



# Evaluation Summaries

## Evaluation: Promoting Sound Industrial Relations at the Workplace and Strengthening the Capacity of Industrial Relations Actors in Vietnam

### Quick Facts

**Country:** Vietnam

**Mid-Term Evaluation:** 2005

**Mode of Evaluation:** Independent

**Technical Area:** Social Dialogue

**Evaluation Management:** Asia

**Evaluation Team:** David Gairdner, external evaluator, and Wael Issa, ILO Geneva

**Project Start:** January 2003

**Project End:** June 2006

**Project Code:** VIE/01/52/USA

**Donor:** USA (US\$ 1,667,500)

### Background & Context

#### Summary of the project purpose, logic and structure

The Development Objective was an improved workplace cooperation between labour and management in the target enterprises. The immediate objectives were: an increased capacity within the Department of Labour, Invalids and Social Affairs (Provincial level agency of the Ministry of Labour, Invalids and Social Affairs) (DOLISA) to resolve labour disputes in target firms; an increased capacity of local Viet Nam General Confederations of

Labour (VGCLs) to assist unions in target enterprises to represent workers in socialist-oriented market economy; an increased capacity within the Viet Nam Chamber of Commerce and Industry (VCCI) to assist target enterprises to manage human resources professionally; and that essential elements of an industrial relations policy framework are developed.

A sub-immediate objective was an increased public awareness of the role and means of achieving good industrial relations.

#### Present situation of project

The project successfully established a national infrastructure, which is operational and serves as a space for collaboration and exchange between the social partners.

#### Purpose, scope and objectives of the evaluation

The purpose of the evaluation was to determine if the project has achieved its objectives and whether any anticipated immediate impact was achieved for each of the objectives, to assess and document the effects of project activities and outputs on the target group, to assess the impact of the project in terms of likelihood that outputs will be sustained, to assess the effectiveness of the training provided by the project, and to determine if the project and its components are suitable for replication.

## Methodology of evaluation

The evaluation team conducted a desk review of project documents; a pre-trip conference call between the evaluation team, the ILO project chief technical advisor in Hanoi, and the United States Department of Labour; a field mission to Vietnam; and an end of mission de-briefing in Hanoi for the purpose of quality control and to strengthen the substantive content of the findings.

## Main Findings & Conclusions

The evaluation team found that the ILO Industrial Relations project has met or exceeded its objectives, and represents high value for donor investment. Vietnam has not yet developed a national industrial relations policy framework, but the team believes that slow movement is beyond the project's ability to influence, and noted important progress towards this objective.

The project successfully established a national infrastructure of a National Project Steering Committee (NPSC), Provincial Project Task Forces (PPTFs), and Industrial Relations Advisory Service Departments (IRASDs), which is operational and functioning well. In addition to delivering high quality service, the infrastructure serves as a space for collaboration and exchange between the social partners. A weakness in the project structure is the limited flow of information moving between the different levels of each of the three social partners, which may hinder management and the channelling experience from enterprises into the national policy debate.

Project services respond to needs in the changing labour market, are of high quality and add value to industrial relations at the enterprise level.

While the VGCL retains a powerful voice within the Communist Party, it was weak in enterprises visited by the team. Union and management officials both acknowledged that the union is part of the management structure.

It lacks the independence needed to effectively represent member interests in the new labour market, and does not enjoy the confidence of workers. The VGCL therefore has difficulty transferring knowledge or capacity developed in the project to enterprise workers.

The project has made a lasting impact on industrial relations in Vietnam. Among its achievements, the project has strengthened the institutional capacity of all three social partners and reached a constituency significantly greater than the core 70 enterprises. Important contributions to policy development have also been made, including revisions to the labour code on strikes. Difficult to quantify but perhaps most important, the concepts and organisational model introduced by the project are contributing to a shift in the mental model of social partners.

In its role as project implementer, the ILO has gained the trust, respect and confidence of all three social partners. It has built these relationships based on overall performance, the perception of neutrality and the quality of its advice and services. The strength of these relationships situates the ILO well for future work.

The project shows clear evidence of being sustainable, with the social partners demonstrating strong ownership. Their interests were addressed in the initial consultation, and the partners have determined that the project is adding value to their work. The structures, concepts and practices established by the project are being integrated into those of the social partners, who are increasingly willing to fund activities or pay for services. There was also evidence that elements of the project can be scaled up to the national level. In particular, informants expressed an interest in institutionalising the PPTFs and expanding the IRASDs nationally.

## Recommendations & Lessons Learned

### Main recommendations and follow-up

Future programme development should begin with an explicit statement of assumptions, the conclusions of a situation analysis on which activities are based. Assumptions should be tested and validated on a regular basis as part of the Performance Monitoring Plan (PMP), ensuring that project activities are still relevant. Where the review concludes there have been changes in the programme environment, the programme can reposition its activities accordingly.

A second phase of the project could focus on institutionalising the structure and concepts established in first phase, promoting their integration into Vietnam's institutional framework. In this context, the project should take on a clearer role as a pilot exercise. It should move away from the direct implementation of training activities where these do not contribute a pilot experience.

The flow of information between the three project levels (enterprise, provincial and national) should be improved, to ensure that experience from the enterprise and provincial level is fed into the national policy debate.

A second phase of the project should work more closely with the official union to address the weak representation link with its members. Any improvement will require the union to reform its relationship with the political system, enterprise management, and develop the independence needed to effectively represent the interests of workers within a tripartite system. The ILO could assist the union with a change strategy.

PMP indicators need to be strengthened. The gathering of data to support the indicators needs to be more systematic, and expanded to support all indicators. Some indicators may need to be revised based on the available data collected by the government and social partners. The ILO should write in adequate resources for data monitoring into the project

design, and donors should be open to supporting related activities.

Phase II should develop a new sustainability strategy, based on institutionalising the tripartite structure and transferring financial responsibility to the social partners within two years. The strategy should also identify the kinds of policy and technical roles that the ILO will play in the future, the trend should be towards less direct involvement in training.

The project should develop a revenue generation strategy for the government and social partners. Elements could include agreement when fees will be charged, a standard fee structure to be applied across the programme, and whether fees should support core or supplemental activities.

### Important lessons learned

Four lessons learned were drawn from the Vietnam Labour Relations project.

Successful projects are based on stakeholder ownership.

There should be a clearly expressed and understood demand for policy before a policy-development project is launched.

Projects should be based on a clear statement of assumptions, the conclusions of a situation analysis on which project design is based.

A strong performance matrix and data gathering are critical. Clear indicators should be written into the project design, and supported by systematic data gathering.