



► Research Brief

March 2021

Gender and the labour market in Viet Nam* An analysis based on the Labour Force Survey

Main messages

- **Labour market participation of women is remarkably high in Viet Nam.** Such a high level of female economic activity may be mistaken as an indicator of relatively limited gender inequality in the country. This brief takes a wider approach, and assesses not only access to employment, but also employment quality. The findings show that women in Viet Nam carry a disproportionate double burden, and they face multiple and persistent inequalities.
- **Women are on average found in lower-quality employment than men.** Female workers are overrepresented in vulnerable employment, particularly in contributing family work. They tend to earn less than men, despite comparable working hours and the progressive elimination of gender gaps in educational achievement. They are also underrepresented in decision-making jobs.
- **While being highly economically active, women also discharge a disproportionate amount of family responsibilities.** They spend twice as many hours as men producing services for their own household, such as cleaning, cooking, or caring for family members and children. Almost all women are involved in these activities on a weekly basis. A lower share of men are found to be involved in each of these activities, and close to 20 per cent of men report they do not spend any time in these activities at all.
- **COVID-19 has not only exacerbated existing labour market inequalities, but it has created new ones.** Women faced an especially severe reduction in working hours during the second quarter of 2020. They left the labour market in larger shares than men. Younger and older women, typically holding the most unstable employment arrangements, are particularly likely to have left the labour force. A gender-based gap appeared in the unemployment rate.
- **In the third and fourth quarter, those women who were still employed worked longer hours than usual.** This choice might stem from a need to make up for income losses incurred in the second quarter. On top of increased economic activity, women also spent almost 30 hours per week on household work. These elements suggest that the pandemic might have made women's double burden heavier than before the crisis hit.

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Part I: Gender and the labour market, before COVID-19

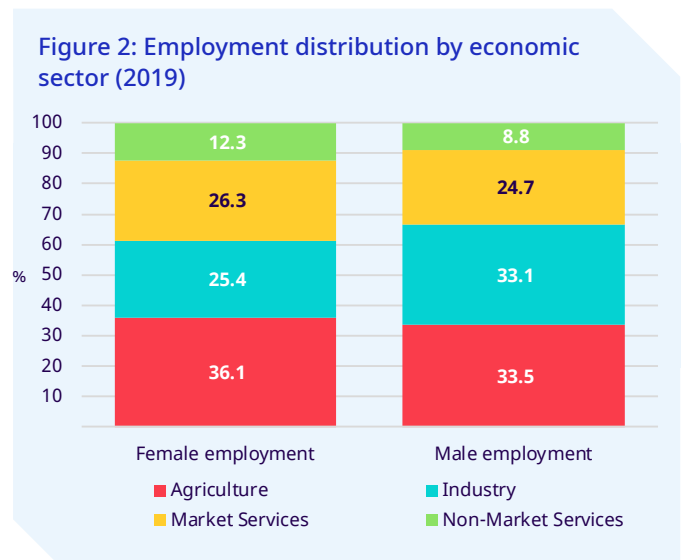
Viet Nam has undergone a rapid structural transformation. Yet, women are still more likely than men to be involved in subsistence agriculture.

Viet Nam’s economic transformation has led to a substantial labour market shift. Agriculture was the largest employer when the country introduced the *Doi Moi*. With economic liberalization and diversification, the share of employment in agriculture quickly began to decline. The last 10 years before the COVID-19 outbreak witnessed an overall reduction of agricultural employment by 14 percentage points, accompanied by a corresponding increase in employment in industry and services. Figure 1 illustrates this trend by showing the change in the distribution of female and male employment by broad economic sector. The shift from agriculture to industry and services, which began in the 1980s, has continued to transform the labour market over the last decade. Women experienced a slightly more pronounced redistribution than men in this period, with a reduction in agricultural employment of 15.3 percentage points, and increases in employment in industry and services of comparable magnitudes (8.2 and 7.1 percentage points respectively). In addition, female employment in non-market services increased by 2.3 percentage points, while the change in male employment appears negligible in this sector.

Today, women are more likely to be employed in subsistence agriculture than men. Only 10 years earlier, agricultural employment had accounted for more than one-half of working women in Viet Nam. Today this is no longer the case. In 2019 agriculture accounted for 36.1 per cent of female employment. Services taken together represented the largest sector of employment for women in relative terms (36.8 per cent), while roughly one-fourth (25.4 per cent) worked in the industrial sector, almost all of them in manufacturing¹. Male employment on the other hand was more evenly distributed, with each sector absorbing almost exactly one-third of the male labour force. This means that, despite the trends described above, employed women are more likely than men to be working in agriculture, although only slightly. There is however an important difference between the situation of men and women employed in this sector. The majority (85.9 per cent) of women in agricultural employment are in fact involved in *subsistence* agriculture. The corresponding share in male agricultural employment is 59.2 per cent.



Sources: Viet Nam’s Labour Force Survey.
 Note: Based on the ISIC Rev. 4. Agriculture refers to ISIC Rev. 4 category A. Industry refers to ISIC Rev. 4 categories B to F. Market services refer to ISIC Rev. 4 categories G to N. Non-market services refer to ISIC Rev. 4 categories O to U.



Sources: Viet Nam’s Labour Force Survey.
 Note: Based on the ISIC Rev. 4. Agriculture refers to ISIC Rev. 4 category A. Industry refers to ISIC Rev. 4 categories B to F. Market services refer to ISIC Rev. 4 categories G to N. Non-market services refer to ISIC Rev. 4 categories O to U.

¹ Almost all women (91.2 per cent) in the industrial sector worked in manufacturing, compared to just over one-half (54.5 per cent) of men. Women also represented 54.5 per cent of the sector’s employment.

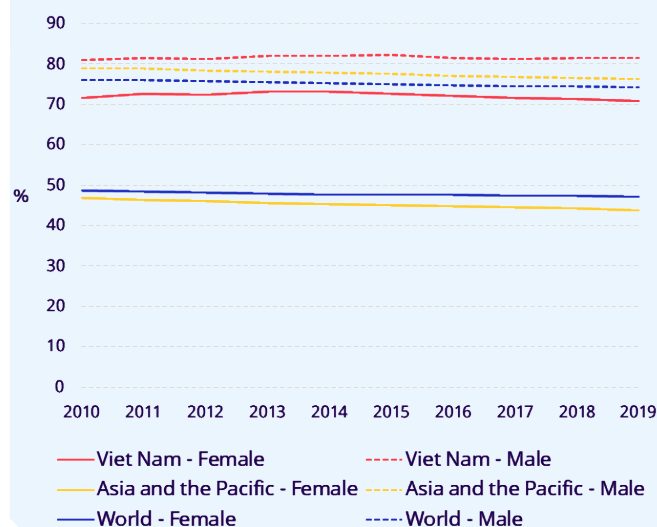
Women in Viet Nam participate in the labour force at a higher rate than the global and regional average.

Labour market participation of women is remarkably high in Viet Nam. In 2019, 70.9 per cent of Viet Nam’s working-age women were in the labour force. The corresponding rate at the global level was 47.2 per cent, and the rate for Asia and the Pacific even lower, at 43.9 per cent. In addition, not only is the participation of women in Viet Nam’s labour market high in absolute terms, but it is so in comparison to men’s rate as well. The participation gap between men and women in Viet Nam has averaged 9.5 percentage points over the last decade. In the whole of Asia and the Pacific, the average in the same period has been over 32 percentage points.

However, while the gender gap in labour force participation is narrower in Viet Nam than the global and regional average, it does still exist.

Women participate in the labour force at lesser rates than men do, and the reason behind this gap is likely to be the uneven distribution of family responsibilities in Viet Nam’s society. The 2018 Labour Force Survey showed that 47.5 per cent of women who were not economically active had made this choice because of ‘Personal or family-related reasons’. Only 18.9 per cent of inactive men cited that reason. Despite their high labour market participation overall, women in Viet Nam still face unequal opportunity to engage in the economic activity compared to men.

Figure 3: Labour force participation rates by sex in Viet Nam, the region and the world (2010-19)

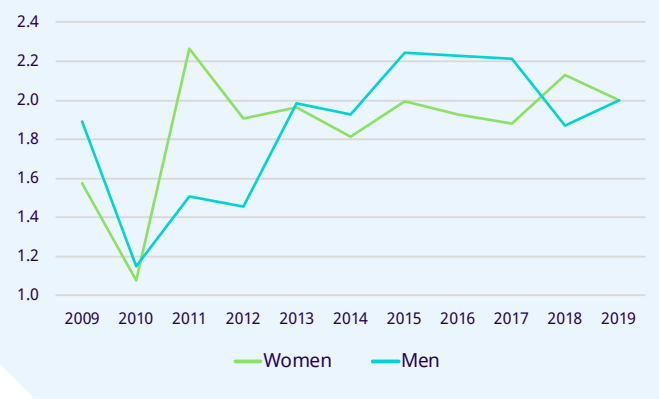


Sources: Viet Nam’s Labour Force Survey and ILO modelled estimates (2020).

In Viet Nam’s labour market before COVID-19, there was no significant gender-based difference in unemployment² rates.

This finding is important because it completes the picture that began to emerge from the labour force participation rate. We discussed above that women are integrating in the labour force rather smoothly in comparison to other countries (although not as smoothly as men do). However, the labour force consists of two groups of working-age individuals: the employed and the unemployed. It is important to investigate any systematic associations between gender and the probability of being unemployed. Figure 4 seems to clarify any doubts in this regard. Women until 2019 faced low unemployment, and no evident gender pattern. The female unemployment rate was higher than the male rate in some years, and lower in others, but the difference was never significant.

Figure 4. Unemployment rate by sex³ (2010-19)



Sources: Viet Nam’s Labour Force Survey.

High labour force participation and low unemployment mask relatively poorer employment quality for women.

Yet, these findings should not be interpreted as an indication that women enjoy equal opportunity on Viet Nam’s labour market. The country’s sizeable informal economy plays an important role in creating easy access to income-generating opportunities for women and men, which contribute to the high levels of economic activity and low unemployment discussed above. Jobs in the informal economy are unprotected, and informal workers face large poverty and occupational risks⁴.

² This report uses Viet Nam’s national definition of unemployment. The internationally agreed definition of unemployment (adopted by the 19th International Conference of Labour Statisticians in 2013) classifies as unemployed all people of working age who are not in employment, who are carrying out activities to seek employment and are currently available to take up employment. Viet Nam’s national definition of unemployment includes, in addition to all the groups mentioned above, people not in employment and available but not seeking employment due to the off season, bad weather, effects of the environment, family obligations, relaxing, temporary illness or injury, or other reasons.

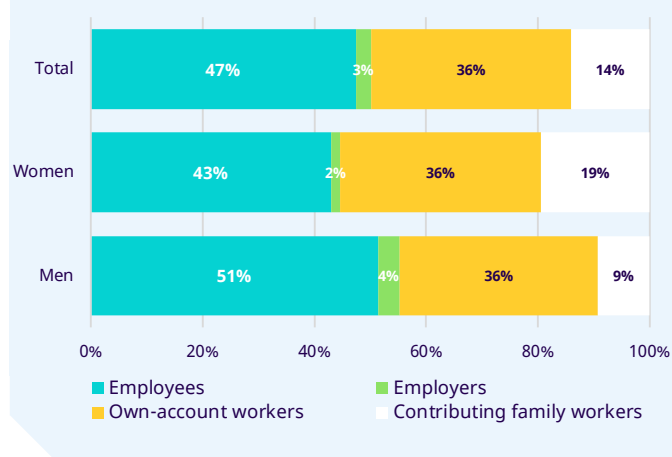
³ SDG indicator 8.5.2.

⁴ OECD/ILO, Tackling Vulnerability in the Informal Economy, Development Centre Studies, OECD Publishing, Paris, 2019.

In Viet Nam, men are relatively more likely to be in informal employment than women (the informal employment rate in 2019 was 67.2 per cent among women, and 78.9 per cent among men)⁵. However, women are overrepresented among an especially disadvantaged category of informal workers, that of contributing family workers. The following paragraphs will clarify this finding by analysing an important indicator of job quality, which is status in employment.

An analysis of status in employment reveals significant areas of female disadvantage. This indicator⁶ provides, among other things, information on the level of economic risk associated with different types of employment: for example, whether or not the worker faces unreliability of remuneration, or receives no remuneration at all⁷. There is a strong association between status in employment and employment quality. For example, the status of *employee* is typically associated with a degree of job stability resulting from the attachment to an employer. This status in employment is also called *paid employment*, because employees may also count on a certain reliability of earnings, since their income usually does not entirely depend on the profit or loss made by the economic unit in which they are employed. As shown in Figure 5, 43.1 per cent of employed women are employees, compared to 51.4 per cent of employed men.

Figure 5. Employment distribution by status in employment and sex (2019)



Sources: Viet Nam’s Labour Force Survey.
 Note: Based on the ICSE-93. ICSE-93 category 4. Members of producers’ cooperatives is not included in the chart since it represents less than 0.2 per cent of employment all years under review.

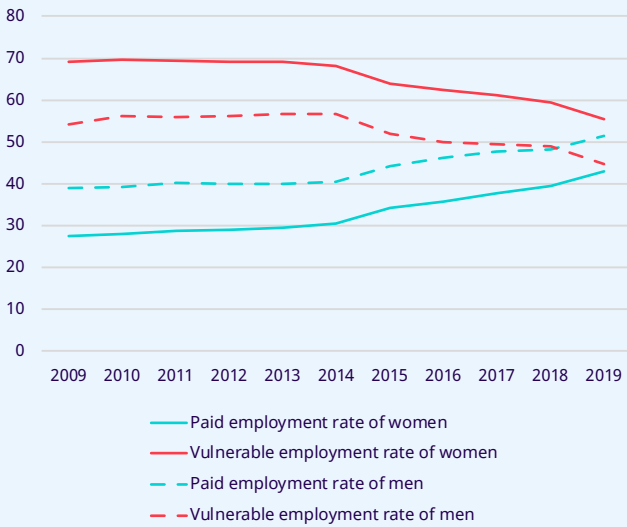
Own-account workers and contributing family workers, on the other hand, face greater economic risks⁸. Own-account workers hold a self-employment job without employees. Their income depends directly on the profits made by their own economic unit.

More than 92 per cent of own-account workers in Viet Nam have no access to social protection. Contributing family workers, on the other hand, assist a household member in a market-oriented establishment. They do not receive regular payments in return for the work performed, and are by *definition* informal. Taken together, these two categories constitute vulnerable employment. Figure 5 shows *vulnerable employment* in shades of blue. It emerges clearly from the chart that women face a higher likelihood of being in vulnerable employment than men. If we analyse the two components of vulnerable employment, we observe that own-account work is comparable between women and men in Viet Nam. However, women are more than twice as likely to be contributing family workers. In 2019, 65.8 per cent of contributing family workers in Viet Nam were women. They represented almost one-fourth (24.1 per cent) of rural female employment, as opposed to one-tenth (10.7 per cent) of male rural employment.

Gender gaps in vulnerable employment have been stable over time. As discussed, since the *Doi Moi*, Viet Nam’s economic transformation led to growing shares of employment in services and manufacturing. Paid employment has been steadily expanding, while vulnerable employment has experienced a downward trend. Over the last decade only, vulnerable employment as a proportion of total employment decreased by 13 percentage points, while paid employment increased by 14. However, Figure 6 illustrates that these trends have not been matched by a corresponding reduction in gender gaps. The overrepresentation of men in paid employment and that of women in vulnerable employment have remained remarkably stable since 2010.

⁵ This report is applying the international definition of informal employment. Viet Nam’s definition does not include household-based agriculture employment.
⁶ The 1993 International Classification of Status in Employment (ICSE-93) classifies jobs into five main categories: employees, employers, own-account workers, contributing family workers and members of producers’ cooperatives.
⁷ ILO, 20th International Conference of Labour Statisticians, Resolution concerning statistics on work relationships, Geneva, 2018.
⁸ Own-account workers hold a self-employment job without employees. Contributing family workers assist a household member in a market-oriented enterprise and do not receive regular payments in return for the work performed.

Figure 6. Prevalence of paid employment and vulnerable employment (2010-19)



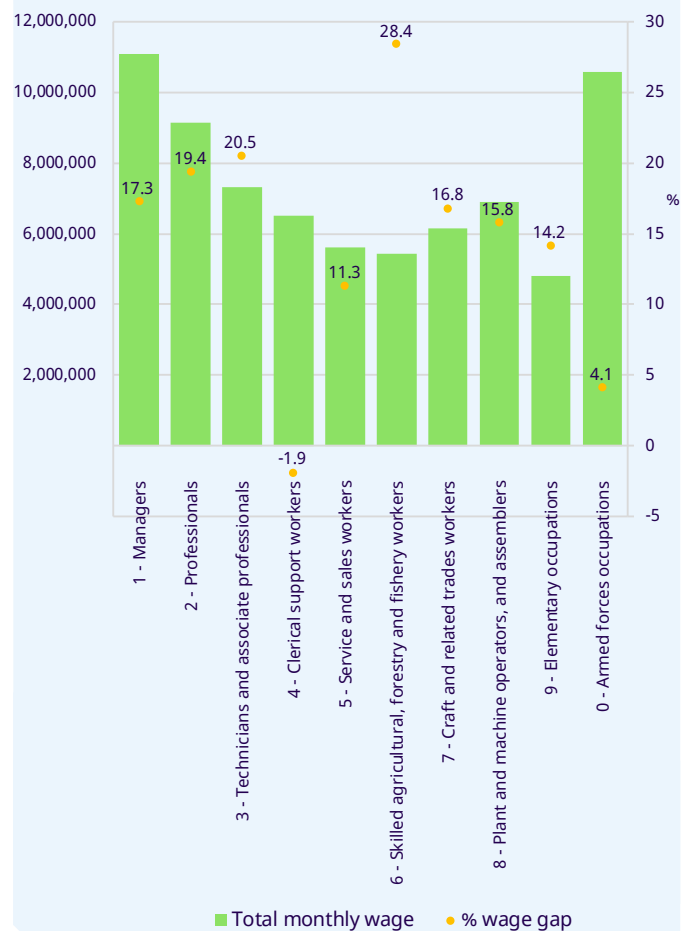
Sources: Viet Nam’s Labour Force Survey.
 Note: Based on the ICSE-93. Paid employment refers to ICSE-93 category 1. Employees. Vulnerable employment refers to ICSE-93 categories 3. Own-account workers and 5. Contributing family workers.

On average, women in Viet Nam earn less than men do. The principle of equal pay for work of equal value is an important aspect of equality in the world of work, as emphasized by SDG 8.5. Viet Nam has committed to pursue this principle when it ratified ILO Convention No. 100, on Equal Remuneration. In 2019, the weighted gender pay gap⁹ based on monthly wages was 13.7 per cent. This is relatively low compared to the latest global figure (20.5 per cent)¹⁰. However, three considerations need to be made. First, Viet Nam’s pay gap, after a decreasing trend until 2015, increased by an average of 1.2 percentage points each year between 2016 and 2018, before experiencing a moderate decrease in 2019. Second, a disaggregation of the overall gender pay gap based on monthly wages by occupation shows areas of female disadvantage well beyond the scale of the national indicator. Figure 7 illustrates that women employees in most occupations face pay gaps up to twice as large as the aggregate value.

The third observation is that the category of employees, as discussed earlier in this chapter, is where economic risk is relatively lower, and earnings relatively stable, compared to other types of employment. In order to have a more comprehensive picture of pay gaps, it is necessary to analyse the earnings of the self-employed as well. This group is much more heterogeneous, and it includes vulnerable workers. It therefore accounts for the majority of Viet Nam’s labour force.

The information showed in Figure 8 indicates the difference in earnings between self-employed women and men in Viet Nam, especially in occupations that are likely to be associated with lower levels of educational attainment. Interestingly, when women lead their own business as managers, the earnings, which in self-employment can be considered a reflection of business profits, suggest an advantage over men.

Figure 7. Average monthly wages of employees and pay gaps by occupation (VND, 2019)

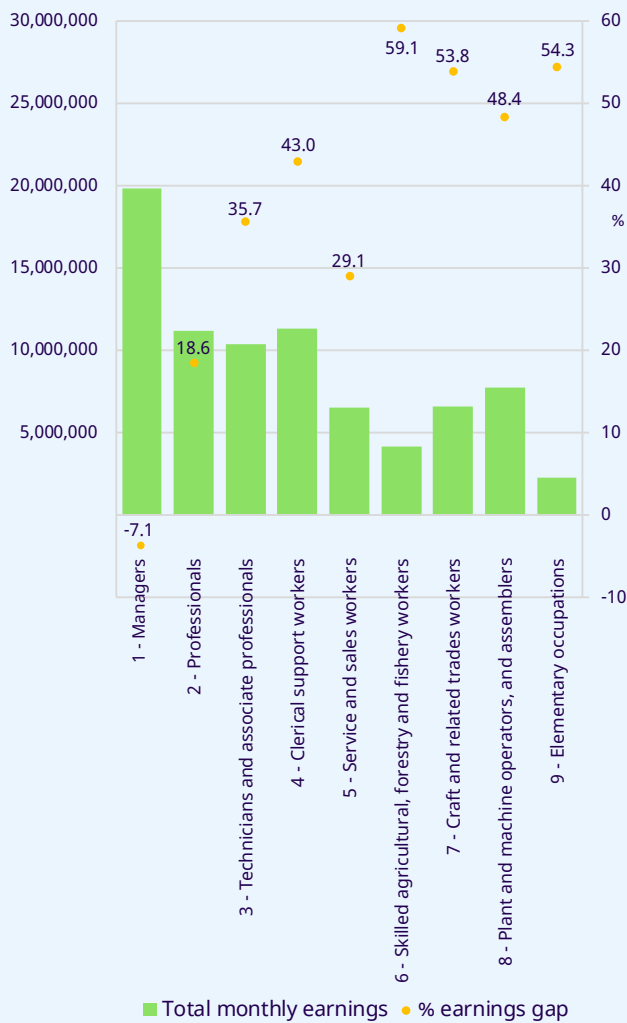


Sources: Viet Nam’s Labour Force Survey.

⁹ The raw gender pay gap refers to the difference in pay between women and men at a specific point in time. The factor-weighted gender pay gap methodology groups women and men into homogeneous subgroups, and then estimates the gender pay gap in each subgroup, to construct a weighted average of all the subgroups. This methodology reduces the impact of composition effects. The subgroups used in this case are education (four categories), age (four categories), working time arrangement (full-time or part time) and institutional sector of employment (public or private). Combining these gives 64 subgroups.

¹⁰ ILO, Global Wage Report 2018/19: What lies behind gender pay gaps, International Labour Office, Geneva, 2018

Figure 8. Average monthly earnings of self-employed and pay gaps by occupation (VND, 2019)

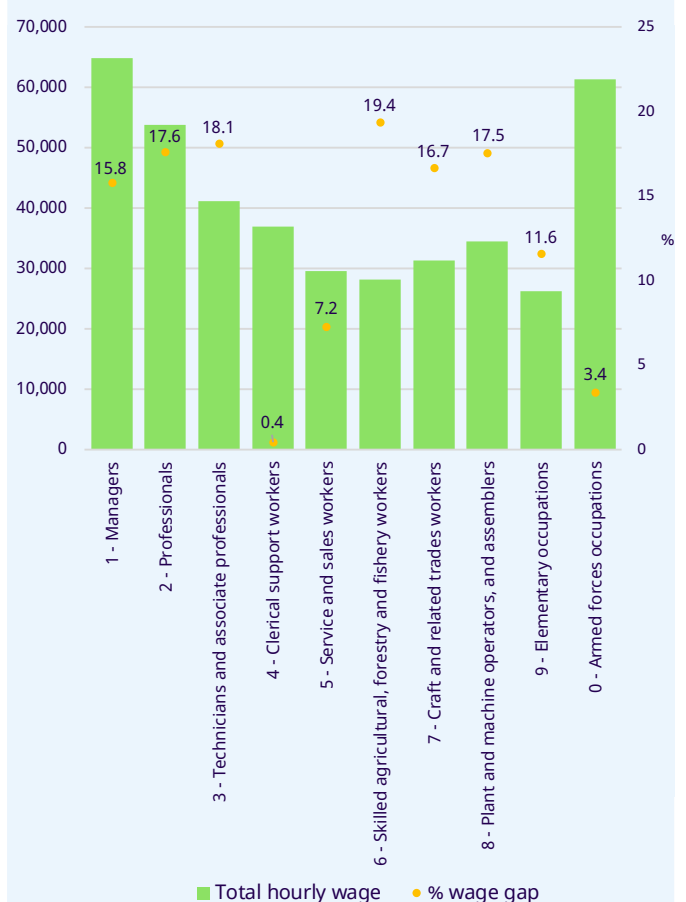


Sources: Viet Nam’s Labour Force Survey.

However, findings on gender pay gaps based on monthly earnings can arguably be deceiving, because they do not account for differences in working hours. Across the world, women tend to work shorter hours in their jobs than men, due to their much higher engagement in unpaid work at home. In order to eliminate the effect of these differences in working hours, Figure 9 and 10 below offer a sex-disaggregated illustration of hourly earnings¹¹, rather than monthly. The expected reduction in pay gaps is visible if we compare Figure 7 and 9, but rather moderate in most occupations. This suggests that working hours are not the main reason behind the gender pay gap among employees.

The difference between monthly and hourly gaps is more pronounced among the self-employed. The values are shown in Figure 10. This is not surprising, since we expect more diversity in hours worked among workers in this group. Once we remove the effect of number of hours worked, the pay gap results halved or nearly-halved in occupations where earnings are more directly proportional to number of hours worked (such as *technicians and associate professionals, or clerical and support workers*). Still, in four occupations men earn nearly twice as much as women in an average hour of work. Since the self-employed include vulnerable workers, the findings suggest that disadvantaged women face a higher pay gap than women who have less economically vulnerable jobs.

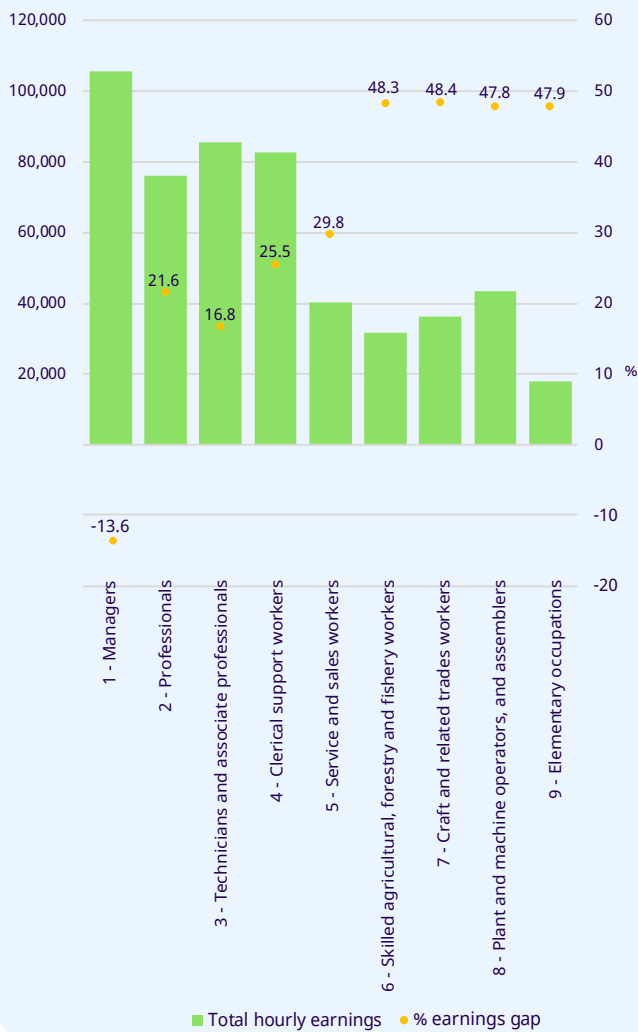
Figure 9. Average hourly wages of employees and pay gaps by occupation (VND, 2019)



Sources: Viet Nam’s Labour Force Survey.

¹¹ SDG Indicator 8.5.1.

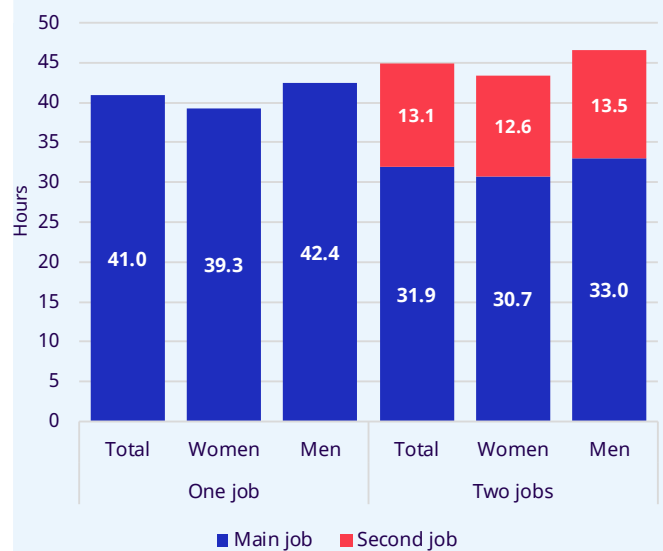
Figure 10. Average hourly earnings of self-employed and pay gaps by occupation (VND, 2019)



Sources: Viet Nam’s Labour Force Survey.

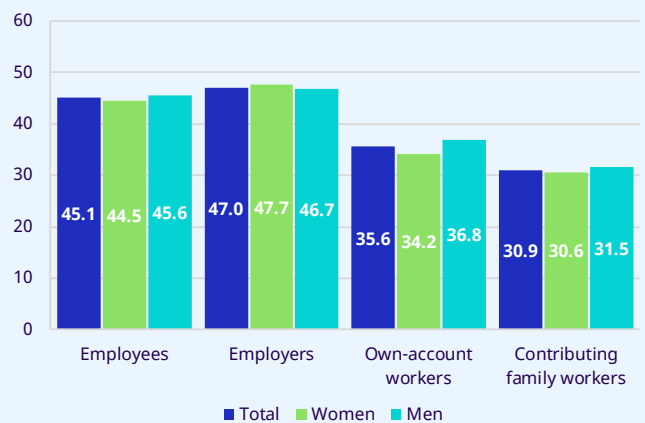
This analysis indicates that pay gaps in Viet Nam cannot be explained by a difference in hours worked between women and men. In fact, further evidence in support of this statement comes from the observation that women’s working hours are actually very similar to men’s. An analysis of hours spent in employment by sex reveals that they are remarkably similar. Figure 11 and 12 illustrate this result. The first chart highlights workers who hold one and two jobs, to reflect the reality of Viet Nam where individuals systematically resort to multiple jobs to reach a higher income level.¹² The second chart, on the other hand, focusses on the main job only, and provides a breakdown of average hours worked by status in employment. Across all these indicators, the largest observable gap is 3.2 hours a week on average, and it is found among individuals working two jobs.

Figure 11. Average weekly hours actually worked in main job and second job, by number of jobs



Sources: Viet Nam’s Labour Force Survey.

Figure 12. Average hours actually worked in main job by status in employment (2019)

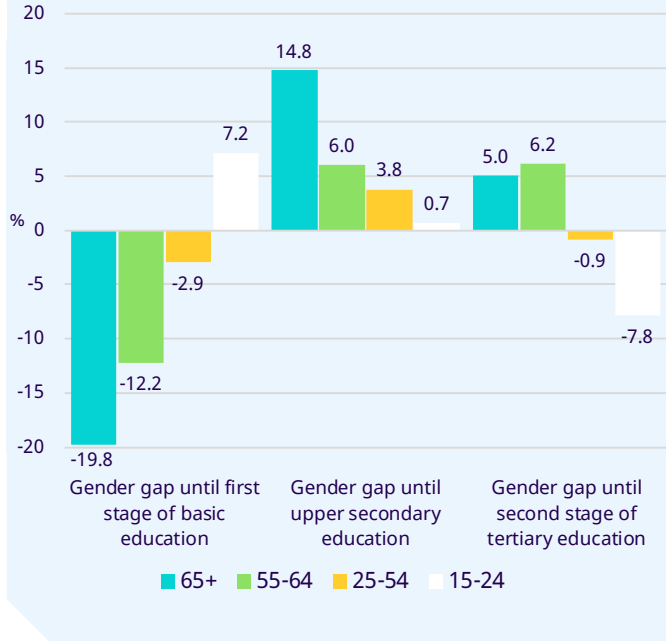


Sources: Viet Nam’s Labour Force Survey.

The gender pay gaps in Viet Nam cannot be explained by any visible difference in educational attainment either. An analysis of the labour force by education and age reveals two positive trends towards gender equality: on the one hand, the female labour force is increasingly well-educated. On the other, gender gaps in educational attainment have been narrowing. Figure 13 shows the difference in educational achievement between men and women in the labour force, by age. Positive values indicate that men are more likely than women to have completed a given level of education at most.

¹²ILO, Decent Work and the Sustainable Development Goals in Viet Nam, Hanoi, 2019.

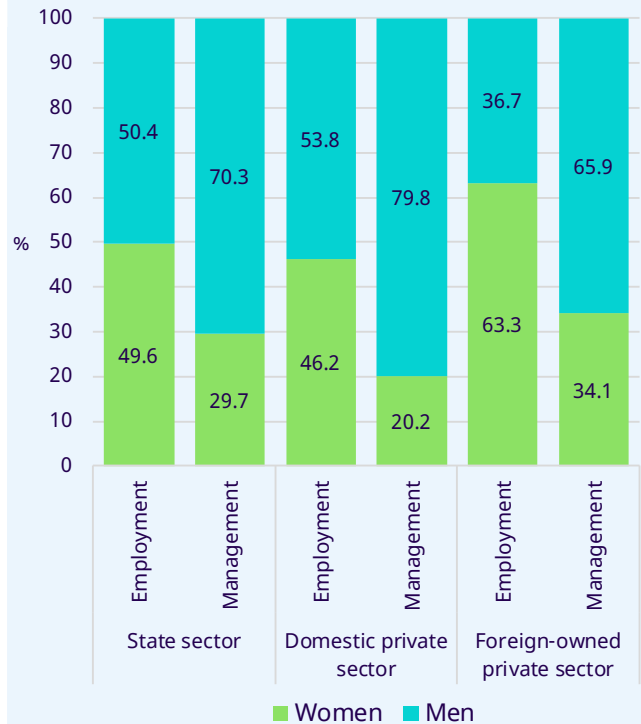
Figure 13. Average hourly earnings of self-employed and pay gaps by occupation (VND, 2019)



Sources: Viet Nam’s Labour Force Survey
 Note: Based on the ISCED-97. ‘Until first stage of basic education’ includes X - No schooling; 0 - Pre-primary education; 1 - Primary education or first stage of basic education. ‘Until upper secondary education’ includes 2 - Lower secondary education or second stage of basic education; 3 - Upper secondary education. ‘Until second stage of tertiary education’ includes 4 - Post-secondary non-tertiary education; 5 - First stage of tertiary education (not leading directly to an advanced research qualification); 6 - Second stage of tertiary education (leading to an advanced research qualification).

The elimination of gender gaps in education has not translated into a comparable narrowing of gender gaps in employment quality, earnings, or decision-making jobs. Especially striking in Viet Nam is the imbalance between women’s level of engagement in the labour market and the share of leadership positions that they occupy. In 2019 they accounted for almost one-half (47.7 per cent) of the labour force, but less than one-fourth (24.7 per cent) of overall management roles. While this is the overall average figure, it is interesting to investigate if the share of women in management varies with the characteristics of enterprises. Figure 14 illustrates this indicator¹³ with a breakdown by ownership of economic units, and it shows visible differences between state, domestic and foreign-owned private units. The domestic private sector has the lowest average share of female management. The foreign-owned private sector has the largest, but it is still far from offering a balanced context. Employment in this sector is predominantly female (63.3 per cent of workers in foreign-owned companies are women), but the share of female management is just over one-third (34.1 per cent).

Figure 14. Female share in total employment and management, by ownership of units (2019)



Sources: Viet Nam’s Labour Force Survey.

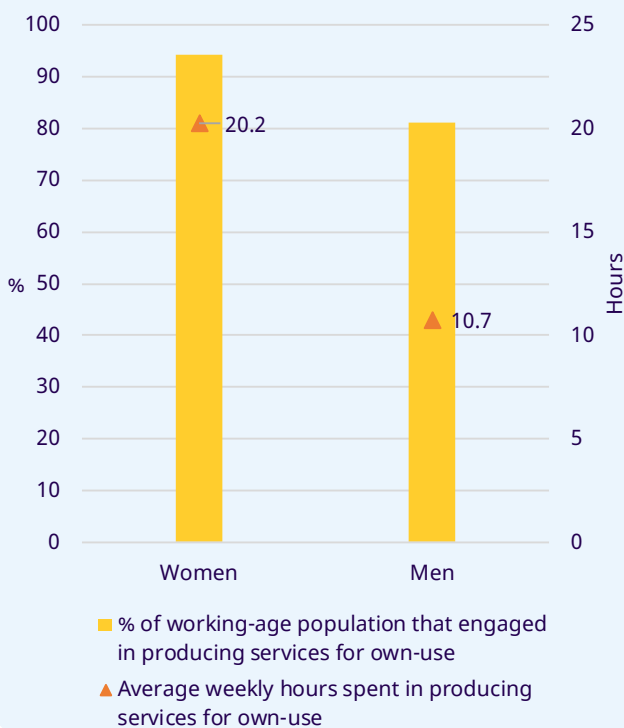
Women in Viet Nam carry a quantifiable double burden. They are much more likely to involve in household work than men, and spend twice as many hours on it.

The gap women face in employment quality and career development stems from the double burden they carry. As discussed above, such gap is not due to women having lower qualifications, or a lower level of engagement in the labour market, or working significantly fewer hours. Rather, it is unrealistic for women to pursue stable jobs, career opportunities or skills upgrading with any degree of continuity, if they shoulder a disproportionate amount of household responsibilities. This double burden emerges clearly from an analysis of weekly hours spent by individuals in household-related work, as opposed (or we should say in addition) to the hours spent in their jobs. This information is available in Viet Nam since 2019, when the General Statistics Office integrated in the Labour Force Survey specific questions to understand how women and men in Viet Nam use their time.

¹³SDG indicator 5.5.2.

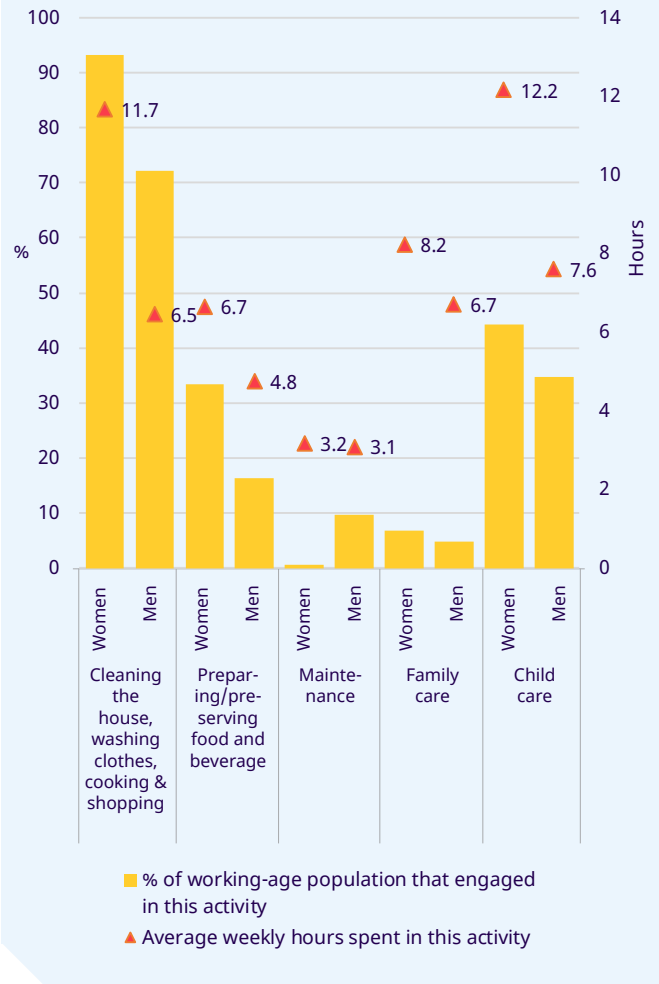
Women on average spend twice as many hours as men working to produce ‘services for own use’. These include activities such as cleaning the house, washing clothes, cooking and shopping, family care, and childcare. In addition, almost all women spend at least some time in these activities on a weekly basis, while a lower share of men do, and close to 20 per cent of men reported they do not spend any time in these activities at all. Among those individuals who engage in these activities, women spent an average of 20.2 hours a week on them, and men an average of 10.7 hours. Figure 15 illustrates these results, while Figure 16 shows a breakdown by type of service. The bulk of working hours required by each of these activities falls systematically on women. With the only exception of household maintenance, they are also more likely to take up these activities in the first place.

Figure 15. Share of working-age population who spent time in producing services for own-use, and average weekly hours spent (2019)



Sources: Viet Nam’s Labour Force Survey.

Figure 16. Share of working-age population who spent time in producing services for own-use, by specific service and average weekly hours spent (2019)



Sources: Viet Nam’s Labour Force Survey.

PART II: The impact of COVID-19 on Viet Nam's labour market, from a gender angle

What has been described in this brief so far refers to Viet Nam's labour market before the COVID-19 crisis hit the country, and the whole world. The pandemic has had a devastating impact on economies and labour markets globally, through both direct and indirect channels. Direct channels include the effect of necessary policy decisions that governments have had to make in order to limit the spread of the virus. Examples of these policy decisions in Viet Nam include, among others, the temporary closure of all non-essential businesses across the country between March and early April, which made it impossible to work for all those employed in these establishments. Indirect channels, on the other hand, are the result of similar policy decisions made by other countries. These decisions have an impact on Viet Nam's economic output and on the Vietnamese labour market. For example, most of Viet Nam's top export partners have had to impose social distancing and workplace closures throughout this year to contain infection levels. This has led to a reduction in the demand for Vietnamese products, with a negative impact on economic performance and jobs in key export sectors.

Total working hours dropped significantly in the second quarter of 2020, and recovered through the second half of the year. Women faced the most severe losses, but their hours recovered faster.

One of the most visible effects of the pandemic on labour markets across the world, including Viet Nam, has been a drop in working hours. Due to COVID-19, workers have faced a range of challenges affecting their ability to work, including forced reduction of daily hours of paid work, job rotations, furlough, and ultimately, job losses. An analysis of total hours worked before and after the COVID-19 crisis will help us quantify the disruptive effect of COVID-19 on the ability of women and men to work. The ILO has been monitoring global working hour losses since the beginning of the pandemic. In 2020 as a whole, 8.8 per cent of global working hours were lost relative to the fourth quarter of 2019, equivalent to 255 million full-time jobs¹⁴. These figures are approximately four times greater than during the global financial crisis in

Viet Nam's workers faced a severe reduction in working hours during the second quarter of 2020, especially women. Figure 17 illustrates the trends in total hours worked in each quarter of 2019 and 2020 compared to the fourth quarters of 2018 and 2019 respectively. Total hours worked in Viet Nam are usually highest in the fourth quarter of any year, due to increased economic activity in the lead up to Tet. They typically drop off in the first quarter when families are celebrating the New Lunar Year. Figure 17 shows these seasonal patterns by displaying the breakdown of 2019 by quarter, vis-à-vis the fourth quarter of 2018. Working hours indeed dropped throughout 2019 compared to the more dynamic, last quarter of 2018. The 2020 data displayed in the chart, on the other hand, show the impact of the pandemic. Working hours in the second quarter of 2020 were much lower than what seasonality can account for. This corresponds with Viet Nam's closure of non-essential businesses between March and April, school closures, and severe lockdowns in countries that serve as Viet Nam's export partners¹⁵. During that period, for millions of workers in Viet Nam, men and women alike, it became impossible to work. However, the impact of the restrictions was not evenly distributed between the sexes. Total weekly hours worked by women were 88.8 per cent of the total for the fourth quarter of 2019. Men, on the other hand, worked 91.2 per cent of the total weekly hours they worked in the fourth quarter of 2019.

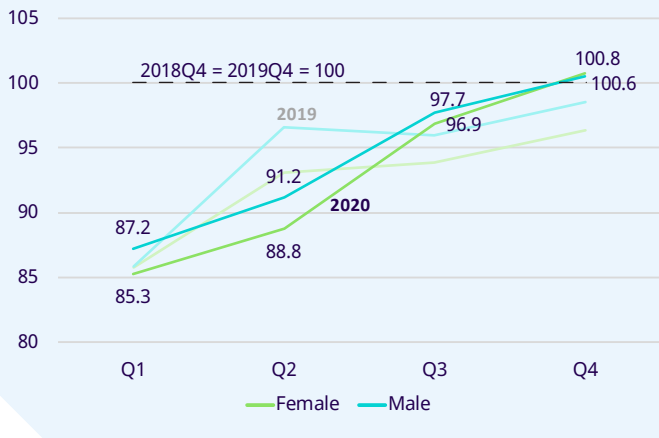
In the third and fourth quarters of 2020, the number of total hours worked recovered. In the third quarter, both men and women worked in total more hours than what seasonal patterns would predict, despite the drop in labour force participation. This finding suggests an attempt by those who were still working to make up for the income losses of the second quarter. Interestingly, in the third and fourth quarter, women's working hours recovered faster than those of men. The increase versus seasonal trends was also more pronounced among women than men in both quarters. In the last three months of 2020, women worked 0.8 per cent more hours than they did in the same period of 2019, even though the actual number of women at work was lower in 2020 than in 2019. Men, on the other hand, worked 0.6 per cent more hours in the last quarter of 2020 than they did a year earlier.

¹⁴ Assuming a 48-hour work week.

¹⁵ ILO, ILO Monitor: COVID-19 and the world of work (Seventh edition), January 2021.

¹⁶ ILO, COVID-19 and the labour market in Viet Nam, April 2020.

Figure 17. Proportion of total hours worked compared to the fourth quarter of the previous year (2019 & 2020)

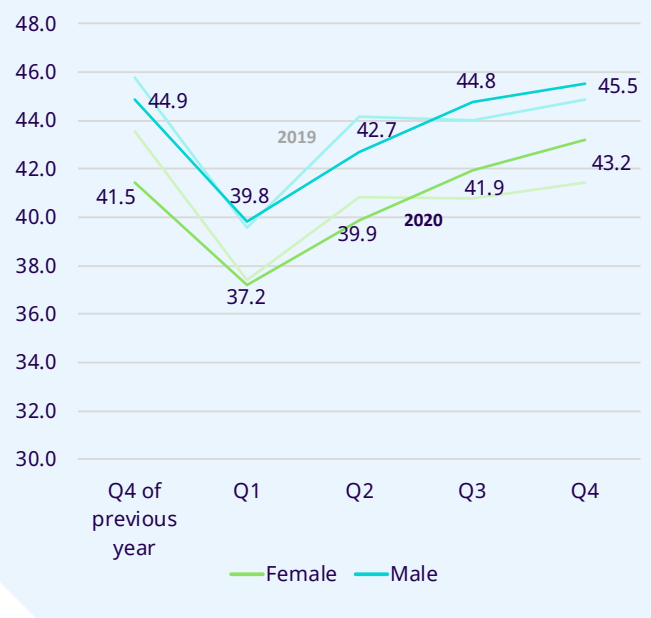


Sources: Viet Nam’s Labour Force Survey.

Those women who were employed in the third and fourth quarters of 2020 worked longer hours than usual, possibly to make up for income losses incurred in the second quarter. Figure 18 shows that employed women in the second half of 2020 worked more hours per week on average than in either the third or the fourth quarter of 2019. In fact, they worked on average one hour and 42 minutes longer per week in the fourth quarter of 2020 than in the same period of 2019. The pattern for men was similar but more moderate. They worked on average 36 minutes longer per week in the fourth quarter of 2020 than they did a year earlier. Figure 17 above showed that the hours worked by all employed women taken together were significantly higher in the third and fourth quarter of 2020 than would have been expected from looking at the evolution of total hours worked in 2019. This suggests that women in employment sought to work more hours, as schools and businesses reopened¹⁷, and economic activity picked up again.

The additional hours that women worked in the third and fourth quarters made the double burden of combined economic and household responsibilities heavier to carry. After COVID-19 broke out, the time spent by women in household services such as cleaning, cooking, or caring for family members and children remained disproportionately high. An analysis of time allocated on household services by the employed population reveals that during the third and fourth quarters, while women were taking on additional hours of economic activity as discussed above, they were also looking after their households with the usual intensity.

Figure 18. Average hours actually worked per week compared to the fourth quarter of the previous year (2019 & 2020)



Sources: Viet Nam’s Labour Force Survey.

Figure 19 and 20 below illustrates differences in rate of engagement and time spent by employed men and women from the second quarter of 2020 onwards, specifically in cleaning the house, washing clothes, cooking and shopping (Figure 19), and childcare (Figure 20).

Figure 19. Share of employed population who spent time in producing services for own-use, and average weekly hours spent (2019 and relevant quarters of 2020)

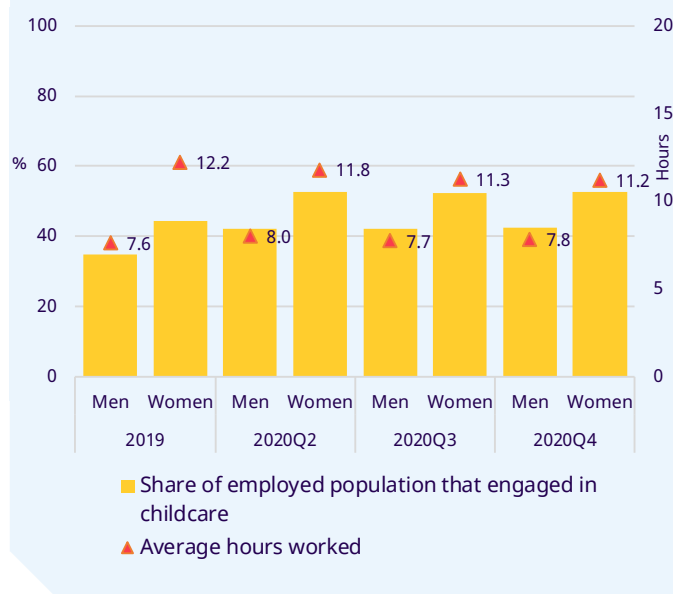


Sources: Viet Nam’s Labour Force Survey.

¹⁷ Another factor partially contributed to the increase in average hours for those in employment. The shares of young urban women and older women living in rural areas who left employment discussed above were likely to be working relatively less hours than the average. Their leaving employment also contributed to an increase of the overall increase in average working hours of women.

Both employed women and employed men engaged in these activities at a higher rate than they did in 2019. However, while virtually all women spent at least some time providing these services for the household, almost 20 per cent of men did not. Men who engaged in such activities only dedicated on average about two-thirds of the time women did.

Figure 20. Share of employed population who spent time in childcare, and average weekly hours spent (2019 and relevant quarters of 2020)



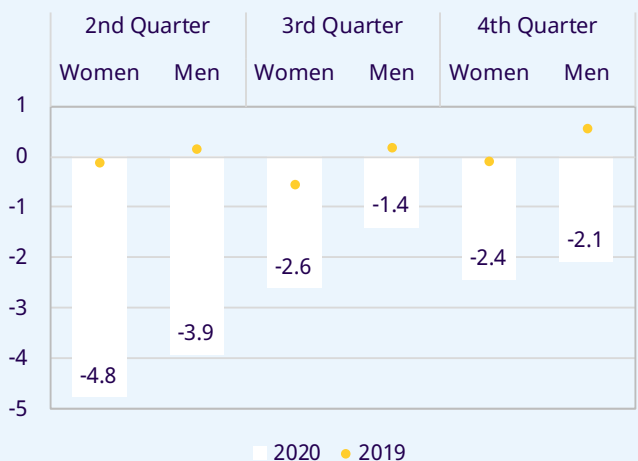
Sources: Viet Nam’s Labour Force Survey.

The participation of women in the labour force severely decreased in 2020. Younger and older women are especially likely to have left the labour market.

Lower labour force participation was a determinant of the working hour drop in the second quarter, with larger shares of women than men leaving the labour force, increasing Viet Nam’s participation gap. The first part of this chapter discussed the respective levels of labour force participation of women and men until 2019. Although women were relatively active on the labour market compared to other countries in the region, or at the same income level as Viet Nam, a gender gap was still visible. Since COVID-19 hit, labour force participation fell sharply for both women and men, but women saw the biggest fall. The bars in Figure 18 show the changes in participation rates in 2020 compared to the last quarter of 2019. Women’s participation dropped by 4.8 percentage points in the second quarter, down to 66.2 per cent, while men’s fell 3.9 percentage points to 77.4 per cent.

Therefore, an important factor in the observed drop in working hours among women in the second quarter was that more than one million of them became inactive. This means that they stopped working, and either did not look for new employment, or were not available to work, or both.

Figure 21. Change in labour force participation rate compared to the fourth quarter of the previous year (2019 & 2020)



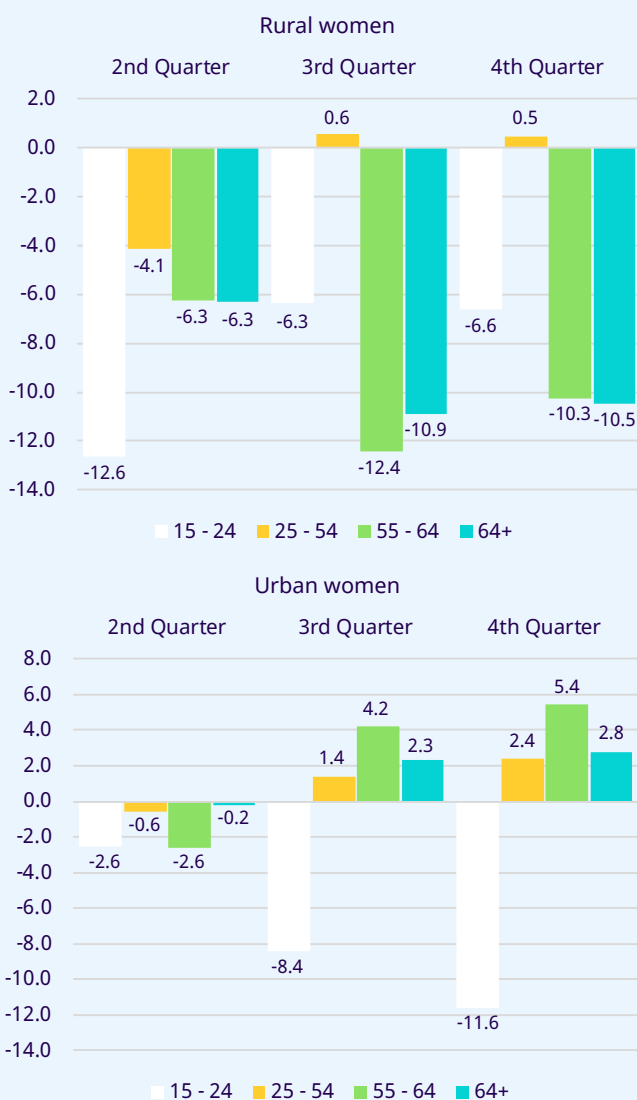
Sources: Viet Nam’s Labour Force Survey.

The recovery in working hours in the third and fourth quarters coincided with workers coming back to the labour force. Still, participation levels remained lower than in 2019 and the average participation gap widened. At the end of 2020, the participation rate of women increased to 68.5 per cent and for men it reached 79.3 per cent. However, these values are respectively 2.4 and 2.1 percentage points lower than they were a year earlier. The average gender-based participation gap since COVID-19 hit Viet Nam has widened to 11.2 percentage points in favour of men, up from the average of 9.5 over the past decade. By way of comparison, the triangle marker in Figure 21 shows the change in labour force participation rates in the second, third fourth quarters of 2019, compared to the end of 2018. The seasonal variations, whether positive or negative, were minimal, and well below one percentage point.

Younger and older women are more likely to have left the labour force in 2020 than women in prime age. Those women between 15 and 24 years of age as well as those from 55 years of age accounted for 28 per cent of the labour force in 2019. In the third quarter of 2020, that share had decreased to 24.7. Figure 22 investigates the change in female participation by age and geographic location. Older women are especially likely to have left the labour force in rural areas. This trend started in the second quarter and continued through the fourth quarter. Younger women, on the other hand, experienced an especially severe drop in participation in urban areas, starting in the second quarter of 2020 and increasing in severity during the subsequent quarters.

These findings are likely to be the result of the multiple vulnerabilities women faced before the pandemic. Younger and older women often hold the most unstable types of employment, compared to women in prime age (25-54). In Viet Nam before the pandemic, women aged between 15-24 were 5 per cent more likely to be in informal employment than prime-age women. Young female employees were 20 per cent less likely to have a permanent contract of employment than older women. Virtually all women above 55 years of age were employed informally, since this coincides with the statutory retirement age. When reduced exports and workplace closures dramatically reduced economic output in key employment sectors, including in services and agriculture, these age brackets were more exposed to the risk of losing their jobs. An analysis of sectors of employment and status in employment of women between the last quarter of 2019 and the third quarter of 2020 confirms this. The big bulk of urban young women who left employment during this period were in unstable jobs in the services sector, while most of the older women in rural areas who stopped working were own-account workers and contributing family workers in agriculture.

Figure 22. Change in female labour force participation rate by age, compared to the fourth quarter of 2019, rural and urban (2020)



In addition, women in these age brackets typically work fewer hours and earn less. As employees, women aged between 15 and 24 earned 11.7 per cent less than the average for all women in 2019, and 50.6 per cent less if they were self-employed. Women aged over 55 earned 32.4 per cent less as employees and 21.4 per cent less if they were self-employed. During the months of school closures, it is reasonable to imagine that households facing heightened childcare needs would assign such responsibilities to the low earners, to affect family finances the least.

The impact of COVID-19 led to a gap in unemployment rates between women and men, which was not there in 2019.

Another reason behind the reduction in working hours is an increase in female unemployment, while male unemployment remained stable. It is important to highlight that the scale of such increase is moderate, compared to the increase in female inactivity. In the second quarter of 2020, Viet Nam had 120 thousand more unemployed women than in the last quarter of 2019, while 1.8 million more women were inactive. This shows that the increase in joblessness generated by the COVID-19 crisis was mostly due to women leaving the labour force, and to a much lesser extent, to women becoming unemployed. The same applies to men, although both male joblessness and male unemployment grew more moderately than they did among women. This is an unsurprising consequence of the nature of the COVID-19 crisis.

Sources: Viet Nam's Labour Force Survey.

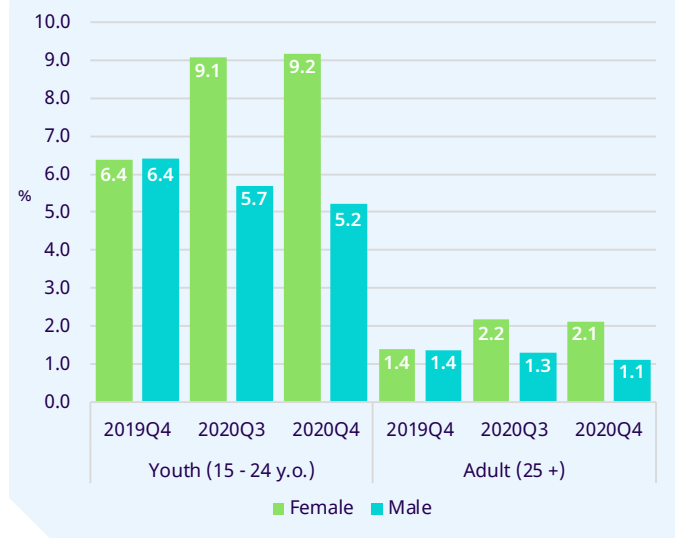
Countries across the world, and to a lesser extent Viet Nam, have had to reduce their economic activity to ensure social distancing. Under these circumstances, for most affected workers it became impossible to work¹⁸, and looking for new employment when lockdown or workplace closure measures are imposed is pointless.

The COVID-19 crisis has generated a gap in unemployment to the disadvantage of women, which was not there before the pandemic. In the last quarter of 2019 there was no visible difference between male and female unemployment rates. This applied to both youth and adult unemployment. As the pandemic hit Viet Nam’s labour market, its impact on unemployment was evidently uneven across the labour force. Figure 23 shows that women’s unemployment rate increased in the third quarter of 2020 compared to the fourth quarter of 2019. This means that of the fewer women in the labour force in the third quarter of 2020, a higher proportion do not have a job despite being available and looking for one¹⁹. Young women faced the most pronounced increase (2.7 percentage points). These figures remained virtually unchanged in the fourth quarter. Almost one in ten women aged between 15 and 24 who were seeking and available to start work were unable to find a job. The unemployment rate of adult women increased moderately (one percentage point). The male unemployment rate, on the other hand, after a temporary, moderate increase in the second quarter, contracted again in the second half of 2020. The male youth unemployment rate decreased compared to pre-COVID values, while for adults it remained virtually unchanged in the third quarter, and slightly decreased in the fourth quarter. A comparison of unemployment rates in the third and fourth quarters with those of the same period in 2019, which eliminates the effect of seasonality, leads to remarkably similar results.

Economic sectors with relatively higher shares of female employment experienced the most severe drops in working hours.

An analysis of working hours lost by economic sector in the second quarter of 2020, when the impact of restrictions were felt most acutely, reveals that the consequences of COVID-19 fell most heavily on sectors employing large shares of women. Figure 24 shows the share of total working hours lost in Viet Nam’s economic sectors, by share of women employed in them. The chart focuses on paid employment because, as mentioned above, the fall in hours worked among women in vulnerable employment was largely attributable to a reduction in labour force participation in agriculture in rural areas.

Figure 23. Unemployment rate by age (2019 and 2020, selected quarters)



Sources: Viet Nam’s Labour Force Survey.

The X-axis indicates the share of working hours lost in the second quarter of 2020 (when working hours experienced the largest drop) compared to the same period of 2019. The Y-axis measures the share of women employed in a given sector. The size of the bubble represents the total number of men and women employed in each sector. An association between concentration of female workers and working hours lost emerges clearly from the chart. Economic sectors with relatively higher shares of female employment have experienced higher working hour losses due to the COVID-19 crisis.

It is important to remember that, as explained above, working hours fell in the second quarter for a range of reasons. Workers faced a compulsory reduction in the duration of their shifts, job rotations, temporary contract suspension, temporary workplace closure, and ultimately, job losses. Through this chapter, we have highlighted several reasons behind these outcomes, including the closure of non-essential businesses during the short national lockdown, the challenges faced by manufacturing enterprises due to lower international demand and order cancellation, and, possibly, the need to give up employment to look after children during school closure. Figure 24 below shows the combined result of all these factors.

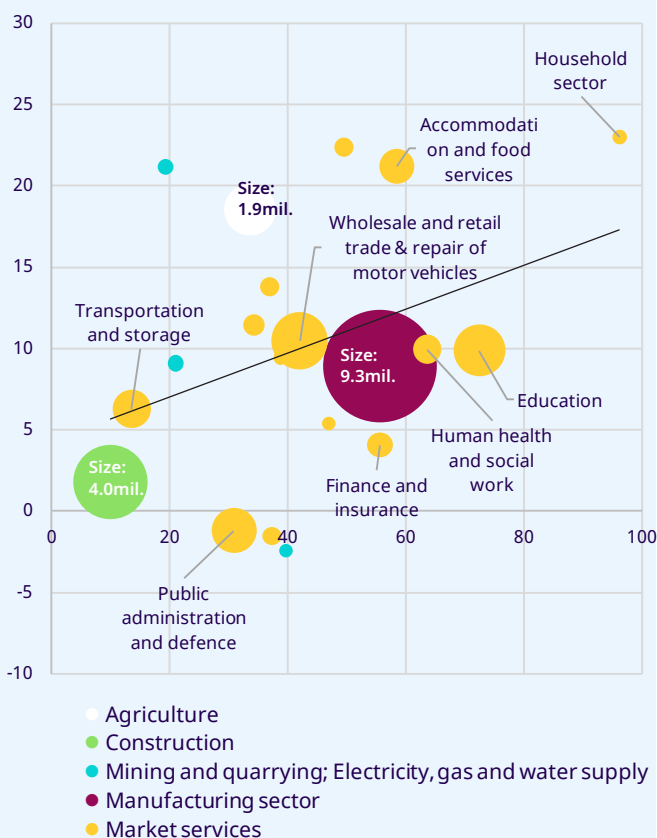
In the second quarter, there was a pronounced reduction in total hours worked by women in paid employment. As explained above these jobs are associated with a degree of job stability, so this finding is concerning.

¹⁸ ILO (2020) Monitor: COVID-19 and the world of work. Second edition (Geneva)

¹⁹ As was mentioned above, Viet Nam’s national definition of unemployment (used in this report) includes those not seeking employment due to the off season, bad weather, effects of the environment, family obligations, relaxing, temporary illness or injury, and other reasons.

As is clear from Figure 24 women in paid employment were more negatively affected than men, as industries with a greater share of women saw larger percentage reductions in hours worked. It can also be seen that this impacted a significant *number* of women, given that the sectors worst affected employ many individuals, and a high share of them are women. In the third quarter our analysis revealed a slight improvement in the picture, but it remained the case that men and women in paid employment worked fewer total hours than in quarter three of 2019. It also remained the case that sectors employing the greatest share and number of women were most negatively affected. An improvement in these sectors in the long term will be critical to future access to decent jobs for women.

Figure 24. Paid employment: Percentage of total hours lost (between the second quarter of 2019 and the same period of 2020) by share of women in each economic sector in 2019



Sources: Viet Nam’s Labour Force Survey.
 Note: Based on the ISIC Rev. 4. Agriculture refers to ISIC Rev. 4 category A. Manufacturing refers to ISIC Rev. 4 category C. Construction refers to ISIC Rev. 4 category F. Mining and quarrying; Electricity, gas and water supply refers to ISIC Rev. 4 categories B, D & E. Services refer to ISIC Rev. 4 categories G to U.

The manufacturing and service sectors in particular experienced significant working hour losses in the second quarter. For women in paid employment, jobs in hospitality, household and other service sectors were particularly negatively impacted by the crisis. More importantly for women, total hours in the manufacturing sector fell by 9 per cent. About 5.1 million women were employed in paid employment this sector in 2019. Manufacture of clothing was particularly badly hit; total hours worked by women in this industry fell by 14.1 per cent compared to the second quarter of 2019. Women in these sectors are likely to have been exposed to job rotations, temporary contract suspensions, and other arrangements adopted by enterprises to cope with the drop in international and, to a lesser extent, domestic demand. Among women in vulnerable employment, on the other hand, most hours lost were in the agricultural sector in rural areas. This is driven by the fall in female labour force participation mentioned above. By contrast sectors which employ a high share of men, especially in construction, transportation and storage and public administration and defence, total hours worked fell only a small amount, or even increased.

During the third and fourth quarter, employment and working hours in manufacturing improved. Women’s average working hours have recovered faster than men’s have, confirming the trends observed in the labour market as a whole, earlier in this brief. Women’s weekly working hours in the fourth quarter of 2020 recorded an 11.7 per cent increment compared to the low values of the second quarter. Men’s working hours, which experienced a less severe drop earlier in the year, bounced back by 10.0 per cent. By means of comparison, in 2019 weekly hours increased by 4.2 per cent for women and 3.6 per cent for men, compared to the second quarter of the same year. Employment levels in manufacturing improved as well, in the second half of 2020. In fact, manufacturing jobs have experienced the fastest recovery among all sectors in the economy. The fourth quarter of 2020 ended with a 6.3 per cent increase in employment year-on-year. Female employment in the sector was hit especially hard during the second quarter, but by the end of 2020 it had recovered by 9.0 per cent. Male employment increased by 4.6 per cent vis-à-vis the levels of the second quarter. These increments meant that, by the end of 2020, employment in manufacturing had exceeded 2019 levels by 5.5 per cent for women, and 7.2 per cent of men. In a context of lower labour force participation and positive but relatively slow performance of the Vietnamese economy, these findings are very positive.

Conclusions

The high level of labour market participation of women in Viet Nam is sometimes interpreted as an indicator of equal opportunity. This brief finds that this interpretation is not accurate. Before the COVID-19 pandemic, both women and men had a relatively easy access to employment. However, the quality of such employment was on average lower among women than among men. Female workers were overrepresented in vulnerable employment, particularly in contributing family work. They earned less than men, despite comparable working hours and the progressive elimination of gender gaps in educational attainment. They were also underrepresented in decision-making jobs. In addition, female workers carried a disproportionate double burden. They are the primary providers of services for their own households, such as cleaning, cooking, or caring for family members and children. A relatively lower share of men participate in these activities, and those who do, spend a lower number of hours in them. Close to 20 per cent do not spend any time in these activities at all.

The impact of COVID-19 on Viet Nam's labour market has not only exacerbated existing inequalities, but it has created new ones. Although women before the pandemic were more economically active than the regional average or the average of lower middle-income countries, a gap still existed. The consequences of the pandemic have widened that gap. In 2019, there was virtually no difference between male and female unemployment rates in the country. By the end of the third quarter of 2020, a gap had appeared, to the disadvantage of women, especially young women. Before COVID-19, women carried a measurable double burden, consisting of a number of working hours comparable to that of men, plus a number of hours in household work that more than doubled that of men. In the third and fourth quarter of 2020, with economic activity starting again and schools reopening, women and men took up additional working hours, possibly to make up for lost income. Women on average added more hours than men, making their double burden even heavier.

At the root of labour market inequalities there are the traditional roles that women are expected to play, perpetuated by both social norms as well as by the country's legislation. The fact that women have a double burden to carry is not only well known in Viet Nam, but also traditionally encouraged. A Vietnamese saying reminds women to be "good at national tasks (i.e. work outside the household) and good at housework". The response at policy and societal level has been an acknowledgment of such traditional roles as a fact, and a tendency to 'protect' women in them. Hence, the lower mandatory retirement age for women than men, or the exclusion of female workers from certain jobs. These choices have perpetuated the traditional gender roles at the origin of the inequalities described in this brief.

Equality in Viet Nam's world of work can only be built on a shift in approach, from protecting women, to providing equal opportunity to all workers, irrespective of their sex. At the policy level, the Labour Code that came into effect on the 1st January of 2021 opens opportunities to close gender gaps in employment. For example, the Code introduces a reduction in the retirement age gap, which will gradually be implemented. In addition, under the new Code, female workers will no longer be excluded by law from certain occupations considered as harmful for child-baring and parenting functions. Rather, they will have a right to choose whether or not to engage in such occupations, after being fully informed of the risks involved. These signs of progress show a willingness to improve equal opportunity in the world of work. However, the Labour Code still frames provisions towards gender equality as pertaining to 'female workers'. Traditional gender roles are still entrenched in the mind sets of individuals and influence their economic behaviour, as described in this brief. Viet Nam's Socio Economic Development Strategy for 2021-30 is expected to call for gender gaps to be reduced across several areas of the political, economic, and social lives of citizens. If this goal is to be achieved, a genuine process of challenging and eradicating traditional gender inequalities needs to begin.

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