The Pennsylvania State University
The Graduate School
The Department of Human Development and Family Studies

THE SHAPING OF WOMEN’S SALARIED EMPLOYMENT
DURING ECONOMIC REFORM IN VIETNAM

A Dissertation in
Human Development and Family Studies

by
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ABSTRACT

Working in the labor market is a crucial transition in every person’s developmental process, especially for women. Employment earnings provide financial contributions to the household, enhance women’s bargaining power, and contribute to their self-esteem. In transitional economies, like Vietnam, the initial stages of economic development often involve industries targeting women, namely light manufacturing like garments and textiles. However, in rural areas, where the majority of Vietnam’s population resides, paid employment is not easily accessible. Even after entering the labor market, women are disadvantaged in pay, promotion, and benefits. Examining women’s employment and wages in Vietnam is particularly significant because the transition from a centrally planned socialist economy to a free-market based system may mean women are losing ground as protections afforded to them under socialism are removed.

My dissertation is comprised of two studies. In “Multilevel Correlates of Women’s Salaried Employment in Rural Vietnam,” I use multi-level logistic regression analyses to examine commune level and individual level variables that influence women’s wage labor. Using data from the 2012 Vietnam Household Living Standards Survey (n=5152, N=1644), I find support for structural explanations for women’s employment. Communes that have a higher number of firms operating in them increase women’s chances of working, providing support for government efforts in developing formal labor markets in rural areas. These findings show that when opportunities are available, women enter the paid labor force. Individual factors associated with women’s employment include education, being married, the number of small children, and non-earned income. While better education increases employment probabilities, being married, having young children, and increased non-earned income decrease employment probabilities. Prior studies on multilevel determinants of women’s employment have mainly focused on the
country as the macro level and individual as the micro level, leaving middle level community characteristics unexamined. Yet it is at the community level that impactful investments can be made. Investments in local labor markets to increase job opportunities for rural women improve their status, contribute to rural sustainable development, and reduce rural-to-urban migration. Thus, this paper fills an important research gap by including middle level factors, and the findings are directly relevant to government economic development programs and policies.

The second study, “How Did Women Fare in Vietnam’s Labor Market during Economic Reform?” uses the Mincerian earnings equations and Oaxaca decomposition methods to examine female returns to education and the gender wage gap during Vietnam’s intensive economic reform process. Using interaction terms between ownership type and time, the paper tests the effects of reform timing on female labor status. For this study, I use data from three waves of the Vietnam Household Living Standards Survey: 1992, 2002, and 2012. This two decade time span captures a more complete trend than previous studies in terms of returns to education and the gender wage gap during Vietnam’s long reform process. Results indicate that women had higher levels of education and enjoyed higher returns to education than did men during 1992-2012. However, the gender wage gap, which decreased during 1992 - 2002, began to increase during 2002-2012. Additionally, more than 100 percent of the gender wage gap during the second period was attributed to differences in how males and females were treated in the labor market. These findings highlight the importance of Vietnam’s continual efforts in promoting reform programs that ensure gender equality and a level playing field in the labor market so that earned wages accurately reflect human capital. In particular, the increasing gender wage gap in the second economic period highlights the importance of not completely abandoning socialist policies that emphasized women’s equality in the newly adopted free market system. Specifically, future policies should focus on the effective banning of any kinds of discrimination against women in recruitment, pay, and promotion.