

ANALYSIS OF SELECTED VALUE CHAINS OF HANDICRAFT AND FOOD PROCESSING IN HANOI



Enhancing National Capacity to Prevent and Reduce Child Labour in Viet Nam
ENHANCE Project

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.

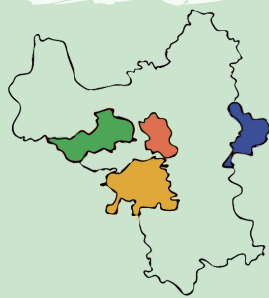
OBJECTIVES

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.

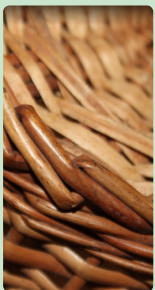
MAIN FINDINGS



4 DISTRICTS 9 COMMUNES

▼ Chương Mỹ	→ Phú Nghĩa, Trung Hòa
▼ Gia Lâm	→ Bát Tràng, Kiều Kỵ
▼ Hoài Đức	→ Sơn Đồng, Dương Liễu, La Phù
▼ Thạch Thất	→ Canh Nậu, Bình Phú

5 VALUE CHAINS



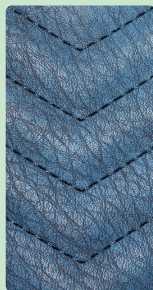
RATTAN



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**.



FOR MORE INFO

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