

# How Informal Employment Affects the Career Trajectories of Vocational Youth in Urban Vietnam

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## Abstract

This paper explores how informal employment shapes the career trajectories of vocationally trained youth in urban Vietnam. Despite ongoing reforms in technical and vocational education and training (TVET), a substantial number of vocational graduates are absorbed into the informal labor market, where employment is characterized by precarious conditions, lack of social protection, and minimal opportunities for advancement. Drawing on a conceptual framework of career path divergence, the paper compares the long-term developmental implications of formal versus informal employment pathways. It argues that informal work—while providing short-term income and flexibility—often leads to stalled skill development, income volatility, blocked upward mobility, and social marginalization. At the same time, vocational youth exhibit adaptive strategies, including informal apprenticeships, portfolio livelihoods, micro-entrepreneurship, and reliance on social and family networks. These strategies offer resilience but do not fully compensate for institutional deficiencies. The study concludes that to bridge the gap between vocational training and sustainable employment, policy must recognize informality as a structural feature of Vietnam's urban labor market and design inclusive interventions that support recognition, mobility, and protection for youth at the margins.

**Keywords:** vocational youth, informal employment, career trajectories, social networks, skill development, Vietnam, precarity

## 1. Introduction

Vietnam's economic transformation over the past three decades—driven by Đổi Mới (Renovation) reforms, industrialization, and global integration—has led to impressive GDP growth, urban expansion, and a diversification of employment structures. Yet, this rapid development has also deepened labor market segmentation, especially in urban areas where formal job creation has lagged behind the influx of new labor force entrants. One particularly vulnerable group within this evolving labor landscape is vocational youth: young individuals, often aged between 15 and 24, who have completed technical or skills-based training in hopes of securing stable employment.

Vocational education in Vietnam has been promoted as a strategic solution to bridge the skill gap and meet the demands of the modern economy. Technical and vocational education and training (TVET) institutions aim to produce a workforce that can adapt to industrial and service-sector needs. However, in practice, a significant proportion of vocational graduates—especially in urban settings—find themselves unable to secure formal sector jobs and instead enter the informal economy. This disconnect raises critical questions about the efficacy of vocational training systems, the quality of job opportunities available, and the broader structural constraints of Vietnam's labor market.

Informal employment, defined by the absence of legal contracts, social insurance, and employment benefits, is both pervasive and persistent. In urban Vietnam, it includes jobs in street vending, informal construction, retail

sales, personal services, and gig economy platforms like ride-hailing. For vocational youth, entering the informal economy is often not a matter of choice but necessity—driven by limited job openings, employer preference for experienced workers, or the mismatch between training and market demand.

The implications of informal employment for vocational youth are profound. Without access to formal job protections, structured skill progression, or income stability, their career trajectories are often characterized by stagnation, precarity, and a lack of upward mobility. The informal sector offers limited scope for professional identity formation or long-term planning, elements essential for sustainable career development. Youth who begin their careers in such conditions may find it difficult to transition to formal employment later, creating a cycle of vulnerability and marginalization.

This essay critically examines how informal employment affects the long-term career development of vocational youth in urban Vietnam. It explores not only the economic dimensions of informality but also its social and psychological effects, the coping strategies employed by youth, and the role of family, migration, and skill networks. Through a conceptual framework and synthesized evidence, this analysis aims to highlight the gap between policy aspirations for vocational training and the labor market realities that young people navigate daily.

## **2. Overview of Informal Employment in Urban Vietnam**

Informal employment is a structural mainstay of Vietnam's urban labor market, rather than a residual or transitional phenomenon. According to the General Statistics Office (GSO), more than half of the urban workforce is engaged in informal activities, with many sectors exhibiting deep-rooted informality that spans decades. These jobs typically lack formal contracts, social insurance coverage, and compliance with labor law protections. This absence of regulation renders informal employment precarious, yet it remains a vital income source for millions, particularly among youth entering the workforce.

In Vietnam's urban economy, informal jobs are distributed across a variety of sectors. Construction and day labor, for instance, remain heavily reliant on informal hiring practices, often mediated by intermediaries or labor brokers, and provide unstable, short-term income without any employment guarantees. Meanwhile, informal retail trade and street vending flourish in cities like Hanoi and Ho Chi Minh City, offering low-barrier entry points for rural migrants and youth with limited capital. Hospitality and domestic work also absorb a significant number of young laborers—particularly women—who are paid under the table and exposed to long hours and poor working conditions. In small-scale manufacturing and service sectors such as tailoring, food preparation, or motorbike repair, informal apprenticeship structures persist, providing skill development outside formal educational channels but without recognized certification. More recently, platform-based gig work, including app-based ride-hailing, delivery services, and online reselling, has expanded rapidly. While digital in interface, such work typically replicates the informality of traditional sectors, with workers classified as independent contractors and denied access to basic labor rights.

The expansion of informal employment is rooted in a combination of institutional and economic forces. The shift to a market economy following the *Đổi Mới* reforms created vibrant private sectors, but these have remained fragmented and under-regulated, particularly among micro and small enterprises. Formalization poses a significant compliance burden for many employers, including taxes, paperwork, and legal obligations, disincentivizing official registration. At the same time, vocational training institutions often do not produce graduates with skills fully aligned to the urban labor market's evolving needs, further pushing youth into informal pathways.

Vocational youth in particular are structurally disadvantaged in this landscape. Many migrate from rural areas with aspirations of social mobility, only to confront a lack of formal job opportunities upon arrival in cities. With limited social networks and few mechanisms to translate their training into recognized employment, they accept roles in the informal sector out of necessity rather than choice. Their position is further undermined by hiring biases favoring experienced or older workers and by opaque recruitment processes that rely more on personal referrals than meritocratic assessment.

The outcomes of informal employment for these young workers are often deeply unequal and stagnant. Entry-level roles do not lead to predictable career advancement, wages are low and volatile, and there is little opportunity for skill certification or lateral movement into the formal economy. Gender and ethnic disparities persist. Young women are overrepresented in care work and hospitality—sectors known for their exploitative conditions—while ethnic minority youth often face discrimination and language barriers that confine them to the most insecure and invisible forms of labor.

In short, informal employment in urban Vietnam is both a coping mechanism for economic insufficiencies and a systemically embedded structure shaped by national development patterns, institutional gaps, and mismatches in vocational training. For vocational youth, it is not just a phase, but often a starting point that profoundly influences their long-term career possibilities.

### 3. How Informal Employment Shapes Vocational Youth Careers

Informal employment plays a determining role in shaping the early and long-term career paths of vocationally trained youth in urban Vietnam. While often considered a pragmatic entry point into the labor market, the realities of informal work present serious challenges to the development of a sustainable and upward-moving career trajectory. This section explores these effects across five interrelated dimensions.

#### *3.1 Stalled Skill Development and Occupational Entrapment*

Vocational youth enter the labor force equipped with practical competencies intended to meet industry needs. However, once in informal employment, many find their skills underutilized or mismatched with the tasks at hand. Informal jobs are typically repetitive, low-skill, and focused on immediate productivity rather than long-term worker development. Opportunities for acquiring new skills, gaining formal recognition, or receiving mentorship are rare. As a result, many young workers experience occupational entrapment—remaining in the same job role or sector for years without progression. This undermines not only their personal aspirations but also the national objective of developing a skilled workforce through vocational training.

#### *3.2 Income Volatility and Economic Insecurity*

One of the most tangible consequences of informal employment is irregular and often inadequate income. Workers are usually paid by the day, by output, or informally negotiated monthly sums, without written contracts or wage protections. For youth, this makes budgeting, saving, or planning for the future extremely difficult.

In times of crisis—such as during the COVID-19 pandemic—informally employed youth are among the most affected. Lacking access to unemployment benefits or furlough schemes, many are left without any source of income for extended periods. Even in stable periods, they face the constant risk of job loss, wage theft, or sudden changes in working conditions.

#### *3.3 Blocked Upward Mobility and Labor Market Segmentation*

Informal employment is often disconnected from formal labor market channels. Youth who begin in informal jobs accumulate work experience that is rarely recognized by formal employers. Without documented contracts, verifiable job references, or accredited skill upgrades, vocational youth struggle to transition into stable, formal employment. This contributes to a segmented labor market, where the informal and formal sectors operate in parallel but disconnected ecosystems.

Consequently, the starting point of informal work may define an individual's long-term career ceiling. Many youth remain stuck in lateral moves across similar informal roles, unable to access the benefits or opportunities available in formal employment pathways.

#### *3.4 Social Marginalization and Institutional Exclusion*

The absence of formal employment status has far-reaching consequences beyond the workplace. Informally employed youth are typically excluded from key pillars of social protection: health insurance, pension schemes, paid leave, and access to financial services. Without formal proof of income, they often cannot apply for housing leases, business loans, or even phone contracts.

This exclusion reinforces their marginal position in urban society, where formal employment is often associated with citizenship, stability, and social legitimacy. It also makes them more vulnerable to labor rights violations, including excessive work hours, gender-based discrimination, and lack of safety measures.

#### *3.5 Long-Term Scarring Effects and Intergenerational Inequality*

The impacts of informal employment are not limited to the short term. Numerous studies across developing economies suggest that informal labor market entry can have “scarring” effects, reducing lifetime earnings potential and delaying critical life transitions such as marriage, parenthood, or homeownership.

In Vietnam, many vocational youth from low-income or rural backgrounds remain informally employed well into adulthood, limiting their capacity to accumulate assets, invest in further education, or support younger family members. This perpetuates cycles of economic inequality and undermines efforts to promote upward social mobility through vocational education.

In conclusion, while informal employment may offer immediate income and flexibility, it carries long-term risks that fundamentally reshape the career potential of vocational youth. Understanding these dynamics is essential for policymakers, educators, and development practitioners seeking to improve youth labor outcomes and reduce structural inequality in Vietnam's rapidly urbanizing economy.

### 4. Analysis

To better understand how informal employment shapes the career trajectories of vocational youth, it is crucial to contrast it directly with the developmental pathways available in formal employment. The following analysis

draws upon a conceptual model of “career path divergence,” mapping the evolution of professional status over a 10-year period. This is complemented by a comparative table examining structural features across both sectors.

#### 4.1 Career Divergence Over Time

The chart below outlines a typical trajectory comparison between vocational youth who enter formal employment versus those who remain in informal work for a decade. While idealized, this figure highlights cumulative disparities that emerge early and widen over time.

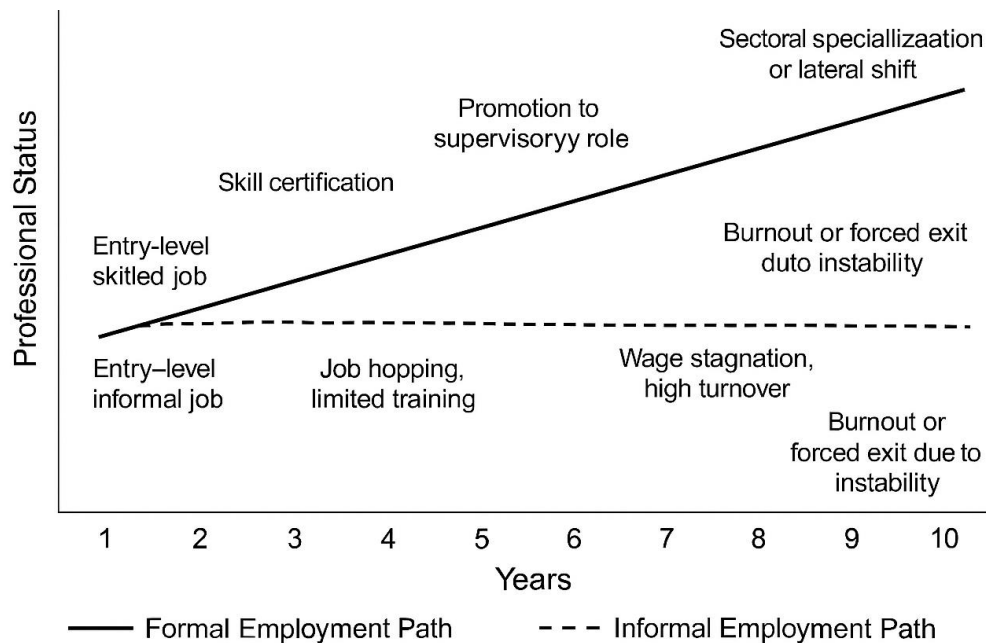


Figure 1. Career Path Divergence – Formal vs. Informal Trajectories Over 10 Years

In formal employment, the progression is marked by predictable stages: integration into the workplace, recognition through credentials, promotion, and eventual upward or lateral mobility. Vocational training aligns well with this pathway, providing foundational skills that are recognized and developed further in the workplace.

In contrast, the informal pathway is nonlinear and fragmented. Workers frequently change jobs or sectors, rarely accumulate experience that is certifiable, and face instability that prevents long-term planning. Skill development is often experiential and unrecognized by formal institutions. The lack of regulation also exposes them to physical and mental health risks due to long hours, hazardous conditions, and absence of labor protections.

#### 4.2 Structural Inequities in Employment Conditions

The following table presents a side-by-side comparison of five structural dimensions that shape the working lives and prospects of vocational youth.

Table 1. Comparative Impacts of Informal vs. Formal Employment on Vocational Youth

Factor	Formal Employment	Informal Employment
<b>Wage Growth</b>	Moderate to high, often indexed to tenure or performance	Low and stagnant, susceptible to exploitation
<b>Job Security</b>	Protected by labor contracts and tenure policies	Highly insecure, at-will employment or gig-based
<b>Access to Benefits</b>	Health insurance, social insurance, paid leave	Lacks legal benefits or entitlements
<b>Skill Development</b>	Structured training, internal promotion ladders	Learning-by-doing, no credential recognition
<b>Career Advancement</b>	Predictable pathways based on merit/performance	Uncertain, often network- or survival-driven

This comparative framework illustrates how formal employment embeds individuals within systems of legal protection and institutional support. These mechanisms—ranging from standardized contracts to formal grievance procedures—enable workers to anticipate risks, make long-term investments in their careers, and enjoy social mobility. Informal employment, by contrast, externalizes risk to the worker and offers little long-term payoff. Even when informal work is entrepreneurial or flexible, it lacks scaling potential for most youth, especially those without capital or social leverage.

#### *4.3 Hidden Costs and Cumulative Disadvantages*

While informal employment may seem flexible or even empowering to some youth at the outset—especially when it offers immediate income or avoids bureaucratic rigidity—its hidden costs are substantial. These include: Skill obsolescence: Without continuous training, vocational competencies may become outdated, especially in fields like electronics or IT support. Health deterioration: Long hours, poor working conditions, and lack of medical support often lead to chronic fatigue or physical injury. Social isolation: Exclusion from workplace communities or unions reduces the potential for collective voice or mutual aid.

These hidden costs are cumulative. A youth who starts informally and remains there may find by age 30 that their income, employability, and social capital are significantly lower than peers who began in formal positions—even if they had the same initial training.

#### *4.4 Intersections with Gender and Class*

Not all youth experience informal employment in the same way. Gender plays a major role: young women in informal domestic or hospitality work often face greater risks of harassment and are typically paid less than men in manual labor. Likewise, youth from low-income or ethnic minority backgrounds are less likely to leverage social networks to access better-paying informal niches or transition into formal roles. Thus, the disadvantages of informal employment are often compounded by pre-existing social hierarchies.

This analysis demonstrates that informal employment is not just a precarious starting point—it is a structural trap that constrains long-term development across multiple dimensions. The divergence between formal and informal career paths becomes more pronounced over time, reinforcing inequality and limiting the transformative potential of vocational training in urban Vietnam.

#### *4.5 Can Informal Work Become a Stepping Stone?*

Although informal employment is generally associated with stagnation, some vocational youth demonstrate agency and adaptability in turning short-term, informal experiences into longer-term opportunities. This usually occurs in three scenarios:

Youth with strong social networks—especially family members or friends who own small businesses—may begin informally but eventually gain trust, experience, or capital to enter semi-formal or formal roles. Second, some entrepreneurial youth use informal gigs to accumulate initial capital or market knowledge and later launch registered micro-enterprises, such as phone repair shops, online retail, or food services. Finally, youth in gig-based digital platforms sometimes use informal work as a temporary bridge while pursuing formal opportunities, including higher education or certification programs. However, such upward transitions are rare and contingent. They depend heavily on individual agency, urban location, family background, and timing. For the majority, informal work does not lead to mobility but rather replicates existing disadvantage. The few who do succeed tend to be exceptions, not evidence of systemic permeability between informal and formal labor markets.

#### *4.6 Spatial and Temporal Dimensions of Career Divergence*

Career trajectories in informal employment are also shaped by where youth work and how long they remain in the sector. Spatially, vocational youth in mega-cities like Ho Chi Minh City may have access to denser labor markets, more frequent job turnover, and emerging platform-based work (e.g., ride-hailing or delivery services). These contexts offer more diverse—but not necessarily more secure—employment options.

In contrast, those in smaller urban centers or peri-urban zones often find fewer opportunities and face local economic stagnation. This limits not only employment choices but also the visibility of youth to potential employers or support programs. Over time, this geographic marginalization compounds their economic precarity.

Temporally, the first few years of post-training employment are critical. Youth who remain informally employed for more than three years face a sharp decline in probability of entering the formal sector. This reinforces the importance of “career path dependency”, where early informal experiences shape the logic and feasibility of future employment moves.

Time and place matter. Informality becomes most damaging when it is prolonged and when it unfolds in areas with weak economic dynamism or social infrastructure.

## 5. How Vocational Youth Navigate Informal Employment

While much of the literature emphasizes the structural vulnerabilities faced by vocational youth in informal labor markets, it is equally important to consider the agency and resilience many of these individuals display in navigating instability. Rather than passive victims of informality, many youth actively develop creative strategies—both individual and collective—to survive, adapt, and even find opportunity within constraint. These coping mechanisms are shaped by personal initiative, social networks, geographic mobility, and embedded cultural norms.

### 5.1 *Learning-by-Doing: Informal Apprenticeship and Experiential Growth*

In the absence of formal pathways for skill advancement, many vocational youth turn to informal modes of knowledge acquisition. This includes learning-by-doing in small-scale repair shops, beauty salons, tailoring stalls, or on construction sites, where mentorship is often transmitted through observation, imitation, and gradual trust-building rather than structured curricula. While such arrangements lack official certification or pedagogical oversight, they provide critical technical exposure and socialization into workplace routines. Youth involved in these environments often report developing practical competencies that surpass what they acquired in vocational school, albeit without formal recognition in the job market.

However, these experiences are highly variable in quality and duration. Much depends on the willingness of employers to train and the youth's own ability to negotiate favorable conditions in unregulated environments. As such, these informal apprenticeships are both opportunity and risk—a space of learning but also of potential exploitation.

### 5.2 *Managing Fragmentation through Portfolio Livelihoods*

In an environment where stable, full-time employment is rare, many young people have adopted a portfolio approach to earning. Rather than depending on a single job, they cobble together multiple income sources—such as combining part-time motorbike taxi driving with weekend electronics repair or operating a home-based online shop while assisting in family businesses. This diversification is not only a survival tactic but also a form of income smoothing, allowing youth to mitigate risk in volatile sectors.

While this multi-activity livelihood model offers short-term resilience, it often comes at the cost of exhaustion, time poverty, and a lack of focus on long-term development. The absence of career consolidation also means these youth may continue to hover at the margins of multiple sectors without gaining seniority, recognition, or social benefits in any of them.

### 5.3 *Grassroots Entrepreneurship and Micro-Enterprise Creation*

Some vocational youth leverage the low entry barriers of the informal sector to initiate small entrepreneurial ventures. In sectors such as food vending, phone repair, or mobile grooming services, they use modest capital—often borrowed from family—to gain autonomy over their income. Entrepreneurship, in this sense, becomes not just a coping strategy but a means of reclaiming agency and control over one's labor. However, this entrepreneurial energy is frequently constrained by structural limitations: lack of access to credit, absence of legal registration, competition from larger players, and vulnerability to regulatory crackdowns. Many youth entrepreneurs remain in a precarious zone—earning just enough to survive but not enough to scale up or formalize their businesses. Entrepreneurship, while often celebrated in policy discourse, therefore functions more as “necessity-driven self-employment” than as a pathway to upward mobility.

### 5.4 *Strategic Mobility and Spatial Adaptation*

Geographic movement is another significant strategy employed by youth to manage the uncertainties of informal employment. Many engage in circular migration—moving between urban centers and their rural hometowns in response to employment fluctuations, housing costs, or family obligations. Others shift across cities to pursue better job conditions or tap into different social networks. Such spatial adaptability allows youth to temporarily escape high-cost urban life or seek seasonal opportunities. However, frequent movement can also disrupt social ties, reduce continuity in skill development, and limit accumulation of work history. For those without strong urban roots or support systems, the city becomes a place of opportunity but also of transient belonging and deepening precarity.

Vocational youth in urban Vietnam display a range of coping strategies that reflect both structural constraints and individual agency. These tactics are adaptive, often ingenious, and crucial for survival in an exclusionary labor market. Their long-term effectiveness remains limited unless embedded within supportive ecosystems—such as access to credit, skill recognition systems, youth employment services, and social protection. Without such institutional scaffolding, these strategies may help youth “get by” but not necessarily “get ahead,” reinforcing the very inequalities they seek to escape.

## 6. The Role of Social and Family Networks

In the context of Vietnam's post-reform urban economy, where labor market institutions remain fragmented and social protection systems are limited in scope, social and family networks function as informal but powerful infrastructures for vocational youth. These networks mediate access to jobs, provide emotional and financial support, and often shape the contours of youth aspirations and decisions regarding work. Yet, while they help youth "get by" in the absence of institutional guarantees, they also risk reinforcing patterns of dependence, low mobility, and intergenerational informality.

### *6.1 Embeddedness in a Collectivist Culture*

Vietnam's collectivist cultural foundations emphasize familial obligation, community cohesion, and reciprocal support. These values are especially pronounced in the context of youth employment. Young people entering the urban labor force often rely on extended kinship ties for basic subsistence—including housing, introductions to employers, and moral guidance. In many cases, parents or relatives not only influence but co-determine job decisions, reflecting a deeply relational model of career development. For first-generation vocational graduates from rural areas, this relational scaffolding is often the only bridge connecting them to opportunity in cities. This embeddedness provides resilience in the face of urban precarity. When formal institutions fail to guarantee secure jobs or affordable services, family members fill the gap. Youth who lose informal jobs can temporarily return to their hometowns, work in family-run enterprises, or live rent-free with relatives, easing the harshness of labor market volatility. Such safety nets reduce the risks of destitution or homelessness, but they are not always empowering.

### *6.2 Social Capital and Informal Recruitment Channels*

Word-of-mouth hiring remains a dominant mode of job acquisition in Vietnam's informal economy. Friends, neighbors, and distant kin act as referral agents, connecting youth to work opportunities in small shops, restaurants, factories, and construction crews. These interactions generate what sociologists term bonding social capital—dense, trust-based relationships that provide access to resources within one's immediate social group. For vocational youth without formal networks or institutional placements, such bonding capital can be vital for employment entry.

However, this form of job acquisition also limits exposure to more diverse or formal labor markets. Youth become embedded in occupational niches defined by family or community precedent. For example, sons of construction workers may join the same informal teams; daughters of street vendors may inherit market stalls or informal trade routes. Over time, these patterns reinforce occupational segmentation and perpetuate low-income work cycles across generations.

### *6.3 Financial Cushioning and Risk Sharing within the Household*

Families in Vietnam function as economic units that pool resources and redistribute risk. In many cases, parents finance vocational training, provide housing in urban centers, or contribute start-up capital for self-employment ventures. This "financial cushioning" enables youth to accept low-paying jobs initially, experiment with small-scale entrepreneurship, or survive job loss without falling into destitution. For youth who work informally, such support often makes the difference between economic survival and exclusion.

This interdependence has trade-offs. Youth may feel pressured to conform to parental expectations about which jobs are acceptable or where to work. In low-income families, youth income may be diverted to support younger siblings or repay family debts, constraining their ability to invest in their own skill development or mobility. In this way, family support can become both a source of empowerment and a mechanism of constraint.

### *6.4 Emotional Support and the Maintenance of Subjective Well-being*

Informal employment often entails psychological stress—unpredictable hours, lack of respect, fear of job loss, and social stigma. In such conditions, the family often becomes the emotional bedrock. Parents and siblings offer moral encouragement, normalize the struggles of informal labor, and help maintain a sense of dignity. Emotional support from home is particularly important for rural migrant youth who may experience isolation or discrimination in urban settings.

Strong emotional bonds may also delay necessary transitions. Some youth remain in low-paying or exploitative jobs simply to stay close to their family or avoid social shame associated with failure or withdrawal. Others may suppress dissatisfaction to maintain harmony, a dynamic shaped by Confucian ideals of filial piety and relational responsibility. These cultural norms, while stabilizing, can discourage risk-taking or non-conforming career moves.

### *6.5 Intergenerational Continuity and the Reproduction of Informality*

Perhaps the most long-term implication of social and family networks is the way they reproduce informal employment across generations. In the absence of structural reforms, youth often follow employment trajectories shaped by their parents' labor histories. For instance, a parent who runs an informal garment workshop may train

their child to assist and eventually take over the operation. Over time, what appears to be intergenerational support can become the mechanism for reproducing economic marginality.

When social networks substitute for state institutions, they mask deeper systemic failures—such as the inadequacy of public job placement services or the exclusion of vocational youth from formal sector recruitment. In this sense, family networks not only support youth survival but also inadvertently perpetuate the structural invisibility of informal labor in policy discourse.

Social and family networks are double-edged: they provide indispensable buffers against labor market volatility, but they also constrain youth agency, reinforce informal labor practices, and blur the boundaries between support and control. For policy interventions to be effective, they must recognize these dynamics—not by replacing family roles, but by complementing them with inclusive labor institutions, equitable access to employment services, and formal recognition of vocational competencies. Only then can vocational youth rely on networks by choice, rather than by necessity.

## 7. Conclusion

The expansion and persistence of informal employment in urban Vietnam has created a deeply unequal and segmented labor landscape in which vocational youth—despite their technical training and ambitions—often find themselves structurally marginalized. While the country's economic growth and urban transformation have opened new employment avenues, the quality and stability of these opportunities remain uneven. Vocational youth, trained with the promise of integration into a modern, skill-based economy, are instead frequently absorbed into informal sectors where their capacities are underutilized, their rights are unprotected, and their careers lack sustainable trajectories. This paper has demonstrated that informal employment not only limits economic mobility but also reshapes the very logic of career development for vocational youth. The early years of working life, meant to serve as a foundation for long-term professional growth, instead become sites of fragmentation, precarity, and stalled potential. Without structured skill advancement, formal recognition, or institutional pathways for mobility, these youth are often trapped in cycles of low pay, high insecurity, and limited upward progression. The divergence between formal and informal employment becomes more pronounced over time, not only in terms of material outcomes but in subjective experiences of dignity, stability, and hope.

Within this constrained environment, vocational youth exhibit remarkable forms of adaptation and agency. They cultivate experiential learning in informal apprenticeships, adopt hybrid livelihood strategies to diversify income sources, and initiate entrepreneurial ventures with limited capital and state support. Social and family networks act as essential scaffolds—providing job referrals, financial cushioning, emotional support, and sometimes even informal business platforms. These adaptive behaviors reveal not only the creativity of youth but also the inadequacy of the current institutional framework to absorb and nurture their potential. However, these coping strategies, while critical for short-term survival, are not a substitute for structural solutions. Reliance on informal networks and piecemeal employment strategies often leads to the reproduction of informality and intergenerational disadvantage. Such strategies disproportionately benefit youth with stronger social capital or urban familiarity, deepening inequalities among vocational graduates based on class, gender, and rural-urban origin.

The analysis thus calls for a shift in how policymakers, educators, and labor institutions conceptualize both vocational training and informal work. Rather than treating informality as a temporary or residual phenomenon, it must be recognized as a central feature of the labor market that actively shapes life trajectories. Policy responses must go beyond technical training reforms or employment quotas; they must address the systemic barriers that prevent informal workers from gaining legal recognition, skill certification, and social protection. This includes designing mechanisms to formalize experiential learning, expanding youth access to inclusive financial services, and building state-backed job matching platforms that extend beyond elite networks. The career trajectories of vocational youth in urban Vietnam are not simply a function of individual effort or educational attainment, but are deeply shaped by the institutional and informal structures that define the urban labor market. Addressing the challenges they face requires both a recognition of their ingenuity and a commitment to transforming the systems that continue to constrain them. Only by bridging the gap between vocational promise and labor market reality can Vietnam fully realize the potential of its next generation.

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