

SHORT REPORT 2

Other Rural Areas in Vietnam

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In the contemporary context, the existence of Japanese companies is contingent upon the presence of foreign workers. According to estimates, the foreign workforce in Japan totals approximately 2.3 million individuals (NIKKEI ASIA 2025). Of these, nearly 30% are TOKUTEI GINO workers (Specified Skilled Worker: SSW) and Foreign Technical Intern Trainees. A substantial proportion of these foreign workers, amounting to approximately 50%, are Vietnamese.

It is noteworthy that Nghe An Province is a significant source of these "DEKASEGI" workers, defined as those engaged in labor outside their place of residence. Nghe An Province, situated on the north-central coast, is a prominent source region for expatriate labor, with an estimated population of 3.4 million, of which 1.6 million are considered to be within the labor force. This substantial labor force is comparable to those found in major cities such as Ha Noi and Ho Chi Minh City, and Binh Duong and Dong Nai provinces, which are characterized by significant industrial activity, as well as in the north-central and central coastal regions of Thanh Hoa. Furthermore, an average of approximately 30,000 new entrants are introduced into the labor market annually (from the interviewed with bureau of LDTBXH in Nghe An in 2010).

However, statistical analysis reveals that the unemployment rate in the province is not necessarily high, especially in rural areas, where it stands at 2.08% below the national average (2.28%). Conversely, the province experiences a population outflow of 30 per 1,000 people (32.5 per mille for women), which is similar to the Mekong Delta region or in neighboring provinces such as Thanh Hoa and Nam Dinh, where a significant number of individuals are employed abroad (General Statistics Office 2020).

With regard to the analysis of GDP, CPI, and minimum wages in Vietnam and Nghe An Province over a period exceeding two decades, it is evident that the annual GDP growth rate varied from 6.42% in 2010 to 5% in 2023, with average growth of 5.96%. The annual GRDP (Gross Regional Domestic Product) growth rate of Nghe An Province increased from 6.87% in 2019 to 6.9% in 2023, with an average of 6.77% over the five-year period. The period from 2010 to 2023 saw a rapid rise in CPI, which increased by 83.1% (in 2023, the figure was 3.25%). The minimum wage was set at 980,000 VND per month for AREA II(Vinh city) in 2010 and increased to 4,960,000 VND per month in 2023, which is approximately equivalent to five times the original amount over a 25-year period. Other areas of Nghe An Province are categorized under AREA IV, with the minimum wage ranging from 730,000 VND to 3,450,000 VND per month in AREA IV, indicating a 4.7-fold increase in minimum wages over the observed period.

This phenomenon is regarded as the presence of surplus labor in rural areas, often referred to as disguised unemployment. A decline in the labor force participation rate from 68.8% in 2015 to 62.6% in 2023 has been observed in rural areas, despite the ongoing population outflow from these areas. The predominant industries in terms of employment in Nghe An Province are agriculture, forestry, and fisheries, accounting for 35.4% of the employed population. The industrial and construction sectors

account for 31.5%, while the service sector, which is comparatively larger in economic terms, is only 20%. This finding suggests a paucity of development in the industries that absorb the labor force newly entering the labor market. This has resulted in labor migration, with workers seeking employment in foreign countries, or migrating long distances to Ho Chi Minh City and the surrounding southern economies, or to Ha Noi and the surrounding northern economies, where there is a greater focus on domestic industrialization. The ILO has expressed concerns regarding the human rights implications of this phenomenon, particularly the significant number of individuals who have sought employment opportunities in Japan as technical intern trainees.

The present study was conducted in the ND district of Nghe An Province in 2010. The results of the study indicated that the majority of the outflow was to Malaysia (80%), with a smaller proportion going to Taiwan and Korea. Japan was a comparatively infrequent destination. The following factors may have contributed to this phenomenon: (1) The local government's support for young and middle-aged laborers to seek employment in Malaysia and Taiwan, (2) The absence of stringent educational requirements in these countries and regions, and (3) The relatively low cost of relocation. The duration of employment in these countries was approximately five to six years, with a post-employment savings figure of only 400 USD.



**FIG. Rpt 2.1 Classroom, full-time 5 days/week for at least 4 months
before coming to Japan**

Source: Photo taken by the author

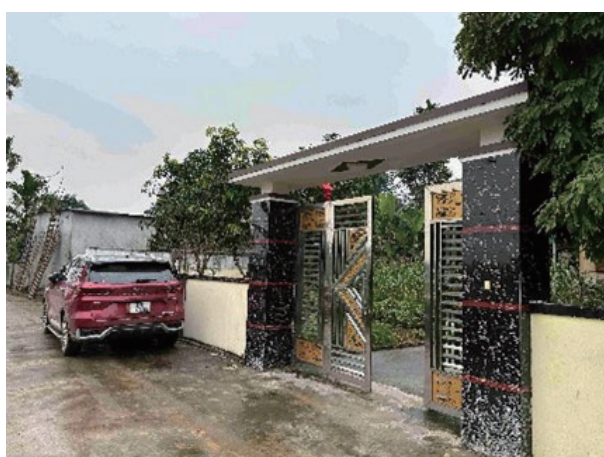
In 2024, Nghe An Province remains the primary source of "DEKASEGI" labor. Following the completion of our previous research a decade and a half ago, a new highway has been constructed, facilitating enhanced accessibility to Vinh City in Nghe An Province. The journey by car from Ha Noi to this destination has been reduced to a mere four hours. It is also noteworthy that a significant number of individuals, amounting to over 90,000, have emigrated from Nghe An to pursue employment opportunities in foreign countries. This phenomenon has resulted in the repatriation of remittances amounting to an impressive 691 million USD annually, thereby contributing to the economic well-being of their respective communities (According to our research with the bureau of LDTBXH). Furthermore, it is estimated that approximately 7,000 workers have relocated from Nghe An Province to Japan over the past five years.

The team conducted interviews with a number of families, some of whom have family members who have previously worked in Japan. Their aspirations include accumulating sufficient funds to pay outstanding debts, securing financing to go to Japan, undertaking home renovations, and acquiring new vehicles.



**FIG. Rpt 2.2 With a family that sent several of its members to work in Japan
and who were financially successful**

Source: Photo taken by the author



**FIG. Rpt 2.3 A house rebuilt and a new American car bought
with money from DEKASEGI in Japan**

Source: Photo taken by the author

The head of one household reported that, in general, the commune is characterized by the presence of individual paddy fields, with an estimated area of 5 to 6 sao ranging from 2,500 to 3,000 square meters. These fields are sufficient to produce rice for family consumption and an occasional surplus for commercial use. The household possesses approximately 2 hectares of forest. In addition to agriculture, the farmstead engages in the husbandry of poultry, swine, and vegetables for its own consumption. The parents must have secured loans from banking institutions and could subsequently send their children to work in Japan. It is estimated that the interest rate for these loans is 0.65% per month, and that the loan amount ranges from 100 to 300 million VND (equivalent to between 4,000 and

10,000 USD). The subjects of this study have expressed a desire to invest relatively large sums of money and send their children to Japan where they will be able to earn foreign currency in a short period of time that they cannot get locally. It seems that this desire is now feasible.

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