



International
Labour
Organization



Setting
Adequate
Wages

SAW Project Viet Nam



► Context

In Viet Nam, the issue of low wages continues to plague many workers. Average wages registered relatively high growth in recent years, but they remain low. From 2020, due to the pandemic, real wage growth has slowed down.

The national minimum wage has increased over the years following regular adjustments made by the **National Wage Council**. Since July 2024, minimum wages in Viet Nam range from VND 3,450,000 to VND 4,960,000, depending on the region.

The minimum wage plays a crucial role in addressing the issue of low pay in Viet Nam. However, in 2023:

- The minimum wage is set at **around 60%** of the median wage - below the average for emerging and developing economies, which is typically set at around 67% of the median wage.
- **11.9%** of salaried workers earn wages equal to or lower than the regional minimum wage.

(Source: MOLISA's National Wage Report, 2023).

In this context, the **SAW Project** in Viet Nam supports wage setting mechanisms in making a stronger use of data and evidence on the needs of workers and their families and economic factors. Additionally, the project identifies national factors and conditions that enable wage increases, and supports measures to raise productivity in selected supply chains. Finally, the project contributes to raise awareness on living wages, provides technical assistance to national constituents in this regard, and engages with existing living wage initiatives in the country to promote alignment with ILO living wage principles.



► The SAW project at a glance

OBJECTIVE

Promoting wages that ensure a just share of the fruits of progress to all.

COUNTRIES COVERED



TIMEFRAME

From October 2022 to September 2026.



2022



2023



2024



2025



2026

IMPLEMENTING PARTNER

MOFA, Government of the Netherlands.

► Project strategy

Workers receive adequate wages

- **Minimum wage settings** are based on relevant indicators of the needs of workers and their families and economic factors.
- Social partners use information on the needs of workers and their families for meaningful and informed **collective bargaining of wages**.
- **Compliance** with statutory and negotiated wages is improved.

Enterprises are able to pay higher wages

- **Productivity and wages** are improved in selected enterprises in supply chains.
- **Macro factors and institutions** that support and enable rising wages are assessed.

Living wage initiatives follow ILO principles

- Governments and social partners have a **better understanding of living wages**.
- International and national **living wage initiatives** are informed about the needs of workers and their families and economic factors.



► National strategic framework

PILLAR 1

Support wage setting mechanisms

INTERVENTION RESULTS:

1.1. **Minimum wage settings**

are based on relevant indicators of the needs of workers and their families and economic factors.

1.2. Social partners use information on the needs of workers and their families for meaningful and informed **collective bargaining of wages**.

1.3. **Compliance** with statutory and negotiated wages is improved.

ACTIVITIES/PRODUCTS:

- Publication of the National Wage Report in Viet Nam.
- Impact assessment of the minimum wage system.
- Technical capacity building support to the National Wage Council.

- Rapid assessment of collective bargaining of wages and roadmap to strengthen collective bargaining of wages.
- Trainings, roundtables and workshops on collective bargaining of wages to promote understanding and build capacity to negotiate adequate wages.

- Identification of good practices and experiences on minimum wage compliance among selected industries and factories.
- Produce and disseminate information on prevailing wages, economic indicators and compliance levels.

PILLAR 2

Enable wage growth

INTERVENTION RESULTS:

2.1. Productivity and wages
are improved in enterprises
in selected supply chains.

2.2. Macro factors and institutions
that support and enable rising
wages are assessed.

ACTIVITIES/PRODUCTS:

- ▶ Assessment and training about the factors that condition productivity and wage improvements at the economic unit level in selected supply chains.
- ▶ Technical analyses of economic factors contributing to wage growth.
- ▶ Development of a Wage Price Index to monitor changes in average wage levels.



PILLAR 3

Engage with living wage initiatives

INTERVENTION RESULTS:

3.1. Governments and social partners have a **better understanding of living wages**.

3.2. International and national **living wage initiatives** are informed about the needs of workers and their families and economic factors.

ACTIVITIES/PRODUCTS:

► Development of framework and guidance materials on living wages in the national context of Viet Nam.

► Engage with existing living wage initiatives to promote alignment with ILO living wage principles.





Ministry of Foreign Affairs

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please visit the SAW
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