

## **UNEMPLOYMENT AND UNEMPLOYMENT SUPPORT POLICY WITH PROTECTING HUMAN RIGHT ISSUE IN VIETNAM TODAY**

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*The globally economic crisis now has serious effects on the employment and job issue in most countries over the world. In Vietnam where the economic growth is mainly raised from export, especially export of branches that need many employees such as garment, footwear, seafood, tourism..., these serious effects are more clearly felt. In the context of stagnant production, to partly keep the production capital and reduce loss, many enterprises have to make lay-off that causes the big unemployment. The unemployment not only affects job, income but the whole life of the unemployed, and their receipt of human right as well. The article showed the unemployment situation in Vietnam today, analyzed its effects on the receipt of employee's human right, it also suggested some solutions involved the policy for unemployment solving and supporting in Vietnam today*

### **I. Unemployment situation in Vietnam today**

There are two definitions in economics that causing mistakes, unemployment and job deficiency. Unemployment is the situation in which the employees want to work but do not have any jobs. The unemployed are people who initiatively and actively look for job, but due to different reasons they are not recruited or employed. Unemployment rate definition is attached to unemployment definition. Unemployment rate is the percentage of unemployed labor force although they registered to vacancies and are always willing to work (1, pg.81).

The measuring of unemployment rate helps authorities know well about the seriousness of unemployment, and "Health status" of the economy in larger scale. Whereas, job deficiency is situation in which the employee has got their jobs or been employed, but they have not been allowed to work at their full capacity (2).

Therefore, unemployment is totally different from the job deficiency, one definition presents the situation of no job or not be employed, and the left one emphasizes the situation of having job

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but not working at the desired level or capacity.

In the context of currently economic crisis globally today and under its impacts, labor force of Vietnam is in both of above situations, however, the unemployment issue has been seen the most serious one.

According to the Government's report to the National assembly (3), there have been over 64.000 unemployed in I/ 2009 quarter, concentrated in key economic areas such as Hochiminh city, Hanoi, Binh Duong, Dong Nai, Hai Phong... Received statistic from real survey and reports of 48 provinces and cities show that 30.000 unemployed come from trade villages (4).

Losing-job and underemployed are mainly in enterprises that export or import materials from foreign enterprises, or medium and small ones. Current report of the Government showed that job loss trend in 2009 is happening unforeseeably because many enterprises do not receive orders from foreign ones; many enterprises could not sell their products. The number of employed in 2009 is estimated to be increased by 300.000 people whereas the number of unemployed in 41 provinces and cities in 2008 was just only 66.707 (3).

Unemployment is not only problem of employee in domestic but Vietnamese ones in foreign countries. Up to June 2009, there have been over 7.000 Vietnamese employees turning back before expiry date; this figure is expected to be up to 10.000 people.

Investigative results showed that economic recession caused most serious effects on manufacturing and footwear sectors. The survey for evaluating the impacts of the globally economic crisis to Vietnamese leather & footwear branch (from April 2009 to October 2009) showed that: "the income of employee in leather & footwear branch has been clearly affected in the period from the middle of 2008 to late of 2009. The currently average income of the employee in shoes manufacturers in the North just fluctuates from 1.200.000 to 1.500.000 VND/ month. Despite the slight increase compared with previous periods due to the increase in the minimum salary and the State basic level of salary, this level of salary is lower compared with the general income in other industries. Moreover, this increase is not big enough for making up the increase in price of common living-cost" (5). Besides, economic recession also has big effects on jobs in the areas of foreign investment. One remarkable thing is that economic recession has no negative impacts on job in agriculture and seem not to have any noticeable effects on job in the State sector (6).

It is clear that the economy in the recession is not able to create enough jobs for new force of labour, so the unemployment rate will be increased. Based on figure of growth speed collected by Head department of Statistics in the first half of 2009, the unemployment rate is estimated to be from 4.3% to 4.5 % in 2009. Compared with no recession situation, the unemployment rate in 2009 is estimated to

be increased from 1.5% to 1.7% mark. If compared with the unemployment level in 2008, the unemployment rate will be increased up to 60 % (from 1.5% to 1.7% mark, calculated from level of 2.47%) due to the economic recession. If the economic prospect is not improved since 2009, pressure of unemployment will be higher in 2010. Compared with 2008, the unemployment rate in 2010 is estimated to increase from 2.5% to 2.8% mark, at least equals to 110% of that in 2008. Note: this estimating result is also similar to other results of other organizations about the impact of economic recession on unemployment in 2009 and 2010 (6).

## **II. Unemployment's effects on employee's life and human right enjoyment**

Unemployment has direct effects on the employee life and indirect ones on their enjoyment of human right.

Firstly, the unemployment has big impact on the whole life of the employee and changes the current situation of the employer. Namely, unemployment has made many families be short of money for even eating and wearing, exclusive of taking care the whole family's health. Unemployment is synonymous with the communication restriction, meaningless waste of time, financial insolvency, no ability of purchasing essential merchandises and consumer goods. Last issues became seriously to people who shoulder the family duty, debt, paying for disease treatment. Detail researchs showed that the increase in unemployment will cause the increase in crime rate, suicide rate, and reduction in health quality.

Some views showed that in many cases, the employee has to do jobs with low income( in the process of looking for a suitable job) because benefit of social insurance just be for people who has worked before. Taking unfair advantage of the unemployment, the employer put pressure on their employee( such as no improvement of working environment, high capacity imposing, low salary payment, restriction of employee's advancement opportunity...)

Secondly, the unemployment caused the reduction in social demand, no consumption of goods and services, little business opportunity, reduction in products quality and price. The reduction in consuming demand caused less investment opportunity.

Thirdly, when there is lack of financial and social welfare resources, individuals are forced to do jobs that are unsuitable with their ability and capacity. Like this, the unemployment will lead to the situation in which the employee has to work under their capacity. By this meaning, unemployment support is very essential.

Fourthly, disadvantages caused by losing job will make the employee melancholy, will affect their health because they must agree to work harder with lower wage.

Fifthly, due to unemployment, the employee will not be able to ensure the existence of themselves and their families, it means that unemployment will affect their enjoyment of a series of human right such as living right, right to receive health care, right to have good living- standard, right to receive

education, right to play and develop... Survey data collected in leather & footwear enterprises from the middle 2008 to late 2009 showed that economic recession caused the reduction in the enterprise's sales order. Reduced working-time will cause the sharp drop in income of a part of staffs in the company, just less than 1.100.000/month, in some companies, the employee's average income is less than 900.000 VND only. Whereas the price is continuously increased, it is so difficult for employee to ensure their life with that level of income (7).

It is the fact that, the unemployment not only has negative impacts on the employee but their children also. In unemployed's families, the burden of earning money is not only put on parents' shoulder but small children's as well. Many children, especially small girls, have stopped their school to help their families earn for living, they are not allowed to go to school, to receive education as other children. Not receiving education is synonymous with no right to play and entertain as others at the same age. A deep survey about impacts of economic recession made in some provinces showed that, a noteworthy thing is the number of children giving up school is gradually increased, usually just after or even before graduating from secondary school (7). The total drop-out may not sharply increase, but mainly caused by migration. Partly, children have to follow their families, other reason is the attraction of labor market in cities. According to some education staffs in

Hải Phòng city, in the academic year of 2009- 2010, the number of parents registering place for their children in high school of public system will drop due to economic difficulty compared with the same period of previous years. Similarly, in Gò Vấp, a small number of children have to give up their class (mainly in high school) since early 2009, they mainly come from immigrated families who earn their living by manual jobs (mortar mixer, bottles trader, huckster, tottery ticket seller, motor driver...). This reality has sounded an alarm, if no appropriate solution is made to repair the situation of children's giving up school, there will be lack of unskilled staffs for industries such as garment, leather & footwear, that will put these industries in stagnant development (7).

Therefore, it is clear that there is an increasingly large number of unemployed's children who giving up school or not being received right to be educated, thereby, their right to be developed is not fully ensured.

Sixthly, the unemployment not only affects employee's material life but their spiritual life also. Unemployment will make unemployed bored, melancholy and drive them into "an idle brain is the devil's workshop" situation, crime and suicide rate will be increased correspondingly... Losing job, the employee have to do all kinds of jobs to earn for their living, defied dangerous jobs that are bad for their health. They agree to work far from their home with unstable condition of eating and sleeping, lack of love; therefore, they

will easily get social diseases such as HIV/AIDS, sexually transmitted diseases...

According to the actual investigation report about employee's health in the recession period of Vietnam economy: *economic recession mainly has negative impacts on health and spriritual life of the employee. For example, mentioning the period of salary reduction, and worrying about Vietnam economy, female employees feel more nervous than male ones and married staffs usually feel more stressful than unmarried ones (mainly never-married before ones).* The unemployed usually feels that they themselves be superabundant ones, however, it is different between the two genders. If a woman does not have a job outside, housework and baby caring are still considered satisfactory replacement. By contrast, men usually regards the ability of earning money as their personal value, and self-esteem. Therefore, when losing job, men usually have feelings of inferiority, are very sensitive and easily to be peevish, they may use alcohol, cigarette, or even drugs to forget distress. If this is continued, these men will be adicted, then their health will be directly affected, this situation will also cause a new problem called domestic violence. Easily, they are also in psychiatric disorders such as distress, sleeplessness, depression and sometimes they will kill themselves as mentioned above. Besides, losing job also makes employee worry about their ability of paying for health caring. Survey data showed that, main reason why employee can not buy medicine for diseases treatment is being short of money.

Above reality showed that if the employee's stable income is not ensured, a series of their human rights are also not fully ensured.

### **III. Unemployment support policy in Vietnam and some suggestions**

Before the increasing number of unemployed, the Government has effectuated some solutions to ensure social security.

Typically, the Government has effectuated Resolution 30/2008/NQ-CP issued on December 11<sup>th</sup> 2008 about urgent solutions for preventing economic recession, maintaining economic growth, ensuring social security, Resolution No. 12/2009/NQ-CP issued on April 6<sup>th</sup> 2009 about some mechanisms, policies promulgated to enforce these solutions. Besides, the Government has promulgated some mechanisms, policies that need to be performed by Bank for Vietnam Development. Supposing that after solutions are suggested, the Government and related agencies should closely supervise the implementing process and achievements to ensure the effectiveness of these solutions.

In addition, the Government has also organized conferences to deploy some policies, of which there is policy relating to social security. Firstly, the Government asked authorities to comply regulations in Labor Law and 127/2008/NĐ-CP Decree issued on December 12<sup>th</sup> 2008. According to item 2 article 41 Decree 27: *Real time when the employee work according to labor contract, working contract signed with employer but they do not have to pay for*

*unemployment insurance. In this case, that time is considered for allowance, subsidy receiving based on current labor law's regulations or allowance as law regulations on officer, civil servant.*

Besides, the Government has also deployed the Decree to direct the implementation of some articles in Social Insurance Law about unemployment insurance and policy for 61 poor districts nationwide. According to the Decree, the employee will receive the unemployment insurance if they satisfy following condition *have paid for the unemployment premium in 12 months or over within 24 months before losing job or contract determination as regulated and have not found out any new jobs after 15 days since registered date of unemployment. Time of receiving monthly unemployment allowance depends on employee's working time when they have paid for unemployment premium. The employee will be supported in vocational training. Monthly, employee who are receiving unemployment allowance will attend one suitable course of vocational training organized by the organization of unemployment insurance. In addition, they are also supported in job searching, are freely advised and introduced new jobs by the organization of unemployment insurance.* It is because the distribution of employee with 1% of their salary, of employer with 1% of salary fund, premium fee paid by people who joined this kind of insurance; subsidy that equal to 1% of the fund and profit from activities of fund investment; there is so big insurance fund.

According to this Decree, related agencies must supply the full version of information about support policy for losing-job people. At the same time, the enterprise is forced to actively make procedures of support if there is unemployed in the company.

About Vietnamese employee in foreign countries, Deputy Minister of Labor, War Invalids and Social Welfare, Mr Nguyễn Thanh Hoà said: *this time, departments of labor management will organize a meeting to do the first key duty of having a thorough grasp of the working situation of employee in foreign countries, considering the case if they have to come back before the contract's expiry date. Secondly, carefully examining their policy to direct the enterprise in organizing and ensuring the employee's right. Thirdly, if possible, the number of unemployed should be recruited by other employers.* Relating to resolution regime of employee in foreign countries, he also said that: *the Ministry has reminded enterprises of knowing about the number of working employee to well ensure their right, avoiding disadvantages. If there is right for unemployed in foreign countries, we must campaign for that. About new labor contracts, we must carefully consider to find out permanent and stable place of working with high salary for the employee.* About this issue, the Government must have closely instructions for resolution of legal rights of employee, ensuring their high living-standard.

According to Decision No. 101 signed by Prime Minister to approve the program: National objective of jobs up to 2010, The Government will lend the employed, losing-job people, production and business households, small and medium enterprises, farms, trade villages preference capital with low - interest rate to create more jobs, specially for young people who have not had jobs yet. This program is funded with the total investment capital up to billions VND. Above sum of money will be used in projects of lending and job creating. Of which, the budget newly supplied by the Central Government is 2.295 billions VND. In addition, the Government will support activities of exploiting and expanding the marketing market of labor; support people who are wounded and sick soldiers or their family's members, dead soldier's family members, are working in foreign countries in compensation of lending interest rate differential.

The Government should not apply the same frame policy for all enterprises, due to the difference of *health and physical strength* among enterprises, there are strong enterprises, average, and nearly bankruptcy ones. Therefore, apart from general regulations applied for enterprises, there must be specific ones that are issued basing on *health* of enterprises.

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