

## Promoting right to have access to information, services and benefits offered by Unemployment Insurance scheme.

For immediate release: 24<sup>th</sup> October 2012

### Press Release

HANOI (ILO News) –

Improving knowledge of workers, employers, trade unions and others government agencies about the primary objective, procedures, support provided by the unemployment insurance is the main purpose of the Information, Education and Communication (IEC) event that will be held on 24<sup>th</sup> Oct. 2012 in Thang Long Industrial Park, Hanoi.

The event supported by ILO/ Japan project on “*Promoting and Building Unemployment Insurance and Employment Services in ASEAN*” will be led by the Bureau of Employment, MoLISA with the collaboration of Vietnam Social Security, Workers’ and Employers’ Organisations. It follows a sequence of several activities (eighteen month’s review in August 2011, various consultations) which have enabled to identify a number of issues and formulate recommendations to improve the unemployment insurance.

The Communication event comes timely to recall what are the primary purpose, services and benefits provided by the UI scheme, e.g. unemployment benefits, employment support services and vocational training assistance. The event will also help clarify roles and responsibilities of the different implementing agencies, as well as respective rights and duties of workers and employers so as everyone can fully enjoy support from the unemployment insurance scheme. As such, the event provides a platform for BOE and its partner, Viet Nam Social Security, to respond in a transparent manner to concerns rising among workers’ and employers’ representatives, users and public regarding the performance of the UI scheme.

The IEC event will start from 8:30 AM, 24 October 2012. The media are welcomed.

Direct targeted audiences of the meeting consist of 250 representatives from trade unions, selected employers and employees working in the industrial park.

### **Background information**

The economic slowdown in Vietnam over the past few years has led to bankruptcy and lay-offs among enterprises in difficulties. In January 2012, 1.3 million Vietnamese were unemployed and more than 4.5 million others were seeking part-time jobs.

While the official unemployment rate is only slightly different between men and women (2.5 per cent against 2.7 per cent in 2009), women tend to be employed in more vulnerable jobs. According to the ILO’s Vietnam Employment Trends 2010, 69.1 per cent of women involve in vulnerable employment, compared to 54.4 per cent of men.

Vietnam established its unemployment insurance (UI) scheme in 2009 to protect workers in case of lays-off and ensure that they do not fall into poverty. The move marked a breakthrough in social protection policies as Vietnam and Thailand are the only countries in South East Asia to have such a scheme. In December 2011, 7,9 million employees were registered in the UI scheme. . By April 2012, the system has processed 694,000 unemployment claims, of which 560,000 have been granted unemployment benefits and other supporting services. Among the applicants, women accounted for about 6 per cent, and the group aged between 25-40 years old represented 62 per cent.

However, although the UI scheme's performance in Viet Nam is remarkable for the fast increase in coverage, statistics show that less than 2 per cent of unemployed beneficiaries return to work prior to the end of their benefit entitlements; and less than one per cent applies for vocational training allowance. Reasons for such low performance in providing support to return to work can be explained by cumbersome procedures and lack of clarity on the rights and obligations of each party.

The IEC event comes timely for BOE and its partner VSS to recall the importance of joining the unemployment insurance, clarify questions and respond to concerns rising from workers' and employers' representatives, users and public regarding the policy, procedures and performance of the UI scheme.

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