

Presentation

Hanoi Employment Service Centre (ESC) 's role in the implementation of the unemployment insurance (UI) and the implementation of policies to support vocational training for people who are entitled to unemployment benefits in the area of Hanoi

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To implement Decree No 127/2008/N D-CP dated 12/12/2008 of the Government on detailed regulations and guiding the implementation of some articles of Social Insurance (SI) on Unemployment Insurance (UI) dated 10/12/2009 . Hanoi People's Committee issued Decision No. 6476 / QD on the roles of Hanoi Employment Service Center (ESC) in implementing policies on unemployment insurance in the City. By the end of August / 2012, Hanoi ESC has received: 36,928 people applying for UI, in which 31,549 people have Decisions on monthly unemployment allowance, 974 people have been supported with vocational training and 405 jobs.

I / Role of Hanoi ESC in the implementation of unemployment insurance

Hanoi is a locality with large-scale population, developed labor market and always leads the country in unemployment due to the labor supply and demand imbalance and frequent changes. To facilitate the settlement of UI in the city, on 06.21.2012 interdisciplinary branches of Labour, War Invalids and Social Affairs and Hanoi Social Security issued the process (Manual) of implementation of unemployment insurance policy in Hanoi. In the Manual, the lined branches has provisions for laborers to get results of UI claims at the same time in one of four locations receiving dossiers of the Hanoi ESC including decisions on UI benefits, health insurance card, ATM card. With this rule, it has shortened the travel time for workers entitled to unemployment insurance than ever before thanks to the agreement of Hanoi Social Insurance to allow Hanoi ESC to pay health insurance card and ATM card to workers (instead of workers having to go to social insurance agencies to get health insurance card and a monthly unemployment allowance as in the past)

With this Process, Hanoi ESC was responsible for all the steps in processing UI claims for workers in Hanoi, including responsibility of dossier evaluation (previously in charge by the Department of Labor, Employment policy under the Department of Labor, War Invalids and Social Affairs-DOLISA) and indirect payment of unemployment benefits to employees through ATM card accounts. Currently, Hanoi Social Insurance has signed a contract to Hanoi ESC to pay health insurance cards, ATM cards for employees instead of social insurance agencies. So, Hanoi ESC has taken over 90% of the working steps in the implementation process of unemployment insurance policies in the area of Hanoi.

As a result, in nearly three years of implementation of the unemployment insurance policy, Hanoi ESC always makes sure of the 3 "correct" Principle: "correct UI recipients, correct UI benefits, correct &

timely period of payment". This has been highly appreciated by employees and employers, contributing to social security services in Hanoi area.

II / The implementation of policies to support vocational training for people who are entitled to unemployment benefits

To ensure social security, vocational support for unemployed workers, and support for job search to enable the laborers return early to the labor market are important goals of the unemployment insurance policy. To achieve these objectives, in addition to good implementation of UI claims for workers; consultancy on employment, vocational training, job placement and vocational training provision for unemployed workers is one of the key tasks that the leaders of Hanoi ESC particularly are interested in the direction and implementation. So, right from the early days of implementation of unemployment insurance, employment counseling, vocational training for unemployed workers have been deployed in all divisions of Hanoi ESC in various forms with appropriate contents to meet most effectively the aspirations of unemployed workers when they need advice on employment, vocational training, job training and job search assistance.

a. Consultancy, vocational training support for unemployed workers

Hanoi ESC's leaders direct the Unemployment Insurance Division to form six professional groups, including:

- *Professional Team of counseling and receiving UI claims*: to advise on procedures of lodging UI dossiers, order of the process of claiming for UI benefits, UI benefits for unemployed workers including receiving counseling on job placement, vocational training;
- *Professional Team of employment services* : employment counseling, vocational training, job placement for unemployed workers.

Besides, to help unemployed workers return to the labor market early, the director of the Centre direct the staff of Division of employment introduction, Division of Vocational Training to provide advice, job placement, vocational training for unemployed workers.

b. Process of consulting, support vocational training for unemployed workers

Step 1: The employee comes to ESC to register for UI will receive advice on Unemployment Insurance benefits in general, the process of claiming for UI benefits, the benefits that the unemployed workers are entitled to from unemployment insurance policy as: Advice, job placement, vocational training support;

Step 2: The UI recipient is advised on vocational interests, professional advice on the current needs of the labor market. If the employee needs vocational training, he/she will fill in application form MS08-TT32, stating the job they want to study, time, and venue. The group of employment services (job seeking support service) is responsible to receive their applications and refer them to vocational training centers in the city to learn. At the choice of UI recipient, the team shall contact the vocational training

institutions to prepare for employee training, moving training records of employees for the TEAM in charge of reporting on UI benefits to determine training time, funding and drafting Decision for educational training for employees and submit for approval of the Director of the Department of Labour, Invalids and Social Affairs.

Step 3: If Employees wish to learn vocational training courses that the training centers of Hanoi ESC have strength at such as: cooking techniques, preparation of beverages, information office, fashion garment cutting , sewing, repairing motorcycles, electric, foreign languages, etc.), the Center will directly organize vocational training for the employees at the center.

Step 4: After training is completed, the Center continue counseling, job seeking advice and job recommendation for their quick return to the labor market.

The results of supporting vocational training for unemployed workers (by the end of August / 2012)

Number	Content	2010	2011	2012	Total
1	Number of UI recipients receiving advice on vocational training	3486	14723	13340	31549
2	Number of people receiving vocational training	33	318	974	833
3	Total amount for vocational training allowance for employees (unit: million VND)	57.6	400.5	597	1055

The results showed that:

- 100% of the UI decision recipients receive advice on: Employment, vocational training, order and procedures for training support from the unemployment insurance policy for workers .

- The number of unemployed workers wishing for vocational training increased, in the first eight months of 2012 alone, the number of unemployed workers needs support for vocational training has increased over the two years (2010 and 2011): 131 (up 37%).

In fact, despite a full consultation with specific, clear benefits that unemployed workers can receive in addition to unemployment allowance, including: consultancy, job placement, vocational training, but

the number of employees needs vocational training is very limited. Since the unemployment insurance policy was rolled out up to the end of August in 2012, in Hanoi: 974 workers get support in vocational training, accounting for 3.1% of the total laborers who have got Decision for unemployment benefits

c. Difficulties and problems in the implementation of policies to support vocational training for unemployed workers

Support vocational training policy has contributed to improve the skills of workers to support more opportunities to find jobs for unemployed workers in labor market conditions. However, the actual implementation consultancy, support vocational training for unemployed workers has raised a number of issues leading low rate of workers who are entitled to unemployment insurance really take vocational training

The main reasons are:

- The allowance for vocational training is low and the period of vocational training is up to 6 months only. This made it difficult for the unemployed workers when they wish to participate in courses longer than 6 months and want to learn the trade of high skills (for instance: Unskilled laborer can only get allowance for vocational training at 3000000 VND/ month. In fact, to learn a new job skill should require minimum training period of 12 months so the cost of the workers to spend 2-3 times the amount of support (not including the cost of living for themselves and their families in time off work to take the training.) So the fact is that the most of workers who lost their jobs, had to live a hard life, not having enough saving, feel reluctant in investing for training.
- In terms of labor market development, business requires high-skilled workers, the unemployed are mainly unskilled laborers, having no saving while unemployed need to find jobs to earn their living right away, so they are not interested in training.
- In fact, many unemployed are declined to vocational training support. The reason they give is that they need money to cover living. Allowance for vocational training at 300,000 VND / person / month is not enough for tuition, not enough to offset the costs incurred. Moreover, with the unemployment insurance payments: Under 36 months: they can receive only 3 months of UI allowance; 36 months - <72 months: can enjoy 6 months of unemployment Insurance benefits. Therefore, as at present, the vocational aspirations of employees are difficult to implement. All unemployment benefits is not enough for completing the training course while employees do not have the money to sustain life every day, not to mention the additional funding for training. In addition, a number of training requires practice costs such a driving a car, they must practice, while gasoline prices high is high; Learn cooking need money to buy training materials while the food price is expensive

III. Recommendations

1. On implementation

- The Ministry of Labor, War Invalids and Social Affairs should work and discuss with the Vietnam Social Security on the authorization of the payment of unemployment insurance benefits to one office, that

is the System of ESCs of MOLISA to have good links between providing UI benefits and giving advice and support on employment services including counseling, vocational training and job placement for unemployed workers, to create favorable conditions and minimize travel for employees;

- The Ministry of the Interior Affairs should determine the number of job placements for UI system under MOLISA for distribution UI benefits and employment services at the local level, and issue specific instructions for the recruitment, employment and personnel management of the staff for implementation of UI as for employees of public service units in order to create assured conditions for professional staff working on UI.

2. Support vocational training policy

UI policy in the last three years has come to life, active support to employees upon termination of employment, or loss of work. However, the objective of supporting workers soon have the opportunity to return to the labor market through vocational training support policy is inadequate because:

Provisions on training time and funding level for vocational training for unemployed workers (under Article 17 of Decree No. 127/2008/ND-CP) is inappropriate (training 06 months, the level of support equal to the cost of short-term vocational training), This regulation is not enough for employees to learn a high-quality training to meet the requirements of the labor market. This is also difficult to attract the participation of vocational training centers for providing training to unemployed workers. This regulation is not effective to help unemployed workers return to the labor market early.

The Ministry of Labor, War Invalids and Social Affairs in collaboration with the related ministries research and make recommendations to the National Assembly and the Government to amend and supplement some provisions of the Law on Social Insurance for Unemployment Insurance to suit the reality Specifically:

- Amend Article 83 of Law on Social Insurance on support apprentices

- Additional provisions for sanctions of cases that have vocational training allowance support but did not participate in vocational training, or handling cases of dropping out of vocational school. These cause difficulties in funding for vocational training institutions that participate in vocational training for unemployed workers. /.