**BACKGROUND**

Handicraft represents a major manufacturing sector in Hanoi, providing employment and income for small businesses and households that are part of the supply chain. In Hanoi there are about 1350 trade villages that create employment for around 800,000 labourers, with a production value of nearly 14,000 billion VND. The handicraft sector is prioritized by the central and local governments through multiple policies and programs in order to create better conditions for infrastructure development, production investment and trade promotion. In particular, Hanoi has programs and policies dedicated to fostering employment and the development of trade villages, preserving traditional products, and increasing the contribution of trade villages to the socio-economic development of the area.

**OBJECTIVES**

Within the framework of ENHANCE’s direct support in Hanoi, the study aims at analyzing priority handicraft value chains with a large concentration of households with children engaged in working activities or at risk of falling into child labour. Through value chain approach, ENHANCE aims at building capacity among local authorities and associations to produce local policies in compliance with international standards, while improving livelihoods and working conditions for labourers, reinforcing their skills through technical assistance and building child labour-free standardized enterprise models.

**METHODOLOGY**

The analysis has mainly been based on qualitative data, with an additional small scale quantitative survey of 18 enterprises and 90 production households. Research steps included: a desk study on policies, reports and secondary data at the international, national and provincial level; consultation meetings with local authorities and handicraft associations; participant observations and interviews on the ground; final consultation workshops with local governmental agencies, District People’s Committees, craft villages associations, enterprises, master artisans and households.

**MAIN FINDINGS**

- **4 DISTRICTS**
  - Chương Mỹ
  - Gia Lâm
  - Hoài Đức
  - Thạch Thất

- **9 COMMUNES**
  - Phú Nghĩa, Trung Hòa
  - Bát Tràng, Kiều Kỳ
  - Sơn Đông, Đường Liễu, La Phù
  - Canh Nậu, Bình Phú

- **5 VALUE CHAINS**
  - rattan
  - ceramics
  - agriculture
  - leatherette
  - wooden furniture

**CHALLENGES**

- scarcity and high costs of raw materials;
- low pro-activeness and design skills among labourers, resulting in low value added and innovation;
- lack of capital and difficulties in accessing funding and bank loans;
- lack of information on market trends and regulations;
- limited knowledge-sharing and linkage between different production households and businesses;
- limited young and qualified workforce;
- insufficient human and financial resources, as well as marketing skills, for trade promotion;
- lack of awareness on labour regulations and relevant international standards;
- lack of information on safety, environmental and production standards, impacting on working conditions;
- lack of awareness on child labour standards;
- risks of child labour, due to presence of children engaged in working activities for their households.

**RECOMMENDATIONS**

- provide support to all targeted production households and selected businesses on trade promotion and marketing. Small producers should be made aware of opportunities available and assisted to access new markets, both in Viet Nam and for export;
- provide technical assistance on quality improvement and product diversification for all value chains;
- organize training focusing on marketing and networking skills: knowledge and skills provided should be export-oriented where market expansion opportunities are high but current export is low (rattan, agriculture, wooden furniture and worship products), support growth in the domestic market (leatherette), or both (ceramics);
- assist households and business through relevant training on strengthening market access, direct export and tourism-oriented trade, especially for the ceramic value chain in Bát Tràng;
- link chains with new reliable feedstock sources of raw materials;
- provide training on product design and brand building, in order to grow market and meet specific market trends through newly developed skills and increased added value;
- where workers are not sufficiently qualified and/or in adequate number provide relevant training to increase productivity;
- raise awareness on labour regulations and Occupational Safety and Health standards, as well as international environmental, production and quality standards;
- provide guidance on how to access funding opportunities and bank loan programs, as well as support in developing production and business plans to increase budget management skills;
- raise awareness among parents on the child labour issue and related standards;
- provide support to improve the working environment for the safety of children engaged in light work.