



SELF – EMPLOYMENT ADAPTIVE CAPACITY OF YOUTH IN RURAL OF THAI NGUYEN PROVINCE

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Abstract

This study was conducted to calculate the self-employment adaptive capacity indicator (ACI) of youth in rural of Thai Nguyen province. Data collected from interview 218 youths who created jobs by themselves in rural of Thai Nguyen province. Research results show that the ACI's overall adaptive capacity index is 0.492 and is contributed by the adaptability of five resources: human resources, social resources, natural resources, material resources and financial resources. In particular, the adaptive capacity of social resources is highest at 0.6151 and the lowest is natural resources with an index of 0.283. Based on this result, some recommendations were created to increase self-employment ACI of youth in rural of Thai Nguyen.

Keywords: Self - employment, adaptive capacity, youth, rural, Thai Nguyen province

INTRODUCTION

In recent years, the economic restructuring towards industrialization and modernization have taken place strongly in Thai Nguyen province. A lot of development investments have been carrying, many industrial zones such as Song Cong, Diem Thuy and Yen Binh were built. That development not only make more attracting workers, creating more jobs for workers but also affected to the livelihood of many rural labors such as lost their land, their traditional works. Industrial production has created many potential hazards affecting the health of workers, risk of losing job when enterprise leaves to another province when the time of preferential tax collection for enterprises has expired. The instability of job, low income, and pressure job has

made a wave of quitting wage-job and self-employment by rural workers in Thai Nguyen province. This wave has been encouraged in Thai Nguyen province because of the benefit in creating new job, and promote the innovation in labor market.

The young labor force has the most energetic phase in terms of physical, intellectual, crystal learn, dare to think and to do. But young people still have certain weaknesses, especially in rural areas like low education level, low rate of vocational training, weak professional skills, lack of start-up capital. So calculating the capacity of self - employment of youth in rural is needed.

To explore the Capacity of adaptive for labor, sustainable livelihood framework of DFID (1999) often is used in previous studies (Cu, 2018; Vo & Nguyen, 2014). Self-employment is the self creating livelihood, so in this paper, framework of DFID (1999) with five factors: human resource, natural resource, social resource, material resource, financial resource is used to calculate the self-employment ACI of youth in rural of Thai Nguyen province which show the adaptive ability of youth in Thai Nguyen are low or high. If ACI is low, this mean young labour in rural Thai Nguyen need more support for their self-employment activities. In case ACI is high, the reason will be explored to promote to keep ACI increasing. So, calculating ACI is needed to improve the adaptive ability of youth in rural Thai Nguyen.

METHODOLOGY

This study used a random sample with 218 young labors who age from 15 to 30 in the rural region of Thai Nguyen province. Data was collected from interview face to face with these respondents by using the questionnaire. The rural regions were selected are three districts of Thai Nguyen: Pho Yen, PhuBinh and Dai Tu, where the land was recovered for developing urbanization and industrialization. That drive in the main cause of lose traditional work and create self-employed of rural youth to ensure the life.

The necessary data for the study were collected through interviews with questionnaires. Content includes as follows: general information about individuals, awareness about the resources of self-employment including material resources, human resources, natural resources, social resources and financial resources.

The basis for assessing the adaptive capacity of rural youth in Thai Nguyen province is measured at different scales, so three steps followed to calculate the adaptive capacity indicator (ACI) are needed:

Step 1: Standardize each criterion of a resource

$$SI_i = (In_i - In_{min}) / (In_{max} - In_{min}) \quad (1)$$

Where,

SI_i : Indicators that are standardized according to criterion i

In_i : The average of the criteria i

In_{max} and In_{min} : The largest and smallest indicators of criteria i

Step 2: Calculate the index of each resource to create jobs

After being standardized, all criteria of a resource will be calculate averaged value to create a common criterion for each self - employment resource (human, social, material, financial and natural).

The formula for calculating the index of resources is as follows:

$$IC_j = \sum_1^i SI_i / i \quad (2)$$

Where,

IC_j : The index of each self - employment resource, j is from 1 to 5

SI_i : The normalized value of each criterion

i : The total number of criteria for a livelihood investment resource

Step 3: Calculate the adaptive capacity index (ACI)

The ACI index will be calculate averages weighted mean according to the importance of each criterion to contribute to adaptive capacity, these weight values are inherited from the research of Vo et al (2015), adaptive capacity index is calculated by the following formula:

$$ACI = \sum_1^5 W_j \times IC_j / \sum W_j \quad (3)$$

Where,

W_j : The weight of the j th self-created resource

IC_j : The index of each j th self-created resource

Inheriting previous research, the weight of self-employment resources is, financial resources and human resources are weighted 10, natural and social resources are 9 and material resources are 8.

The results of the classification of adaptive capacity of the ACI index are ranked as follows

Table 1: Classification of adaptation levels of the ACI index

ACI value	Adaptability
Under 0.20	Very low adaptive
From 0.20 to 0.40	Low adaptive
From 0.40 to 0.60	Medium adaptive
From 0.60 to 0.80	High adaptive
From 0.80 to 1.00	Very high adaptive

RESEARCH FINDINGS

The results of calculating self-employment ACI index of rural youth in Thai Nguyen province are as follows:

Human resource adaption indicator

The index of human resource adaptation (Table 2) is determined by the following criteria: skills for job service, work experience, vocational training (3 criteria are measured by scale or is not); social knowledge, communication ability (scale 5 likert scale); education level (year) and average age (grouped).

The result shows that the highest adaptive indicator belonged to the average education level of 0.7992, this mean high adaptive capacity, this is also consistent with the current situation of education that has been popularized in Vietnam today.

Criteria for Job skills, Work experience, Communication skills, Age index is at 0.45 - 0.58, only corresponding to the average level of adaptation. Especially, the criteria for social knowledge, vocational training is only 0.2 – 0.4, which is at low adaptive level. The overall human resource adaptation index is 0.5398 corresponding to the medium adaptive capacity. Analysis of the status of self-employment adaptation indicators shows that the general picture of human resources is lack of social knowledge, vocational training is low and job service skills need to be improved.

Table 2: Human resource adaptation index

Resource	Criteria	Unit	Real value	Max	Min	Adaptation index	
Human Resource	% Job skills	%	45.87	100	0	0.4587	
	% Work experience	%	58.25	100	0	0.5825	
	Social knowledge	1-5	1.99	5	1	0.2488	
	Communication skills	1-5	3.01	5	1	0.5045	
	Literacy	Year	12.38	15	2	0.7992	
	% Vocational training	%	39.39	100	0	0.399	
	Average age	Age group	1.99	3	1	0.4954	
	IC of Human resources						0.5398
	ACI of Human resources						0.5398

Natural resource adaptation capacity indicator

The indicator of natural resource adaptation capacity (Table 3) includes criteria for the convenient location of a residential land (convenient =1, otherwise = 0); Quality of living environment (scale of likert 5 levels); Area of agricultural land and area of non-agricultural land (m2).

The results of analysis of survey data show that the quality of living environment, agricultural land area, and favorable land position for work only correspond to the average level of adaptation (0.4 - 0.6). The lowest adaptive indicator is non-agricultural land, while the general adaptation index of natural resources is only 0.283 corresponding to low adaptation level. This outcome reflects a clear situation that young people in rural have been faced a barrier of missing material for production and business such non-agricultural land which is important input factor in any economic activity.

Table 3: Natural resource adaptation index

Resource	Criteria	Unit	Real value	Max	Min	Adaptation index
Natural Resource	The convenient location of a residential land	%	52.75	100	0	0.5275
	Quality of living environment	1-5	2.69	5	1	0.4243
	Area of agricultural land	m2	2059.42	5000	80	0.4023
	Area of non-agricultural land	m2	1129.6	5000	50	0.2181
	IC Natural resource					0.3144
	ACI Natural resource				0.283	

The material resource adaption capacity indicator

The index of material resource adaptation (Table 4) includes criteria (convenient =1, otherwise = 0) assessing whether easy to reach rental services such as non agriculture, agriculture, manufacture, agriculture, and services.

The findings show that all the criteria are get medium to high adaptive levels. The highest is belonged to criterion of agricultural rental services with ACI of 0.6442 while the lowest from capacity to reach services, 0.477. And finally, the general ACI of material resource is 0.4543, medium adaptive capacity.

Table 4: Adaptation index for material resources

Resource	Criteria	Unit	Real value	Max	Min	Adaptation index
Material Resource	% access to non-agricultural rental services conveniently	%	52.75	100	0	0.5275
	% access to agricultural rental services conveniently	%	64.22	100	0	0.6422
	% access to industrial services conveniently	%	55.50	100	0	0.555
	% access to the agricultural sector conveniently	%	63.76	100	0	0.6376
	% access to the service conveniently	%	47.70	100	0	0.477
	IC Material Resource					
ACI Material Resource						0.4543

The social resource adaption capacity indicator

The ACI of social resource includes criteria (participation = 1, otherwise =0): participation in training courses; participation in social organizations; receive support from the state and local authorities. The ACI of participation in social organizations and receiving state support of young people in rural Thai Nguyen province are very high (above 0.8), while ACI of the criteria of participation in training classes is low level (0.344), however, the overall adaptation index of social resources is high at 0.651, this is quite high adaptive capacity.

Table 5: Social resource adaptation index

Resource	Criteria	Unit	Real value	Max	Min	Adaptation index
Social resource	% household attend training courses	%	34.40	100	0	0.344
	% human resources participating in social organization	%	88.07	100	0	0.8807
	% human resources receive support from the state and local authorities	%	82.56	100	0	0.8256
	IC Social resource					
ACI Social resource						0.6151

ACI of financial resource

The ACI of financial resource in Table 6 includes the following criteria: bank loans (loans=1, otherwise=0), family support (get support=1, otherwise=0); Cost of living, average income/year, non-agricultural investment and production and business investment (million VND). In particular, ACI of average income is lowest, the remains ACI have medium rank. The overall ACI of financial resource is medium at 0.4158. This find out imply that needed to be support for young people in rural of Thai Nguyen province in self-employment.

Table 6: Financial resource adaptation index

Resource	Criteria	Unit	Real value	Max	Min	Adaptation index	
Financial resource	% bank loans	%	54.12	100	0	0.5412	
	% get supported from family	%	54.12	100	0	0.5412	
	Cost of living	mVND	78.38	162	12	0.4425	
	average income / year	mVND	112.99	500	2	0.2228	
	Agricultural investment	mVND	49.22	110	0	0.4474	
	Another production and business investments	mVND	96,97	300	10	0.2999	
	IC Financial resource						0.4158
	ACI Financial resource						0.4158

Overall ACI

By the ACI of specific resources found out above, the overall ACI has calculated, and get the value at 0,493, as the ability of adaptation of youth labor in rural Thai Nguyen is medium.

CONCLUSIONS AND SUGGESTIONS

Based on calculated the ACI of self-employment of youth in rural of Thai Nguyen province, the result show that the general adaptive capacity to do self-employment of rural youth in Thai Nguyen is not high level (0.4927). The highest ACI is belonged to social resources at 0.6151, followed by the adaptive capacity of material resources (0.5678), the lowest is the natural resource with the ACI of 0.283. This result shows that young people in rural areas in Thai Nguyen province still face many difficulties in adapting to self-employment activities. Therefore, it is necessary to create solutions to increase the adaptive capacity in self-employment capacity for youth labor in rural areas of Thai Nguyen province.

These result shed light on that to improve capacity of self-employment adaptation of young labor in rural Thai Nguyen, the major can impact more easily is material resources and financial resources. Although the adaptation index of natural resources is the lowest, this area is not an easy to treating due to inherent natural characteristics. For material resources, the government and local authorities need to focus on planning, constructing the infrastructure in rural areas, easing conditions for developing private and household. For financial resources, policies on preferential loans should be encouraged and expanded for youth in rural can easy access to capital resources to self-employment.

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