



## Vietnam's human resources through 40 years of Doi Moi

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### Abstract

*This article employs a qualitative analytical approach, utilizing secondary documentation and data, to examine the human resource development policies of the Communist Party of Vietnam and Government of Vietnam throughout the Doi Moi (Renovation) periods. The study subsequently assesses the outcomes across the dimensions of scale, structure, and quality. The analysis reveals a distinct “upgrade” in the human resource development directives and policies: the perspective on human resource has evolved from a general approach to a strategic and more open one; the objectives have become increasingly specific and ambitious; and the solutions are more diverse and contemporary, aligning with the context of globalization and the Fourth Industrial Revolution. Over the past 40 years, the scale, structure, and quality of Vietnam’s human resources have undergone positive transformations, enabling the nation to capitalize on its demographic dividend for industrialization and modernization. Nonetheless, the deficit of high-quality human resources currently constitutes a critical “bottleneck” hindering sustainable economic growth.*

**Keywords:** labor force size, labor structure, human resource quality, development strategy, Communist Party of Vietnam.

**JEL classification:** J24, I25, O15, J21, O53.

Over the four decades of *Doi Moi* (Renovation), the Vietnamese State has consistently affirmed the central role of the human element - and of human resources more broadly - identifying it as a decisive factor in the pursuit of the socialist development path chosen by the Communist Party of Vietnam (CPV). The evolution in the CPV's and Government's conceptual understanding of human resources is clearly traceable across successive phases of the reform process. Drawing on qualitative analysis of secondary data and policy documents, this paper examines the human resource development strategies pursued by the CPV and Government over nearly four decades of *Doi Moi*, as well as the achievements recorded across the dimensions of scale, quantity, structural composition, and quality. The study systematically analyses each developmental phase in turn, identifying both the accomplishments and the persistent limitations characterising Vietnam's human resource base, before advancing a set of conclusions and policy recommendations aimed at further strengthening the quality of Vietnam's human capital to meet the demands of international integration and sustainable development in the period ahead.

## **1. Perspectives and policies of the CPV and the State on human resource development in the course of *Doi Moi***

### ***1.1. The initial stage of *Doi Moi* and international integration (1986-2000)***

The *Doi Moi* process was formally inaugurated at the Sixth CPV National Congress. With respect to human resource development, the Resolution of the Sixth Congress articulated a firm commitment to improving educational quality as the foundation for fostering the comprehensive development of a socialist personality among the younger generation. The specific objective was to cultivate a workforce characterised by cultural attainment, technical proficiency, labour discipline, and high levels of creativity, while ensuring occupational synchronicity in accordance with the requirements of the social division of labour.

In the First Ten-Year Socio-Economic Development Strategy (1991-2000), the CPV continued to affirm that the labour force constituted the "most important resource" for socio-economic development - an emphasis rendered particularly significant in the context of an impoverished and underdeveloped nation undergoing the transition from a centrally planned, subsidy-based economic mechanism to a market-oriented system. While Vietnam possessed the comparative advantage of an abundant labour supply, the CPV simultaneously identified significant constraints with respect to the physical health, knowledge base, vocational skills, and entrenched production habits of the workforce. Accordingly, the CPV established objectives to raise the general intellectual level of the population and to improve physical health standards and vocational competencies in order to meet the demands of industrialisation and modernisation.

The tasks set out during this period included: reforming cadre training; developing a professional corps of civil servants and public employees, as well as skilled entrepreneurs; and establishing mechanisms for personnel evaluation and utilisation grounded in practical performance, without discrimination between CPV members and non-members. Further emphasis was placed on modernising administrative management, streamlining the public workforce, eradicating corruption, and implementing procedural reforms within public administration. Nevertheless, during the first five years of *Doi Moi*, while the conceptual foundation identifying human resources as a core developmental factor had been established, the proposed solutions remained relatively broad in scope. These measures were oriented more heavily toward state management and cadre reform than toward the comprehensive development of human capital. During this period, the CPV and Government had yet to formulate a dedicated strategy for education and training, with policy efforts directed primarily at cadre training and the upgrading of administrative management.

In the early 1990s, the leadership's perspective on human resource development was substantively elaborated through two landmark resolutions on education and training: Resolution No. 04-NQ/HNTW (January 1993) and Resolution No. 02-NQ/HNTW (December 1996). In Resolution No. 04-NQ/HNTW, the CPV affirmed that education and training constitute a "top national priority" which, in conjunction with science and technology, serves as a principal driving force for industrialisation and modernisation. Resolution No. 02-NQ/HNTW reaffirmed the foundational role of education and training in human resource development, emphasising that the promotion of human capital is an essential precondition for rapid and sustainable development, while also underscoring the importance of the socialisation of education and expanded international cooperation in the sector.

The objectives established by the CPV encompassed: the construction of a comprehensive national education system spanning from pre-school to tertiary levels; the enhancement of educational quality; the cultivation of talent; and the improvement of students' physical health. Further priorities included expanding the scale of the education system - targeting an enrolment of 20 million students in the 1996-1997 academic year - achieving universal primary education, eradicating illiteracy, and increasing the proportion of the trained labour force. Across both resolutions, the CPV placed considerable emphasis on cultivating a workforce of high academic attainment and developing a cadre corps capable of serving the needs of socio-economic development, national security, and defence.

With respect to concrete measures, the CPV directed the following: the reform of educational content and pedagogical methods; the development of the teaching faculty; the improvement of physical infrastructure; and the strengthening of moral, legal, and practical

skills education. The CPV additionally advocated for accelerating the socialisation of education, diversifying school models, expanding international cooperation, and establishing a National Education Council to facilitate strategic review and policy formulation. Concurrently, measures were mandated to address irregularities within the education sector - most notably the prevalence of private tutoring - while reforming educational management and decentralising administrative authority to local administrations. Compared to the preceding Ten-Year Socio-Economic Development Strategy, the CPV's perspectives, objectives, and proposed solutions with respect to human resource development were rendered considerably more concrete and operationally specific. The Party's overall approach became markedly more open in orientation, reflecting the expanding context of international integration.

### ***1.2. The phase of accelerated industrialization and modernization (2001-2020)***

Within the framework of the Second Ten-Year Socio-Economic Development Strategy (2001-2010), the CPV designated human resource development as one of three "key strategic breakthroughs", alongside institutional development and administrative reform. This strategic positioning underscored the critical role of education, science, and technology in extricating the nation from its underdeveloped status. The human resource development objectives for this decade aimed to raise the proportion of the trained labour force to 40% by 2010 and to cultivate a high-quality workforce capable of serving the country's strategic economic sectors. The CPV further mandated the acceleration of high-quality human resource training, with concentrated focus on science, technology, and administrative reform to ensure the efficient utilisation of human capital.

In furtherance of the CPV National Congress resolutions, the Government promulgated the Education Development Strategy (2001) - Vietnam's first dedicated national strategy for educational development. This Strategy affirmed that education constitutes the decisive factor in extricating the country from its underdeveloped status and laying the foundation for industrialisation and modernisation by 2020. The guiding principles enshrined in the Strategy called for "diversification, standardisation, modernisation, and socialisation" as the basis for building a practical and effective national education system. Specific objectives included: expanding the scale of education at all levels, encompassing vocational training; raising the proportion of the trained labour force to 20% of the total workforce; ensuring social equity in access to education, with particular attention to ethnic minority areas and the universalisation of lower secondary education; and increasing the share of budgetary expenditure allocated to education to 18% by 2005 and 20% by 2010.

The solutions advanced by the Government encompassed: the reform of curricula, textbooks, and pedagogical methods; the development of the teaching faculty; the modernisation of physical infrastructure; and the acceleration of the socialisation of education, with a target of sourcing 25% of educational funding from non-state channels by 2010. Additional measures included addressing systemic irregularities - such as unauthorised private tutoring and diploma management deficiencies - establishing a quality accreditation framework, and decentralising educational management. Further emphasis was placed on strengthening international cooperation, promoting overseas training programmes, and developing key national universities as centres of excellence.

In comparison with the 1986-2000 period, the policy framework governing the 2001-2010 decade was characterised by more specific objectives underpinned by clear quantitative indicators, notably targets for the proportion of the trained labour force and the share of the state budget allocated to education. This phase continued to advance the socialisation of education and international integration, reflecting a broadening of both the resource base and the strategic vision. A more modern governance orientation was evident in the emphasis on decentralising educational management, enhancing institutional autonomy, and establishing quality accreditation mechanisms. Concurrently, the intensified focus on educational quality assurance, accreditation, and the mitigation of systemic irregularities demonstrated a deeper and more institutionally grounded awareness of the structural challenges confronting the education sector.

The Third Ten-Year Socio-Economic Development Strategy (2011-2020) continued to designate human resource development as one of the three key strategic breakthroughs, while placing heightened emphasis on the imperative of high-quality human resources. In the Human Resources Development Strategy (2011-2020), the Government posited that human capital constitutes the most critical source of competitive advantage for sustainable development, international integration, and social stability, with an overarching aim of attaining standards commensurate with those of the more advanced nations in the region. The Government established ambitious quantitative targets: a trained labour force rate of 55% by 2015 and 70% by 2020, with vocational training participation rates of 40% and 55% respectively for the same target years.

The proposed solutions encompassed: the formulation of comprehensive human resource planning; the development of a specialist cadre in priority and breakthrough fields - including state management, science and technology, and healthcare; the promotion of corporate participation in vocational and professional training; and the modernisation of the vocational training system to align with international standards and labour market demands.

In 2013, the CPV issued Resolution No. 29-NQ/TW on the fundamental and comprehensive renovation of education and training. This Resolution affirmed a learner-centred approach to pedagogy and emphasised holistic education encompassing ethics, competencies, and knowledge, in order to meet the demands of industrialisation and modernisation within the context of a socialist-oriented market economy and deepening international integration. In the five-year review of Resolution No. 29-NQ/TW, Conclusion No. 51-KL/TW reaffirmed education and training as a top national priority, with renewed emphasis on international integration and alignment with the requirements of the socialist-oriented market economy. Key objectives articulated in this document included: completing the national education system; universalising pre-school education for five-year-olds; consolidating achievements in illiteracy eradication and universal lower secondary education; and further developing higher education and vocational training. These structural objectives were to be pursued in conjunction with the continuous enhancement of educational quality, the strengthening of international integration capacity, and the resolution of persistent constraints relating to teaching staff and physical infrastructure.

With respect to implementation, the CPV directed the following measures: strengthening Party leadership over the education sector and institutionalising relevant policies through legislation; reforming curricula and pedagogical methods; enhancing the quality of teachers and instructional materials; modernising educational facilities; applying information and communication technology across the education system; and intensifying scientific research and international cooperation in education and training.

From the midpoint of this period, alongside the advantages associated with Vietnam's demographic dividend, the Government also began to recognise the longer-term risks posed by population ageing. This awareness was clearly reflected in two successive national population strategies promulgated in 2011 and 2019. Whereas the former was oriented primarily toward birth rate control - stipulating a norm of no more than two children per couple - the latter marked a strategic reorientation toward adapting to population ageing and leveraging the demographic dividend, with a target of maintaining a total fertility rate of 2.1 and encouraging couples to have two children.

In summary, relative to preceding periods, the 2001-2020 stage was distinguished by a more strategic and long-term orientation on the part of both the CPV and the Government. This was characterised by: a pronounced focus on high-quality human resources and specialist personnel in strategically prioritised sectors; heightened emphasis on international integration, digital technology, and holistic education in alignment with global trends; the progressive institutionalisation of education and human resource development policies through legislative frameworks; and early proactive measures to anticipate and address the structural challenges associated with population ageing.

**TABLE 1: Comparison of Vietnam’s human resource development policies across periods**

<b>Comparative criteria</b>	<b>The 1986-2000 period</b>	<b>The 2001-2020 period</b>	<b>The 2021-present period</b>
Foundational perspectives	Human resources are considered the “paramount resource”, and education is a “top national priority”	Human resource development is identified as one of the three strategic breakthroughs, alongside institutional improvement and administrative reform	Human resource development is identified as a strategic breakthrough, underpinned by a human-centric approach
Strategic focus	The strategic focus encompassed public administration reform and the professionalization of cadres, underpinned by a commitment to elevating public education levels and universalizing access to schooling	The policy underscores the development of high-quality human capital tailored for key industries, accompanied by the first-ever issuance of a dedicated national education strategy	Achieving a breakthrough in high-quality human resources within strategic and priority technological domains is paramount. This objective is coupled with a commitment to holistic human development, encompassing intellectual, ethical, physical, resilient, and cultural dimensions
Strategic orientation of targets	Objectives were primarily broad in nature, focusing on systemic development and quantitative expansion, as exemplified by illiteracy eradication and the universalization of primary education	The period is marked by specific and clearly quantified objectives, such as elevating the trained labor rate to 40% and 70%, and maintaining education budget allocations at 20% of total expenditure	Strategic foresight through 2045 emphasizes the establishment of an open educational framework that remains aligned with Industry 4.0 imperatives, fostering flexibility and lifelong learning

<b>Comparative criteria</b>	<b>The 1986-2000 period</b>	<b>The 2001-2020 period</b>	<b>The 2021-present period</b>
Management and technological solutions	Prioritizing public administration reform alongside the curbing of administrative malpractices	The commencement of administrative decentralization, coupled with expanded autonomy and the development of quality assurance and accreditation systems	This period is characterized by a paradigm shift in mindset and institutional frameworks, coupled with the embedding of digital tools and AI within training programs to enhance learning outcomes
Integration and expansion	Initiating an emphasis on educational socialization and expanding international cooperation in the education sector	Intensifying educational socialization and strengthening international cooperation, with a focus on overseas training and the development of flagship universities	Advancing comprehensive international integration by fostering transnational education and intensifying efforts to attract foreign experts and international students
Responding to demographic trends	Leveraging the 'abundant labor force' advantage as a primary driver for economic growth	Focusing on harnessing the 'demographic window of opportunity' while increasingly addressing the risks of population aging and strategic adaptation (as outlined in the 2019 Strategy)	Adapting to population aging and capitalizing on the remaining demographic dividend

*Source:* Compiled by the authors from CPV documents and Government legal normative documents.

## 2. The current state of Vietnam's human resources over 40 years of *Doi Moi*

As of 2023, Vietnam's national population stands at 100.3 million. The labour force aged 15 and above totals 52.4 million persons, of whom the urban labour force comprises 19.5 million (37.3%) and the rural labour force 32.9 million (62.7%). In terms of gender composition, the female labour force numbers 24.5 million (46.7%) and the male labour force 27.9 million (53.3%). The overall labour force participation rate stands at 68.9%, with male and female participation rates of 75.2% and 62.9% respectively (GSO, 2024). Vietnam's labour force is thus considerable in scale and broadly balanced in gender composition, constituting an abundant human resource base in support of the country's industrialisation and modernisation objectives.

The outcomes of human resource development in Vietnam over nearly four decades of *Doi Moi* are examined below across three principal dimensions: scale, structural composition, and quality.

### 2.1. The scale of human resources

The scale of Vietnam's human resources has undergone significant transformation across successive stages of socio-economic development, transitioning from a period of robust initial growth to more recent indications of deceleration. These changes reflect not only the underlying dynamics of demographic growth but are also closely associated with the process of economic structural transition - from an agrarian base toward industry and services - while simultaneously presenting the challenges attendant upon an ageing population. The following section offers an analysis of these trends across key developmental periods.

TABLE 2: Vietnam's human resources (2023 statistics)

Indicators	1986	1995	2000	2010	2015	2020	2023	2025
Total population (million people)	60	72.5	77.6	86.9	91.7	97.6	100.3	102
Labor force (million people)	33.5	37.5	40.6	49	53.7	55.4	52.3	52.7
Percentage of workforce in the agricultural sector (%)	70	65	60	48	41	32	27	24
Percentage of workforce in industry (%)	12	15	18	22	25	28	30	32
Percentage of workforce in services (%)	18	20	22	30	34	40	43	44
Labor force literacy rate (%)	85	88	90	94	95.5	97.8	97	97.5
Proportion of trained workforce (%)	10	15	23	40	51.6	64.5	68	70
Unemployment rate (%)	15	7.4	6.4	4.6	2.3	2.5	2.3	2.1

Source: Compiled by the authors from General Statistics Office (GSO) data.

The period from 1986 to 2010 was characterised by labour force expansion and the leveraging of the demographic dividend. Throughout this era, Vietnam's labour force grew steadily in tandem with overall population growth (Table 2). This expansion of human resources provided a robust foundation for the *Doi Moi* process, facilitating economic liberalisation and progressive international integration. Notably, from 2007 onwards, Vietnam formally entered the demographic dividend period, characterised by an abundant and relatively young labour supply that effectively underpinned material production and the broader socialist transition.

The period from 2011 to 2020 was marked by the maintenance of abundant human resources alongside the emergence of population ageing. During this interval, Vietnam's labour force remained substantial, with the labour force participation rate stabilising at an elevated level and consistently accounting for approximately 60% of the total population. The absolute size of the labour force grew appreciably, from 49 million in 2010 to 55.4 million in 2020. Vietnam thus continued to capitalise on the demographic dividend to stimulate economic growth and advance its medium- and long-term strategic development objectives. Nevertheless, from 2011 onwards, the country entered the initial stages of population ageing - a transition that signals a gradual shift from the quantitative advantages of labour force size toward the more complex challenge of improving labour force quality (GSO, 2025).

From 2021 to the present, the scale of Vietnam's human resources has entered a period of stagnation; however, it remains substantial while confronting novel challenges. Since 2021, the population growth rate has exhibited a downward trend, leading to a gradual decline in the labor force proportion in recent years. Nevertheless, the scale of the labor force remains high, consistently exceeding 50 million people and accounting for over 50% of the total population, reaffirming that a youthful and abundant human resource base remains a vital asset. This period has seen the emergence of significant challenges regarding the scale of human resources, particularly the rapid pace of population aging. Specifically, in 2024, approximately 14.2 million people were aged 60 and above, representing an increase of 2.8 million compared to 2019 and 4.7 million compared to 2014. It is projected that by 2030, this figure will reach nearly 18 million, an additional increase of about four million compared to 2024. This aging process stems primarily from increased average life expectancy and a sharp decline in fertility rates, leading to profound impacts on socio-economic development in both the short and long term. Currently, it has already altered the labor structure, directly affecting the pace of economic growth and progress (GSO, 2025). Additionally, the trend of overseas labor migration has contributed to the stagnation of the domestic labor force participation rate, exerting further pressure on future human resources.

## *2.2. The structure of human resource*

The structural composition of Vietnam's labour force has undergone significant transformation in alignment with the country's industrialisation and modernisation objectives. This process has been characterised by a gradual reallocation of labour from the agricultural sector toward the industrial and service sectors - a transition that not only reflects the fundamental restructuring of the national economy but also serves as a catalyst for deeper international integration and sustainable long-term growth.

The period from 1986 to 2010 constituted the initial phase of departure from an agrarian-based economic structure. Transitioning from a predominantly agricultural nation - in which the primary sector once accounted for approximately 70% of total employment - Vietnam achieved substantial progress in labour redistribution across this period. The robust expansion of the industrial sector and the emergence of a growing service sector in the wake of economic liberalisation and integration facilitated a steady migration of labour into these two domains. As a result, the share of agricultural employment declined sharply to approximately 48% of total employment (see Table 2). This structural shift reflects the deliberate economic transformation directed by the CPV and the State, and established the foundational conditions for more advanced stages of development.

Building on the preceding growth momentum, the 2011-2020 period witnessed a more pronounced labour transition from agriculture toward industry and services, consistent with the national strategy for industrialisation and modernisation. Large-scale investments in industrial development, coupled with the rapid expansion of service industries - including tourism, finance, and technology - emerged as the principal drivers of this structural shift. As a consequence, the labour force composition became more balanced across sectors, effectively supporting broad-based economic growth.

From 2021 to the present, the labour transition process has intensified in tandem with accelerated urbanisation and the growing predominance of the tertiary sector. A persistent outflow of labour from the agriculture, forestry, and fishery sectors into industry, construction, and - most notably - services has continued to characterise this period. The principal catalysts include rapid urbanisation and deepening industrialisation, which have contributed to a marked contraction in the share of agricultural employment. Projections for 2025 indicate that this share will decline to approximately 24%, while industry is expected to account for 32% and services to predominate at 44% (see Table 2). The expanding primacy of the service sector is driven largely by the rapid growth of emerging fields such as e-commerce, digital finance, and high-technology industries, which are anticipated to further redefine the structural composition of the labour force in the near term.

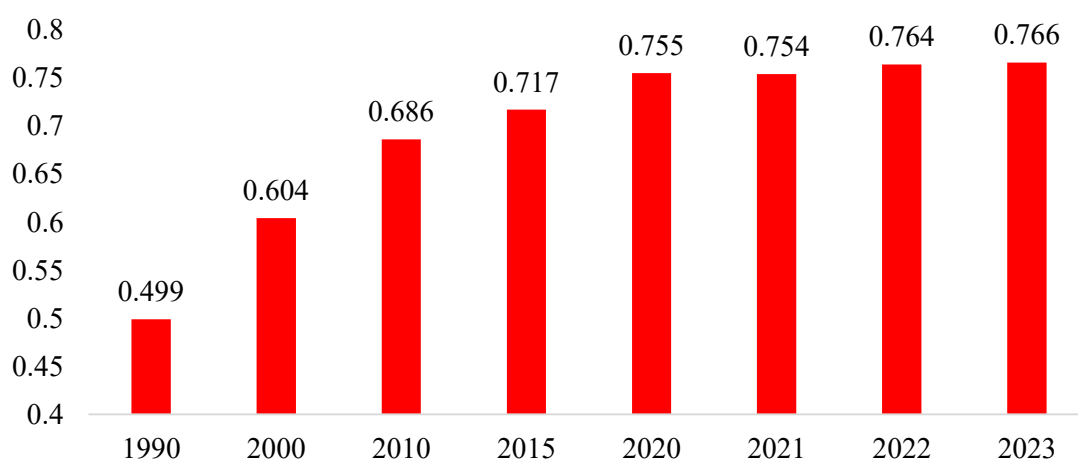
### 2.3. *The quality of human resources*

The quality of Vietnam's human resources has achieved significant milestones across successive stages of socio-economic development, driven primarily by strategic investments in education, healthcare, and vocational training. Notwithstanding these notable advances, a number of structural challenges persist, including pronounced regional disparities, a shortage of highly specialised skills, and comparatively low labour productivity relative to regional peers.

The period from 1986 to 2010 represented a robust initial phase in the enhancement of human resource quality, characterised principally by the promotion of universal primary education. This initiative successfully raised the literacy rate among the labour force from 85% in 1986 to over 94% by 2010. Concurrently, Vietnam placed considerable emphasis on expanding vocational training programmes and the higher education network - encompassing universities and colleges - resulting in a fourfold increase in the proportion of the trained labour force over just over two decades. The unemployment rate also declined sharply during this period, largely as a consequence of the rapid growth of employment opportunities within the informal sector.

These developments contributed to a substantial improvement in Vietnam's Human Development Index (HDI), reflecting holistic progress across the three constituent dimensions of health (life expectancy), knowledge (education), and per capita income. Between 1986 and 2007, Vietnam's HDI grew at an average annual rate of 1.16%, rising from 0.561 to 0.725. The country's global ranking also exhibited an upward trajectory, improving from 109th out of 174 countries in 2000 to 105th out of 177 in 2005. However, by 2010, this growth momentum showed signs of deceleration, with Vietnam's ranking declining to 113th out of 169 countries.

FIGURE 1: **Human Development Index (HDI) of Vietnam**



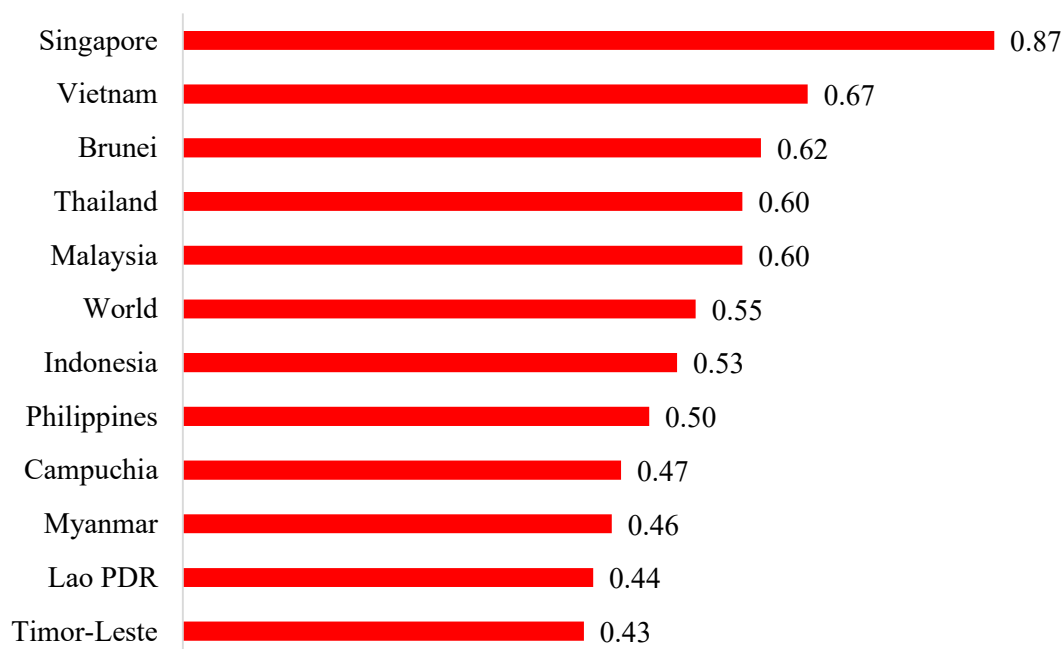
Source: UNDP HDI Database.

Nevertheless, the quality of the labour force continues to face a number of significant constraints. Educational attainment and professional skills have yet to fully align with the requirements of international integration. The persistently low proportion of trained workers - particularly in rural and mountainous regions - has resulted in a pronounced mismatch between the supply of and demand for high-quality human resources. At the Eleventh CPV National Congress, the Party formally acknowledged that human resource quality constituted one of the three principal structural “bottlenecks” impeding national development (CPV, 2021).

During the 2011-2020 period, Vietnam largely achieved the universalisation of lower secondary education, with the literacy rate among the population aged 15 and above reaching approximately 98%. Labour proficiency and technical skills improved markedly over this period, as evidenced by the increase in the trained labour ratio from 40% in 2010 to 64.5% in 2020, although workers holding formal qualifications or certificates accounted for only approximately 26% of the total. The unemployment rate was maintained at a comparatively low level of approximately 2.5% in 2020, which remained below the regional average.

Notably, Vietnam’s Human Capital Index (HCI) outperformed the ASEAN average (see Figure 2), notwithstanding the country’s relatively limited public expenditure on healthcare, education, and social security. In 2020, Vietnam ranked second in the region, behind only Singapore - an outcome that underscores significant achievements in basic education and primary healthcare (Tran and Bui, 2025). Vietnam’s HCI rose from 0.66 in 2010 to 0.69 in 2020, surpassing a global average that has exhibited a declining trend over the same period. While the young and relatively abundant workforce has been progressively strengthened through a range of training programmes, qualitative deficiencies persist: these include a shortage of highly specialised labour, significant regional disparities, and inadequacies in foreign language proficiency and soft skills - all of which impede the adoption of advanced technologies and undermine international competitiveness. Although this period was strategically pivotal for the development of high-quality human capital, the outcomes achieved have yet to fully meet the objectives originally established.

**FIGURE 2: Human Capital Index (HCI) of Vietnam compared to ASEAN countries (2020)**



*Source: World Bank (2020).*

From 2021 to the present, the trained labour ratio has continued its upward trajectory, with projections indicating that it will approach 70% by 2025, while the share of workers holding formal qualifications or certificates is expected to reach 28-30%. By 2023, the trained labour force numbered 14.1 million persons, representing 27.2% of the total workforce. Notwithstanding the accelerating pace of demographic ageing - characterised by a rising proportion of elderly persons and a contracting youth cohort - Vietnam continues to benefit from a relatively abundant young workforce, a demographic profile that facilitates the adoption of science and technology and supports occupational mobility.

A particularly notable development is the sustained upward trajectory of Vietnam's Human Development Index (HDI): between 1990 and 2023, the HDI rose from 0.499, placing the country in the Low Human Development category, to 0.766, situating it within the High Human Development category. This achievement is attributable to universal healthcare policies, progressive improvements in education, and rising per capita income. In 2023, Vietnam ranked 93rd out of 193 countries globally and fifth within the ASEAN region (UNDP, 2025). Education remains a pivotal driver of this progress, contributing to sustained improvements in long-term labour productivity and HDI growth.

Nevertheless, the overall quality of human capital remains at a moderate level. A persistent shortage of highly skilled labour endures despite rising training rates (see Figure 3). Labour productivity continues to lag behind both regional and global averages, and the geographical distribution of the workforce remains structurally imbalanced, with a pronounced concentration in urban centres. The productive potential of the young workforce has not been fully realised, a shortcoming attributable in significant part to the absence of comprehensive, long-term human resource planning at the enterprise level.

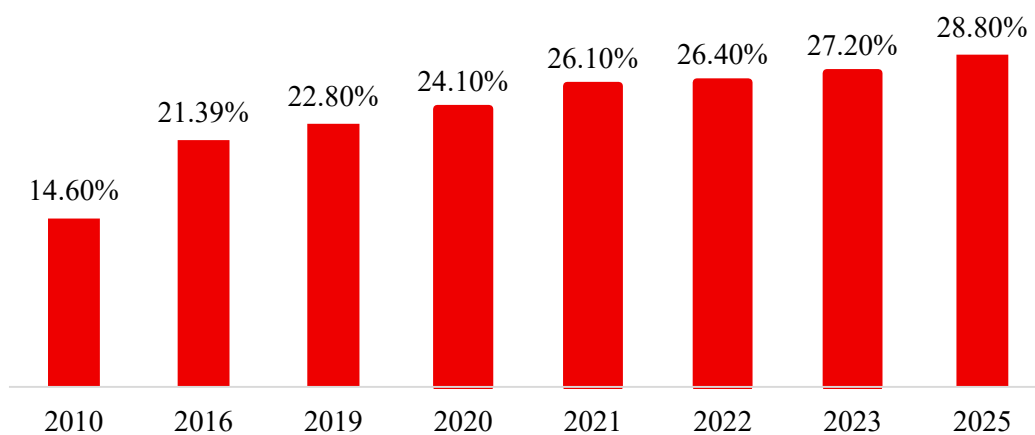
TABLE 3: Vietnam’s HDI relative to other Southeast Asian nations, 2023

Nation	HDI index	Ranking	Classification
Singapore	0.946	13	Very high
Brunei	0.837	60	Very high
Malaysia	0.819	67	Very high
Thailand	0.798	76	Very high
Vietnam	0.766	93	High
Indonesia	0.728	113	High
Philippines	0.720	117	High
Timor-Leste	0.634	142	Medium
Lao PDR	0.617	147	Medium
Myanmar	0.609	150	Medium
Cambodia	0.606	151	Medium

Source: UNDP (2025), covering a total of 193 countries and territories.

FIGURE 3: Percentage of trained labor with degrees and certificates (2010-2025)

Unit: %



Source: Compiled by the authors from General Statistics Office (GSO) data.

### 3. Conclusion and policy recommendations

It is evident that over nearly four decades of the *Doi Moi* era, the CPV's guidelines and the Government's policies pertaining to human resource development have undergone substantial qualitative advancement. The conceptual framing of human resource development has evolved from broad and generalised formulations toward comprehensive, strategic, and increasingly liberalised frameworks. Policy objectives have become progressively more specific and ambitious, while the instruments available for implementation have grown more diverse and sophisticated, in alignment with the imperatives of globalisation and the Fourth Industrial Revolution. This evolution reflects the sustained and concerted efforts of the CPV and the Government of Vietnam to enhance the quality of human capital in order to meet the demands of industrialisation, modernisation, and international integration, while simultaneously preserving national cultural identity.

While the scale of Vietnam's labour force continues to constitute a significant comparative advantage, timely and effective responses to population ageing and internal migration patterns will be decisive in sustaining developmental momentum in an increasingly competitive global context. The modernisation of the labour force structure is not only an outcome of broader economic policies but also a fundamental driver of sustainable development in its own right, necessitating continued and deepened investment in training and institutional adaptability in order to fully leverage the structural dividend that this transformation offers. Notwithstanding the impressive advances and notable achievements recorded in human resource quality, persistent structural bottlenecks remain and must be systematically addressed if Vietnam is to fulfil its long-term sustainable development objectives.

To enhance the quality of Vietnam's human resources in the forthcoming phase of deepened integration, the following policy recommendations are advanced:

*First*, elevating the strategic importance of human capital. Human resource development must be firmly positioned as a cornerstone national strategy and the primary objective at the heart of the *Doi Moi* process. This requires sustained and broad-based advocacy regarding the critical role of high-quality human resources in driving socio-economic progress, technological advancement, and the enhancement of national competitiveness.

*Second*, refining the institutional framework for talent attraction and retention. The policy architecture governing the attraction, utilisation, and remuneration of talent must be further consolidated and rendered more effective. Prevailing constraints - including an excessive reliance on formal credentials, uncompetitive compensation structures, and inflexible working environments - have engendered a "brain drain", most acutely among young talent in the public sector. The recent outflow of highly qualified civil servants to the private sector constitutes stark empirical evidence of these systemic deficiencies and underscores the urgency of reform.

*Third*, aligning education and training with labour market demands. Investment in education and training must be strategically calibrated to the requirements of the labour market and to international integration standards. Concurrently, the efficacy of human resource demand forecasting must be substantially improved in order to provide a sound empirical basis for rational training design and workforce allocation. In the context of the rapid global advancement of Fourth Industrial Revolution, it is imperative to establish and regularly update open information systems and comprehensive databases pertaining to labour needs across sectors and skill levels, with particular attention to emerging and strategically prioritised industries.

The prevailing circumstances necessitate a radical, fundamental, and comprehensive reform of Vietnam's education system. Priority must be accorded to science and technology sectors through the establishment of effective institutional frameworks and enabling policy instruments. The overarching aim is to cultivate a workforce distinguished by exceptional competence, high-level expertise, proficiency in operating advanced technologies, and fluency in foreign languages - capabilities that are essential for effectively capitalising on opportunities, overcoming structural challenges, and achieving the breakthroughs required for long-term national development.

*Fourth*, prioritising the development of high-quality human resources in strategically critical domains. Particular emphasis must be directed toward spearhead sectors, including science, technology, innovation, and digital transformation. Research and development (R&D) activity and the practical application of scientific and technological innovation within the Vietnamese economy remain insufficiently dynamic. Furthermore, the levels of mechanisation, automation, and digitalisation across economic sectors are comparatively low. Achieving rapid and sustainable growth requires an innovation-led development model grounded in the intensified application of modern science and technology. Accordingly, the cultivation of high-quality human capital in these domains is not merely desirable but constitutes an indispensable and foundational imperative for the country's long-term sustainable development.

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