



The ILO in Viet Nam

Viet Nam and decent work



Viet Nam is among the fastest developing nations in South East Asia, and its one-party State coexists with an economic opening, two decades of sustained high growth and development, and the newly gained status of Lower Middle Income Country. However poverty reduction has slowed in recent years and vulnerable employment remains significant: 61% of all workers in Viet Nam are estimated to be engaged in vulnerable forms of employment, such as contributing family workers and own account workers. Gender inequality persists in the labour market.

Viet Nam has been an ILO Member since 1992 and has ratified **21 International Labour Conventions**.

Strategic framework: the Decent Work Country Programme (DWCP) aligned with national priorities

The ILO promotes decent work as a national objective and assists constituents to make progress towards achieving it. The DWCP for Viet Nam is the main instrument for ILO cooperation over the 2012-16 period, in line with the Viet Nam United Nations One Plan and Viet Nam's Five-year Socio-Economic Development Plan with the following priorities:

Key challenges

- **35%** of youth are not in employment or education.
- **70,5%** of workers in non-agriculture are in informal employment.
- **70%** of employed women are in vulnerable employment, compared to about 50% of employed men.

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Tripartite constituents

Government: Ministry of Labour, Invalids and Social Affairs (MoLISA)

Workers' organization: Viet Nam General Confederation of Labour (VGCL)

Employers' organizations: Vietnam Chamber of Commerce and Industry (VCCI); Vietnam Cooperative Alliance (VCA)

Find out more

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The Decent Work Country Programme priorities are

- 1 Improving the quality and sustainability of growth through high quality of human resources, decent employment and sustainable enterprise development
- 2 Promoting equitable and inclusive growth through social protection and addressing decent work needs of disadvantaged and vulnerable groups
- 3 Contributing to Viet Nam's aim to become a "modern-oriented industrialized nation" through strengthening labour market institutions and governance

Main actions and key results

Improving employability, especially of young people and women, through quality vocational training and entrepreneurship

The ILO provided technical assistance in areas such as labour market information systems, skills development,

entrepreneurship training, public-private partnerships, business associations and business development services. **The new**



Vocational Education and Training (TVET) Law (including persons with disabilities)

was adopted by the National Assembly following tripartite consultations on 27 November 2014. Local government agencies, training institutions and businesses are working to improve the quality of training and to link skills supply and demand in the tourism sector in Quang Nam and Thua Thien-Hue.

A career guidance day was organized in each province, in which schools, businesses and local government agencies worked together to support students with career choices and career counselling.

Managing migration, protecting migrant workers and combating human trafficking

A total of 80,000 Vietnamese leave the country for jobs overseas each year. The ILO focuses its efforts on raising awareness and capacity development to assist the government to formulate and implement a gender-responsive programme for managing labour migration so as to maximize the benefits to migrant workers, their families and the country. As a result, trade unions of receiving and sending countries are now collaborating

to improve the protection of female and male migrant workers. Standard contracts and complaints mechanisms were implemented to increase protection and access to justice for the most vulnerable groups of migrant workers, including domestic workers. New legal documents were adopted to enhance transparency, improve the management of recruitment practices, and enhance responsiveness to the grievances of migrant workers.

In 2014, **47 recruitment agencies** that collectively send **50% of migrant workers** abroad monitored the application of the Viet Nam Association of Manpower Supply (VAMAS) Code of Conduct were ranked as having business practices in accordance with the Code, and **67 recruitment agencies** were monitored and ranked in 2015.

Reinforcing social dialogue for better working conditions and productivity

Social dialogue and industrial relations in Viet Nam have arrived at a critical juncture in national development, and the Government and social partners have to decide on important steps forward to guide the direction that Viet Nam should take to develop a modern labour market governance framework that is supported by appropriate labour legislation and effective labour inspection, with the aim of achieving the ambition of “*building a modern industrialized country by 2020*”. Efforts have focused on enhancing the institutional capacity of constituents and developing good industrial relations services for dispute settlement and

workplace cooperation mechanisms, and enhancing the capacity of labour inspectors. ILO support to promote industrial relations is seen as an important part of a larger effort to set up effective institutions that support Viet Nam’s entry and more active participation into the world trading system. This effort was complemented in over **350 factories** by the *Better Work* Programme, which promotes compliance with core labour standards through social dialogue for higher productivity.

The establishment and operations of a Tripartite National Wage Council was another significant milestone in the

field of social dialogue. The Council has improved the minimum wage setting mechanism based on data evidence.



Addressing sexual harassment in the workplace

Sexual harassment at the workplace is prohibited in the 2012 Labour Code. However, the legislation is not specific enough, making implementation a difficult task. The VCCI, MoLISA and VGCL developed a **Code of Conduct on Sexual Harassment** in the Workplace for Viet Nam, with the aim of helping

tackle the legal gaps and address this issue. The Code of Conduct has helped employers develop their own policies and regulations, and serves as a basis for preventing and addressing sexual harassment in order to promote healthy, safe, quality and productive workplaces. The Code encourages na-

tion-wide application by all companies in both the public and private sectors, on a voluntary basis. VCCI has taken a more proactive position by providing a new training service to its members by developing a Vietnamese employers’ guide and code of practice on non-discrimination.

SUCCESS STORY: WHEN DIALOGUE MAKES GOOD SENSE FOR BUSINESS AND WORKERS ALIKE

The successful introduction of effective and regular systems for employers and workers to communicate has boosted productivity and improved working conditions for **5,300 workers** in a Viet Nam auto production company.

The new systems were introduced following a series of wildcat strikes between 2006 and 2008, which caused heavy losses. In 2013 Viet Nam introduced a new Labour Code that made regular dialogue between employers and workers compulsory.

Mabuchi Motor was selected as a pilot company to receive ILO support in setting up effective systems for dialogue between management and workers.

"We can easily reach the management now, making workers like me feel that our voice is always heard, and we no longer need to go on strike," said Dong Ngoc Tram Anh who has been working at Mabuchi Motor for 13 years.

The company management also point out that there was a **44 % increase in productivity** between 2008 and 2014, and the staff turnover rate has also fallen, from 3% in 2008 to 1% in 2014.



Next steps

Viet Nam has made remarkable progress toward achieving the MDGs and has been successful in meeting several of them – including MDG 1 (eradicate extreme hunger and poverty) – ahead of the 2015 deadline, and has been on track to meet the other goals. The United Nations agencies are in the process of preparing the next UN strategic plan 2017-2021, embracing and operationalising the **Sustainable Development Goals (SDGs)** in planning their support to the Government of Viet Nam, and in “delivering as one” in support of national development priorities. In this framework, the next

ILO DWCP for Viet Nam will cover the same period and follow the new Five-year Socio-Economic Development Plan (SEDP) adopted in 2015.

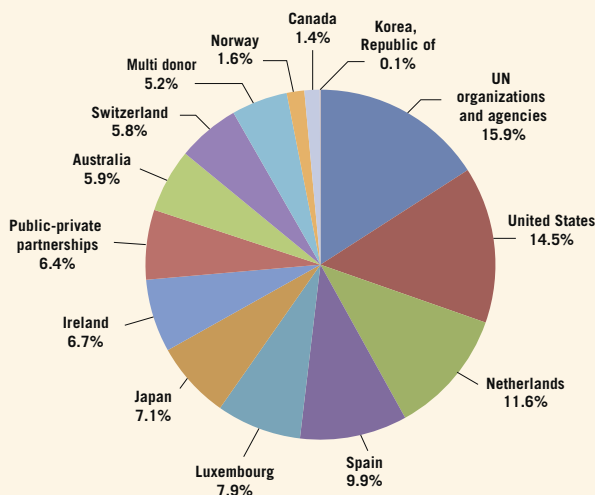
A National Plan of Action for the Prevention and Elimination of the Worst Forms of Child Labour was drafted for the Government's approval, and a new technical support project on enhancing national capacity to prevent and reduce child labour in Viet Nam will be implemented over five years from 2015 – 2019.



Partnership for decent work

The ILO has cooperated closely with MOLISA and the social partners to promote and realize the objectives of the Decent Work Country Programme, with the financial support of the following major resource partners:

Major ILO resource partners in Viet Nam (2012-2015)



THE ILO AND DECENT WORK – A MANDATE FOR PEACE AND SOCIAL JUSTICE

The ILO is devoted to promoting social justice and internationally recognized human and labour rights, pursuing its founding mission that labour peace is essential to prosperity. Today, the ILO helps advance the creation of decent work and the economic and working conditions that give working people and business people a stake in lasting peace, prosperity and progress. Its tripartite structure provides a unique platform for promoting decent work for all women and men. Its main aims are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues.

Selected Country Programme Results for Viet Nam in 2014 and 2015

COUNTRY PROGRAMME OUTCOME AND RESULTS ACHIEVED	ILO CONTRIBUTION (OUTPUTS)
Effective social dialogue and sound industrial relations promoting better working conditions	
<p>The newly established National Wage Council (NWC) has delivered recommendations on minimum wage increases in 2014 and 2015 through effective tripartite dialogue for first time in Viet Nam.</p> <p>A comprehensive multi-employer collective agreement, including wage fixing, with three FDI companies, covering 6,618 workers, 78% women.</p>	<ul style="list-style-type: none"> > Technical support to the newly established NWC: research, studies, exchanges and workshops on impact of minimum wage increase on firms and workers.
Improved governance framework for sound industrial relations through law reform in line with the ILS and supervisory comments	
<p>Decrees have been promulgated concerning administrative sanctions and female workers. More than 50% of ILO comments were incorporated.</p> <p>The Criminal Code reviewed and strengthened with provisions on Child Labour and Forced Labour.</p>	<ul style="list-style-type: none"> > Technical inputs provided by ILO for 2 Decrees and 2 laws, through technical workshops and advice. > Inputs to strengthen compliance with ILS regarding inclusion of unfair labour practice in administrative sanctions decree.
Improved competitiveness through promotion of decent work in key economic sectors	
<p>358 factories have boosted their labour compliance.</p>	<ul style="list-style-type: none"> > Technical inputs, case studies, guidelines, research findings and examples from participating factories. > Trainers' training for VCCI. > Supported the development of risk assessment tool. > Soft skill training for provincial labour inspectors. Etc.
Government and social partners in Viet Nam develop and implement policies to manage migration, protect migrant workers and combat trafficking in line with ILO principles	
<p>Standard contracts and complaints mechanisms increased protection and access to justice for the most vulnerable groups of migrant workers, including domestic workers ;</p> <p>New legal documents adopted enhancing transparency and effective management of recruitment practices and responsiveness to grievances of migrant workers.</p>	<ul style="list-style-type: none"> > Improved capacity of MoLISA and provincial partners. > Technical and financial support to the development of the standard contracts and complaint mechanism. > Research and consultations. > Migrant Worker Resource Centres (MRCs) were integrated in Employment Service Centres (ESCs) in a 5-province pilot. > Support MoLISA to develop Pre Departure Curriculum for migrant workers now used by recruitment agencies. > Data on labour migration gathered and gaps identified for further improvement.
Improved employability, especially of young people and women through quality vocational and entrepreneurship training	
<p>The new Vocational Education and Training (TVET) Law (including persons with disabilities) was passed after tripartite consultations by the National Assembly on 27 November 2014.</p> <p>The National Assembly ratified the UN Convention of Rights of People with Disabilities.</p> <p>Local government agencies, training institutions and businesses collaborate to improve the training quality and link skills supply and demand in tourism sector in Quang Nam and Thua Thien-Hue.</p>	<ul style="list-style-type: none"> > Analysis, social partners position papers, sectoral surveys, reports, inputs and consultation meetings organized and used as inputs on specific TVET Law provisions and revisions. > Exchange of experiences and lessons learnt with the Philippines > A training needs survey for each province. > Career Guidance Day organized in each province. > Skills TVET simulation tool were introduced to GDVT and TVET schools.
Strengthened national capacities and knowledge base for the effective implementation of social security policies and strategies	
<p>Social Insurance Law reform was passed by the National Assembly on 20 November 2014.</p>	<p>Technical support, studies, strategic legal framework screening, actuarial Valuation of Unemployment Insurance scheme was conducted and the findings shared with Government of Viet Nam.</p>
Better and more equitable working conditions, through improved policies and systems especially on Occupational Safety and Health	
<p>The National Assembly adopted the first specialized law on OSH that extends protection coverage of estimated 37 million informal economy workers and introduces a nation-wide OSH governance system in line with the principles and requirements of ILO Conventions no. 155 and no.187.</p>	<p>Technical support and advice through technical memorandum, comparative studies and policy dialogues with the constituents and the National Assembly.</p>

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