Employment and Industrial Relations amid Vietnam's International Integration

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Abstract: The paper analyses the current situation of employment and industrial relations in Vietnam, including minimum wages and regulations. The results show that the trend of the labour movement from agricultural to non-agricultural sectors, as well as from public to private sectors, is increasingly evident in the country today. At the same time, the impacts of international integration and the Fourth Industrial Revolution are affecting employment structures and industrial relations, requiring timely adjustments in national policies and laws. The author proposes some solutions to address emerging issues regarding employment and industrial relations in the context of Vietnam's international integration.

Keywords: Employment, industrial relations, trade union, Vietnam.

Subject classification: Sociology

1. Introduction

Before Vietnam's *đổi mới*, or renovation, process began in 1986, millions of families participated in agricultural production, with households being organised in hundreds of thousands of agricultural and handicraft cooperatives all over the country. The State played an absolute role in the collective and household economic model, whereas the private economy was seen negatively. The State also controlled all production factors and had the right to decide on the products, the distribution, and workers' income. Graduated students were assigned jobs with few changes after they started working on the payroll and for the State. The interest relationships between the State, cooperatives, and their members were not clearly delineated, especially with low priorities over the interests of cooperatives' members and employees.

The economic renovation and policy changes since 1986 have had a great impact on the labour market. The household economy not only makes significant contributions to creating jobs for society but also increases the income for workers. More than half of non-agricultural jobs in the economy today are in processing, manufacturing, and service,

with a large portion being employed by private companies and foreign enterprises. According to the Population and Housing Census of 2009 and the Labour-Employment Survey by the General Statistics Office (GSO) and Ministry of Labour, Invalids and Social Affairs (MOLISA) [11], one in every ten employees is currently working as a wage earner in private enterprises. This is an important basis to improve income, living standards, and economic growth in Vietnam. However, it is essential to recognise that the employment rate is driven by several determinants, among which the most important ones are institutional renovation and the creation of a favourable business environment.

2. Labour-employment situation

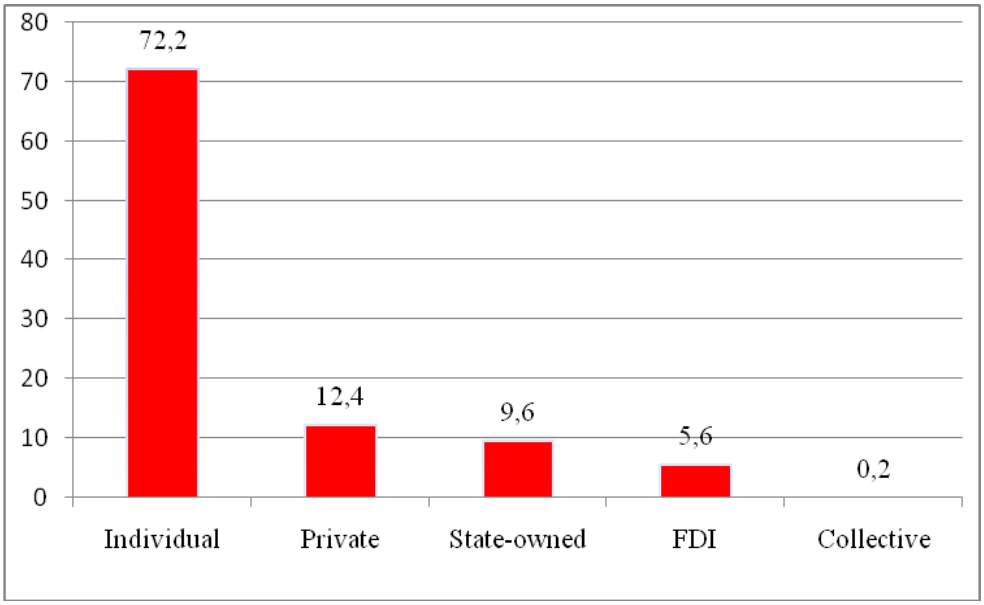
After more than 30 years of economic renovation, the proportion of employees working in agriculture, forestry, and fishery has decreased rapidly at a rate of 1.6% annually as many labourers switched to non-agricultural occupations. Statistics of the GSO show that more than 71% of the labour force worked in agriculture, forestry, and fishery in 1989, with private employment virtually non-existent at that time. However, by 2014, this proportion had declined significantly with only 46% of labourers working in agriculture, forestry, and fishery [11], [12]. Farms and household enterprises used to help rural workers to improve their living standards, but they now have limitations in capital and technology, which reduces the productivity and drives workers to leave the sector.

Vietnam's labour market has shown noteworthy changes recently. Results of the labour survey in 2018 indicated such points. At that time, the country's total labour force amounted to 55.35 million people, of which rural workers accounted for 67.4%. The number of employed labourers was 54.25 million people. In 2017, jobs were created for 1.5-1.6 million domestic workers and more than 100,000 workers were sent to work abroad under contracts. In the same year, the unemployment rate was maintained at a low level with about 1.2 million people at the working age. Of that, men and women accounted for 48.3% and 51.1%, respectively. The unemployment rate was 2.2% in rural and under 3.4% in urban areas. The unemployment rate among the youth was much higher, standing at 12%, especially in underdeveloped socio-economic areas. Research results in the southwestern provinces show that unemployment is quite common among young people with tertiary education or higher, accounting for about three-fifths of the graduates in this area [1]. The fact that graduates and skilled young people cannot find suitable jobs is a problem for many families. For them, the lack of financial resources is another reason not to invest in more advanced education for their children because it is not a guarantee to find well-paid jobs, especially ones in the state sector.

The data shown in Figure 1 reflects the labour structure by economic types in Vietnam in 2018. The individual economy accounted for the major share (72.2%, equivalent to 39.2 million employees), while others made up a lower proportion. Notably, the employed population in the private and foreign direct investment (FDI) sectors has increased, but still occupied only modest shares (12.4% and 5.6%, respectively).

Although the collective economy had played a key role before the renovation, it then took only a very small percentage (0.2%, equivalent to 81,500 employees).

Figure 1: Labour Structure by Economic Types in Vietnam, 2018



Source: General Statistics Office and Ministry of Labour, Invalids and Social Affairs (2019), *Labour - Employment Survey of 2018*, Statistical Publishing House, Hanoi.

Economic restructuring during the process of development and integration is a major policy of the Vietnamese Party and State. This process, without a doubt, changes the labour density of the country's economy. The motto of the labour restructuring is to be in line with the economic structure and associated with job creation, especially for agricultural workers who switched their jobs. Also, according to the 2018 Labour-Employment Survey, labour in the agriculture, forestry, and fishery sectors accounted for 37.7%, decreased by 24.5% in comparison to 2000. If compared to the target, however, this is a real challenge. Meanwhile, the labour rate in the industrial and construction sectors jumped from 13% to 26.7% while it changed from 24.8% to 35.6% in the service sector over the same period.

In addition, the results of the survey showed that the proportion of wage workers continued to increase rapidly. In the non-agricultural sector, wage earners accounted for 40% of the total employed population. This proportion in urban areas was 1.7 times higher than that of the rural areas (54.9% relative to 32.8%). In comparison with that of 2009 [2], the share of wage earners increased by 10.5% in 2018, accounting for 43.9% of the total employed population. Remarkably, the rate of self-employed and household workers went up

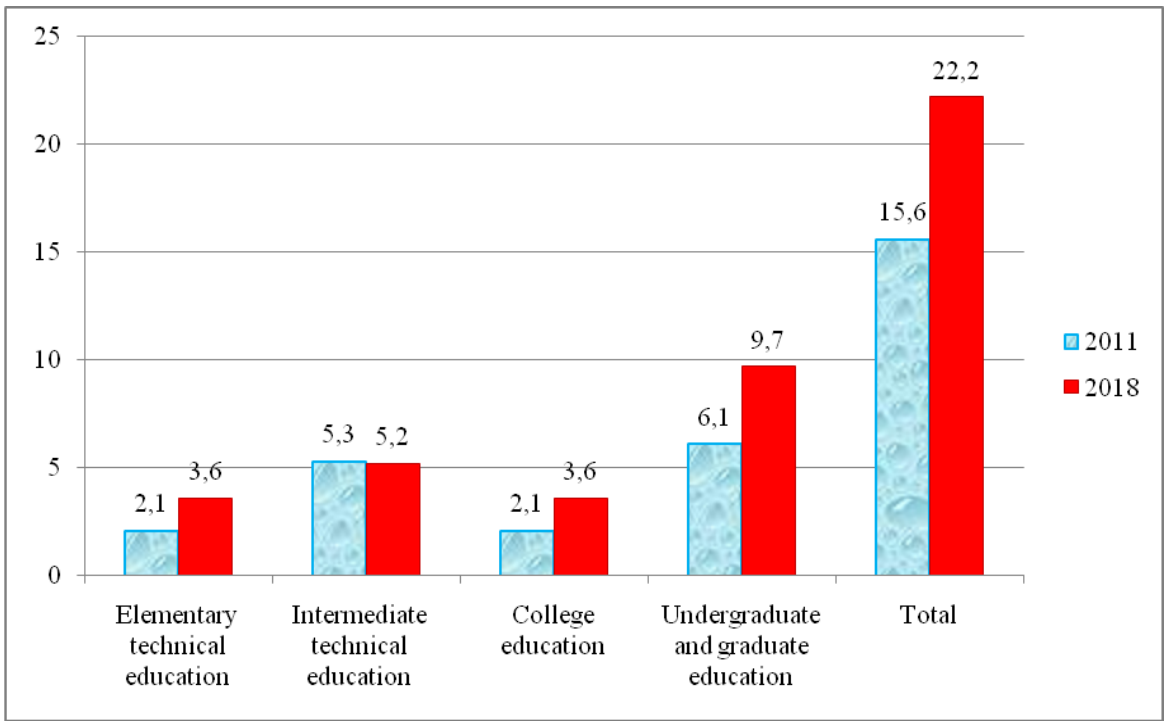
to 53.9%, which was 1.2 times higher than that of wage earners, with women playing a leading role - 65.4% in comparison to men - 34.6%. The average income in 2018 of salaried workers remained low (VND 5.87 million/month). In particular, male workers gained a monthly income of VND 6.18 million which was 12% higher than the monthly income of their female counterparts (VND 5.45 million).

Rural workers were mainly engaged in agricultural production but their working time, as well as incomes from such jobs, was not as much as those in urban areas. Therefore, in the offseason period, regardless of their gender, rural labourers tended to flock to big cities to work and improve their incomes. It can be seen that the rural-to-urban migration continued to take place with high intensity and large scale, which was an important source of livelihood for many households, partly narrowing the disparity in living standards between the two areas [17].

The quality of human resources in Vietnam generally was at a low level, with only 22.3% of trained workers having degrees, diplomas, or other certificates [14]. In 2018, 3.5% of the labour force in rural, mountainous, and ethnic minority areas had never gone to schools and 9.9% had not yet graduated from a primary school. The proportion of employees with university degrees or higher varied significantly among provinces. Most of them worked in Hanoi (26.0%) and Ho Chi Minh City (20.4%). Approx. 16.7 million people all over the country aged 15 or older did not participate in economic activities, of whom the majority (89%) had not received any technical and professional training, showing a huge barrier with regards to occupational skills of the labour force. The technical qualification has improved over time with the proportion of trained workers holding degrees, diplomas, or other certificates increasing from 15.6% in 2011 to 22.2% in 2018. However, there are still inadequacies in the structure of human resources by technical qualifications among different levels (Figure 2).

Vietnam's labour force is currently facing three major challenges that are likely to fundamentally change its structure and affect the country's sustainable development strategy thoroughly. *Firstly*, the Fourth Industrial Revolution is transforming many industries and economic sectors, with technological advancements affecting socio-economic life. *Secondly*, the US-China trade tensions will reorient flows of goods, services, and supply chains, and directly affect Vietnam's economy and labour force. Thirdly, the COVID-19 pandemic, despite being basically contained and pushed back within the country until recently, remains complicated. The pandemic destroys jobs at the global level and hits the life of every worker hard in most professions. The world economy is in recession and investors are considering the balance and reallocation of capital investment in Vietnam and Southeast Asia. Economic activities, working hours, and wage have been cut sharply, leading to job losses, closures, and bankruptcy of small- and medium-sized enterprises, as well as an increase in unemployment. According to a recent report of the Department of Employment, the number of unemployed Vietnamese was 1.1 million in the first quarter and 8 million in the first six months of 2020 [5].

Figure 2: Labour Structure by Technical Qualifications



Source: General Statistics Office and Ministry of Labour, Invalids and Social Affairs (2012), *Labour-Employment Survey of 2011*, Statistical Publishing House, Hanoi; General Statistics Office and Ministry of Labour, Invalids and Social Affairs (2019), *Labour - Employment Survey of 2018*, Statistical Publishing House, Hanoi.

As Industry 4.0 will change production methods, the demand for skilled and professional workers increases dramatically. New technologies will also replace many old jobs and create many new ones; however, Vietnamese workers will face new challenges accordingly. The employment scale will shrink because of the substitution of robotic automation for many manual jobs. With the advancements in IT platforms and the use of big data and artificial intelligence, a robotic workforce may be capable of manipulating intricate and accurate jobs at a cheaper cost. By using robots, there will also be no need for initial training costs and it is not necessary to worry about salaries, strikes, industrial relations, and other complications of human labour. The international economic integration and inflows of foreign investment into Vietnam will change the structure of sectors such as expanding textile, processing, assembly, tourism, and so forth, but narrow sectors utilising unskilled labour at the same time. Qualified and skilled workers will benefit, especially in expanded professions while other workers' income will be reduced, thus enlarging the income gap.

Facing the situation, Vietnam needs to maintain a qualitatively and quantitatively

assured labour force with good qualifications, knowledge, and skills to be able to utilise and promote changes that are taking place. However, in the context of a fast-ageing population, this is a big challenge. The vital requirement is to provide training and retraining as well as skill improvements for workers at enterprises and workplaces to increase their productivity. Thus, supporting workers to adapt to Industry 4.0 is an urgent requirement. It is also necessary to research and proactively identify in which industries and sectors robots will replace human labour as well as in which people cannot be substituted by them in the future to set out proper orientations on training and using employees. Moreover, policies are needed to effectively address information on the labour market, connect the supply and demand, strengthen sustainable jobs, and protect vulnerable workers from economic fluctuations while ensuring social safety. Once workers qualifications are improved, they will be fully and reasonably prepared for future changes.

3. Current situation of industrial relations

Industrial relations are social relations formed between wage workers and employers. As defined in Clause 5, Article 3, of the 2019 Labour Code, "industrial relations" shall mean the social relations which arise in respect of the hiring and using of labour, the payment of wage between the employer and the employee, the representative organisations of the parties, and competent state agencies. Industrial relations include personal industrial relations and collective industrial relations. The article also stipulates that persons without industrial relations are those whose work is not based on a labour contract [9]. Thus, industrial relations between the employee and the employer shall be constituted based on a labour contract.

Although labour and employment are heated issues in Vietnam which receive a lot of attention from both employees and employers, the awareness of industrial relations remains very limited. A World Bank report shows that less than 1% of enterprises identify labour regulations as a significant constraint on growth, while 28% of enterprises consider this to be a moderate constraint, and 72% do not consider it as an obstacle or constraint [6]. Superficially, the policies and laws on job protection in Vietnam are quite strict and stringent, but they are, in fact, benefiting employers at present. Opportunities for those without salaried jobs are very limited, they even find it difficult to switch their employment. Workers have not been given the right to ask employers to meet their needs for a raise in wage while ensuring their welfare and social security. The only possible action they may take is to organise strikes or quit their jobs, which may lead to the loss of rights, benefits, and social equity.

According to an assessment study by the World Bank and the Ministry of Planning and Investment in 2015, there were about 22.5 million "salaried workers", but 14% of them (7.4 million workers) did not have labour contracts and just worked in an order-based manner. When purchasing orders come in, employees are gathered to work. Upon the completion of these orders, they shall take a break and wait until there are new purchasing orders. To earn more, their demand for working overtime is huge

despite difficulties and limitations in time, health, and working conditions. Many enterprises also deliberately procrastinate to or even do not pay social insurance for their employees [16]. Industrial relations have become intense and complicated with many inadequacies, reflected in disputes over wages, labour contracts, and insurance policies, which require thorough consideration and sound policy interventions and adjustments.

3.1. Minimum wage

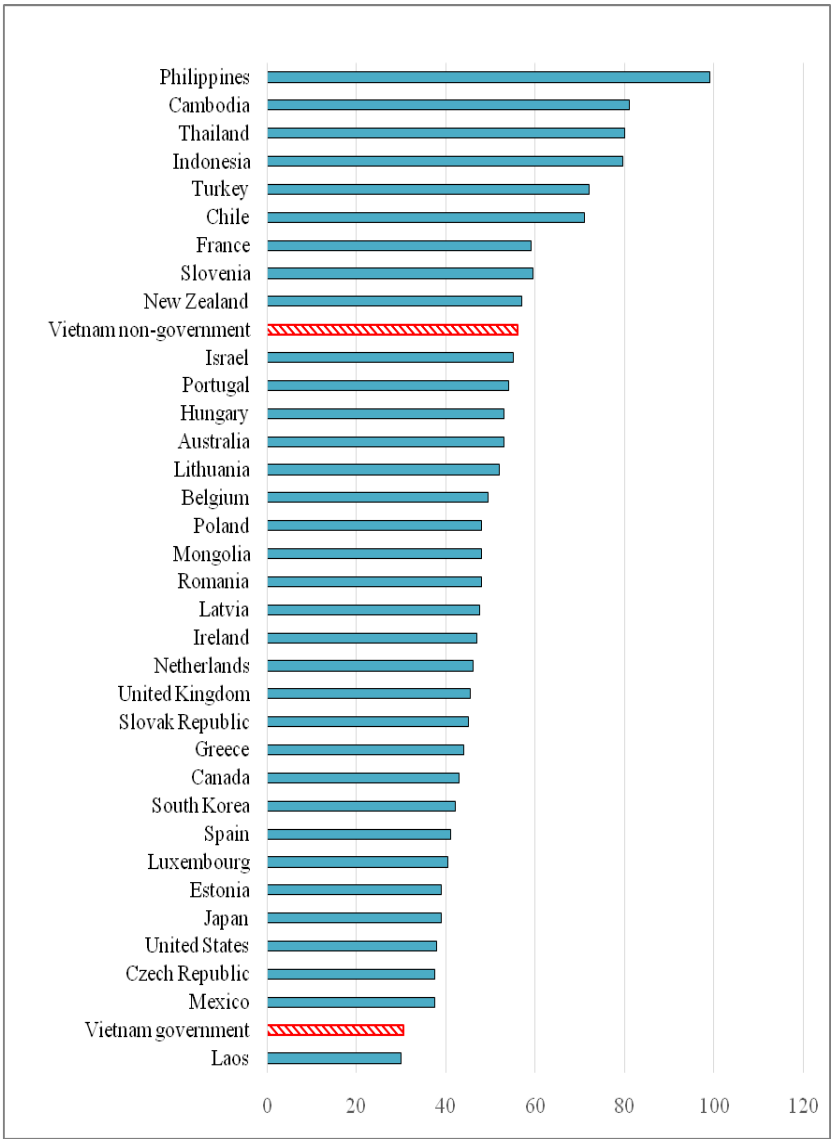
Minimum wage is stipulated as a tool to ensure basic living standards in society and as an important factor to determine the stability of industrial relations. In accordance with regulations, the minimum wage is the lowest payment for an employee performing simple jobs under normal working conditions. The minimum wage is determined and adjusted by factors such as the minimum living standards of workers and their families; consumer price index, and economic growth rate; supply-demand in industrial relations, employment, unemployment, and labour productivity. The minimum wage is also the basis to calculate the pay scale for state officials and employees in the public sector; make payments for social insurance, unemployment insurance, and health insurance of employees; calculate allowances for redundant labourers due to the organisational restructuring and rearrangement; veterans' pensions and subsidies, as well as some types of payments made as social transfers by the sector of social affairs.

When comparing the minimum wage with the average wage, the minimum wage of the private sector in Vietnam is higher than in other countries, while Vietnam's wages in the public sector are inferior to those of many countries in the region and the world (Figure 3).

In today's Vietnam, minimum wages between the public and private sectors widely differ from each other. For the private sector, the minimum wage has increased rapidly in recent years, far surpassing the similar increments in the state and FDI sectors. Raising the minimum wage in line with a roadmap is a great effort of the government, but this effort somewhat hinders the employment growth of the public sector when skilled workers are tending to quit jobs to work for the private or FDI sector due to higher salaries and more competitive and appropriate working environments [18], [15]. The salary system of the public sector is expected to make changes in July 2020, accordingly, the minimum wage of civil servants will be VND 1.6 million/month (in comparison to the current VND 1.49 million/month - demonstrating an increment of 7.38%). At the same time, the regional minimum wage has increased by 5.5% since the beginning of this year under a pilot plan to renovate the wage management mechanism for state-owned enterprises. However, the time for a salary increase is subject to the state budget. It is very difficult for the above-mentioned plan of raising the base salary for civil servants and members of the armed forces to be realised as from 1 July 2020 due to the impacts of the COVID-19 pandemic. In fact, the regional minimum wage is not yet high enough to cover the minimum living standards of workers and their families. The life of workers in industrial zones is very difficult also because of that reason. The

goal of raising the minimum wage to level with the "minimum standard of living", which is of great significance for the socio-political stability, has not been achieved. Even the principle that the minimum wage must be sufficient to cover the minimum living needs of workers is unconvincing. The minimum living standard, including nutritious food, minimal utilities and housing; healthcare, travel, education, social relations and others, is aimed at ensuring that the minimum living needs of workers are met.

Figure 3: Minimum Wage in Comparison to Average Wage: Vietnam in Relation to Some OECD Countries and Asia-Pacific



Source: World Bank (2014), *Report on Global Financial Development: Financial Inclusion*, Washington DC.

To protect workers, in addition to raising the minimum wage or forcing workers to work overtime, it is required to develop proactive labour assistance programmes such as training courses and employment assistance. Moreover, workers who lose their jobs can be brought back to the labour market through job transition support and provided with unemployment insurance, both of which have still failed to prove its effectiveness in Vietnam. The coverage of this type of unemployment insurance remains modest with nearly 20% of the labour force (12.6 million people) being buyers [4]. Meanwhile, unemployment benefits in Vietnam are regulated in a relatively generous level, equivalent to 60% of the average income of the last six consecutive salaried months before being unemployed. The replacement rate (the portion of income replaced with benefits) of Vietnam is higher than those of China or Thailand and relatively high by standards of a middle-income country [6].

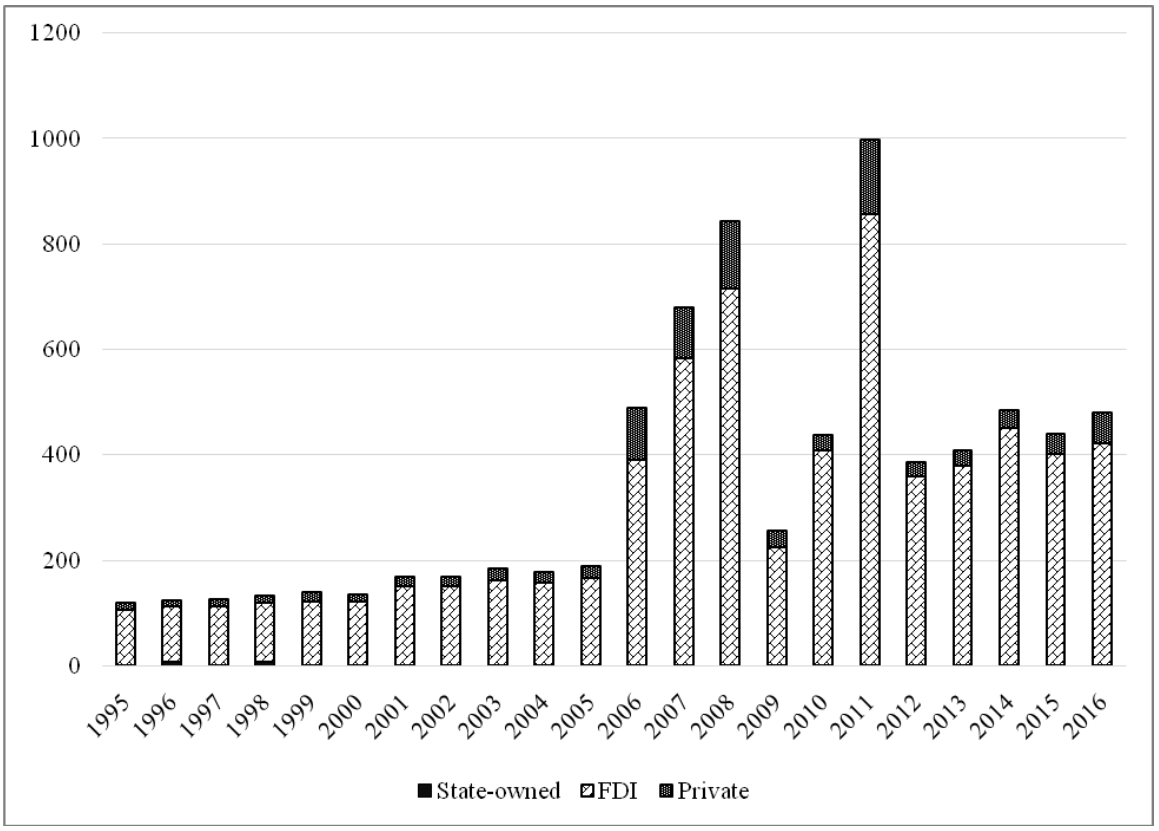
3.2. The role of trade unions in industrial relations

The current situation of industrial relations manifests the legacy of a planned, bureaucratic, and subsidised economy which still faces increasing challenges to adapt to the market mechanism. Industrial relations are being constrained by systemic shortcomings and weaknesses of the centralised economic model [21]. Trade unions are entities that regulate or participate in the process of resolving disputes arising in industrial relations. Although all trade unions under the Vietnam General Confederation of Labour (VGCL) have some similar functions and roles, they may express different concerns, which can lead to conflicts of interest. Trade unions in enterprises have a close relationship with each enterprise's board of management and are responsible for representing the rights of workers as well as securing their welfare. However, this function is not a major one as compared to other functions of Vietnam's trade unions, which are under the system of the VGCL, at present. The current situation of industrial relations should follow the revised Labour Code of 2019. It is a must to have some clarifications and avoid misunderstanding between a trade union and a workers' organisation which does not belong to the system of the VGCL.

The role of employers' associations such as the Vietnam Chamber of Commerce and Industry (VCCI) and the Vietnam Cooperative Alliance (VCA) is also quite complicated. These associations are more experienced in promoting policies and maintaining trade union activities rather than participating directly in the settlement of conflicts in industrial relations. However, such associations are appointed and supported by the State and do not represent the interests of related employees and employers [19]. An illustrative example of this weakness is the large number of collective job quits and spontaneous strikes in Vietnam. Although regulations on strikes have been specified in the Labour Code, the procedure to conduct a strike is too cumbersome, and the role of trade unions remains unclear. Thus, there has not been a lawful strike up until now. Instead, strikes are regarded as "spontaneous" with many violations against the current regulations. These spontaneous strikes tend

to increase despite great year-on-year fluctuations. The limited available data shows that the majority of these strikes have been taking place in the FDI sector, demonstrating the inadequacies in the labour dispute resolution mechanism during Vietnam's integration process (Figure 4).

Figure 4: Number of Strikes by Types of Enterprises in Vietnam



Source: Vietnam General Confederation of Labour (2014), *Summary of Development of Members in 2014*, Hanoi.

Recent reforms in the legal system have initially contributed to overcoming some of the above-mentioned weaknesses. As such, the revised Labour Code 2019 has allowed workers to unilaterally terminate a contract without any explanations. At the same time, they are also entitled to ask the employer to provide copies of documents related to their employment process upon the termination of employment contracts. Although this is a new point, it is only applicable to employees who have inked a formal contract. And, the number of such workers is not considerable at present.

The revised Labour Code also stipulates more clearly the procedures for resolving labour disputes. For example, collective agreements are more favoured than they

used to be. The regulation that collective labour agreements must be registered with state management agencies has also been abolished. However, the provisions have not been concretised into solutions to fundamentally address issues associated with the role of trade unions and employers due to a lack of key measures for enforcement for the process of collective negotiation and dispute resolution. Workplace dialogues and collective negotiations are limited at the absence of representation for employees despite the foundation of the National Industrial Relations Commission (NIRC) in 2007 as a tripartite social dialogue agency to resolve disputes and discuss labour policies. However, this commission has operated inefficiently due to its lack of experience in organising dialogues and inadequate representation for workers, especially in small- and medium-sized enterprises [22].

3.3. Legal and policy gaps

So far, Vietnam has issued many policies and laws to regulate social relations in labour in the direction of being gradually improved in alignment with international integration. The system of labour laws witnesses many changes and is being improved step by step. However, although highly effective legal documents have been developed, they are not specific and detailed enough to be directly and independently applied, which makes it difficult to look up, use, and implement them in synchronicity.

Currently, there are no official regulations on which ministries and sectors shall be responsible for State management over industrial relations. Although the MOLISA is primarily in charge of the state management and acts as one of the three parties in industrial relations, this relationship is, in fact, governed by many other laws such as the Civil Code and the laws on enterprises, investment, administrative procedures, and others, as well as impacted by the management of many other ministries, sectors and agencies. In terms of functions and tasks of the MOLISA, some points have already been regulated but remain unspecific, which leads to a serious shortage of the state management functions on industrial relations, sporadic and unsystematic management contents, and even incompatibility between labour laws and industrial relations. Meanwhile, some assigned functions do not match the State's role in industrial relations of the market economy, especially wage-related issues [23].

The most incompatible point of Vietnam's legislation in comparison to international labour commitments is the standard of freedom of association under Convention No.87 of the International Labour Organisation (ILO). The Convention's key content is that workers and employees shall have the right to establish and join organisations of their own choices. In other words, workers have the right to freely establish and join labour organisations outside the current system of Vietnam's trade unions. In addition, with commitments in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a representative organisation of workers will be formed in the time to come. This organisation will be independent of and equal to grassroots trade unions under the system of the VGCL. The country is committed to allowing the establishment of workers' organisations at

the enterprise level and those can either join the system of the VGCL or operate independently by registering with the State. This important content will not only affect the state management on labour but also expose the gaps in laws and policies.

The revised Labour Code of 2019 also allows workers in the enterprise sector to resolve labour disputes and strikes in accordance with international standards, meaning that workers have the right to establish and join their representative organisations at workplaces. As for the current regulations, employee organisations at enterprises include the grassroots trade union and those at enterprises. However, these commitments to the ILO and other international conventions pose a great challenge to the organisation and operation of Vietnam's trade union system. If trade unions operate efficiently and boldly strive to claim rights and interests of workers and speak up for them, the newly established employee organisations will join the VGCL, creating more strength for Vietnam's trade union system. On the contrary, if trade unions halfheartedly and inefficiently operate without any fights for the rights of workers, these new employee organisations may connect to protect their rights, including a possible flow of members from the trade union to the new organisations.

Furthermore, freedom of connections and collective negotiations of workers is a new issue in Vietnam. The revised Labour Code empowers workers to establish representative organisations outside the VGCL system. They have the right to join or not join member organisations of the VGCL and to take part in or leave a representative organisation. If all organisations are operating inefficiently, workers can collectively set up their own organisations. Under such conditions, it is necessary to clearly specify the methods of managing financial affairs and address complaints and disputes related to collective negotiations among workers' organisations to ensure the obligations and interests of employees are met. However, how workers apply this right still needs to be further studied and reviewed.

So far, it is not easy for workers to establish representative organisations by themselves because people will show hesitation in entering an organisation which cannot give them any benefits while they must pay union dues. Therefore, financial challenges for the trade union system under the VGCL are also noteworthy as their funding might be reduced sharply due to the steep decline in the amounts they received from the union fee paid by members, and the state budget earmarked for the unions. If resources are not strong enough, it will be very hard to attract workers and newly established organisations of workers to join the system of the VGCL. This is a great challenge in managing and utilising the labour force of enterprises in the direction of both securing the rights of workers' representative organisations at international standards and creating conditions for Vietnamese trade unions to be more active.

3.4. Suggested solutions

Hereunder are some solutions to improve labour and employment policies as well as industrial relations in Vietnam:

Firstly, Vietnam shall consider living expenses when determining and calculating the minimum wage. Productivity must become

an important factor in the determination of minimum wages for workers and their families. Unemployment insurance is more effective than severance allowances in sharing the risk of unemployment. The possibility of replacing severance pay with unemployment insurance is stipulated in the revised Labour Code of Law 2019, but the system of severance allowances is still maintained. To ensure social security for workers, it is necessary to expand the coverage of unemployment insurance and proactive labour programmes to bring unemployed workers back to the market. In the context of international integration, it is necessary to forecast the labour supply and demand and assess the structure of new professions to make projections for the employment demand and the tolerability of the economy.

Secondly, in terms of industrial relations, it is necessary to continue strengthening short-term efforts to improve the capacity of trade unions by raising awareness and providing training courses on skills of collective negotiation, labour dispute resolution, strikes, and so forth. Moreover, it is essential to enhance the capacity and ability of workers based on ensuring that their interests are met. In the medium term, more specific measures, such as securing the independence between the board of management and trade unions, should be taken into consideration. In addition, it is needed to continue to simultaneously simplify regulations on labour dispute resolution and carry out institutional reforms in line with a market economy integrating into the world (such as allowing the establishment of enterprise-level management councils like in many European countries and the Republic of Korea, i.e. South Korea).

Thirdly, it is necessary to establish a system of labour mediation and arbitration. Dispute resolution should meet the needs and interests of stakeholders (employees, employers, and the state) in line with the spirit of the newly promulgated Labour Code of 2019. Employees working in an enterprise have the right to establish and join a grassroots representative organisation of their choice without prior permission. The model of workplace lawyers should be tested to protect workers' legitimate rights and interests as well as to improve their capacity. These are challenges for the State's labour management activities in registering the establishment of workers' organisations and supervising them in accordance with regulations, real-term activity management, and handling issues that arise. The system of policies and laws needs to be quickly fine-tuned to fundamentally solve inadequacies and weaknesses in the system of industrial relations in Vietnam, meeting the requirements of international integration.

Fourthly, the ability to continue to improve industrial relations depends significantly on the finalisation of policies and institutions. This again relies on whether Vietnam can take advantage of the opportunity to address the perceived weaknesses in economic restructuring or not. Provisions of the revised Labour Code open many new options for workers and will be incentivising the renovation by the trade unions so that they can operate more efficiently and practically for the workers. State management should aim at ensuring the welfare and security of workers on the people-centred principle in the development process. Accordingly, the law on collective labour agreements at all levels should be finalised in a way consistent

and compatible with international laws, meeting the requirements of the country's process of integration, and handling the impacts of the Fourth Industrial Revolution.

4. Conclusion

The paper reviews the current situation of employment and industrial relations with recent changes amid Vietnam's international integration policies and practices, poised to become a modern, industrialised, and upper-middle-income country by 2030. By analysing the current situation of employment and industrial relations, the author has pointed out inadequacies and gaps as well as suggesting some policy solutions to remove difficulties and overcome limitations in the field.

The rapid development of human resources, especially high-quality ones, is one of the three breakthroughs for developing the country in the context of international integration and fierce competition for survival and development. The digital era may create many opportunities in labour productivity and high-quality workforce development. However, this is also a challenge, requiring renovations in the State management with regards to training, development, and utilisation of labour. Without any renovations and a suitable mindset, Vietnam would not only fail to achieve the goal of sustainable development but also lag behind other countries.

In the context of a broken supply system with both labour supply and global production catastrophically affected by the current COVID-19 pandemic, a reassessment of the labour and employment situation, as well as State management on labour and industrial relations, is crucial in the new situation. The COVID-19 pandemic is exacerbating difficulties and challenges with regards to labour and employment in Vietnam. The situation will firstly depend on the recovery of import and export markets of countries and regions when the pandemic is under control. After the pandemic, automation and robotisation will take place more strongly, promoting the transformation of current employment and occupational structures.

Note

[1] This paper was published in Vietnamese in: *Tạp chí Xã hội học*, số 4 (148), 2019, then developed into this English version. Translator: Vu Xuan Nuoc. Language editor: Etienne Mahler.

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