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The Role of the State in Developing the Labor Power Commodity Market in Hanoi Now

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Abstract

In recent years, the labor market in Vietnam has developed quite steadily in all aspects, such as the legal system being completed relatively synchronously and comprehensively, creating a legal corridor to develop the labor market; The scale and quality of labor supply and demand have increased; Job quality is increasingly improving; gradually formalize part of the informal labor sector; The labor structure has made a positive shift towards reducing the

proportion of labor in the agricultural sector, increasing the proportion of labor in the industrial and service sector, reducing the proportion of vulnerable jobs, and increasing the employment rate; Workers' wages have improved significantly, labor productivity and competitiveness of the workforce have increased... This is because the Party and State have paid deep attention to this market.

Keywords: Role of the State, Development, Market, Labor Commodity, Hanoi

1. Introduction

In Vietnam today, the labor market always receives the attention not only of the Party and State but also of experts and policymakers. On the other hand, in the process of international economic integration, the issue of labor and goods plays an important, urgent, and long-term role, contributing to creating stability as well as sustainable development of the economy. Clarifying the current situation and remaining problems of the labor market in Vietnam in general and in Hanoi in particular in the current period is an urgent issue. Because labor is now considered a commodity, it is expressed through the recognition of the right of workers to freely find work and the right of employers to hire workers to work for them. In Vietnam in recent years, the labor market has been legally recognized and developed in a market economy while also having organic relationships with other types of markets, such as: Capital, science and technology, information or currency. Labor market development in Vietnam in general and in Hanoi in particular in the process of promoting industrialization and modernization associated with knowledge development and international integration, has been expressed through specific, practical and appropriate policies and measures.

2. Research Overview and Methods

2.1 Research Overview

As the market economy in Vietnam has been formed and developed, there have been many research projects to help experts and policy makers have a more vivid practical basis to illuminate the Socio-economic issues of the transition period, including issues of labor goods, such as:

- Pham Van Chien and Pham Quoc Trung (1990), *"Discussing the conditions for the appearance of labor power goods"*, Journal of Theoretical Education, pp.33-34. The article appeared on the forum - a debate to protect the scientific and historical nature of Karl Marx's theory of the commodity of labor. Especially the assumptions about the conditions for the appearance of labor goods in Vietnam's conditions.
- Le Minh Vu (1993), *"Thinking about labor goods in the transition period in Vietnam"*, National Defense Magazine, pp.29-32. The article analyzes and clarifies the scientific basis for determining labor as a commodity under the specific conditions of Vietnam and comes to the conclusion that with a commodity economy and market mechanism, labor must be a commodity.

- Mai Trung Hau (1990), "*Discussing the commodity of labor*", Journal of Theoretical Education, pp.31-33. The article analyzes the category of commodity of labor and affirms the objective necessity of the commodity of labor under the conditions of a market economy.
- Ministry of Labor, Invalids and Social Affairs (2019), *Quality of Vietnam's human resources: Current status and solutions*. The book clarifies the quality of human resources and the current status of human resource development in Vietnam, thereby providing solutions to improve the quality of human resources in Vietnam.
- Nguyen Quang Giai (2018), "*Characteristics of Vietnamese labor today*", Can Tho University Science Magazine, No. 9C (2018), pp.144 - 154. Nguyen Thi Quynh Trang (2017), "*Some solutions for development Developing Vietnamese human resources in the period of international integration*", Journal of Social Sciences and Humanities, Ho Chi Minh City University of Education, Volume 14, Number 2 (2017), pp.171-178. Nguyen Thuy Hai (2019), "*Improving the quality of human resources in Vietnam during the integration period*", Finance Magazine. The authors: Have analyzed and clarified the characteristics of labor, labor quality and solutions to improve labor quality in Vietnam today.
- Report No. 6219/BC-BKHDT, dated September 22, 2020 of the Ministry of Planning and Investment, p.7; The content of the Ministry of Planning and Investment's annual Labor and Employment Survey report with detailed data has clarified the current labor situation in Vietnam.
- Nguyen Thi Lan Huong (2002), *Vietnam's labor market orientation and development*, Social Labor Publishing House, Hanoi. The author presents basic arguments guiding the development of the labor market in Vietnam, the formation and development of the labor market, and labor-oriented solutions in Vietnam in the period 2001-2010.
- Le Xuan Ba - Nguyen Thi Kim Dung - Tran Huu Han (2003), *Some issues of labor market development in Vietnam*, Science and Technology Publishing House, Hanoi. Clarifying a number of issues related to the theory and practice of the labor market in our country, examining the essence of the advantages and disadvantages, the pros and cons in the process of formation and operation labor market practices. Contribute to orienting and identifying necessary solutions for the development of this special market in the coming time, providing a number of policy recommendations on effective use of labor resources, increasing employment and income, social stability, ensuring sustainable development.

There are also many other articles and research works that more or less discuss the issue of labor and the labor market in many different aspects. However, up to now there has been no research project specializing in building a modern production force to meet the requirements of international economic integration in Vietnam today.

2.2 Research Methods

The author uses a combination of theoretical research methods, collecting and synthesizing data from scientific works and articles related to the research issue published in

scientific journals. At the same time, the author researches the content of promoting the role of youth in building and socio-economic development in the Northwest region of Vietnam.

3. Research Results

3.1 Labor power commodity market and the role of the state in developing the labor commodity market

The labor market is a condition that helps a country and people develop economically according to the requirements of socialized production. It promotes the social division of labor as well as the internal division of labor, improving labor productivity and production and business efficiency of enterprises. Because above all, for the development of a country and nation, labor always plays the role of an important and valuable source of capital for society, businesses and individual workers. Labor services in each country are traded based on the number of workers, time and wages/salaries. From there, creating momentum and promoting the economy to develop fully. In particular, labor goods are special goods (because goods exchanged on the market are inseparable from people themselves) different from normal goods, it only exists when two conditions are met about freedom and the need to sell labor power (labor power is the ability to work and produce, including physical and mental strength, which plays an important role in the process of operating and producing all kinds of products and goods). Labor helps maintain human activities as the subject of all economic production and social activities. Therefore, to maintain conditions for labor goods to create surplus values, employers must meet special needs of psychology, culture and geographical area, etc.

From an economic perspective, the labor market is not simply a place where labor supply and demand meet, but it is also a channel for mobilizing and effectively allocating labor resources - an important resource of the production process material wealth of an economy. The labor market is a combination of all objective and subjective conditions under which the labor trading relationship between workers and the subjects using labor takes place, leading to the determination of price, quantity, and type of labor goods. Through this, it can be seen that the labor market is the place where labor purchasing and selling relationships are opened, it indirectly affects labor relations before and after the market, providing essential information to help for businesses as well as employees to self-adjust their behavior to achieve the greatest benefits. On the other hand, the labor market has contributed to promoting and effectively using social human resources, increasing income, improving the material and spiritual life of workers, and increasing GDP for the country, bringing great economic and social benefits. However, the labor commodity market not only has positive aspects but also implies negative aspects, such as: Creating conditions for labor exploitation or inequality in employment opportunities and income... this causes labor to move unnecessarily between regions and countries. Therefore, currently the labor market is a market that needs to receive more continuous and frequent attention from governments. In Vietnam in general and for Hanoi City in particular, to promote the role of labor goods throughout the process of innovation, construction and socio-economic development, the Party and State need to have appropriate policies, guidelines, and laws to limit negative or wasteful situations that may occur. Specifically:

Firstly, the State is the subject that creates the environment and regulates the legal framework for the operation of the labor market, including market participants, types of jobs for which workers are hired, and standards on labor relations, regulations on rights and obligations of market participants.

Second, the State needs to plan and implement policies to overcome failures in the labor market, along with using financial capacity or foreign economic strengths to implement these things, that the market cannot do on its own in order to stimulate production and business development, increase aggregate demand, promote labor demand, and create more jobs for society. Thereby, ensuring fairness, stability and benefits of subjects participating in the labor market.

Third, the State needs to develop and implement policies that guide the general development of the labor market or target specific labor-employment subjects to ensure development of the market is harmonized, consistent with the movement and development of other economic, political and social factors through appropriate legal corridors, such as: Regulating minimum wages, working hours dark skin in a day or number of working days in a week... This will stimulate labor productivity as well as labor efficiency and economic development.

Fourth, the State also needs to have policies to increase investment in education and training or implement social policies on education, training and vocational training, and regulate the contribution levels for training costs of businesses... to improve quality and diversify labor, adapting to labor needs in society.

3.2 Current status of the state's role in developing the labor market in Hanoi City

As the entity creating the environment, the State regulates the legal framework for the operation of the labor market, including market participants, types of jobs for which workers are hired, and standards on labor relations, regulations on rights and obligations of market participants. In recent years, Hanoi City has issued many legal documents with the purpose of supporting and developing the labor market and creating jobs for workers, specifically:

In 2022, Hanoi City has created jobs for 203 thousand workers, reaching 126.9% of the yearly plan, an increase of 13% compared to 2021, of which: 18.3 thousand people received the following jobs when interviewing at sessions and job exchanges; 5,258 people were given jobs through labor export (mainly working in Japan, Taiwan, and Korea); 116.7 thousand people have jobs through providing employment services from businesses and other forms¹...

It can be said that during these years, Hanoi has continuously supported businesses, cooperatives, and business households to connect with workers, quickly handle and resolve difficulties and obstacles, contributing to improving the quality of business. The labor market is gradually becoming modern, transparent and fair. Hanoi's labor force aged 15 and over in 2022 will reach 4,012 thousand people (accounting for 47.6% of the population), of which: Male labor force accounts for 51.5%; Female workers account for 48.5%; The workforce in urban areas accounts for 46.6%; The rural labor force accounts for 53.4%. Workers aged 15 and older working in economic

sectors in 2022 will be 3,929 thousand people, of which: Male workers account for 51.4%; Female workers account for 48.6%. Laborers working in agriculture, forestry and fisheries accounted for 7.4%; The industrial - construction sector accounts for 33.1%; The service sector accounts for 59.5%².

The role of the State in education and training or implementing social policies on education, training and vocational training, regulating the contribution of training costs by businesses... to improve quality and diversify labor force and adapt to the needs of labor in society. It can be said that in Hanoi, education and training have been paid attention and special attention has been paid to fundamental and comprehensive innovation, contributing to improving the quality of human resources. Thereby, developing vocational education and improving the quality of human resources is considered a regular and continuous task on the basis of implementing the Plan to implement the Vocational Education Development Strategy of Hanoi City until 2025, vision to 2045; Continue to invest in high quality schools and key occupations of schools approved and selected by the Ministry of Labor, War Invalids and Social Affairs; Focus on training to improve the quality of human resources, especially high-quality human resources, to meet the requirements of the national digital transformation process and the Fourth Industrial Revolution; Encourage businesses to participate in vocational education activities, creating links between workers, businesses and training institutions in enrollment, training and job creation.

Over the past years, Hanoi has continued to maintain its position as the national leader in terms of the following criteria: Education scale, school network, key education quality, number of students winning high prizes in exams... Educational infrastructure and facilities for teaching and learning are invested in and equipped quite synchronously and modernly. Investment in building public schools that meet national standards is being promoted. In 2021 and 2022, 215 new schools have been recognized. Up to now, the rate of public schools meeting national standards is 72.3%. By the end of 2022, the entire City has 2,800 preschools and high schools with 63.8 thousand classes; nearly 2.2 million students are studying, 122 thousand teachers³.

Regarding vocational education, currently in Hanoi City there are 355 vocational education establishments and establishments operating vocational education, of which 307 units are registered for vocational education activities. In 2022, nearly 251.5 thousand people have been enrolled and trained, reaching 112% of the 2022 enrollment plan, an increase of 13.2% compared to 2021. Thereby contributing to improving the quality of human resources or, more accurately, the quality of labor goods, specifically: The rate of working workers aged 15 and over is always high at 4049 thousand people (2019). By 2022, it will increase to 4,106 thousand people, of which the number of trained people will increase from 67.5% (2019), then by 2022 it will increase to 72.2%⁴.

² Hanoi Statistics Department, Hanoi City Statistical Yearbook 2022, Statistics Publishing House, 2022.

³ Hanoi Statistics Department, Hanoi City Statistical Yearbook 2022, Statistics Publishing House, 2022.

⁴ Hanoi Statistics Department, Hanoi City Statistical Yearbook 2022, Statistics Publishing House, 2022.

¹ Hanoi Statistics Department, Hanoi City Statistical Yearbook 2022, Statistics Publishing House, 2022.

In 2022, the rate of trained workers aged 15 and up will reach 72.2%, of which workers with degrees and certificates (3 months or more) will reach 50.3%. The unemployment rate of the labor force in the 2022 age group is 2.22%, of which 3.33% in urban areas; rural areas is 1.21%. The underemployment rate of the labor force in the 2022 age group is 0.64%, of which: Urban areas is 0.39%; rural areas is 0.86%⁵.

It can be seen that Hanoi has now deeply grasped the views, goals, tasks, and solutions on developing a flexible, modern, effective, sustainable and integrated labor market in The Party's Resolution and the National Assembly's Resolution aim to develop a comprehensive and sustainable labor market in a modern and effective direction consistent with the characteristics of each locality as a basis and driving force for socio-economic development of the Capital.

From there, it can be seen that the State plays the role of creating, managing and regulating the development of a modern, flexible and effective labor market; create conditions for moving labor from areas with low labor productivity to areas with higher labor productivity, reducing risks and costs of labor movement.

3.3 Some solutions to promote the role of the state in developing the labor market in Hanoi in the coming time

In the coming time, in order for the labor market to develop flexibly, modernly, effectively, sustainably and integratedly, contributing to socio-economic recovery and development in the 2021-2025 period, a number of solutions need to be implemented:

Firstly, perfect the legal framework, review and amend legal regulations, meet the needs of developing the labor market in the right direction, focusing on key areas, such as: Enhance openness and transparency of subjects participating in the labor market, linking Hanoi's labor market with provinces and cities in the Capital region and other localities across the country. Promulgate and amend policies to limit unemployment and improve labor quality, including: (i) supplementing and completing proactive policies to prevent unemployment; (ii) policy to support vocational training through Vocational Training Cards for workers; (iii) regulate professional standards and conditions to ensure effective implementation of vocational training activities at enterprises.

Second, promote the creation of sustainable jobs and effective use of the labor force, contributing to increasing investment and developing economic sectors that create many sustainable jobs, especially high-productivity jobs; Research and propose policies to support the recruitment and use of specific groups of workers, disadvantaged workers, workers from poor households, near-poor households, and households just escaping poverty to participate in the labor market and find jobs. Timely remove difficulties and obstacles to increase the effectiveness of vocational training, create jobs for young people completing military service, police service, and young volunteers completing tasks.

Strengthen credit sources to promote the creation of new, creative, high-quality, sustainable jobs; green jobs; jobs for disadvantaged people, remote areas, and ethnic minorities; Prioritize allocating capital to the Bank for Social Policies to

have enough resources to effectively deploy credit programs to create jobs and provide vocational training for workers, contributing to the development of a sustainable labor market.

Have policies to encourage production and business establishments and households to register to establish and operate in the form of enterprises to attract and use formal workers, gradually converting informal workers to formal workers.

Third, develop vocational education and improve the quality of human resources to meet the requirements of the labor market. Focus on synchronously deploying solutions to implement the "Vocational education development strategy for the period 2021 - 2030, vision to 2045" according to Decision No. 2239/QĐ-TTg dated December 30, 2021 of the Prime Minister. Thereby improving the quality of operations of vocational education institutions. Implementing investment in high-quality, key vocational schools for 04 public colleges in the City (Hanoi High-Tech Vocational College, Hanoi Industrial Vocational College, Vietnam - Korea Vocational College – Hanoi City, Hanoi College of Arts) to become a high quality school according to the criteria specified in Decision No. 761/QĐ-TTg dated May 23, 2014 of the Prime Minister; Invest in training equipment for key occupations at international, ASEAN and national levels for 16 schools approved and selected by the Ministry of Labor, War Invalids and Social Affairs.

Fifth, invest in developing the system connecting labor supply and demand, forecasting labor supply and demand and labor market information system. The key task is to build a modern, synchronous national labor database that is connected and shared with the national database on population, business registration, and social insurance across the world. That facility develops and organizes the implementation of policies on labor, employment, and social security. Through promoting the central role of Trade Unions in attracting workers and workers' organizations to join Trade Unions, developing membership, improving the effectiveness of dialogue and negotiation for protection for workers.

4. Conclusion

For each country and nation, building and developing the labor market always has an important position and role, indirectly contributing to the effective use of valuable resources of countries, contributing to creating jobs for workers, creating conditions to promote economic growth and social stability.

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