



HUMAN RESOURCES DEVELOPMENT



HUMAN RESOURCES, NATIONAL DEVELOPMENT AND REGIONAL COOPERATION

*Chira Hongladarom **

Vietnam is in a stage of economic transition. Having practised socialist state planning for a good number of years, the mindset and skills of the people are set, making the transition to a market economy difficult. In the global market economy, the ability to compete is very important.

This transition will not be painless. It will involve suffering, unemployment and low wages as new skills for new jobs have to be developed. It is crucial that the government develop a program of training and re-training for the people while at the same time as it is creating new employment opportunities for the people.

HRD STRATEGIES IN VIETNAM

It is imperative that Vietnam speed up its development process. According to one recent estimate by the Pacific RIM Group based in Bangkok, it will take Vietnam, at an economic growth rate of 7.5 per cent and a population growth rate of 1.7 per cent, at least 36 years to expand its current per capita income of US\$200 to reach that of Thailand's today. Such a projection, however, is based upon statistical assumptions. The Economist of London predicted that by the year 2020 the Vietnamese economy will surpass those of some ASEAN countries. As soon as the Vietnamese economy takes off the Vietnamese will quickly learn how to adjust to a market economy. It is therefore crucial that Vietnam's policy-makers ensure that HRD is given priority in public policy.

Secondly, HRD policy should also be formulated in the context of short, medium, and long-term strategies of development. Thirdly, Vietnam should develop human resources for institution-building. The government machinery is relatively weak and should therefore be given priority.

Fourthly, Vietnam should try to develop a large pool of quality manpower and not just the skills at the top end of the population. Finally,

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Vietnam must avoid the mistake committed by other countries such as Thailand that, in the effort to maximize the use of human resources, ignored the social consequences that can often result from such a policy.

The negative implications for female unemployment, child labor, worker safety and the environment are only some of the issues which should be considered.

LONG TERM STRATEGY

The history of economic development shows that few countries can reach the stage of take-off without an appropriate population policy. The population growth rate of Vietnam can constitute an obstacle. With a growth rate of 2.3 per cent Vietnam has a fairly young population (39 per cent is under 15 years of age). The high growth rate has resulted in high growth rate of the labor force from 3.2 to 3.5 per cent. This means that every year about 1.33 million Vietnamese enter the labor force. These new entrants are generally unskilled while the absorption capacity of the market is limited.

It is important there is a reduction in the population growth rate. In formulating a population policy the experiences of Thailand and Indonesia can be useful. Relevant line ministries such as those concerned with health, employment, agriculture and education should be involved in population policy. Mistakes committed in population control policy are often by the health authorities and demographers. After all, population control policy is not an end in itself: it is for the purpose of investing in the young in order that they can be more productive.

Complementary to this is the long-term direction the country should take. The State Planning Commission (SPC), in cooperation with the Swedish School of Economics, jointly conducted a study on Vietnam in the year 2000. Such studies are useful and should be encouraged so that planners can look ahead. One weakness of such studies is that it does not forecast the human resources requirements. It may be useful for ASEAN and Vietnam to study the long term connections between the economic directions and human resources requirement up to the year 2010.

My third recommendation for the long term strategy is to forecast employment structural changes in the next 10 to 15 years. With the increasing size of the labor force, the current employment structure is unable to absorb labor in the service and manufacturing sectors.

Traditionally, in a socialist economy, the industrial sector has a good base but the service sector is weak. The key to long-term development is to increase employment in the two sectors to acceptable levels, or else, the serious issue of unemployment will continue to persist. The experiences of the ASEAN countries are very valuable as far as service sector employment (tourism, construction, health and finance) is concerned.

Fourthly, I would like to touch on the role of education as a long term approach compared to training as a short term approach. Education must be improved so that the new generation of Vietnamese labor can compete in the global economy. Education must be viewed in the context of its contribution to economic growth as well as to regional balance and more equal income distribution between North and South. Investment in education should take these and other issues into account.

Finally, the elimination of malnutrition, and the effective management of health and housing policies will be crucial for long-term development.

MEDIUM TERM STRATEGY

The first issue to be tackled in Vietnam is the high rate of urban unemployment, which averages between 9 to 12 per cent. Rural underemployment is also a major issue in Vietnam. The government must be able to formulate employment strategies in the next five years to absorb the unemployed. One possible solution is to export labor.

Several other issues merit attention: the redeployment of labor from the state sector to the private sector and the retraining that should be provided; the role of the informal sector as a way to promote self-employment and entrepreneurial skills; the study of human resource restructuring and the role of the market economy including topics such as wage formulation, foreign investment and industrial relations; labor market information to include such data as demand and supply of particular skills; and developing a program to encourage the return of highly-skilled overseas Vietnamese, especially from the United States.

The government should also promote the establishment of educational institutions such as polytechnics and universities. It is important that these institutions are linked to those in neighbouring states in the region. For example, the Asian Institute of Technology, based in Bangkok, set up an engineering branch in Hanoi and a management education branch in Ho Chi Minh City in 1993. A school of management and a school of foreign languages are also urgently needed.

Finally, the government should set up a Human Resources Unit within the SPC which can coordinate the work of human resources development. The SPC must play a critical and increasing role in formulating a human resources policy. In the earlier period of planning, the government should seek the advice of neighbouring countries. Thailand is willing to provide such assistance.

SHORT TERM STRATEGY

The first short-term solution is to identify the priorities in training and resource requirements.

Second, is the urgent need to upgrade the quality of the labor force, particularly those who are needed for the new economic management, new economic zones and foreign joint-venture projects. This involves the training of government officials who formulate policies. Training for these senior bureaucrats is crucial, especially in areas of economic management. The government must set priorities in training.

Another important area of training is management training. A key to economic success is management capability. A market economy survives not only because it has quality human resources but because it can manage these human resources through motivation and incentives. Without management training, the road to a market economy will be difficult. Management development is also needed for state enterprises. As the private sector in Vietnam is still weak, state enterprises will have to play a crucial role and for that role, good management is very important. The concept of privatization should also be studied.

Finally, the training needs of those in the private sector should be given attention. The key to success is to allow foreign joint ventures to operate in Vietnam, and to encourage foreign partners, as a condition for their operation, to transfer technology by importing technical and management skills. Vietnam can set up many specific training institutions with foreign firms. Foreign investment promotion in Vietnam should result in the training of local workers, as the case of Singapore shows.

PROSPECTS FOR REGIONAL COOPERATION

Human resources development is an essential and integral part of regional cooperation, especially between ASEAN and Vietnam. However,

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this cooperation must be carried out with equality and respect, openness and sincerity, and for long-term mutual benefit.

Although Vietnam is economically weak, we in ASEAN must respect Vietnam. Any cooperation must be done in close consultation with Vietnam. The ultimate aim is to create better understanding among the peoples of the region. ASEAN must try to involve academics, non-government organisations and the private sector as much as possible. These experts should equip themselves with a knowledge of the history, language and culture of Vietnam.

While ASEAN's development provide many good and positive examples, we should also be frank about the negative aspects of our development. To promote the cooperation between ASEAN and Vietnam in HRD, an expert HRD group comprising representatives from the public and private sectors, including academics, from ASEAN and Vietnam should be set up.

As far as Thailand is concerned, Thailand can assist Vietnam in the areas of management training, primary education, market economy training, agriculture and agro-industry, tourism, and basic public administration. ASEAN, should, however, pool resources and identify areas of individual country expertise, in their efforts to assist Vietnam in HRD.



VIETNAM-ASEAN COOPERATION IN THE FIELD OF EDUCATION AND HUMAN RESOURCES DEVELOPMENT

*Tran Hong Quan**

In the ever widening cooperation between Vietnam and ASEAN countries, education and human resources development is a matter of considerable concern. I wish to present to you some of my observations on the education and human resources development situation in Vietnam and my perspective regarding cooperation that has started in these fields.

From Vietnam's point of view, "Education is social infrastructure, a top priority policy of the state, a driving force and a fundamental condition to ensure the achievement of socioeconomic objectives and that of national construction and defense."

The main target of educational and training development in the renovation process is to heighten people's intellect, develop human resources, foster talented people and provide people with cultural and scientific knowledge and vocational skills.

Human resources play a special role among those used for the country's socioeconomic development. In his opening speech at the 4th Plenum of the Central Committee, Vietnamese Communist Party (VCP) Secretary-General Do Muoi stated that: "Along with the creation of physical and financial resources, the most important thing is to expand Vietnam's human resources in order to upgrade the productive capacity of the Vietnamese to a new level, much higher than in the past."

BACKGROUND ON VIETNAM'S HUMAN RESOURCES

To have a good view of human resources, quantitative characteristics should be examined. This can be shown by the profile of the labor force.

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Up to June 1993, Vietnam's population is 70 million people with the following features:

Males	48%
Females	51%
Urban population	20%
Rural Population	79%
Children 0-4 years	14%
Young people 15-20 years	19%
People 60 years and above	12%

Based on these figures, 15 to 60 years age group accounts for 49 percent and the labor force with people between 18 and 25 years age group makes up 38 percent of the total population.

At present, the labor force with people between 15 and 60 years of age is estimated at 3.4 million. It is projected that by the year 2000, it will increase to 4 million, a natural increase of 9 million. The labor force of Vietnam is rather young because the 15 to 30-year-old labor force accounts for over 30 percent of the population.

QUALITATIVE CHARACTERISTICS

As a country that is education-oriented, Vietnam gives priority to education in the national policy. Popular education has been widely developed. The total number of literate people from age 10 and above constitutes 88 percent of the population. More than 12 percent of the population aged 10 and above completed, either secondary school, vocational school or university; 24 percent had basic education; and over 50 percent completed primary school.

The 1989 Population Census shows that on the average, the mean school years in Vietnam is 4.5. The overall education attainment in Vietnam is 60.1 percent.

However, due to decades of war and the slow growth of the national economy, technical education in Vietnam remained outdated.

The 1989 Population Census also reveals that only 12 percent of the whole labor force are professionally and technically qualified.

Among the technically or professionally qualified labor force, about

20 percent of them never obtained formal training. The rest of them although they went through training programs in training centers (24%), secondary vocational schools (35%), college or university (21%), had low quality training.

It is necessary to provide employment for the labor force. In order to record high economic growth rate, efforts should be made to provide high-tech jobs. This requires systematic training of the existing labor force. An important task to be performed is the reduction in the number of those doing manual jobs and rapidly increasing the number of professionally and technologically qualified workers. The latter has a multiplier effect and this can be attained only through education and training.

The human development index in Vietnam as seen by the United Nations in 1991 showed that Vietnam occupies a modest place among Asian countries:

COUNTRIES	HUMAN DEVELOPMENT INDEX
1. People's Republic of Korea	0.665
2. China	0.614
3. Philippines	0.61
4. Indonesia	0.449
5. Vietnam	0.498
6. Myanmar	0.437
7. Pakistan	0.311
8. India	0.308
9. Laos	0.175
10. Nepal	0.158

TASK TO BE ACCOMPLISHED

As mentioned earlier, in order to develop human resources under the present conditions in Vietnam, it is necessary to solve two sorts of problems simultaneously. These are:

- a. Providing jobs for the expanding labor force as a result of population growth in the 1970s,
- b. Increasing the productivity of the labor force with hightech skills in productive activities and raising the level of educational and technological knowledge of workers through education and training.

The renovation policy pursued by Vietnam is aimed at shifting the subsidized and centrally controlled economy to a market economy.

Although labor markets in Vietnam have taken shape, their scope of operations is still limited. In recent years, the state has been improving regulations and institutions concerning labor, wages and salaries with a view to providing each and every Vietnamese with equality and freedom in seeking employment or in employing laborers in line with the law.

This has been quite conducive for the removal of difficulties and the creation of more jobs in all economic sectors: state, private, household, state and private or joint ventures between foreign and domestic partners.

Priority is given for investments in sectors or subsectors that offer more employment, such as agriculture, forestry, agro-processing industry, consumer goods industry, small-scale industries and services. And to formulating and implementing policies to attract more investments into job-creation project and training of technical workers.

In order to employ 1.3 million new entrants into the labor force annually and to provide them with modern equipment to work, the total investment should be increased from 5,000 billion dong (Vietnamese currency) per year to 15,000 billion dong per year (approximately 500 million US dollars to 1.5 billion US dollars/year). The way to achieve that objective is to attract investments through regional and international cooperation and mobilize credits from domestic sources.

When employment demands from the workers a certain level of intellect and technology, it is strong imperative for training. We are in the process of reforming training schemes to prepare the workers to adapt and respond to the demands of the labor resource market and at the same time, to be a good family member and a good citizen. On the other hand, the development of education, science and technology should be geared towards achieving economic growth and social development. The skill of the technically and professionally qualified labor force can only be sustained and promoted to respond to diversified needs of production and when individual worker's general knowledge is constantly enriched and his behavior confirms positively to the standard social values. This requires the enhancement of the quality of basic education.

These high quality training centers will constitute a strong factor to promote close linkage between education, training, science and technology and production, and create pioneer areas in human resources to meet the needs arising from the era of information technology.

Southeast Asia Beyond 2000 Vietnam's Asean Membership

Vietnam's human resources also have strong points as the Vietnamese people are industrious, intelligent and skillful. Labor costs are also reasonably low. These remarkable advantages should be employed and harnessed for human resources development and utilization. In this respect the United Nations and other countries in the region can engage in cooperation for mutual benefit.

Vietnam used to be one of the founding members of SEAMEO; however membership was interrupted due to political upheavals in the country. Vietnam recently resumed its SEAMEO membership and played an active role. The initial cooperative relationship between Vietnam and ASEAN is very encouraging. The relationship multilaterally within the SEAMEO framework and bilaterally between Vietnam and each member country, including direct exchanges among universities has been useful. We are grateful for support from governmental and nongovernmental organizations and individual personalities from ASEAN and SEAMEO countries.

ASEAN's educational experiences are valuable to Vietnam owing to our geographical proximity, cultural similarities and not too large a gap in levels of development. Your experience is newly gained, thereby relevant to us. It has been drawn from the application of the experiences of the already-developed West in developing East in order to obtain rapid economic development while sustaining and enriching a national cultural identity.