



EXTENSION OF THE MULTI-EMPLOYER COLLECTIVE BARGAINING AGREEMENT IN TRANG DUE INDUSTRIAL ZONE – HAI PHONG

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ILO/Japan
Multi-bilateral
Programme



Briefing about Hai Phong Economic Zone Trade Union

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Information about enterprises covered by 2019 Multi-Employer Collective Bargaining Agreement

BLUECOM

COMET 코멧비나
vina



SL

ILSHINTECH





INSUNG HIVINA CO., LTD.



BRIEFING ABOUT HAI PHONG ECONOMIC ZONE TRADE UNION

13		Industrial zones affiliated to Hai Phong economic zone
288		Enterprises
101,691		Workers
205		Enterprises eligible for unionization
174		Grassroots trade unions
105/169		Enterprises with CBAs
90,128		Union members



05
Administrative
agencies
148 FDI
move after
21 DDI

61,522
female
workers,
occupying
60,5%

54,166
female union
members,
occupying
60,6%
Union density
88,63%

174
GTUs
chairpersons,
including
78
chairwomen

893
GTU officers
in Executive
Committees,
including
476 female
officers

Part 1

Introduction of the Multi-Employer Collective Bargaining Agreement signed among Korean electronics enterprises in Trang Due industrial zone, Hai Phong



1. OVERALL

- The Multi-Employer Collective Bargaining Agreement signed among Korean enterprises in Trang Due industrial zone (the MECBA) in Hai Phong was negotiated and signed for the first time on the 19 June 2016, with participation of 05 Korean enterprises, covering 2,447 workers.
- On the 8th of June 2019, Hai Phong Economic Zone Trade Union (the EZTU) has completed all bargaining sessions and concluded the extension of the MECBA among the Korean electronics enterprises in Trang Due. The number of participating enterprises rose up to 20.7 of them are unionized and all enterprises have not negotiated the enterprise-level Collective Bargaining Agreement.
- The outcomes of the negotiation for extending the MECBA are:
 - From 5 enterprises, the extended MECBA covers 20 enterprises;
 - 04 Grassroots trade unions (GTUs) are established, with more than 1,000 union members;
 - The extended MECBA consists of 10 chapters with 24 articles, including 10 core clauses that are containing more beneficial provisions than those of the laws.
- Effective duration of the MECBA is 3 years.

2. OBJECTIVES AND PRINCIPLES

The objectives of multi-employer collective bargaining (MECB) are:

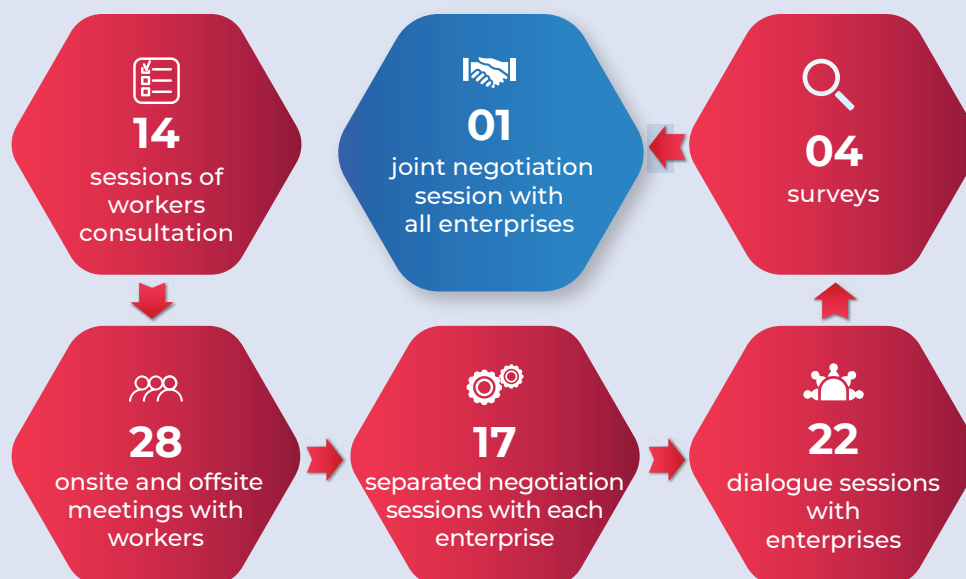
- To minimize the turnover rate and changes in the workforce, and to facilitate the recruitment process of enterprises;
- To develop an interdependent labour relations that brings mutual benefits for workers and employers;
- To mobilize the collective power of workers in the collective bargaining process;
- To help workers to understand their rights in the labour relations, especially in the bargaining process.

The principles utilized in the process of MECB are:

- To ensure the genuine engagement of workers of participating enterprises in the whole process, from the survey to the negotiation;
- To conduct the bargaining from trade union groups, to GTUs and EZTU, affirming the real negotiation for the substantial issues and strong implementation;
- To guarantee the most beneficial entitlements for workers, in consideration with the conditions and business performance of the involved enterprises;
- To gain the good faith of the employers and close coordination between relevant stakeholders.

3. PROCESS OF NEGOTIATION AND DETAILED PROVISIONS

The MECBA was negotiated and extended through the following steps:



OBJECTIVES AND PRINCIPLES

In general, the 2019 MECBA in Hai Phong affirms the core substance of the 2016 MECBA. The negotiation team focused on wages, wage increase and a number of allowances. The target was not only to gain beneficial provisions for workers but also to obtain the commitment to implement those entitlements. The highlight in the 2019 MECBA of Hai Phong is the duo processes of organizing GTUs in the non-unionized enterprises in tandem with the MECB. The MECBA comprises 10 chapters with 24 articles, including 10 core clauses containing more beneficial provisions than those of the laws.



EMPLOYMENT AND SECURITY OF JOBS

Article 7 – Employment and security of jobs (extracted)

7.2. If a large number of workers are at risk of losing their jobs, or of retrenchment, or temporary suspension of work due to the fact that the enterprises change its structure or technologies or because of economic reasons, then the workers at the participated enterprises shall be prioritized by these enterprises in recruitment and occupational training to offer a new job.

WORKING HOURS, REST PERIOD

Article 9 – Working hours

The enterprises are encouraged to have at least one 40-hour week per month.

Article 10 – Rest period (Annual leave – Extracted)

- Workers shall be entitled to at least 10-minute short-break per shift.
- Weekly days off:
 - Every Sunday
 - [...] The arrangement of two Saturdays shall be at the disposition of the enterprises and shall notify to workers at least 03 working days in advance.
- The workers shall be entitled to 1 to 3 day(s) off per year for summer holidays; [...] or to pay the workers an amount of at least 150% of the basic wage for the number of summer holidays.



WAGES, BONUS AND ALLOWANCES

Article 11 – Probation wage (extracted)

Probation [...] must be at least at 85% of the wage officially paid for the work and all other additional payments as regulated by enterprises, which must ensure to add at least one more wage-based additional payment.

Article 12 – Development of wage scale and table (extracted)

- The construction wage grades shall ensure the differences between grades, particularly the trained workers are at least 7% higher than the regional minimum wages.
- The enterprises shall develop their wage scale with at least 10 steps. Difference between two consecutive wage steps is at least 5%.
- Duration of periodical wage increase: Once per year.
- Workers' wage shall be adjusted based on the performance appraisal criteria and categorizations defined by each enterprise for their workers. The increase ratio of wage must be at least 3%.
- The workers who work every Saturday in a month shall be entitled to be paid an amount of money at least 150% of the basic wage by the employers for 2 working Saturdays in this month.

Article 14 – Wages (extracted)

The conditions for Tet bonus payment must be in line to the reward regulations of each enterprise but at least one 13th month salary for workers.

Article 15 – Allowances (extracted)

- Allowance for meal between shifts:
 - The amount for the main meal is VND 21,000/person/meal
 - If workers carry out 2 – 3 hours of overtime, the rate of meals will be VND 15,000 each at minimum
 - If workers carry out 3 hours and more of overtime, the rate of meals will be the same as the main meal.
- Full attendance allowance: The minimum amount for this allowance is VND 100,000/person/month.
- Travel allowance:
 - Regarding the enterprises that do not arrange the shuttle bus for their workers, the minimum allowance is VND 400,000/person/month
 - Regarding the enterprises that arrange the shuttle bus for their workers, the allowance shall be paid directly to the service providers.

- Seniority allowance:
 - Workers have been working from 01 to 05 years: the minimum rate is VND 2,000,000/person/time.
 - Workers have been working for over 5 years: the minimum rate is VND 3,000,000/person/time.

Article 17 – Other allowances (extracted)

- Mid-Autumn Festival: The minimum amount for this event shall be VND 100,000/person/case (the offering shall be in cash or in kind)
- International Women Day – 8 March: The minimum amount for this event shall be VND 50,000/female worker/case (the offering shall be in cash or in kind or for organizing party).

PROVISIONS FOR FEMALE WORKERS

Article 18 – Maternity protections for female workers (extracted)

Female workers who are assigned to hazardous work and heavy workload, from their 7th month of pregnancy (which is calculated as 100 days before the due date) shall be transferred to perform a lighter job or be reduced to 01 hour of daily work with full payment.

Article 19 - Wage payment for working during menstruation breaks and breastfeeding time (extracted)

In case the female workers do not take time off for breastfeeding due to the production of the company or the request of the enterprise, the enterprise must arrange the compensation leave for such female workers or convert into a corresponding amount of overtime in the corresponding month.



TRADE UNION RIGHTS

Article 21 – Modality for coordination (extracted)

- Trade union officers shall have the right to access and meet workers in anytime at work; be proactive in using working time for union activities and being paid by employers each month as follows:
 - For the Chairperson and Vice Chairperson (s) of the union: 26 hours/person/month
 - For Executive Committee members, trade union group leaders and vice group leaders: 14 hours/person/month.
- The employer shall be responsible for arranging a minimum of 60 consecutive minutes, at least once a year, for workers to participate in propaganda sessions on labour law, reproductive health care, etc. organized by the Trade union.

Part 2

The ILO's Standards and Significance of Collective Bargaining

1. THE COLLECTIVE BARGAINING (CB)

The International Labour Organization (the ILO) constructs standards and instruments to concretize the principles of promoting genuine and voluntary CB.

Definition on CB

CB is defined as “all negotiations which take place between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more workers' organisations, on the other, for:

- Determining working conditions and terms of employment; and/or
- Regulating relations between employers and workers; and/or
- Regulating relations between employers or their organisations and a workers' organisation or workers' organisations.”

(Source: Article 2, the ILO's Convention No. 154 on Collective Bargaining)

The ILO's Core Conventions on CB

There are are number of ILO instruments relating to the promotion of CB, including:

- Convention No. 87 The Freedom of Association and Protection of the Right to Organise Convention, 1948
- Convention No. 98 Right to Organise and Collective Bargaining Convention, 1949
- Recommendation No. 94 Co-operation at the Level of the Undertaking Recommendation, 1952
- Convention No. 151 Labour Relations (Public Service) Convention, 1978
- Recommendation No.159 Labour Relations (Public Service) Recommendation, 1978
- Convention No. 154 The Collective Bargaining Convention, 1981
- Recommendation No. 163 Collective Bargaining Recommendation, 1981
- Recommendation No. 91 Collective Agreements Recommendation, 1951
- Recommendation No. 92 The Voluntary Conciliation and Arbitration Recommendation, 1951
- Recommendation No. 198 The Employment Relationship Recommendation, 2006
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of 1977
- Declaration on the Fundamental Principles and Rights at Work of 1998

The Principles of Genuine CB

CB must be free and voluntary, and respect the principle of the autonomy of the parties.

CB must be possible at all levels, both national and enterprise levels. It must also be possible for federations and confederations.

The principle of negotiation in good faith takes the form in practice of various obligations on the parties involved, namely:

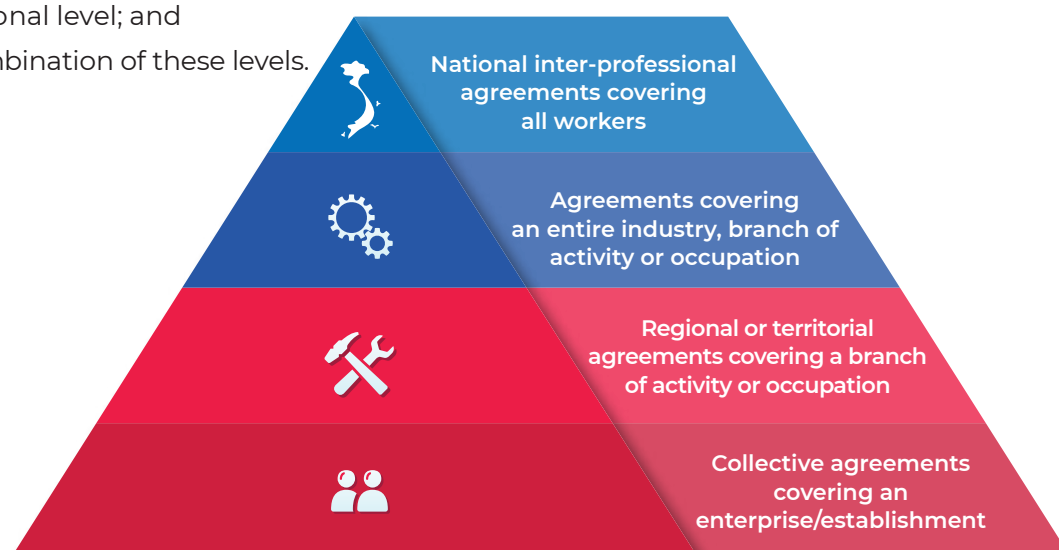
- (i) Recognizing representative organizations;
- (ii) Endeavouring to reach agreement;
- (iii) Engaging in real and constructive negotiations;
- (iv) Avoiding unjustified delays in negotiation; and
- (v) Mutually respecting the commitments made and the results achieved through bargaining.

The Bargaining levels

The level at which negotiations will take place is a crucial consideration. The CB framework needs to enable employers, employers' organizations and trade unions (and their federations and confederations) to conclude collective agreements at their chosen level of negotiation.

CB may take place at

- The workplace, establishment or plant level;
- The enterprise level;
- The level of industry, sector or branch of activity
- The municipal or regional level;
- The occupational or inter-professional level;
- The national level; and
- Or a combination of these levels.



The typical hierarchy of collective agreements

2. APPLICATION OF THOSE STANDARDS INTO MECB

Definition of MECB

The MECB is the negotiations between employers and labour unions of a number of companies cooperatively on pay, employment conditions and other labour relations related topics.

The MECB is often favoured by companies that share commonalities such as similar labour skills, similar locations, the same industry and similar employment conditions.

BENEFITS OF THE MECBA

The MECBA tends to benefit these employers in the following ways:

- Enhance their bargaining power by forming a united front;
- Secure industrial peace and bring stability to the industry;
- Save time negotiating an enterprise CBA especially in homogenous industries and in respect of small and medium-sized firms that do not have the capacity to independently deal with unions;
- Generate a moderating effect on wages, benefit more productive enterprises in an industry due to the coordinated nature of bargaining.

The MECB also benefits labour unions and workers for the following reasons:

- The engagement of the upper-level unions in the negotiations will help overcome the weaknesses of enterprise unions and increase the labour's bargaining power.
- It tends to offer more inclusive labour protection for vulnerable categories of workers, such as migrant workers, those in non-standard forms of employment and workers employed in small firms.
- It can help to establish minimum standards for working conditions in an industry or sector, taking these out of competition.
- Establish a 'common rule' and joint regulation, reducing the need for, and costs of statutory intervention. Some public authorities rely on the MECBA as an important regulatory tool, for instance, in regulating flexible working hours and variable wage standards in particular industries, obtaining employer cooperation in training policies, and establishing and administering voluntary pension schemes. They also support MECB through the extension of collective agreements reached by representative parties (Traxler, 2000).
- Besides when CB takes place at the national, industry and/or branch level in multi-employer settings with coordination across levels, a larger proportion of workers are covered and inequality is likely to be reduced both within and between enterprises.

INFORMATION ABOUT ENTERPRISES COVERED BY 2019 MULTI-EMPLOYER COLLECTIVE BARGAINING AGREEMENT

HAI PHONG
MECBA

BLUECOM

Bluecom Vina Ltd. Company

Bluecom Vina Ltd. Company is an enterprise with 100% investment from Korea, manufacturing amplifiers for television, vibration motors, Bluetooth headphones.



Haengsung Electronics Vietnam Ltd. Company



Haengsung Electronics Vietnam Ltd. Company is an enterprise with 100% investment from Korea, manufacturing and assembling electronic components.

Dong Yang Hai Phong Ltd. Company



Dong Yang Hai Phong Ltd. Company (DYEh) is an enterprise with 100% investment from Korea, manufacturing, assembling and processing the plastic-frame accessories and plastic moldings for televisions, air conditioners, air-vacuums, telephones and EPS/EPP styrofoa, and plastic parts in cars.



Heesung Electronics Vietnam Ltd. Company



Heesung Electronics Vietnam Ltd. Company is an enterprise with 100% investment from Korea, manufacturing electronic components.



Halla Electronics Vina Ltd



Company is an enterprise with 100% investment from Korea, manufacturing components for washing machines, telephones and audio-visual receivers in cars.

INSUNG HIVINA CO., LTD.

Insung Hivina Company

Insung Hivina Company is an enterprise with 100% investment from Korea, manufacturing labels and vignettes, distributing printing-related equipment.



Hanmiflexible Vina Company

Hanmiflexible Vina Company is an enterprise with 100% investment from Korea, manufacturing plastic-based products.



SL Electronics VN Company

SL Electronics VN Company is an enterprise with 100% investment from Korea, manufacturing connecting cables used in washing machines and refrigerators.





HKT Electronics VN Company



HKT Electronics VN Company is an enterprise with 100% investment from Korea, manufacturing electronics components and supporting products for motor-based vehicles.

HKTM Vina Company



HKTM Vina Company is an enterprise with 100% investment from Korea, manufacturing and maintaining machines and equipment in the production belts at the factories.



K&P Electronics VN Company

K&P Electronics VN Company is an enterprise with 100% investment from Korea, manufacturing electronic components.



HS Color Company



HS Color Company is an enterprise with 100% investment from Korea, manufacturing components for cellphones, printing products, components for motor-based vehicles.





ILShintech VN Company

ILShintech VN Company is an enterprise with 100% investment from Korea, manufacturing materials supplying for cellphones and motor-based vehicles.



GOSHEN Vina Company

GOSHEN Vina Company is an enterprise with 100% investment from Korea, manufacturing plastic-based products.



Logistic Pantos VN Company

Logistic Pantos VN Company is an enterprise with 100% investment from Korea, providing transportation-related services.



Duman Chemistry VN Company

Duman Chemistry VN Company is an enterprise with 100% investment from Korea, manufacturing, assembling and processing plastic grains and plastic colorants.



Dong Do Electronics HP Company

Dong Do Electronics HP Company is an enterprise with 100% investment from Korea, manufacturing electronics circuits and cellphone chargers.



Woosung Electronics VN

Woosung Electronics VN is an enterprise with 100% investment from Korea, manufacturing electronics components for cellphones.



Hwuasung Vina Company

Hwuasung Vina Company is an enterprise with 100% investment from Korea, manufacturing plastic-based and rubber-based products serving for industrial and domestic purposes.



Comet VN Company

Comet VN Company is an enterprise with 100% investment from Korea, manufacturing, assembling electronics components.