Tap the Energies of Youth

Viet Nam’s future belongs to its young people and the country can develop faster when it gives them a full stake in the society. The United Nations believes that unemployment is the problem; youth is the solution.

The Youth Development Strategy to 2010, recently approved by the Government of Viet Nam, identifies unemployment as the single biggest difficulty currently facing Vietnamese youth. The Youth Strategy also views employment and labour as lying at the centre of the national fight against poverty.

The UN believes Viet Nam will get far if it develops, nurtures, and exploits fully the immense potential of the partnerships among government, workers and employers in developing strategies that provide more and better jobs for Vietnamese people, especially the youth.

Young women and men warrant special attention because jobs provide not only a source of income, but also of dignity and self-respect. The negative consequences of extended periods of youth unemployment, are known to include health problems, drug addiction and other social problems and to perpetuate a vicious cycle of exclusion and poverty.

Viet Nam’s young labour force represents both an enormous asset in the country’s development drive and a serious challenge as far as employment creation is concerned. Over 16 million of Viet Nam’s population of 80 million are young people aged 15-24. It is estimated that 5% of young people are out of work and 26% are underemployed. And around 1.4 million young job seekers enter the labor market each year.

First time job seekers, unskilled workers and women are likely to become the first victims of rising unemployment. Unemployment rates among young people are generally much higher than the average. Companies are loth to hire untested and less productive young people.

The increase in unemployment can be attributed to a combination of the following factors: First, and quite obviously, is that job opportunities are not increasing at the same rate as the number of job seekers, mainly the youth, entering the labour market. Secondly, job seekers’ skills do not match those required by the labour market. Thirdly, the restructuring of state-owned enterprises as well as stiff competition among enterprises, result in efforts to streamline and downsize.

The UN also recognizes that a high level of unemployment not only worsens income poverty, but also poses a veritable threat to the social stability of any nation. The challenge for the Government, therefore, is to provide for effective employment policies, unemployment insurance schemes, vocational guidance and counselling, and other employment services that are sensitive to the particular needs of youth.

Creating employment opportunities for many, particularly the youth, is central to the sustainable economic development. Actions are needed to promote employability, equal opportunities, entrepreneurship and employment creation for youth.
1. **Employability** – to ensure access by the youth to appropriate education and training followed by adequate support during the transition to work. Vietnamese youth cannot confront the challenges of tomorrow with yesterday’s skills. Recent data point to a mismatch between what the labour market demands and skills job seekers offer. Although the literacy rate of the Vietnamese workforce is generally high, skills taught in many vocational and technical schools do not necessarily match employers’ needs. Focus is needed to end this mis-match.

2. **Equal opportunities** – to provide equal opportunities for all – men and women – to realize their full potential, in education or when entering the labour force for the first time. No society has truly advanced by depriving itself of the talents and abilities of women. Young women must be given a full range of employment opportunities and not be limited to poorly paid or traditional occupations. According to a recent ILO survey, when hiring workers, employers’ preferences continue to be influenced by gender perceptions, although these were said to be only of secondary importance after experience and training.

3. **Entrepreneurship** – to make it easier to start and run enterprises to provide more and better jobs for young women and men and encourage self-employment. Since the enactment of the Enterprise Law in 2000, almost 60,000 private companies have been created, providing 1.3-1.5 million of new jobs. Because the majority of the newly created enterprises concentrate in the main urban centres, attention needs to focus on the full implementation of the Enterprise Law in rural provinces to ensure a more balanced distribution of job creation in Viet Nam. UN agencies can work together with business associations and trade unions to facilitate the start-up and expansion of businesses, while supporting and strengthening labour standards.

4. **Employment Creation** – to adopt those policies that will encourage job-led economic growth. Investment in industries and businesses that create jobs, such as manufacturing and textiles, are more important for human development than industries that require large amounts of capital, such as oil exploration and production. Special initiatives that facilitate access to credit are needed to support young entrepreneurs. Today, almost 70 per cent of SMEs rely on families and friends for start-up capital.

As the United Nations Secretary-General says: “Young people should never be seen as a burden on any society, but as its most precious asset.” The best way for all of us to celebrate this International Youth Day here in Viet Nam is to ensure that all Vietnamese youth are given the opportunity to contribute to the development and the progress of their society.