35	885	49	289	16	1,810	32
Jul 09	214	3,190	778	24	442	40	539	49	127	11	1,108	35
Aug 09	209	4,199	1,096	26	623	41	658	43	253	16	1,534	37
Sep 09	189	4,299	1,016	24	435	28	792	52	307	20	1,534	36
Oct 09	212	3,682	820	22	365	27	741	55	246	18	1,352	37
Nov 09	187	3,910	957	24	410	30	737	54	217	16	1,364	35
Dec 09	168	3,159	620	20	324	28	644	55	205	17	1,173	37

Data in Table 24 indicates that the successful rate of job applications at job fairs is high with 32 to 54 percent of applicants obtaining jobs, and 22 to 48 percent of applicants going to the second round interview. Among successful job seekers who got jobs, college and university graduates accounted for 27 to 63 percent; vocational training and technical workers accounted for 28 to 55 percent; and unskilled workers accounted for 9 to 20 percent. The numbers strongly suggest that job seekers who have no job vocational skills, like HRIs, can still find opportunities in the job market.

⁴⁴ *Statistics of Job fair* (2009), Hanoi Employment Introduction Center, Hanoi DOLISA

Conclusion

The vocational training structure in Viet Nam offers three training levels: the short course of less than one year for basic skills; intensive vocational skill training from one-and-one-half to two years; and advanced training in three years. Nevertheless, the outcomes of vocational training do not match employers' requirements. Consequently, job seekers equipped with skills from vocational schools will face many difficulties in searching for jobs as well as working in enterprises. HRIs who wish to invest in learning vocational skills or to improve their educational levels should carefully select the most appropriate training school.

Employment agencies, although providing short training, focus on soft skills rather than on vocational skills. Besides providing employment consulting services, government employment agencies also hold job fairs as a tool to link the demand and supply sides of labor market. Statistics show a highly successful rate of direct job recruitment in the job fairs, including work for unskilled job seekers.

3.3. POLICY ENVIRONMENT

This section outlines the factors that influence the linkage between employment demand and supply and answers the following study questions.

“What are governmental policies that influence employment possibilities for HRIs?”

“What supports does government need to provide for enterprises to participate in employment placement for HRIs?”

Several policy documents were reviewed to provide information for this section.

Policies that influence employment possibilities for HRIs⁴⁵

The Viet Nam government and ministries have promulgated support policies as well as specific implementing guidelines for enterprises employing PLHIV. These include:

Policy environment

The HIV Law: Elimination of stigma and discrimination based on known or suspected HIV/AIDS status: such discrimination is prohibited under the law. Specific provisions include: Enterprises are encouraged to hire PLHIV. Employers are not allowed to terminate employees because of their HIV status or require HIV testing as a condition of employment, except for certain specified occupations. Employers may not demote or refuse to promote employees who are otherwise capable of doing the job, on the basis of HIV status.

⁴⁵ *The Law on corporate income tax* (2008)

Preferred loans scheme

There have been several laws regarding RDUs, though the first two dating from 2003 and 2006 are no longer in effect. A summary is provided below.

Resolution 16/2003/QH11 dated 17/06/2003 by the National Assembly on vocational training programs and employment for recovering drug users in seven provinces is no longer in effect.

Decision 212/2006/QD-TTg dated 20/9/2006 by the Prime Minister and the *Circular 05/2007/TT-BTC* on Credit for productions, businesses, services, and trading entities employing laborers who are post-detoxification drug users to be applied to the seven provinces executing the pilot project “Vocational training and job placement programs for recovering addicts,” approved by the Prime Minister according to Resolution No.16/2003/QH11 dated June 17, 2003 of the National Assembly (HCMC, Ha Noi, Quang Ninh, Long An, Tay Ninh, Ba ria-Vung Tau, Binh Duong). However, these documents are no longer in effect (Please see table below for detailed information).

Decision 71/2005/QD-TTg dated 05/04/2005 and *Decision 15/2008/QD-TTg* dated 23/01/2008 by the Prime Minister on the management and coordination of loans program under the National Fund for Job Creation allow a household to receive a maximum of 20 million VND as a loan to create jobs for at least 1 person and an enterprise to receive maximum 20 million VND as a loan for each newly employed worker. The loans are provided with the low interest rate of 0.65%/month.

Exemption of corporate income tax

The Law on corporate income tax (May 2008): this law exempts from income taxation enterprises in which employment is “especially reserved” for those with disabilities, PLHIV, and RDUs.

The Decree 124/2008/ND-CP on Detailed Regulations and Guidelines to implement some articles of the Laws of Corporate Income Tax and the *Circular 130/2880/TT-BTC* state that businesses with more than 51% of their employees who are PLHIV and/or recovering drug users are exempt from corporate income tax. However, businesses that employ less than 51% PLHIV and RDUs need assistance. For enterprises whose employees are more than 51% PLHIV and/or RDUs, it is not clear from the law if a business could obtain a tax exemption if only some of its employees are disabled, PLHIV, or RDUs. If so, would only a pro-rated share of its income be tax exempt? The problem with a pro-rated exemption is that it would require enumeration and possibly disclosure of the names of employees in these categories. A different method of certification is needed – for example, a business that works actively with PLHIV groups or job programs for RDUs and commits to hiring such HRIs.

Personal income tax

The Law on personal income tax 04/2007/QH12 dated 21/11/2007 states that people with severe diseases that affect their ability to contribute personal income tax will be eligible for a tax reduction scheme appropriately to level of severity. However, there is no policy document giving guidance whether or not HIV infection or recovering drug use would be considered as a severity.

Table 23. Review of Policy on Employment for RDU and PLHIV⁴⁶

No	Legal documents	Code of documents	Published date	Reference	Regulations in detail
1.	Law	14/2008/QH 12	June 3, 2008	Corporate income tax	<p>Article 4. Tax exemption income</p> <p>4. Income earned from activities of production and/or business in goods and services by enterprises especially reserved for employees being disable people, reformed addicts and people infected with HIV. The government shall provide regulations on criteria and conditions for determining enterprises specially reserved for employee being disable people, reformed addicts and people infected with HIV</p>
2.	Decree	124/2008/N Đ-CP	December 11, 2008	Guiding the implementation of a number of articles of the Law on Corporate income tax	<p>Article 4.- Tax-exempt incomes</p> <p>Tax-exempt incomes are specified in Article 4 of the Law on Enterprise Income Tax.</p> <p>3. Income from goods production and trading and service provision activities of enterprises employing disabled, detoxified and HIV-infected persons who account for at least 51% of the average number of laborers in a year.</p> <p>Tax-exempt incomes specified in this Clause exclude other incomes specified in Clause 2, Article 3 of this Decree.</p>

⁴⁶ Health Policy Initiative Project (2009)

No	Legal documents	Code of documents	Published date	Reference	Regulations in detail
3.	Circular	130/2008/T T-BTC	December 26, 2008	Guiding the implementation of the Law on Corporate Income Tax and the Decree No.124/2008/ND-CP of the Government dated December 11, 2008	<p>Tax exempt income</p> <p>Exempt income of an enterprise as stipulated in this clause must satisfy all the following conditions:</p> <ol style="list-style-type: none"> 1. An enterprise employing reformed drug addicts must have certificates from a drug reform centre or relevant authority about the reform of such ex-drug addicts. 2. An enterprise employing people infected with HIV must have certification from the medical health authority about the number of such employees.
4.	Decision	212/2006/ QĐ-TTg	September 20, 2006	Credit for productive, business, service establishments and enterprises employing drug addicts after detoxification	<p>Article 1</p> <p>Credit program for enterprises employing RDU through the Social Policy Bank</p> <p>Article 5. Loan size</p> <ol style="list-style-type: none"> 1. For household: maximum loan size is not more than VND 20 million per household. 2. For productive and business establishments and enterprises: maximum loan size is not more than VND 500 million per project. <p>Article 6. Lending interest rate</p> <ol style="list-style-type: none"> 1. Lending interest rate is to the same as the lending interest one

No	Legal documents	Code of documents	Published date	Reference	Regulations in detail
					<p>for poor households decided by the Prime Minister.</p> <p>2. Overdue loans will be charged at the rate of 130% of the ordinary rate.</p> <p>Article 7. Loan term, loan extension and overdue loan transference</p> <p>1. Loan term is based on loan-use purpose and capital collection time of productive and business projects or plans.</p> <p>2. In case that the borrower does not repay the loan caused by objective reasons in due time as committed, the Social Policy Bank will consider to extend the loan.</p>
5.	Circular	05/2007/TT-BTC	January 18, 2007	Guiding some contents of the Decision No.212/2006/QD-TTg	<p>1. Principles of credit</p> <p>- To loan with the right subject, in accordance with the Decision No.212/2006/QD-TTg dated 20 September 2006 made by Prime Minister, guiding in this Circular and instructions made by the provincial, municipal People’s Committee directly under the Central as approved by Prime Minister for the pilot project “Organizing to manage the vocational training, settling the jobs for the people after detoxifying drugs”.</p> <p>- The subjects borrowing capital have to use this loan capital for their production, business and service activities.</p>

No	Legal documents	Code of documents	Published date	Reference	Regulations in detail
					<p>- Viet Nam Bank for Social Policies will mobilize capital or receive capital entrusted from Provincial Social Policy Bank to loan and it is made in contract of commission. This contract will clearly regulate contents of commission, rights, and responsibilities for the parties in carrying out this contract.</p> <p>2. Making out the credit plan</p> <p>- The provincial People's Committee will work out annual plan basing on the task of socio-economic development and dealing with job matter for the people after detoxifying drugs in the area of the provincial or municipal People's Committee directly under the Central.</p> <p>- The period for handing over credit plan: before Quarter I.</p> <p>3. Basic contents of credit plan</p> <p>- Plan of capital sources of Social Policy Bank to lend in the year, including detail of capital sources which are authorized by provincial, city Banks under Central Government for Social Policy Bank to lend; capital sources mobilized by the Bank and other capital sources.</p> <p>- Plan of capital by debt collection, lent capital in the year; target of account outstanding at the beginning and end of the year.</p>

No	Legal documents	Code of documents	Published date	Reference	Regulations in detail
					<p>- Funding target of number of households, agents, enterprises who employ people after detoxification; settling employment for number of people after detoxification by funding of households, agents, enterprises employing them.</p> <p>- Plan of benefiting from the difference between interest and managing expense for Social Policy Bank corresponding to plan of capital sources and funding in the year.</p> <p>4. Competence of project verification and approval, method of production and trading of funding target are regulated by provincial, city People's Committee under Central Government for agents executing organization and management project, training and settling employment for people after detoxification approved by Prime Minister.</p> <p>Social Policy Bank will consider and decide funding cases based on results of verification, approval of authorized agents about project, method of production and trading of funding target, funding conditions regulated in Article 3 of Decision No. 212/2006/QD-TTg.</p>

Conclusion

Even though Viet Nam government encourages enterprises to employ PLHIV, RDUs, and other HRIs, via promulgation of the HIV law and corporate income tax exemption laws, the impact of these policies is still insignificant. In the workshops with enterprises, enterprises indicated they would like to see specific support guidelines related to financial incentives for providing work for this target group.

CHAPTER 4. CONCLUSION AND RECOMMENDATIONS

This chapter presents a discussion of the study findings and recommendations for project interventions.

1. The studies and analyses above show that finding a job in the formal business sector is fraught with many difficulties for PLHIV and RDUs, due to their specific characteristics and preparedness for the job market. This is mainly a result of mismatch between high expectation of work conditions, payment, and inadequate work capabilities, combined with a lack of experience working in enterprises. Nearly 70 percent of the target group expects to receive a monthly salary as skilled workers, while the majority of them are considered as unskilled workers with an educational level of secondary school and high school. Many of them expect to have flexible working time while most employers require full time, working 40 to 48 hours per week. Moreover, PLHIV and RDUs also face other barriers such as discrimination and negative perception from employers. This clearly puts them at a disadvantage compared to other job seekers.

Recommendation: Given the characteristics of the target group, employment support programs should include pre-employment preparation for PLHIV and RDUs before entering the labor market to prepare them for the real conditions they are likely to encounter and to prepare them with strategies for dealing with these conditions. The preparation consists of vocational counseling, soft-skills training, vocational training, and referral to existing employment services. Finally one statistic that is also important in terms of policy is that 47% of HRI are married and 57% have one or two children. Therefore, finding a job for the HRIs has high social benefits.

2. In terms of labor market conditions, an emerging market economy in the recovering stage creates increasing job demands. Job seekers can find plenty of jobs available in the export processing industry, construction, and service sectors. Ha Noi, as the second largest economic center, provides more job opportunities than the other regions. Due to the ineffectiveness of vocational training system, and high labor demand in the market, it is not surprising to observe that employers are likely to recruit unskilled workers. Statistics from job fairs in 2009 indicate among 10 successful job seekers, there are 3 to 6 university graduates, 3 to 5 technical workers, and 1 to 2 unskilled ones.

Recommendation: Employment support programs should focus on the industry, construction, and service sectors. Employment agencies could play important roles in employment support for PLHIV and RDU populations. After completing the soft-skills training, PLHIV and RDUs (including those who are considered to be unskilled job seekers) should be encouraged to attend job fairs to get practical information about the labor market and practice job searching skills.

3. In terms of training providers, there is a lack of current information on VTCs in Viet Nam in general and in Ha Noi specifically.

Recommendation: Mapping research will need to be carried out to select the most appropriate training courses and VTCs for preparing HRIs for specific jobs. Hence, it is important to

continue to explore alternative approaches for preparing HRIs for employment such as the one proposed below in the Year 2 work plan of the USAID HIV/AIDS Workplace project.

The three-institutional focal point model⁴⁷:

In Year 2, the Project will focus on developing a system that integrates job placement and job preparation services. The system will have three institutional focal points: employment agencies, pre-employment preparation (PEP) organizations, and vocational training centers. The employment agencies will regularly provide lists of jobs available (mostly taken from the enterprises the Project is working with) and regularly meet with them to negotiate job opportunities for HRIs including needs for vocational training or on-the-job training. The PEP institutional focal points such as vocational counselors of the FHI program will identify potential HRI employment candidates through contact with NGOs and self-help groups, and offer soft skills and necessary job preparation. In collaboration with FHI, Project staff will link these two foci to work effectively on identifying jobs and preparing candidates for employment. The third focal point is vocational training centers. The Project will carry out a mapping exercise to determine which centers are most appropriate for preparing HRIs for specific jobs.

4. Legislation for the labor market, including framework and policies, have an insignificant impact on enterprises and need to be refined to encourage enterprises to employ HRIs

Recommendation: The project will work closely with enterprises and coordinate with government agencies on the development of guidelines and appropriate incentives for implementing workplace programs and expanding employment opportunities for PLHIV and RDUs.

5. PLHIV and RDU populations have a high demand for micro-finance and expressed their desire to open small shops, such as grocery, food vendor, tailor shop, hairdresser, internet café, etc., and to be self-employed.

Recommendation: Given the barriers to employment in enterprises, micro-financing is an increasingly important component of the economic rehabilitation strategy in regards to ensuring that PLHIV and RDUs have gainful employment. Hence, the project should focus on strengthening the management capacity of existing micro-financing programs and building the capacity of beneficiaries to use their loans effectively.

⁴⁷ Work plan Year 2 (2010), Task 8, the HIV Workplace project. Prepared for USAID

Appendix

Scoring Criteria

<p>1. Respondent Seriousness and Realism <i>(all questions): we use this criteria to measure if respondents are serious and realistic to look for job</i></p> <p>1.1.Fullness of information provided: completion of all questions</p> <p>45-52 questions: 5 points</p> <p>25-44 questions: 3 points</p> <p>< 25 questions: 0 point</p> <p>1.2.Realism and logicity of answers</p> <p>All information is realistic and logical: 5 points</p> <p>1-2 information is realistic and illogical: 2 points</p> <p>> 2 information is realistic and illogical: 0 point</p>	<p>10 points</p>
<p>2. Employment status <i>(question 16 & 21): we give the first priority to people who are currently unemployed and the second priority to people who are employed with low income</i></p> <p>2.1.Being unemployed 10 points</p> <p>2.2.Being employed with monthly income lower than vnd 1.5mil 5 points</p>	<p>15 points</p>
<p>3. Education background, skills and work experience: <i>by using these criteria, we assume that the higher education background and more skills and experience the respondents have, the more they are job-ready</i></p> <p>3.1.Education background <i>(question 30)</i></p> <ul style="list-style-type: none"> • Higher education 5 points • Vocational training school 5 points • High school 3 points • Secondary school 2 points • Primary school 1 point • Illiterate 0 point 	<p>30 points</p>

<p>3.2.Skills:</p> <ul style="list-style-type: none"> • Foreign language (<i>question 36</i>) • Computer skill (<i>question 37</i>) • No language or computer skills <p>3.3.Work experience:</p> <ul style="list-style-type: none"> • Work experience and profession skills relates to desired job • Work experience and profession skills not relate to desired job • No work experience and/or profession skill 	<p>1 point</p> <p>1 point</p> <p>0 point</p> <p>10 points</p> <p>2 points</p> <p>0 point</p>
<p>4. Personal goal and expectation (<i>question 23 and 25</i>)</p> <p>4.1.Match of desired salary and desired job (+/- 10% averaged salary)</p> <p>4.2.Desired salary little exceeds averaged salary of desired job (+/- 10% to +/- 30% averaged salary)</p> <p>4.3.Not match at all (> 30% averaged salary)</p>	<p>10 points</p> <p>10 points</p> <p>5 points</p> <p>0 point</p>
<p>5. Available support</p> <p>5.1.Transportation means to go to work (<i>question 41</i>)</p> <ul style="list-style-type: none"> • Motorbike or private car • Bicycle • No <p>5.2.Support from organization/person (<i>question 39</i>): <i>we give priority to people who do not have any support</i></p> <ul style="list-style-type: none"> • No • Yes 	<p>5 points</p> <p>2 points</p> <p>1 point</p> <p>0 point</p> <p>2 points</p> <p>0 point</p>
<p>6. Obstacles</p> <p>6.1.Children (<i>question 8 & 9</i>) <i>for female</i></p> <ul style="list-style-type: none"> • No children or child(ren) older than 1 year old • Child(ren) from 5 months to 1 year old • Child(ren) under 5 months of age 	<p>15 points</p> <p>5 points</p> <p>1 point</p> <p>0 point</p>

<p>6.2. Psychological support (<i>question 52</i>)</p> <ul style="list-style-type: none"> Family members, friends, colleagues Nobody <p>6.3. Psychological condition (<i>question 46</i>)</p> <ul style="list-style-type: none"> Good or Normal Not good 	<p>5 points</p> <p>0 point</p> <p>5 points</p> <p>0 point</p>
<p>7. Health condition for desired job</p> <p>7.1. Days required for monthly medical treatment (<i>question 48</i>): <i>based on labor law, employees can take up to 03 days off/ month without doctor's certification</i></p> <ul style="list-style-type: none"> Up to 03 days More than 03 days <p>7.2. Self-perceive health condition (<i>question 42</i>)</p> <ul style="list-style-type: none"> Very good and Good Fairly good and Average Weak or very weak 	<p>15 points</p> <p>5 points</p> <p>0 point</p> <p>10 points</p> <p>5 points</p> <p>0 point</p>

Summary table

1. Respondent Trust	10 points
2. Employment status	15 points
3. Education background, skills and work experience	30 points
4. Personal goal and expectation	10 points
5. Available support	5 points
6. Obstacles	15 points
7. Health condition for desired job	15 points
Total	100

JOB SURVEY FORM

As part of USAID five-year Workplace-based Prevention and Employment and Supportive Services for High-risk Individuals in Vietnam (WPES) project, Chemonics International Inc. carries out a vocational training and employment support program for self-help group members.

This job survey form aims to survey your recent employment history. Your identity will be kept confidential.

Please, circle the number in the Answer Column that you think true, and contact our consultants when you need support.

Code: í

TT	QUESTIONS	ANSWERS
A. General information:		
1.	Name: í ..	
2.	Gender:	[1] Male [2] Female
3.	Date of birth:	Date: í í í í Month: í í í Year: í í í í í
4.	Permanent Address:	Ward: í í í í í í í í í í í District: í í í í í í í í í í í ..
5.	The most reachable telephone No: Other telephone No: Email:	í .
6.	Marital status:	[1] Single [2] Married [3] Separate [4] Divorced [5] Widowed
7.	Who are you living with at the moment?	[1] Alone [2] With wife/husband or sex partner [3] With parents

16.	Are you currently self-employed or working for someone?	[1] No [2] Working for a company/ organization [2] Self-employed
17.	What is your current job?	1. í í í í í í í í í í í í í í í í í í í 2. í 3. í .. 4. í .í í í í í í í í í í í í í í í í í í í . 5. í ..
18.	Your working time is:	[1] Official working day [2] Work in shifts [3] Seasonal [4] Part-time, please specify í í í í í í í í í
19.	What kind of employment contract do you have with your employer? <i>(ignore if you chose answer [1] in question 11.)</i>	[1] No contract [2] Indefinite [3] Definite, please specify duration of contract: í í í í ..months/ years [4] Seasonal [5] Other, please specify ...í í í í í í í í í
20.	How did you find this job? <i>(ignore if you chose answer [1] in question 11.)</i>	[1] Press, advertisement [2] Employment exhibition [3] Relatives and friends [4] Local governmental agencies [5]Your contacts [6] Employment agencies [7] Other, please specify ...í í í í í í í í í
21.	What is your monthly salary?	í í í í í í í í í í í í í í í VND/ month
22.	Do you want to find a job?	[1] Yes [2] No (<i>continue with Question 28</i>)
23.	Your desired job:	í í í í í í í í í í í í í í í í í í í ..

24.	Your desired working time:	[1] Full-time (8 hours/ day, 5-6 days/ week) [2] Part-time, please specify
25.	Your desired salary:	VND/ month
26.	Your desired work location:	District
27.	What kind of support do you need to do your desired job?	
28.	Do you need a loan?	[1] No (<i>continue with Question 30</i>) [2] Yes
29.	For what reasons you need this loan?	
30.	What is your highest educational level? <i>(circle your highest level)</i>	[1] Primary school (grade 5) [2] Secondary school (grade 9) [3] High school (grade 12) [4] Vocational school [5] College/University [6] Master or higher grade [7] Other, please specify
31.	What is/are your profession(s)? <i>(multi-choice)</i>	[1] Tailor [2] Electricity, Electronics [3] Machinery [4] Carpentry [5] Building [6] Cooking [7] Services (tourism, restaurant) [8] Driver [9] Sales and Business Development [10] Accounting, Finance [11] Information Technology [12] Other, please specify

		[13] No									
32.	Have you ever had training at a vocation training institution?	[1] No (<i>Continue with Question 35</i>) [2] Yes									
33.	When and what professions you had training?	<table border="1"> <thead> <tr> <th>Time (Month/ Year)</th> <th>Profession</th> <th>Institution</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Time (Month/ Year)	Profession	Institution						
Time (Month/ Year)	Profession	Institution									
34.	Did you get a job after training?	[1] No [2] Yes, please specify í í í í í í í í í í í . í									
35.	Are you willing to participate in any training program to improve your skills?	[1] No [2] Yes, please specify í í í í í í í í í í í .									
36.	Your foreign language skills: <i>(multi-choice)</i> <i>(give grade from 1 to 3:</i> <i>1 = little; 2 = averaged; 3 = good)</i>	[1] No [2] English: <i>Listening.....Speaking.....Reading.....Writing.....</i> [3] French: <i>Listening.....Speaking.....Reading.....Writing.....</i> [4] Mandarin: <i>Listening.....Speaking.....Reading.....Writing.....</i> [5] Japanese: <i>Listening.....Speaking.....Reading.....Writing.....</i> [6] Other, please specify í í í í í í í í í í í í									
37.	Your computer skills: <i>(multi-choice)</i>	[1] No [2] MS Words [3] MS Excel [4] Other, please specify í í í í í í í í í í									
38.	Have you had difficulty in finding a job? What were the reasons?	[1] No difficulty [2] Health condition does not meet work requirement									

		[3] Medical treatment schedule affects work schedule [4] Discrimination [5] No transportation means [6] Other, please specify í í í í í í í í í í ..
39.	Have you received any support from any organization/ person?	[1] No (<i>continue with Question 41</i>) [2] Yes
40.	If yes, what kind of support have you received? <i>(multiple-choice)</i>	[1] Training fee reduction or exemption [2] Employment support [3] Financial support/ Loan providing [4] Other, please specify í í í í í í í í í í
41.	What is your current transportation means?	[1] Don't have any [2] Bicycle [3] Motorbike [4] Private car [5] Other, please specify í í í í í í í í í í
C. Health condition		
42.	How is your current health condition?	[1] Very good [2] Good [3] Fairly good [4] Average [5] Weak [6] Very weak
43.	Have you had any manor illnesses in the past year?	[1] No [2] Yes, please specify í í í í í í í í í í ..
44.	Your health indicators:	Weight í í í í í í í í í í .kg
45.	Did you have CD4 examination in the last 6 months?	[1] No [2] Yes, please specify í í í í í í í í í í ..
46.	How is your current psychological condition?	[1] Good

