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Author : Vietnam

Vietnam is clearly committed to embrace the digital transition and is convinced AI has an important role in it. In 2015, it adopted a National Digital Transformation Programme with an orientation to 2030. The programme's goal is to promote digital transition in governance, the economy, and society at large, and to establish Vietnamese technology firms as global players. However, Vietnam faces serious skills shortages. In 2024, the trained IT engineers could only cover 25% of the country's needs. Therefore, the government has invested both in education in digital skills and in access to technology, with special attention to specific groups like the disadvantaged. It is determined to become a global leader in technology, with a strong startup scene. It has the advantage of a young workforce, eager to learn.

Some economic background: Vietnam is a remarkable development success story. Economic reforms initiated in 1986, coupled with beneficial global trends, have helped propel Viet Nam from being one of the world's poorest nations to a middle-income economy in one generation. The economy has proven resilience through different crises and economic growth is projected to reach 6.1 percent in 2024 and 6.5 percent in 2025, up from 5 percent in 2023, driven by increasing global demand and restored domestic consumer confidence.

Vietnam's labour force is one of its greatest assets, with a plentiful workforce that continues to attract foreign investors. In 2024, 27.8% of the labour force had a degree or certificate while unemployment rate was only 2.24%. However, there is still an important gap between the digital skills possessed by graduates and the evolving demands of the economy. According to Cisco, Vietnam ranks 57 out of 146 countries in terms of digitization, a relatively low rate compared to Vietnam's technological potential. Therefore, Vietnamese businesses need to accelerate the digital transformation process with core technologies in the digital ecosystem. For instance, if we look at artificial intelligence (AI), it is clearly a promising opportunity for Vietnam. With its dynamic economy, young population, and eagerness to adopt new technology, Vietnam presents an attractive landscape for the application of AI. However, there are still some challenges regarding regulatory frameworks and skill gaps that firms may face when entering this market.

Sout-East Asian countries lead in workplace stress. In 2024, the highest were Myanmar with 48% of employees experiencing regular stress at work, and the Philippines with 46%. Vietnam with its 42% is still quite high. Rapid technological stress and lack of technological skills might increase this stress. Workplace stress used to be considered as a problem of the individual, but more and more, it is becoming accepted that this is a problem business needs to tackle, and measures are being put in place.

Vietnam still has a high poverty rate. It is also a very traditional heterosexually oriented country, with role separation for men and women. According to some studies, a UBI could address both reducing poverty and assuring more gender equality in Vietnamese society by giving women a basic income and give them a chance to feed their family. However, given that Vietnam is led by a communist regime, no "revolutionary" UBI projects have started in Vietnam, it is rather the communist state that wants to provide for everybody and no legislation on UBI has been developed. Nevertheless, as Vietnam is still transitioning from a big labour-intensive industry to a more technology-led industry, many people will lose their manufacturing job and social security benefits are very low, so, mental health issues might increase even more because of that, and a UBI would benefit those that lose their job.

Vietnam is of course also under the influence of its big neighbour China. They both have communist regimes and have been traditionally "friends", with lots of Chinese tech investments in Vietnam, but two factors have had a negative impact on that "friendship" in the past years: growing tension over the Pacific Sea and Vietnam being caught in the middle of the US and China trying to gain influence in the booming

technology sector in the South Pacific. More advanced manufacturing is also moving from Taiwan to Vietnam to some extent.

Vietnam wants to consolidate its position in the South Pacific technology sector, bolstering its talent with a young and eager to learn and to be tech savvy workforce. It wants to play out its unique strategic position in the South Pacific, securing both US and Chinese investments. It is committed to pay attention to mental health in the workplace and to put measures into place to mitigate job losses due to the move from an intensive manufacturing to a tech-based economy. It is determined to adapt its training and education programmes and strategies to cater for the new jobs of the tech economy. Education and training are a top priority for the Vietnamese government.