



## **Some Solutions to Bolster Employment Opportunities for the Youth in Ninh Binh Province, Vietnam**

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### **ABSTRACT**

Young individuals constitute a significant demographic that plays a crucial role in the advancement of socio-economic development. From an economic standpoint, young people serve as both drivers of production and consumption. Consequently, the issue of youth unemployment becomes intertwined with the production and consumption crises within the economy. One viable solution to mitigate unemployment is to enhance self-employment opportunities for the youth. Leveraging the existing socio-economic advantages and potentials, the young population of Ninh Binh province can avail numerous prospects to create their own jobs. This not only ensures their own livelihoods and that of their families but also generates employment opportunities for other individuals, thereby contributing to the socio-economic progress of the province. To bolster the self-employment capacity of the youth in Ninh Binh province, it is imperative to implement a comprehensive set of solutions. These include enhancing the policy framework, ensuring effective implementation of policies that support the youth's self-employment opportunities, establishing mechanisms that facilitate rural the youth's access to credit and financial resources for self-employment, fostering vocational training services, vocational skills and self-created work development, and conducting extensive awareness campaigns to promote entrepreneurship and its associated benefits; to foster an understanding of self-employment and its advantages, it is essential to actively disseminate information that advocates for entrepreneurship.

Keywords: *youth, employment, unemployment, vocational training, workforce*

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### **1. INTRODUCTION**

The presence of the youth labor force plays a significant role in the realm of production activities, making a positive contribution to the socio-economic development of Ninh Binh province. As per the data provided by the Ninh Binh Statistics Office in 2023, the population of young individuals aged between 15 and 29 in Ninh Binh province amounts to 198,148 individuals, constituting 20.2% of the overall population and accounting for 38.4% of the province's labor force. Among them, rural youth make up 82% while urban youth make up 18%. Consequently, this situation has placed immense pressure on the creation of employment opportunities for the young population in Ninh Binh province. In 2021, the People's Committee of Ninh Binh province issued plan No. 101/KH – UBND, which outlines the development plan for the implementation of the labor market support program by 2030.

Ninh Binh province aims to enhance its skilled workforce in accordance with the demands of the labor market. The objective is to ensure that 28-32% of skilled workers possess degrees and certificates by 2025, and 35-40% by 2030. Additionally, the province aims to maintain an overall unemployment rate below 2% and an urban unemployment rate below 2%. The proportion of laborers engaged in the agricultural sector will be reduced to less than 25% by 2025 and less than 20% by 2030. Efforts will also be made to decrease the rate of unemployment, school dropout, and lack of training among young people. Urban youth unemployment will be kept below 7%, while the underemployment rate of rural youth will be less than 6%. Achieving these targets necessitates the active involvement of various sectors, levels, and localities in socio-economic development. This collaborative effort aims to generate more employment opportunities for the overall labor force and specifically for the youth in the province. Furthermore, promoting self-employment opportunities for young individuals in Ninh Binh province is considered an effective measure to address the issue of youth unemployment in the current period.

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### **2. THEORETICAL BASES**

#### *The youth*

Young individuals constitute a vital component of the labor force, serving as a potent asset that propels societal progress in the present era. Throughout the annals of history, young people have consistently played a pivotal role in the formation and advancement of various nations and societies across the globe. The International Labour Organization (ILO) defines young people as individuals aged between 15 and 24 years. However, Vietnam's perspective differs from this definition. As per Vietnam's 2020 Youth Law, young people are considered Vietnamese citizens aged between 16 and 30 years.

Conversely, the General Statistics Office's annual labor force survey designates individuals aged between 15 and 24 years as young people. Consequently, based on this research, the youth are comprehended as individuals falling within the age range of 15 to 24 years.

### ***Youth unemployment***

Youth unemployment is a term that specifically refers to the unemployment of young individuals. Due to their unique occupational and psychophysiological characteristics, the issue of unemployment among young people requires focused research and analysis. This is why youth unemployment is a topic of interest and investigation in many countries around the world. Youth unemployment typically pertains to individuals between the ages of 15 and 24 who are able and willing to work but have not yet found employment. It can be examined by comparing it to the overall unemployment rate or by looking at the proportion of unemployed youth in the total youth labor force. The International Labor Organization calculates the youth unemployment rate using a specific formula.

$$\text{The youth unemployment rate} = \frac{\text{The number of youth unemployment}}{\text{Youth labor force (including employment and unemployment)}} \times 100$$

## **3. RESEARCH METHODOLOGY**

The analysis of youth unemployment in Ninh Binh province was conducted through a combination of literature analysis and descriptive statistical analysis. The data utilized in this study originated from a secondary data source, specifically the statistical yearbook of the Ninh Binh Provincial Statistics Office.

## **4. RESEARCH RESULTS**

### ***4.1. Challenges to self-employment activities of young people in Ninh Binh province***

Ninh Binh province has achieved notable progress in its economic development and restructuring in recent years. The province has identified supporting industries and tourism services as crucial sectors for its socio-economic development strategy in the upcoming years. Consequently, there is a significant demand for employment opportunities in the province. Unfortunately, the Covid-19 pandemic has had a detrimental impact on the labor force, particularly the youth workforce, leading to unemployment and underemployment. As a result, it is imperative to address the urgent issue of job creation for these individuals, requiring the active involvement of various agencies, departments, social organizations, and businesses. One potential solution to reduce unemployment is to promote self-employment. Nevertheless, the capacity of the youth to establish their own employment opportunities in Ninh Binh province is presently encountering numerous challenges.

#### ***Limited educational qualifications***

Most of the educated youth tend to apply for jobs in companies, businesses, other political and economic organizations instead of tending to create their own jobs. The rest of the untrained youths and who finish high school 3 or below tend to create higher self-employment. However, due to the low level of education, the ability to absorb scientific advances and apply them to production activities is limited.

#### ***Difficulties in accessing support from state agencies***

Young people have been unable to access state support for their entrepreneurial endeavors due to a dearth of information regarding support policies. Furthermore, the support provided by mass organizations in promoting self-employment of the youth is inadequate, failing to effectively bridge the gap between young individuals and government initiatives.

#### ***Difficulties in accessing loans for self-employment activities***

Young individuals who have not completed their undergraduate studies often encounter challenges in obtaining funding for self-employment ventures due to lack of income. In order to secure a bank loan, applicants are required to provide collateral. Despite the provinces' implementation of Resolution 43/2018/NQ-HĐND aimed at supporting start-up loans and business development for youth, available resources for this credit program remain insufficient to meet the actual demand. The loan amounts offered are still relatively low, with a maximum of 500 million VND per project and collateral required for loans exceeding 50 million VND. This poses a significant obstacle for young people seeking financial assistance from banks or credit funds, as most do not possess valuable assets to serve as collateral.

#### ***The promotion and distribution of the Party's directives, regulations, laws, information on assistance, and groups that promote youth entrepreneurship are currently restricted.***

A significant number of young individuals in rural regions remain uninformed about policies, assistance initiatives, or centers that support self-employment. This issue is partially attributed to the insufficient presence of grassroots union cadre forces, as well as the limited knowledge and capabilities of the cadre team.

#### ***4.2. Some solutions to support self-employment for the youth in Ninh Binh province in the current period***

To assist the youth in Ninh Binh province in self-employment, enhancing their standard of living, and securing their family's income, it is essential to comprehensively execute the subsequent strategies:

##### ***Developing mechanisms to facilitate rural youths' access to credit capital and financial resources for fostering self-employment opportunities***

At present, the Employment Law (2013) only allows individuals who belong to ethnic minorities or reside in extremely challenging areas to be eligible for loan assistance for self-employment. Consequently, it becomes exceedingly arduous for young individuals to obtain favorable loans. Hence, it becomes imperative to broaden the scope of loan beneficiaries and establish self-employment models to ensure reasonable loan amounts, thereby enabling young people to materialize their entrepreneurial aspirations. In this regard, the People's Committee of Ninh Binh province has recently issued a decision to amend Resolution No. 43/2018/NQ – HĐND on December 12, 2018 by the Provincial People's Council. This decision aims to outline policies that support start-up loans as well as the development of production and business ventures for the youth in Ninh Binh province. Young individuals are encouraged to access start-up funds and enhance their production and business activities with a maximum loan amount of VND 2 billion per project, which is four times higher than the previous limit. The loan duration should not exceed 120 months (10 years), which is twice as long as before. The specific loan duration is determined by the funding source, production and business cycles, and the borrower's repayment capacity. At least VND 10 billion is allocated from the provincial budget annually for implementation. Despite this, the scale of youth loans remains limited. Therefore, it is essential to diversify the types of collateral and guarantees, such as loans based on educational qualifications, certification from local authorities, and guarantee from socio-political organizations, etc. It is crucial to engage mass organizations, enhance the role of the village youth union, and establish self-employment support funds for rural youth to facilitate entrepreneurship among them.

##### ***Enhance the services of vocational education and skills, and self-employment opportunities***

Ninh Binh province should proactively engage young individuals and conduct brief courses to provide them with essential skills enabling them to create jobs for their own. It is advisable to promote initiatives and schemes carried out by non-governmental organizations, the national employment fund, job creation, vocational training, and soft skills development. The curriculum vocational training and skills acquisition should align closely with the prevailing economic practices of the region and the nation, taking into account projections of job requirements, youth professions, and local socio-economic development strategies.

Furthermore, apart from formulating self-employment policies at the provincial level, it is imperative for localities within the province to devise tailored policies that align with local customs, practices, and socio-economic conditions. To keep pace with the advancements brought about by the Fourth Industrial Revolution, it is crucial to enhance knowledge training on sustainable livelihood models and promote green and environmentally friendly circular production models, aiming to produce superior goods and commodities. This will enable us to meet the export demands of potential markets. Additionally, it is essential to equip young workers with the necessary knowledge and skills pertaining to emerging business models like e-commerce. By doing so, we can inspire this workforce to effectively apply and implement the achievements of digital transformation in their production, ultimately fostering self-employment and enhancing the overall quality of life. This, in turn, will contribute to the development of the local economy.

##### ***Perfect the policy system, improve the implementation of policies to support youths' self-employment***

It is imperative to establish precise objectives in the economic development strategy of Ninh Binh province, focusing on promoting self-employment opportunities for the youth and setting specific targets for each local area and administrative level. The policies and incentives, process of receiving incentives aimed at supporting self-employment activities should be clearly outlined in official documents, ensuring easy accessibility for rural youth. Furthermore, it is crucial to strengthen the involvement of mass organizations, such as the Youth Union and Women's Union, etc. in providing support and guidance for rural youth's self-employment.

##### ***Spread information about entrepreneurship to raise awareness about the advantages of self-employment and its benefits***

Organize workshops to facilitate the exchange of experiences among accomplished young entrepreneurs and to learn from the mistakes made in unsuccessful ventures. The most impactful form of promotion is undoubtedly the firsthand accounts shared by those who have embarked on their own entrepreneurial journeys and created their own jobs. Valuable insights are derived from challenges faced, and the ability to overcome these obstacles serves as both a valuable lesson and a source of inspiration for aspiring individuals to engage in self-employment.

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## **5. Conclusions**

The young workforce is becoming more and more crucial in the production and occupational sectors, making a positive impact on the economic growth of Ninh Binh province. Just like their counterparts in Vietnam, young workers in Ninh Binh face specific challenges such as low educational level, lack of land for business or production, insufficient experience in entrepreneurship, inadequate knowledge about the job market, and difficulties in accessing capital. Hence, it is imperative to introduce measures that facilitate job opportunities, ensure livelihood stability, enhance social security, and ultimately boost the economic progress of Ninh Binh province.

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