

**STRENGTHENING THE RELATIONSHIP  
BETWEEN EMPLOYMENT SERVICES AND  
UNEMPLOYMENT INSURANCE (UI) IN THE  
CONDITIONS OF VIET NAM**



Bureau of Employment

Ministry of Labour-Invalids and Social Affairs

# I. EMPLOYMENT SERVICE SYSTEM IN VIET NAM

## 1. Formation and development of employment services in Viet Nam:

- Launch since early 1990's;
- In 2001: There were 178 Employment Service Centres (ESCs)
- Currently: 130 ESCs
- ESCs under DOLISA : 64 ESCs
- ESCs under sectors, socio-political organizations: 66 ESCs.



# **I. EMPLOYMENT SERVICE SYSTEM IN VIET NAM**

## **2. Legislative regulations on employment services in Viet Nam:**

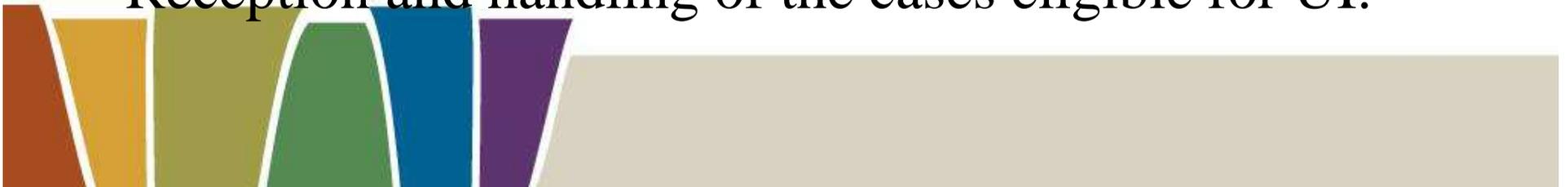
- Labour Code 1994;
- GoV Decree defining eligibilities and procedures for establishment and operation of ESCs;
- Circular of MOLISA and pertinent Ministries.



# **I. EMPLOYMENT SERVICE SYSTEM IN VIET NAM**

## **3. Functions and tasks of employment service system in Viet Nam**

- Counseling on employment, occupational training and policies related to labour relations in compliance with regulations of labour laws;
- Job introduction, labour provision;
- Collection, analysis and provision of labour market information;
- Occupational training under law regulations;
- Reception and handling of the cases eligible for UI.



# I. EMPLOYMENT SERVICE SYSTEM IN VIET NAM

## 4. Results of Employment service activities :

- Counseling: Since 1996 to date, counseling provided to 8 million people (employment counseling: 56.63%; occupational training counseling: 23.52%; labour policy counseling: 13.71%);
- Job introduction and job placement during period 2006-2011 on average of 400,000 workers each year;
- Training: period 2006- 2011: 200,000 workers were trained each year on average.
- System of ESCs in Viet Nam has developed rapidly, appropriate to the growth of labour market. To date, this system has been able to meet requirements and demands of the labour market in Viet Nam.



## **II. UNEMPLOYMENT INSURANCE (UI) POLICIES IN VIET NAM**

### **1. Legislative regulations on UI:**

- Social Insurance Law on UI in 2006;
- Government Decree guiding some articles of the Social Insurance Law on UI;
- Circulars of MOLISA, Ministry of Finance (MOF) and pertinent sectors on UI.

UI policies took effects on 01 January 2009.



## II. UNEMPLOYMENT INSURANCE (UI) POLICIES IN VIET NAM

### 2. Basic contents of UI policies:

#### *a. Participants of UI:*

- *Employees:* are persons who enter labour/employment contracts of indefinite terms or of a full 12-month term up to 36 months;
- *Employers:* use from 10 employees or more.



## II. UNEMPLOYMENT INSURANCE (UI) POLICIES IN VIET NAM

### 2. Basic contents of UI policies (cont.)

#### *b. Paying UI premiums:*

- Employees contribute 1% of their monthly salary/wages;
- Employers contribute 1% of the salary, wage fund of the UI participants;
- On a monthly basis, the State supports 1% from the budget for monthly salary, wage fund of UI participants and this amount is transferred once a year.



# II. UNEMPLOYMENT INSURANCE (UI) POLICIES IN VIET NAM

## 2. Basic contents of UI policies (cont.)

### *c. Eligibilities for UI:*

- Have paid UI of full 12 months or above within 24 months prior to job loss or termination of employment/labour contracts;
- Have registered unemployment status with a JIC;
- Have not been able to find a new job after 15 working days, starting from date of registering with the JIC.



# II. UNEMPLOYMENT INSURANCE (UI) POLICIES IN VIET NAM

## 2. Basic contents of UI policies (Cont.):

### *d. UI schemes:*

- *Unemployment allowance:* 60% of the average rate of salary, wage paid for UI premiums of the 6 adjacent/successive months prior to job loss or termination of the labour/employment contract;
- *Support for occupational training:* equal to a short-term occupational training course and the support shall not exceed 6 months;
- *Support for job finding:* free-of-charge job counseling and introduction;
- *Health insurance (HI):* enjoyment of HI paid by the Social Insurance Agency.



## II. UNEMPLOYMENT INSURANCE (UI) POLICIES IN VIET NAM

### 3. UI implementation situation

#### a. Participation and collection of UI premiums:

Year	No. of participants ( <i>million people</i> )	Amount of collected UI premiums ( <i>billion VND</i> )
<b>2009</b>	<b>5.9</b>	<b>3,510.6</b>
<b>2010</b>	<b>7,206</b>	<b>5,400.3</b>
<b>Estimated 2011</b>	<b>7,931</b>	<b>5,730.3</b>



## II. UNEMPLOYMENT INSURANCE (UI) POLICIES IN VIET NAM

### b. Receiving and dealing with cases entitled to UI

No.	Content	2010	2011	The first 2 months of 2012
1	No. of persons registering unemployment	189.611	335.901	63.221
2	No. of the unemployed that are entitled to unemployment allowance benefits	156.765	291.302	31.121
3	No. of persons changing the institution for enjoyment of UI benefits	26.666	56.797	12.867
4	No. of persons provided with job counseling and introduction	125.562	217.721	27.198
5	No. of persons provided with occupational training support	270	1.037	303

## II. UNEMPLOYMENT INSURANCE (UI) POLICIES IN VIET NAM

c. UI expenditure:

- In 2010: almost 460 billion for UI regimes;
- In 2011: estimated expenditure of 1,096.36 billion.

d. Balance of UI fund: estimated to end of 2011, the balance of the fund was 14,638 billion VND.



### **III. RELATIONS BETWEEN EMPLOYMENT SERVICES AND UI**

Based on functions and tasks of ESCs and for the implementation of UI policies, it is rational and cost saving for ESCs to be UI implementation units; the linkage and continuum between settlement of unemployment allowance and the support for employees in apprenticeship, job counseling and introduction; creation of favourable conditions for employees and employers are demonstrated through the following activities:



### **III. RELATIONS BETWEEN EMPLOYMENT SERVICES AND UI**

1. Receiving and handling UI benefits for the unemployed;
2. Supervising employment status for the unemployed;
3. Providing labour market related information to the unemployed;
4. Providing support for occupational training for the unemployed;
5. Provide job counseling and introduction to the unemployed;
6. Organizing activities for employment opportunities;
7. Propagating policies, regimes on labour, employment and UI to employees and employers

## **IV. WAYS FORWARD AND SOLUTIONS IN THE COMING TIME**

1. Continue to accomplish the system of legal normative documents on UI.
2. Consolidate and develop employment service activities in line with employment service activities of the countries that are members of the World Association of Public Employment Services, including traditional activities , UI activities.
3. Enhance capacity for staff of JIC in implementing UI, providing job counseling and introduction.



## **IV. WAYS FORWARD AND SOLUTIONS IN THE COMING TIME**

4. Develop and take measures for labour management.
5. Strengthen facilities and financial conditions/capacity for implementation of UI and employment services in ESCs.
6. Increase summation, evaluation, examination for good and effective implementation of UI and employment services.
7. Strengthen international cooperation./.



Thank you very  
much

