
**IMPACTS OF THE COVID-19 PLAN ON LABOR AND EMPLOYMENT IN VIETNAM:
REALITY AND RECOMMENDATION**

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ABSTRACT

By the end of June 2020, there are 30.8 million people aged 15 years and older who are negatively affected by the epidemic, including those who have lost their jobs, have to take time off/rotate leave, reduced working hours, lost or reduced income. The impact of income reduction accounted for the highest proportion with 57.3% of the total number of affected people (17.6 million people); In 2020, Vietnam's unemployment rate was at the highest level in the past ten years. Therefore, the problem for the entire political system in Vietnam is to drastically implement policies to support employees in terms of social security, helping people gradually overcome the pandemic's difficulties.

Key Words: Covid - 19; Labor; Job; Unemployment; Vietnam.

1. INTRODUCTION

The whole world has been buckling against the Covid-19 pandemic. According to World meters data, as of 9 am on August 10 (Vietnam time), worldwide recorded a total of 20,021,321 cases of Covid-19, of which nearly 12.9 million cases were recorded. have fully recovered, nearly 734,000 deaths in 215 countries and territories and also on two superyachts in international waters. Despite the efforts of many organizations and countries, the epidemic situation will still be complicated and show no signs of stabilizing.

As soon as the epidemic broke out again, many international organizations such as the International Monetary Fund (IMF), the World Bank (WB), the Asian Development Bank (ADB) have continuously issued warnings about the pandemic adverse effects of the epidemic on the global socio-economic.

According to the latest report of the World Bank, the average growth rate of countries in the past period has been below zero, with global growth forecast to be negative 5% for the whole of 2020.

According to the IMF, global growth for the whole year 2020 is forecasted in June, which is lower than the forecast in April. Besides, maybe a further adjustment if the epidemic continues to be complicated.

In addition, according to the latest report of the International Labor Organization (ILO), about 93% of workers worldwide are currently affected by the epidemic to some degree. In the first quarter of 2020, countries lost about 185 million jobs; and in the second quarter of 2020, they lost about 480 million.

According to a statistical report, the labour market of many countries is poorly affected and without precedent. In the US, in June 2020, about 40.4 million workers were affected by the Covid-19 pandemic. 19 and the number of unemployed workers is 17.8 million people, while the number of unemployed is only about 5-7 million in the past five years. In the European Union (EU), in May 2020, the unemployment rate was 6.7%, with several 14.366 million people. In Korea, the number of people who lost their jobs in May 2020 was 1.172 million, and the unemployment rate was 4.5%. It is the highest level in the past ten years in Korea. In Japan, the unemployment rate in June 2020 was 2.9%, up 0.3% compared to May 2020. These numbers do not include millions of workers, especially female workers, who have had to quit their jobs and leave the labour market to take care of their families due to the impact of the pandemic.

In addition, the statistic does not consider about 4.2 million workers who have been laid off or about 6% of the total workforce. In Malaysia, the unemployment rate reached 5.3% in May and will reach 6-8% in June, the highest level in 30 years in Malaysia. In addition, the number of people who were suspended from work in Malaysia was 4.87 million as of April 2020, and the number decreased to 2.27 million in May 2020. In Thailand, the unemployment rate in May 2020 reached 9.6%, while the official government rate averaged around 0.7% over the past ten years. About 95.5% of households are affected, in which 52.5% of households have reduced income.

2. IMPACT OF THE COVID-19 PANDEMIC ON THE VIETNAMESE LABOR MARKET FROM DECEMBER 2019 TO THE END OF JUNE 2020

2.1. Impact of the Covid-19 epidemic on labor and employment in Vietnam

As of June 2020, the whole country has 30.8 million people aged 15 years and older affected by the epidemic, including those who lost their jobs, had to take rest/rotational leave and reduced working hours income. Impact of income reduction accounted for the highest proportion with 57.3% of total affected people (17.6 million people respectively).

Specifically, according to the report on labour and employment in the second quarter of 2020, the Vietnamese labour force dropped to a record low. Female workers are the group that is more heavily affected than male workers in the context of the COVID-19 epidemic.

The labour force aged 15 and over in the second quarter of 2020 was 53.1 million people, down 2.2 million from the previous quarter and down 2.4 million from the same period last year. It is the year that recorded the most profound decline in the labour force ever.

The labour force in the second quarter of 2020 is 46.8 million people, a decrease of 2.1 million people over the same period, and the decrease is 2.2 million people plus the labour force in the working-age group and the non-age labour force. The female workforce is always the group most heavily affected by the impact of the COVID-19 pandemic on the Vietnamese labour market.

In the second quarter of 2020, the female labour force in working-age decreased by 4.9% compared to the previous quarter and by 5.5% over the same period last year, higher than the decrease of male workers (decreased by 3.9% quarter-on-quarter and down 3.6% year-on-year). For the non-working age group, while the female labour force recorded a decrease of 1.8% QoQ and 4.9% YoY, respectively, the male labour force outside the working-age group recorded a decrease of 1.8% QoQ. Age increased slightly (up 0.8% compared to the previous quarter and 1.4% over the same period last year).

Also, in the first six months of 2020, the total number of enterprises temporarily suspending business was 29,000, an increase of 38.2% over the same period in 2019. In the second quarter of 2020, the number of employees who lost their jobs during the period. Working-age is about 1.3 million people, an increase of 192,800 people compared to the first quarter of 2020 and 221,000 people over the same period last year.

The underemployment situation in the second quarter of 2020 was 1.4 million people, an increase of 292,000 people compared to the previous quarter and 648.4 thousand people compared to the same period last year. 2020 reached 5.2 million dong, down 525 thousand dong compared to the previous quarter and 279 thousand dong lower than the same period last year. In the first year, employees' income has decreased compared to last year's same period in the past five years (decreased by 5.1%).

According to the General Statistics Office, the number of unemployed people of working age in the second quarter of 2020 was nearly 1.3 million people, an increase of 192.8 thousand people compared to the previous quarter and an increase of 221 thousand people over the same period last year prior.

Regarding the labour force aged 15 and over, the first six months of 2020 reached 54.2 million people, a decrease of nearly 1.3 million people compared to the same period last year. The labour force in the first six months of 2020 was 47.9 million people, down 1.1 million people compared to the same period last year. The labour force of working age in urban areas is 16.4 million people, accounting for 34.3%; The female labour force of working age reached 21.5 million people, accounting for 44.9% of the country's working-age workforce.

Employed labourers aged 15 and over in the first six months of 2020 were 53.0 million people, down nearly 1.4 million people compared to the same period last year. The underemployment rate of workers in the first six months of 2020 was 2.58%, up 1.06 percentage points over the same period last year, of which underemployment in rural areas increased by 1.2 percent score.

Average monthly income from work for both male and female employees in the first six months of 2020 reached 5.5 million VND, down 106 thousand VND compared to the same period last year. The average income of male employees is 1.4 times higher than that of female workers (equivalent to 6.4 million VND and 4.5 million VND); the average income of workers in urban areas is 1.5 times higher than in rural areas (7.2 million and 4.7 million dong, respectively). The average monthly income of salaried workers in the first six months of 2020 is 6.7 million VND, down 11 thousand VND compared to the same period last year.

The number of unemployed people of working age in the first six months of 2020 was nearly 1.2 million, an increase of 123.9 thousand people compared to the same period last year. In the second quarter, the unemployment rate of working age in urban areas was 4.46%, up 1.28 percentage points over the same period last quarter and 1.36 percentage points over the same period last year. It is the highest unemployment rate in this region in the past ten years.

2.2. Causes of the facts

There are always new people entering the market in the labour market, and it takes time to find a job. The person who does not meet the employer's needs should not be hired or fired between the employee, and the employer cannot reach an agreement on employment (for reasons of salary, working hours, working time, regimes.). Employees want to terminate their contracts to

find better jobs; enterprises reduce production, dissolve, go bankrupt, stop production and business and lay off employees.

In addition to the above reasons, the Covid-19 pandemic is the leading cause of many people losing their jobs and stopping their jobs. The disease is spreading vigorously in many countries worldwide, including leading trading partners of Vietnam, such as China, South Korea, Japan, the European Union, and the US. It leads to the situation of a "broken" material supply chain, and the consumption market is narrowed or stagnated. Those are the fundamental reasons for workers to be unemployed and unemployed.

Covid-19 also caused a series of factories and enterprises in the country to suspend operations. Social distancing affects not only production and business enterprises but also education, tourism, restaurants, and hotels. Therefore, labour in these industries faces many difficulties while the whole economy is covered in a lousy situation.

3.FORECASTING THE IMPACT OF THE COVID-19 PANDEMIC ON THE VIETNAMESE LABOR MARKET UNTIL THE END OF 2020

According to the General Statistics Office's forecast, difficulties may continue shortly with the epidemic's impact. The evolution of Covid-19 in the world is still harming global production and trade, although many countries are currently working to get things back to normal.

Covid-19 has returned to Vietnam after 99 days without community transmission. Although Vietnam's disease prevention and control achievements are commendable, the number of infected people in the past few days is relatively high, and some localities have had to implement social isolation. Many countries in the region and worldwide are still experiencing unpredictable developments and have not changed positively. The risk of an outbreak and community spread is still high, while the Covid-19 vaccine has not yet been available in the market. It will significantly affect the business situation, production and export and import of Vietnam.

By the end of 2020, Vietnam's exports will be limited because leading trading partners of Vietnam such as China, Korea, Japan, the EU, and the US are being severely affected by the epidemic. On the other hand, raw materials needed for production are exhausted.

The Employment Department of the Ministry of Labour, Invalids and Social Affairs has calculated that the worst-case scenario is that unemployed workers may increase by about 60,000 to 70,000 per month, focusing mainly on tourism and service activities, accommodation and food; construction, transportation, processing, manufacturing. The number of businesses affected may be up to 70%, while the number of suspended, laid off, or reduced maybe 3.5-5 million people.

4. SOME RECOMMENDATIONS TO MINIMIZE THE IMPACT OF THE COVID-19 PANDEMIC ON LABOR AND EMPLOYMENT IN VIETNAM

4.1. Supporting businesses and employees

The State determines that it must support both businesses and workers at the same time. When enterprises can maintain production and business, employees will not be unemployed, stop working, or lay off workers.

The Government is reforming administrative procedures, creating open conditions and a more favourable business environment for businesses. The Government also directs the State Bank to lend to businesses with low-interest rates, extended loan terms and more favourable conditions for

accessing capital. Enterprises are also entitled to tax reduction, fee reduction, tax payment delay to overcome the difficult period.

The Government is actively fixing several conditions so that businesses can access the support package under Resolution 42 and Decision 15. Specifically, a policy bank loan to support 50% of wages for employees. (In the past, many conditions were needed, including no revenue, financial difficulties to the point of having no salary, paying employees 50% of salary in advance.) now reducing those conditions, enterprises Businesses only need to reduce revenue to get a loan.

At the first wave of the epidemic, it was suggested that the Government suspend the payment of the retirement and survivorship fund until the end of June 2020, but now the epidemic is still complicated, so continue to propose to stop paying for another six months.

Ministries, departments and functional branches need to grasp the employment situation firmly and the needs of businesses to have solutions to support, supply labour, and overcome the temporary shortage of labour due to the epidemic's impact. It contributes to stabilizing the production and business of enterprises and ensuring the lives of workers. The authorities also guide people to apply for unemployment benefits; application of information technology in the connection of labour supply-demand. An amount of money in the Unemployment Insurance fund may be needed. All resources may be mobilized to invest in vocational education development, training, and job change for workers following the actual situation to limit the adverse effects of the pandemic stabilize the labour market.

4.2. Supporting workers to access resources and fight against Covid-19

Recently, localities have supported people affected by Covid-19 according to Resolution 42 of the Government and Decision 15 of the Prime Minister with VND 62,000 billion in the support package. Authorities are continuing to review to ensure that the poor and severely affected by the epidemic are supported. The units have advised the Government and the Prime Minister to amend and supplement the above resolutions and decisions to expand the support group, reduce administrative procedures and benefit conditions.

First of all, support those who suffer from a profound reduction in income, loss, lack of work, difficulties, and failure to ensure a minimum standard of living, affected by the Covid-19 epidemic. Support several target groups who are enjoying preferential policies and social protection during the epidemic. The State, businesses and the social community share responsibility in ensuring the lives of workers.

The support for employees must ensure the right audience, publicity, and transparency, not taking advantage of or taking advantage of policies. Support subjects eligible for two or more policies are only entitled to the highest support regime; they do not support subjects who voluntarily do not participate.

Finally, prioritize resources from the state budget to implement policies.

Up to this point, most provinces and cities have paid for four groups of people: people with meritorious services, social protection, poor and near-poor households, reaching about 98% of the plan.

As for the remaining target groups, the localities have completed the survey and are being approved by the Chairman of the People's Committees of the provinces and cities to approve the list and funding. The payment work has been done according to the spirit of granting.

Vietnam has also taken many measures to protect workers working abroad, such as: strengthening information and propaganda about the Covid-19 epidemic so that they can actively prevent and

control the epidemic; closely coordinate with the host country and the employer to provide medical support in case of suspected infection or infection; economic support, employment and protection of legal rights under the contract of employees.

4.3. Regarding vocational training and new vocational training

Localities urgently develop projects on labour supply to meet the needs of businesses and organizations in the area. It is necessary to clearly and precisely define the need to use the labour of each enterprise and organization, solutions for labour supply, defining the roles and responsibilities of local employment service centers. Its focus is on creating jobs for workers who lost their jobs due to the Covid-19 epidemic and those who need attention; at the same time, it has policies to attract high-quality workers.

In the immediate future, the departments and agencies will coordinate with the Vietnam Business Association in the localities, with enterprises with 200 or more unemployed employees, to conduct consultations and implement immediate unemployment insurance policies.

In addition, the State also encourages vocational education institutions to participate in training and retraining for workers in enterprises and industrial parks to supply the workforce in the post-Covid-19 period promptly. The Labor, Invalids and Social Affairs sector has stood out to connect vocational education institutions with labour associations, small and medium-sized business associations, employment service centers to identify training needs and implementation.

The government needs to promote the online labour market information system on websites, fan pages, and online consultations. Some companies that are in great demand for recruitment are introduced to the internet by the center, planning job fairs, and building an information technology labour floor.

Vietnam's policy has adhered to three pillars: supporting businesses to retain workers, protecting workers' rights, and increasing the social security system coverage. After only five days of publication, six hotlines of the Vietnam Fatherland Front and the Ministry of Labor, Invalids and Social Affairs regarding the social security support package attracted more than 46.6 thousand calls. More than 12,000 inquiries have been answered. It shows the people's great interest in this support policy.

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