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Job Creation in Hai Phong, Vietnam

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Abstract

A job is one of the basic needs of humans to ensure their life and comprehensive development. Job and job creation are listed as first priorities in sociodevelopment policies in Vietnam. Job policy, policies systems, and solutions to create jobs, develop a job market, and reduce jobless rates are the most basic policies of the nation. A job policy ensures that all persons who are capable of working will have the chance of a job and this will contribute to ensure the safety, stability, and development of society.

Keywords: human resource, job, job creation, job policy, job solution, labor quality

1. Introduction

Hai Phong is an important transport hub and the center of industry, commerce, tourism, and services in the north of Vietnam. The oldest seaport city and a growth pole in the triangle Hanoi–Hai Phong–Quang Ninh, it is located in two corridors—an economic belt between Vietnam and China. With a natural area of over 1500 km², Hai Phong is divided into 15 administrative divisions, including seven districts, six rural districts, and two island districts. The city has over 1.9 million people and the workforce is almost 1.4 million, of which the proportion of trained labor is 75%. The GRDP growth rate of Hai Phong is currently 11%, higher than the average GDP growth of the country [1].

In the structure of GDP, the industry–construction sector dominates at 43.3%, the service sector accounts for 50.2%, while the agriculture–forestry–fisheries sector accounts for 6.4% [2].

Being a city with a long history of operations and port development, port throughput capacity has increased more than twice each year, from 32 million tons in 2010 to about 80 million tons/year in 2017 [2]. With a transport system that includes all types—marine, waterways, road, aviation, and infrastructure development, along with policies to attract investment for

strong socioeconomic development—the city is increasingly attracting more investment projects, which are important to the economic restructuring of the city to increase the proportion of industrial production and services.

2. The demand and development orientation of Hai Phong

The central government is determined to make Hai Phong a city of Green Port, civilized, modern, service centers, with significant industrial competitiveness; a key marine economic development area; an education—training, health service, and science—technology center of the northern coastal region; an important transport hub; and the main gateway to the sea of the northern provinces and the economic corridor between Vietnam and China. All this industrialization and modernization should be completed by 2020.

To achieve the above objectives, the city is determined to adjust the economic structure and growth model innovation, enhance economic competitiveness, and ensure sustainable development requirements by 2020. The city's basic targets in the coming period are: restructure the economy towards the greening of existing industries and encourage the development of industries with effective use of energy and resources with high added value; increase widespread application of advanced technology to more efficiently use natural resources and reduce the intensity of greenhouse gas emissions, contributing to an effective response to climate change; improve people's lives, build a friendly lifestyle environment through creating more jobs from industry, agriculture, and green services; invest in green infrastructure development; improve the quality of human resources, especially training to serve economic development; and pay more attention to financial resources and human development to create the green lifestyle and sustainable consumption habits in the context of global integration.

Improving the quality of human resources, especially those that focus on training to serve the green economic development, is considered one of the important goals for the sustainable development of the city. The priorities are: to invest in high-quality education for its citizens; to invest in intelligent infrastructure for smart move; to invest in smart connections for the foundation and implementation of intelligent, virtual control systems; to improve the investment environment for sustainable economic growth and high quality of life; to manage the exploitation of natural resources to protect the environment; and to meet standardized criteria: security, welfare, and safety.

3. Job issues in Hai Phong city

Employment is a global matter and the concern of many countries. It is a decisive factor in the life of each person of working age, and a condition of human existence in society.

To solve the matter of employment means creating jobs for laborers, which is significant and crucial for the socioeconomic development of each country. Without creating jobs for the labor

force will cause unemployment and underemployment, and is the cause of poverty, social instability, and slow economic growth. Consequently, a job policy has become one of the basic social policies of many countries in the world to ensure safety, stability, and social development.

Currently, the policy on jobs in Vietnam has been legalized in the Labor Law, and the guidelines have defined basic standards and policies to create jobs and support measures of the state to promote job creation for laborers. However, these policies are mainly for labor adjustments to labor relations; other subjects such as employment in the informal sector and rural areas have not yet been specified. Many new regulations can only be made by introducing laws; however, legality is neither prominent nor consistent with the real situation. Policies are general yet clear: lack of policies on equal jobs, safe jobs, and the provisions on full-time and part-time jobs; lack of clear definitions of both the concepts and the labor market; and incomplete state support solutions and an inability to meet practical requirements. All this causes difficulties in the management and implementation of employment.

Policies are comprehensively issued but implementation in some localities is poor and problematic because of the overlapping mechanism and no separation of responsibilities between the implementing agencies. Some localities and enterprises do not fully implement the policies, such as regulations on the establishment of the Job Fund, and implementation of policies is contrary to regulations; many programs and projects of socioeconomic development must have job creation plans but these are not applied, making enterprises unable to recruit or meet their requirements and having a detrimental effect on their project progress.

Annually, the population and labor growth rate have tended to increase rapidly, therefore job creation has become an important and fundamental social policy not only in Vietnam but also in many countries in the world to ensure safe and stable social development. Creating more jobs and curbing unemployment are two of the macroeconomic objectives that Vietnam is interested in achieving.

Jobs can be divided into sectors: (1) agriculture, forestry, and fisheries; (2) construction; (3) services; (4) transportation; (5) natural resources; (6) tourism; (7) banking and financial; (8) IT; and (9) working overseas.

Human resources can be included: (1) management staff; (2) civil servants; (3) entrepreneurs; (4) scientists; (5) lecturers, teachers, and trainers; (6) medical staff; (7) culture and sports sector staff; (8) judiciary staff; (9) court staff; and (10) marine economic sector staff.

The formulation of a strategy to create jobs is always one of the important management considerations of the city and sector leaders. To successfully implement a job creation target, the following measures have been conducted synchronously:

1. Job creation is based on the basic principle of ensuring social justice.
2. The city is responsible for the financial support to promote jobs; vocational training for the labor force; protection; encouraging people to enhance their earnings legitimately; protecting the freedom of movement of workers; encouraging the creation of new jobs to attract workers; and exploiting the potential of people and foreign investment.

3. A target should be set to create new jobs in the city's five-year and annual socioeconomic development plans, to encourage the ability to create jobs for personnel and organizations.
4. A system of job centers needs to be developed.

The process of industrialization and modernization in association with the process of urbanization in major cities has made the issue of job creation, now and in the coming years, an urgent matter. In Hai Phong in 2016 there were 54,000 jobs created (over 3.8% of the Hai Phong Socio-Economic Development Plan 2016) [2]; the connection between supply and demand for labor is enhanced; and the management of foreign labor is being restrained. In addition, the vocational network has been maintained with 58 vocational schools and centers with more than 48,000 students.

City leaders identified in the 4.0 Industry era that the widespread application of the achievements of information technology, automation, cybernetics, and robotic systems with artificial intelligence will replace humans in many stages or throughout the whole production process, especially in sectors that are labor intensive. Moreover, modern technologies have sparked new revolutions in many sectors of the world economy such as 3D printing, robotics, and automation, employing very few workers. These types of technology will challenge the "mass production" model with the "batch customization" model and automation with lower costs.

Therefore, if industry is based only on simple skilled labor, it will not be able to catch up with Industry 4.0.

This is both a great pressure and an opportunity to set up high-quality human resources, able to quickly adapt to new and creative technologies—key factors for the city's development and international integration. Therefore, the city has embarked on a strategy of fostering talents and building appropriate business models in combination with investment in education and training of high-quality human resources.

4. Labor quality of Hai Phong city

According to the World Bank, Vietnam's human resource quality reached 3.79 points (on a scale of 10), ranking 11th out of 12 countries surveyed in Asia, while Korea reached 6.91 points, India reached 5.76 points, and Malaysia reached 5.59 points. This evaluation shows that Vietnam's human resource is weak in quality, inadequately motivated, uncreative, and labor intensive. Vietnamese experts also commented that the quality of human resources in Vietnam is low and there are big gaps with other countries in the region. Vietnam's human resource competitiveness index reached only 3.39 out of 10 points. This is a sign that Vietnam is short of skilled labor and high-tech workers. Of the over 53.4 million workers aged 15 and over, only about 49% have been trained, of which more than 19% have been trained for three months or more.

Hai Phong is one of the major industrial centers of the country with a large number of workers. In reply to the requirements of industrialization and modernization of the country and the city, in recent years, Hai Phong has taken many measures to develop a vocational training

system and expand production and business establishments in response to concerns about the implementation of social policies for workers.

Hai Phong's labor force has increased gradually over the years; in 2013 the workforce was 1,082,300, accounting for 56.2% of the population, by 2015 the number of workers was 1,090,400, accounting for 57.5% of the population. Along with the increase in the workforce, the number of trained workers has also increased over the years [3].

In 2013, the city's trained labor force accounted for 26.61% of the workforce and by 2015 it was 31.8%. However, the reality is that Hai Phong is still lacking both workers with high professional qualifications and skills and technical workers in some key industries.

5. Human resource development of Hai Phong city

To develop human resources and create jobs, the city has paid much attention to building a strategy for the development of human resources:

1. Creating a master plan for human resources on the basis of linking the sector development plans that are suitable for each stage of economic development;
2. Developing lifelong learning for lifelong competence;
3. Initiating talent development;
4. Changing the working environment;
5. Improving the quality of human resources through training and implementation of effective policies to attract talented people from abroad.

This is one of the decisive solutions to improve the competitiveness of enterprises, increase productivity, create more jobs, increase income from labor, and create stability and sustainable development for the city.

From 2005 to 2015, the workforce of Hai Phong has increased considerably. The number of people in the labor force aged 15 and older has risen from 932,000 in 2005 to 1,090,400 in 2015. This has helped the city fulfill its labor force requirements but also put pressure on jobs and safety and welfare issues.

The number of trained people tends to increase rapidly, the training structure is more and more reasonable, the quality of human resources and training level has gradually improved to meet the demands of the labor market, and labor productivity tends to be higher. Labor is moving towards industrialization and modernization, quickly transferring to the fields of finance, banking, auditing, telecommunication, mechanical engineering, shipbuilding, technology, new materials, marine technology, marine economy, logistics, etc.

In terms of education and training, Hai Phong has a better education system than neighboring provinces and good social infrastructure. Hai Phong city is ranked the third largest in the

nationwide educational index with four universities, 16 colleges, and 26 professional vocational schools. Maritime University is the first university in Vietnam and meets ISO 9001-2000; it is the only university in Vietnam with certification recognized in all countries throughout the world. The literacy rate has reached 97.6%, the highest in the country. Completion level of secondary since 2001 and level of high school and vocational school since 2008.

Human resources for marine economic development are paid special attention. The Maritime University has sent many students, trainees, and doctoral students to study and exchange knowledge on marine research, shipbuilding, and marine engineering with Tokyo Maritime University, Japan, Korea Maritime University, Dalian Maritime University, China, Liege University, Belgium, California Maritime Academy, Delft University of Technology, Netherlands, etc. Besides, vocational training schools also participate in many associated programs with vocational colleges and professional organizations of some countries, such as Hai Phong Vocational College coordinated with Kitakyushu Professional Association (Japan), to provide vocational training for students. International cooperation with the marine sector is robust and new elements have appeared.

The city has been actively cooperating with international provinces and cities such as Incheon (Korea) and Brest (France) on maritime activities and marine economy, and collaborating with the National Oceanic and Atmospheric Administration (NOAA) of the United States in promoting the Marine Spatial Planning of Hai Phong City. Universities and research institutes in the city are involved in joint-training and exchange activities with many colleges and institutes of many countries in the world.

Basically, Hai Phong's human resources are low quality, low skilled, lack practical experience, suffer from limited competitiveness, are ill prepared for international integration, and easily affected by international economics changes. The rate of trained workers at the level of vocational schools is low and gradually declining, and poorly trained workers are still common (accounting for 81.6%). This shows an imbalance, reflecting the situation of lack of workers. The contribution of workers to the economic growth of Hai Phong has gradually reduced since 2001, contributing 3.05% of the GDP growth rate of 10.38%; by 2010 it was only 0.26% of the GDP growth rate of 10.96%.

The main cause is low labor productivity and slow labor force growth. The current general assessment of human resource development in the city is the inadequacy of high-quality human resources: large number of management staff but lacking power; limited knowledge of law, administration, economics, foreign languages, computer science, etc.; and an imbalance between structure, level, and age.

Human resources in science and technology are still weak and do not meet the requirements of understanding complicated issues requiring high scientific and technological contents. The imbalance in training disciplines and the lack of high-quality human resources for industrialization and modernization with the development requirements and specific features of the city, such as marine technology, new material technology, nanotechnology, biotechnology, etc., result in the absence of leading cadres in a number of scientific fields, especially the lack of highly qualified young adolescents. The quality and effectiveness of the research topics are limited, do not match the potential, and are not closely linked to training and scientific research; the field of

activity is narrow. The preparation of human resources in science and technology in enterprises is insufficient, and the capacity to operate and transfer technology does not meet the requirements.

6. Solutions to increase jobs in the city

To increase jobs for workers, the city has implemented a set of measures to stimulate labor demand growth, with a focus on choosing the right economic growth model to address the relationship between economic growth and jobs by increasing the priority for key industries, new and high-technology industries, and high-quality services sectors, as well as achieving the target of labor structure in sectors.

To attract workers from neighboring localities, ministries, central agencies, provinces, and cities in the northern key economic region have been coordinated to develop the local economy. At the same time, mechanisms and policies to keep skilled and highly qualified laborers and to attract this labor force from neighboring localities have been set up (e.g., Project 100 supports 100 people to study master and doctoral degrees overseas, then assigns them to work in local organizations, establishing the City Association for promoting talented students and staff to work for Hai Phong).

The city focus on development of the labor market information system, which emphasizes improving and developing the labor market transaction system to create important conditions for the labor market to function normally, carries out the tasks of bridging the gap between labor supply and demand.

To establish and develop a system of information on the labor market at levels from the city to districts, communes, and wards includes the following three subsystems: (1) vocational education system: provides information on training opportunities, training and education programs, and guidance on career options; (2) job information system: provides information on job opportunities, the need to recruit employees in enterprises, the needs of job seekers, and the ability to work in the market; and (3) labor market statistics information system: provides information on labor supply and demand, distribution of the labor force, working conditions, work safety, labor value, and labor productivity. At the same time, every year, the city allocates funds to update information on labor supply and demand in the labor market, investigating, surveying, evaluating, and storing information on quantity and quality of labor sources and on the labor market to organize and implement the information system on labor resource management.

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