

# THE RECOVERY OF FEMALE AND MALE LABORS: A CASE FROM VIETNAM

PhD. Pham Văn Nghĩa\* - PhD. Dong Thi Ha\*\* - College student Pham Minh Duc\*\*\*

**Abstract:** *The impact of the COVID-19 pandemic has been detrimental to the labor force and the economy around the world. From the onset of the pandemic, the workforce of Vietnam has witnessed a higher unemployment rate, a decline in working hours, and many other issues. It has been proven that the magnitude of the impact is different between the two sexes in favor of male labor. However, it has been spotted that the recovering speed of the two sexes also draws a significant distinction. The trend shows similarity to the recovery rate of the labor forces in terms of gender regarding earlier recessions with data from the US. In looking at the statistics of Vietnam's labor force in 2020, the female laborers witnessed a faster-recovering rate than men; however, the underlying reasons for the similarity are vastly different.*

• Keywords: Vietnam labor force, COVID-19, recovery trend, gender.

Date of receipt: 25<sup>th</sup> December, 2021

Date of delivery revision: 26<sup>th</sup> December, 2021

Date of receipt revision: 30<sup>th</sup> December, 2021

Date of approval: 30<sup>th</sup> January, 2022

Tóm tắt: Tác động của đại dịch COVID-19 đã gây bất lợi cho lực lượng lao động và nền kinh tế trên toàn thế giới. Kể từ khi đại dịch bùng phát, lực lượng lao động Việt Nam đã chứng kiến tỷ lệ thất nghiệp cao hơn, số giờ làm việc giảm và nhiều vấn đề khác. Người ta đã chứng minh được rằng mức độ tác động của hai giới đối với lao động nam là khác nhau. Tuy nhiên, người ta nhận thấy rằng tốc độ hồi phục của hai giới cũng tạo ra sự khác biệt đáng kể. Xu hướng này cho thấy sự tương đồng với tỷ lệ phục hồi lực lượng lao động về giới tính liên quan đến các cuộc suy thoái trước đó với dữ liệu từ Mỹ. Khi nhìn vào số liệu thống kê về lực lượng lao động của Việt Nam vào năm 2020, lao động nữ có tốc độ phục hồi nhanh hơn nam giới; tuy nhiên, những lý do cơ bản cho sự giống nhau là rất khác nhau.

• Từ khóa: Lực lượng lao động Việt Nam, COVID-19, xu hướng phục hồi, giới tính.

## I. Introduction

The COVID-19 pandemic is one of the most significant influencers to the global economy for years to come. Although able to function with effective coping mechanisms, Vietnam's economy still suffers greatly from the impact of

COVID-19, which has been reported to cause volatility in different markets. Along with the effects of COVID-19, the topic of recovery has also been proven to be intriguing. While the volatility of financial markets for investors is argued to be either predictable or unpredictable, the labor force recovery has shown some interesting aspects. In scrutinizing the deeply overlapping part of the sociological and economical spheres, how and why the recovery of different genders shows similarity would be looked into.

According to the General Statistics Office of Vietnam, 32.1 million citizens over the age of 15 were negatively affected by December 2020, with 69.2 percent seeing a loss in salary, 39.9 percent being forced to cut working hours, and 14 percent being forced to cease working. Even though women make up 70% of critical sectors such as weaving, electronics, and textiles, they still face inequity, low pay, and limited job options. Unlike past recessions and downturns, which disproportionately impacted male workers, COVID-19's downturn hits industries with a high female employment rate, causing women to suffer more from the epidemic (Alon

\* Academy of Finance; email: phamvanngheia@hvtc.edu.vn

\*\* Faculty of Economics, National Economic University \*\*\* CQ 8.CLC 11.6 - Academy of Finance

et al., 2020). According to research conducted in the United States, Germany, and Singapore (Reichelt et al., 2021), women are more likely to be removed from their current position and more exposed to transitions than men. Before COVID-19, Vietnam's female labor force participation rate was much higher than global figures, at 70.9 percent in 2019, compared to 47.2 percent globally and 43.9 percent in Asia-Pacific, with no notable difference in unemployment rates between the sexes. It is also believed that female employees in Vietnam have an easier time entering the labor force than in other nations. However, Vietnam's male labor force participation rates remained higher in stable occupations, while female employees accounted for the most vulnerable fields. Vietnam's number in terms of working hours fell considerably in the second quarter of 2020, owing to the closure of firms and a fall in economic activity. On the other hand, female employees were subjected to more adverse statistics. However, in investigating the third quarter of 2020, it was reported that female working hours increased faster than their male counterparts.

Although the impact of this recession was stated to have a more detrimental effect on the female labor force, the recovery speed of the female labor force exceeded the recovery speed of men in Vietnam. This result is similar to the trend witnessed in the US, where the recovering rate of female laborers was reported to be more rapid than men's (Fukui et al., 2018) across different periods. Looking back on Vietnam's statistics on male and female workforce regarding the 2007-2009 recession, the connection between the impact of the COVID-19 pandemic and the consequences of the earlier recession was drawn while the recovering rate of female labor fell short compared to men. This stated that the reasons behind the fast recovery of the women labor force among the two countries are vastly different. By looking at the statistics and results from the two countries,

hidden aspects hampering the working situation of Vietnamese female labor would be unveiled, giving suggestions to benefit the gender equality in Vietnam's workforce. In addition, by looking back at the earlier recession, a connection can be drawn to further identify female workers' vulnerability. The paper aims to investigate the recovery rate of women in the Vietnam labor force to improve and point out the hindering factors women face and eliminate such barriers.

The rest of the paper is structured as follows: Section II will revise precedent literature, while section III will mention briefly the methodology used. In section IV, the report will focus on pointing out the recovery situation of Vietnam's workforce. Section V will conclude and mention the limitations and suggestions for future research agendas.

## II. Literature review

According to the International Labor Organization Vietnam in 2020, gender inequality during the pandemic has been highlighted strongly, unveiling different neglected aspects and vulnerable positions of women. Women have fewer job options and opportunities to advance because of occupational sorting, and they hold extremely few leadership roles (ILO, 2020; Tran and Nguyen, 2020). Women are more likely to work in jobs with shorter working hours and paid vacations, and while women make up half of the labor force, they make up just a quarter of those in management or decision-making roles. At an early point in their life, occupation sorting is driven by societal conventions rather than aspirational criteria, pushing women into vulnerable jobs or occupations with fewer advancement chances and lower earnings (Chowdhury et al., 2019). Female employees may face a more significant pay gap and more inadequate compensation in 2019 due to a lack of stability and prospects, not just in comparison to male colleagues but also in contrast to female workers. Female employees' wages fell during the pandemic, while the wage difference between male and female workers would stay

the same or slightly widen. While differences in working hours cause pay disparities in other nations, data suggests that working hours have nothing to do with Vietnam's pay gap rate (ILO, 2021). The Equal Remuneration Convention signed by the Vietnamese government also reduced the potential of systematic bias. Education is unlikely to be a significant factor because the education gap and inequality have shrunk. Therefore, to account for the prevailing unfavorable situation, double burden - the burden to complete both housework and work - is mentioned as a significant factor. Research in 2020 by Hoang Lan Anh also pointed out that Vietnamese women are facing double standards (Hoang, 2020). As mentioned, the recovery rate of women for this downturn exceeds men. The recovery rate of women in the US in different periods has also been reported to be consistently higher than men (Fukui et al., 2018). The increase in female workers in the labor workforce is responsible for the trend. However, it has been recorded that the increase in Vietnam female labor's work hours does not correlate with the increase in female workers. Therefore, the paper looked into the 2007-2009 and 2020 to expand and tackle how female working hours increase with few additions of employments.

### III. Methodology

To report the situation of the Vietnam labor force, the research uses the method of synthesizing and interpreting information, documents, reports of competent agencies, Ministries, and branches on issues related to the research field, statistics provided from several secondary data sources (ILO Vietnam's Labor Force Survey, General Statistics Office of Vietnam). The paper looks at data on unemployment rates, working hours, and labor force participation rates for both men and women regarding the 2007-2009 recession (from 2007 to 2010) and the data in 2020 for COVID-19 crisis recovery. During 2020, the recovery of the labor force was most visible as the first two quarters

of 2020 marked the milestone of COVID-19 appearance and lockdowns, while the last two quarters showed statistics for the reopening of businesses and recovery. In addition, the statistics from the earlier recession would be considered for the vulnerability of female labor. Furthermore, figures on hours spent on housework and household work are utilized to calculate the double burden placed on female employees. Despite the fact that the participation rate had improved for three consecutive quarters, the participation gap had grown to 11.2 percent, compared to a prior year's average of 9.5 percent. The disparity between the sexes has widened, indicating that males have fared better than women in terms of unemployment. The two groups most likely to leave the workforce are old laborers in rural regions and young laborers in metropolitan areas. The statistics of unemployment for female workers can be due to the operation sorting. Workers in vulnerable jobs, such as family workers or self-employed workers, are more vulnerable. 92 percent of self-employed or self-accountable workers are not covered by social security.

### IV. Main findings

The decline in the first quarter of 2020 can be explained by the Tet vacation, during which individuals reduce their working hours purposefully and consistently. The initial epidemic of COVID-19 prompted social separation and safety precautions in the second quarter of 2020. Starting in March 2020, the social distancing strategy hugely influenced economic activity. According to data, both genders have seen a significant reduction in working hours in Vietnam and globally. Globally, total working hours decreased by 8.8% in 2020 compared to the previous year. Vietnam's number fell considerably in the second quarter of 2020, owing to the closure of firms and a fall in economic activity. Female employees, on the other hand, were subjected to more adverse statistics. As a result, their working hours have decreased to 88.8 percent of what they were

in 2019 (the same statistics for men was 91.2 percent). This might be attributed to changing female employment and a lower female labor force participation rate, resulting in a drop in overall working hours.

However, in the third and fourth quarters of 2020, women's total working hours recover faster than men's, bringing the total number of hours worked by the two sexes to equal in the fourth quarter. Women's working hours climbed by 0.8 percent in the cited quarter, while men's increased by 0.6 percent, implying that women's working hours had grown by a bigger proportion than men's despite lower working participation. This might be attributed to the reopening of schools, companies, and economic activity, which has ushered Vietnam into a post-crisis recovery period. To make up for the deficit in the second quarter, both men and women extended their working hours. Women, in particular, worked 1 hour and 42 minutes more per week than males, but men worked 36 minutes more per week. According to supplied figures, women with employment in 2020 increased their working hours significantly to compensate for their loss of income; the statistics may potentially grow quarterly when women reenter the labor field. Despite the fact that female labor participation was lower overall, the working hours resulted from a significant attempt to recover after COVID-19's first strike. Therefore, the recovery in terms of working hours of female laborers is reported to be linked to the fact that women had to work longer hours instead of the addition of females in the workforce. In 2020, the unemployment rate turned in an adverse direction, resulting in a wage disparity between men and women. According to the ILO, while both male and female labor force participation rates reduced as a result of COVID-19, women's participation rates dropped more than men's. In the second quarter of 2020, with more than 1 million women out of work, the female participation rate fell by 4.8 percent, while the male participation rate

fell by 3.9 percent, compared to the same period in 2019. This pattern persisted throughout the years, with female participation rates still behind male participation rates in the third and fourth quarters of 2020 (2.6 percent and 2.4 percent for females and 1.4 percent and 2.1 percent for males respectively). Women made up 65.8% of family employees in 2019. Women are also said to be twice as likely as males to work in the home. Even before COVID-19, women between the ages of 15 and 24 were 5% more likely to work in the informal sector than women between 25 and 54. Women in this age group also found it challenging to negotiate long-term contracts with their companies. Younger and older women have the most insecure and susceptible jobs; thus, they are the ones that suffer the most during the COVID-19 crisis. Their job was not only unstable, but their earnings were also disadvantageous. Young female employees in 2020 will earn 11.7 percent less than female workers on average in 2019, whereas self-employed women would reach 50.6 percent more. The numbers for older females are 32.4 percent and 21.4 percent, respectively. Looking back on the 2007-2009 statistics, after the recession, unpaid female workers increased by 8.2% compared to their male counterparts, whose rate increased 0.1%. This further indicates the long-lasting effect of the earlier recession, which put female workers into unfavorable positions. Despite becoming active participants in the economy, women still had to shoulder the same amount of responsibility for child care and housework. Both men and women spent more time doing housework after COVID-19, however the results showed that while women spent more time doing housework and serving their families, 20% of males still reported not assisting or doing any housework. Those who said they did housework said it took up to 2/3 of a woman's time. Furthermore, family members with lower income or more free time are reported to be assigned and participate in more housework (Leong and Bond, 2015), suggesting that women may be increasingly responsible for

childcare and housework due to lower wages and higher unemployment rates. This provided insight into how the double burden has an impact on women's working quality and opportunities. According to the 2018 Labor Force Survey, over half of the non-working women said they didn't work for "personal or family reasons," but just 18.9% of non-working males said the same thing. Valentina Barcucci, a labor economist, noted that even before COVID, the working quality of women was already subpar when compared to male workers.

Therefore, the fast recovery of the female labor force in terms of working hours is different from the recovery of the US statistics in which the US trend is due to the increment of women in the workforce while with the same number of female workers, Vietnam female labor worked more time each. After the recession, Vietnam female workforce reduces in response to the double burden making any recoveries accountable by more working hours individually and, especially for the case of the COVID-19 pandemic, the reopening of services, positions, and businesses in which women take up most of the sectors' workforces- making up a small amount of loss in terms of total unemployment during the pandemic.

#### V. Limitations and Conclusion

The article supports the hypothesis that women in the workforce confront inequity. Although the unemployment rate has risen in recent years, widening the difference between male and female employees, the fundamental cause existed even before the epidemic. The epidemic added to unbalanced occupation sorting by highlighting an issue that needed to be addressed. Women's vulnerability in the labor force may be attributed to unequal occupational classification and labor allocation, a lack of advancement chances, a double standard, and a lack of leadership roles. While going back to previous statistics from earlier recession, although it was claimed that the 2007-2009 recession imposed a more significant threat for

male workers, the consequences are proven to be more long-term for female workers as by the end of the recession, the female labor force witnessed an increase in employment in more vulnerable positions. In addition, while the recovery trend of the US workforce can be accounted for by the "crowding out" of male employment by female employment as a movement of the grand gender convergence and the increase of female workers, the recovery trend of female labor was the result of the reopening businesses and ending lockdowns, making ways for them to navigate in the workforce under vulnerable positions. This document can be used as a reference resource for other studies looking into the labor force and gender disparity.

The study failed to account for several aspects. To begin, the article examined many data sources and identified a double standard in housekeeping. Still, it was unable to account for its link with the quality of labor and the salary of female employees or how working hours and productivity are intertwined. In this article, the double standard is hypothesized to be an underlying rationale rather than a definite proof of its influence on female employees. Future research agendas might take a more quantitative, empirical approach to the issues to determine how these variables interact. Second, the method utilized in this article is based on secondary labor force data in general thus, any assumptions regarding labor force behavior are unreliable. Qualitative research may be conducted to understand better the motivations of female workers in the Vietnamese labor force and their decisions on which occupations or sectors to pursue. Furthermore, because of the specific characteristics of the year, this research focused primarily on the labor force in Vietnam in 2020 or the first wave of COVID-19. It may not be applicable to other waves. Future research can utilize data regarding multiple waves to have a more overall look. Though the comparison between Vietnam and US data highlights the

inequality Vietnam's labor force is facing, the social and economic characteristics of the two countries are vastly different; therefore, the results drawing from the comparison between the two labor markets can only be considered as a source of idea and reference. Finally, the connection between the two recessions is only observed and proposed because the paper focuses on the recovering trend of the labor force yet has not been closely scrutinized, leaving space for a more quantitative approach in addressing the connection.

Economic recovery and development during and after COVID-19 put forward significant challenges. When a fresh wave of the epidemic emerged in 2021, the economy, which had yet to fully recover, was confronted with several dangers. In Vietnam, gender inequality continues to create an adverse condition for female employees. 2020 has generated new gender challenges that will make it much more difficult for women to advance in their careers. During the pandemic, women are more likely to experience transitions to unemployment, work from home, and reduced working hours. Yet, the pandemic has exposed part of the workforce and the diversion or the unbalance sorting of occupations and sectors, which has been overlooked. COVID-19 has resulted in company closures and social isolation. If the situation persists, the government should take appropriate measures to safeguard and defend vulnerable areas of the economy; future policy should also include the difficulties women face in achieving equality. Vietnam has distinct traits, such as a Confucianism background, well-defined gender roles, and a Communist political structure that promotes equality. Gender awareness is expanded, and gender disparity is reduced as a result of modernity. Despite the progress made, Vietnam still has a long way to go in terms of altering the attitude that has been established since the Gender Attitude Index of Vietnam has been noted to be highly negative (Grosse, 2015). Women in Vietnam continue to endure

challenges; a gender-based double standard has existed for decades (Hoang, 2020). Gender equality has gone a long way in Vietnam. Vietnam can entirely build a great working environment and circumstances for both male and female employees, given the benefits of fast economic growth and modernization.

### References:

- Alon, T. M., Matthias Doepke, Jane Olmstead-Rumsey, & Tertilt, M. (2020). *THE IMPACT OF COVID-19 ON GENDER EQUALITY*. *Journal of Chemical Information and Modeling*, 53(9), 1689-1699.
- Chowdhury, I., Johnson, H. C., Mannava, A., & Perova, E. (2019). *Gender gap in earnings in Vietnam: Why do Vietnamese women work in lower paid occupations?* *Journal of Southeast Asian Economies*, 36(3), 400-423. <https://doi.org/10.1355/ae36-3g>
- Fukui, M., Nakamura, E., & Steinsson, J. (2018). *Women, Wealth Effects, and Slow Recoveries*.
- General Statistics Office of Vietnam (2021). *General Statistics Office of Vietnam*. [online] Available at: <<https://www.gso.gov.vn/>> [Accessed 24 January 2022].
- Grosse, I. (2015). *Gender Values in Vietnam-Between Confucianism, Communism, and Modernization*. *Asian Journal of Peacebuilding*, 3(2), 253-272. <https://doi.org/10.18588/201511.000045>
- Hoang, L. A. (2020). *The Vietnam Women's Union and the Contradictions of a Socialist Gender Regime*. *Asian Studies Review*, 44(2), 297-314. <https://doi.org/10.1080/1357823.2019.1699023>
- ILO. (2021). *Gender and the labour market in Viet Nam An analysis based on the Labour Force Survey Main March*.
- Leong, J. L. T., Chen, S. X., & Bond, M. H. (2015). *Housework allocation and gender (in) equality: The Chinese case*. In *Psychology of gender through the lens of culture* (pp. 77-91). Springer, Cham.
- Reichelt, M., Makovi, K., & Sargsyan, A. (2021). *The impact of COVID-19 on gender inequality in the labor market and gender-role attitudes*. *European Societies*, 23(S1), S228-S245. <https://doi.org/10.1080/14616696.2020.1823010>
- Tran, T. T. T., & Nguyen, H. Van. (2020). *Gender preference in higher education leadership: insights from gender distribution and subordinate perceptions and expectations in Vietnam universities*. *International Journal of Leadership in Education*, 00(00), 1-22. <https://doi.org/10.1080/13603124.2020.1753244>