

Unemployment Rate in Vietnam from 2011-2020

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Abstract

The research paper aims at creating an overview article on the topic of the unemployment rate in Vietnam from 2011-2020. The research paper investigates sources and concludes the unemployment rate in Vietnam from 2011-2020. Text synthesis, analysis, comparison, and other methods are used.

Keywords: *unemployment rate, Vietnam.*

1. Introduction

The research paper is an overview of the unemployment rate in Vietnam in the years 2011-2020. The research paper's main aim is to investigate the unemployment rate in Vietnam and thus the following secondary objectives are used:

- Secondary objective no. 1: present unemployment from the theoretical point of view,
- Secondary objective no. 2: investigate available sources and described the unemployment rate in Vietnam from the point of view of the unemployment rate, gender, age, and Education.
- Secondary objective no. 3: to conclude the unemployment rate in Vietnam in 2011-2020.

For this, the methodology of analysis and synthesis is used. This research paper investigates already existing sources and draws a conclusion based on the sources.

2. Problem Definition

The second chapter defines unemployment, the unemployment rate, and its connection to age, Education, and gender in general.

2.1 Unemployment Rate

The unemployment rate is the percentage of people who are actively looking for work but are unable to find it. It is a lagging indicator, which means that it tends to increase or decrease after the underlying economic conditions have already shifted, rather than predicting those shifts in the economy. It is reasonable to predict an increase in the unemployment rate when the state of the economy is so precarious and there are so few available jobs (Anderson, 2022).

The unemployment rate represents the percentage of the labor force that is currently without a job but is looking for work. It is vital to keep in mind that the unemployment rate does not reflect the whole population but rather the proportion of jobless job searchers in the labor force (the sum of employed and unemployed individuals) as stated by the Economy Policy Institute (2022).

The unemployment rate can be determined in a broad sense by dividing the number of people without jobs by the total labor force (which includes both employed and unemployed people) and then multiplying the result by 100. This gives the unemployment rate (Duignan, 2022):

$$U = \frac{\text{Unemployed People}}{\text{Labour Force}} \times 100$$

The main factors of unemployment are frictional unemployment (seasonal workers), and structural unemployment (immobility, changes in technology, and structure of the economy) as stated by Pettinger (2021).

2.2 Unemployment Rate and Age

For instance, in the USA, by the year 2020, the percentage of people aged 55 and older who were employed had fallen to 36.4%. In the year 2020, employment rates for young individuals ages 16 to 24 were at 45.9 percent. This makes the age group 55 and more years old as most employed age group in the USA (Statista, 2022).

2.3 Unemployment Rate and Education and Gender

For instance, OECD revealed the following facts (OECD, 2022):

1. Gender employment inequalities are pervasive. The OECD report published in 2017 and titled "The Pursuit of Gender Equality: An Uphill Battle" revealed that despite decades of progress, women are still much less likely than men to engage in paid work, and when they do, they are less likely to advance in their careers or become business owners, more likely to work shorter hours, and end up in precarious, low-status jobs. Despite decades of progress, women are still much less likely than men to engage in paid work (OECD, 2022).
2. There are two ways in which women with lower levels of education are at a disadvantage. Although gender employment disparities can be found across all levels of educational attainment, they are most pronounced between men and women with lower levels of education. In nations that are members of the OECD, the gender employment gap between men and women who have a low level of educational attainment is 19.5%. This is more than double the difference that exists between men and women who have advanced degrees.

3. Methodology

For this article, the methodology of analysis has been used. The methodology contains a comprehensive literature review and data presentation in a summarizing form. The research article aims mainly at:

- To be an overview article on the topic which introduces the topic to the academic public,
- To present information on the unemployment rate in Vietnam from 2011-2020.

4. Research

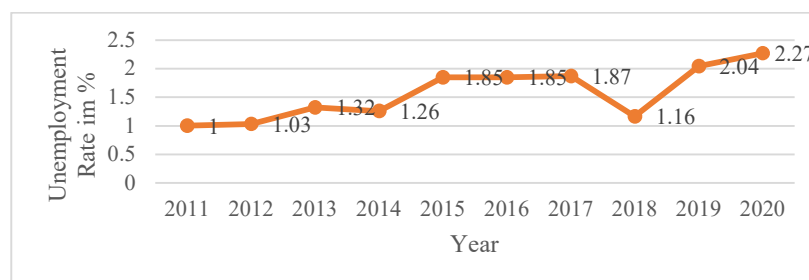
The following chapter concerns the main research from the point of view of the general unemployment rate, unemployment by age, and unemployment by education and gender in Vietnam from 2011-2020.

4.1 Unemployment Rate in Vietnam

The overall unemployment rate is projected to average 1.5% from 2011 to 2020, which implies a comparatively low unemployment rate in comparison to other nations, such as those in Europe.

The progression of Vietnam's unemployment rate is depicted in the following chart, which spans the years 2011 through 2020.

Chart 1 Unemployment rate in Vietnam from 2011 to 2020



Source: Statista (2020).

The national unemployment rate was 1.0% in 2011, however by 2020, it had climbed to 2.2% from its previous level. Throughout the monitored period, the unemployment rate was almost always lower than 2.0%; nevertheless, it seemed likely that we would witness an uptick in 2019 and 2020 that would put it beyond 2.0%.

The unemployment rate increased from 1.0% to 1.3% between 2011 and 2013, but then it significantly fell to 1.2% in 2014. This resulted in the overall jobless rate increasing to 1.87% between 2015 and 2017. Between 2011 and 2013, the unemployment rate increased from 1.0% to 1.3%.

Between 2011 and 2013, the unemployment rate increased from 1% to 1.3%; however, it then somewhat decreased to 1.2% in 2014, which led to an increase in the overall unemployment rate to 1.8% in the years that followed, from 2015 to 2017. The increase in the overall unemployment rate occurred between 2015 and 2017.

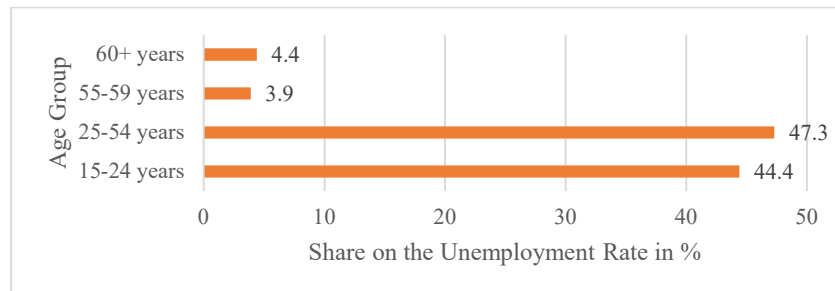
The unemployment rate dropped by a large margin in 2018, reaching a low of 1.1%; however, it climbed back up to 2.2% in both 2019 and 2020. This reflects a change of 1.1 percentage points when compared to the years 2018 and the year 2020 respectively.

During the period under review, there was a general trend toward an increase in the unemployment rate in the Socialist Republic of Vietnam.

4.2 Unemployment Rate by Age in Vietnam

When broken down by age group, Vietnam's unemployment rate in 2020 revealed some intriguing trends, such as the fact that a relatively high proportion of adults between the ages of 15 and 54 were out of work. The following graphic breaks out, according to age group, the percentage of unemployed people that make up the overall unemployment rate.

Chart 2 Unemployment rate in Vietnam by age group



Source: *Tap Chi Con So Su Kien*, 2020.

People who are between the ages of 25 and 54 make up the largest portion of the labor force that is unemployed. This age group had a fraction of overall unemployment which was 47.3%, which was higher than the national average. After this age group came to the age group that ranged from 15 to 24 years old, which had a share of 44.4% of the total population.

The percentage fell as the age of the participants increased. The age group that ranged from 55 to 59 years old had a share of 3.9%, while the age group that included those 60 and older had a share of 4.4%. It is noteworthy to see that the share dropped off significantly with increasing age groups.

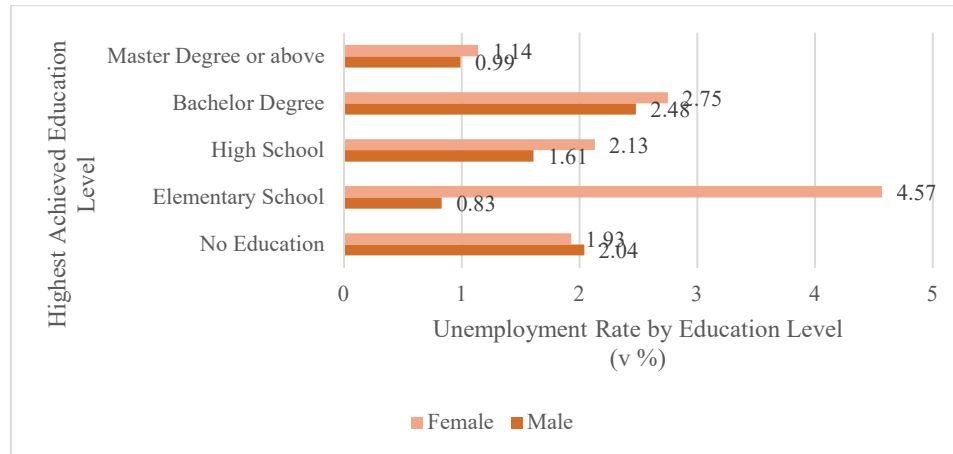
4.3 Unemployment Rate by Education and Gender in Vietnam

The unemployment rate is notably different not just between women and men but also according to the amount of education that was attained. This difference is true for both genders.

In general, it is possible to state that, although there is not much of a difference between the unemployment rates of men and women for those without any education and those with a degree

from a university, there was the largest difference for those who had completed primary education. This was especially true for those who had a high school diploma. The rate of unemployment is broken down by level of education and gender in the following chart.

Chart 3 Unemployment rate in Vietnam in 2020 by educational attainment and gender



Source: *Tap Chi Con So Su Kien*, 2020.

The unemployment rate for men with a bachelor's degree was 2.4%, which was the highest of any educational level. On the other hand, the group of men who had completed primary education had the lowest unemployment rate of all the groups analyzed in the year 2020. This group's unemployment rate was only 0.8%, making it the group with the lowest unemployment rate of all the groups evaluated.

Even at 4.5%, the unemployment rate was highest among women who had completed primary school, making it the highest rate across all groups and genders. In the case of women, the highest percentage of unemployment was among women who had completed primary education.

On the other hand, the unemployment rate for women who had earned a master's degree or higher was the lowest in the country at 1.1%.

It is also important to note that when comparing males and females, the only category in which there were substantial differences was the population that had completed primary school. There was a gap of 3.7 percentage points between the unemployment rates of men and women who had only completed primary education. Men had a lower unemployment rate overall.

5. Conclusion and Findings

The research paper was an overview of the unemployment rate in Vietnam in the years 2011-2020. This research papers main aim is to investigate the unemployment rate in Vietnam and thus the following secondary objectives were used:

- Secondary objective no. 1: present unemployment from the theoretical point of view,
- Secondary objective no. 2: investigate available sources and described the unemployment rate in Vietnam from the point of view of the unemployment rate, gender, age, and Education.
- Secondary objective no. 3: to conclude the unemployment rate in Vietnam in 2011-2020.

This research paper aim has been reached. Vietnam's unemployment rate has risen from 1.5% in 2011 to 2.2% in 2020, a shift of 1.1 percentage points. The largest part of the unemployed is made up of people between the ages of 25 and 54. Vietnam has a relatively low unemployment rate compared to for instance European countries. The unemployment rate by education differs significantly not only according to the level of education achieved but also between women and

men. The difference in the unemployment rate between men and women with primary education was 3.7 percentage points in favor of men, who showed a lower unemployment rate.

It is possible to draw the following conclusions:

- The average general unemployment rate for the period 2011 to 2020 is 1.5%, which indicates a relatively low unemployment rate compared to for instance European countries.
- In 2011, the overall unemployment rate was 1.0%, but by 2020, it had risen to 2.2%.
- During the monitored period, the unemployment rate was mostly below 2.0%, but in 2019 and 2020, it was probable to see an increase above 2.0%.
- The unemployment rate by age group in Vietnam in 2020 recorded certain interesting things, namely, for example, a relatively high proportion of unemployed among people from 15 to 54 years of age.
- The largest part of the unemployed is made up of people between the ages of 25 and 54.
- In this age group, the share of total unemployment was at the level of 47.3%.
- This age group was followed by the age group from 15 to 24 years of age, in which the share was 44.4%.
- The 55 to 59 age group had a share of 3.9% and the 60+ age group had a share of 4.4%.
- In general, it can be stated that, while the difference between the unemployment rate of men and women is minimal for people without education and for people with a university degree, the highest difference prevailed especially for people who had completed primary education.
- On the contrary, the lowest unemployment rate for men was especially among men who completed primary school, where the unemployment rate was only 0.8%, which represented the lowest unemployment rate of the groups evaluated in 2020.
- In the case of women, the highest unemployment rate was among women who had completed primary education, even at 4.5%, which marked the highest unemployment rate across groups and gender.
- Conversely, the lowest female unemployment rate was among women with at least a master's degree, at 1.1%.
- The difference in the unemployment rate between men and women with primary education was 3.7 percentage points in favor of men, who showed a lower unemployment rate.

As of recommendations, it is possible to suggest the following recommendations to address the unemployment rate in Vietnam:

- Vietnam deals with unemployment in a good manner thanks to cultural and economic factors,
- It is necessary to keep the unemployment level low and thus to further facilitate the creation of new workplaces via subsidies and stimuli from the government and public sector.

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