

COVID-19 and the Dual Structure of Vietnam's Labour Relations

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Author information

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Introduction

Vietnam's public health response to the COVID-19 pandemic has been feted as one of the best in the world. Thanks to rapid actions including closing schools and borders, and extensive tracking, tracing and quarantining, the death toll was kept to a minimum and the country was the world's fastest growing economy in 2020 (World Bank, 2020). Other social and political aspects of the pandemic in Vietnam, however, have been less remarked upon. This chapter focuses on one of them: labour politics.

I use Daubler's conception of the "dual structure" of Vietnam's labour relations (2018: 155) to understand labour activism and campaigning in the country during COVID-19. Daubler argues that the "dual structure" is an effective system: the state-led Vietnam General of Confederation of Labour (VGCL) pushes for national-level changes while self-organised wildcat worker activism holds employers to account at the enterprise level. I argue that we saw this structure in action with regard to COVID-19. Wildcat strikes rose for the first time in years as workers demanded, first, safe workplaces, and second, fair wages, social security payments and benefits in the face of the economic impact of the pandemic. Complementing these actions were the VGCL's activities at the national and regional levels: helping to distribute protective equipment and material aid, participating in discussions over the financial support package, and taking a strong stance during the annual minimum wage negotiations. The two parts of the structure combined to form an effective labour response to the pandemic.

I first explain the context of labour relations in Vietnam, and Daubler's conceptualisation of the dual structure, before applying the model to labour politics during COVID-19. Data for the chapter is drawn from reports in the Vietnamese labour press, especially the *Lao Động* (Labour) and *Người Lao Động* (Labourer) newspapers.

The dual structure of Vietnam's labour relations

Vietnam is a one party state with little freedom of association.¹ The state-led VGCL is the country's only legal trade union federation. It is subordinate to the ruling Communist Party at the national level, and enterprise-level unions are often dominated by employers, with human resource managers or similar acting as union branch presidents (Do and Broek, 2013). While,

though, the organisation does not often genuinely represent workers, and is more or less entirely ineffective when it comes to organising campaigns for major social and political change, this does not mean it is totally useless. There have been interesting experiments with collective bargaining, for example (Quan, 2015), and the VGCL does at times disagree with and take stronger pro-labour positions than the Ministry of Labour, Invalids and Social Affairs (MOLISA) (Schweisshelm and Do, 2018).

The country has also become famous for large numbers of wildcat strikes,[#] especially since 2006 (Siu and Chan, 2015); the VGCL does not lead strikes. Strikes are overwhelmingly, although not exclusively, in industrial sectors. They are largely over immediate workplace issues such as wages and conditions, but have also had some important impacts on national politics, including forcing policy changes and reforms of labour relations institutions (Buckley, forthcoming). They are often successful (Schweisshelm and Do, 2018). Authorities have undertaken many attempts to stop strikes by building “harmonious labour relations” (*quan hệ lao động hài hoà*). While still significant, strike numbers have been decreasing since 2011, as will be seen below.

A lot of literature on labour relations in Vietnam – and here I am defining labour relations narrowly, excluding literature on the wider sociology and political economy of work – begins with the implicit normative assumption that what is needed is a tripartite system, in which unions representing workers, the state, and employers peacefully negotiate with each other to solve issues and improve workers’ wages and conditions. The most well-known example of this approach is perhaps the influential report from Lee (2006), although there are several more recent examples (see e.g. Quan, 2015; Tran and Bales, 2017). From this perspective, the problem to be solved is how and to what extent this can be built in Vietnam, and whether the VGCL can reform to become an organisation that is genuinely representative of workers.

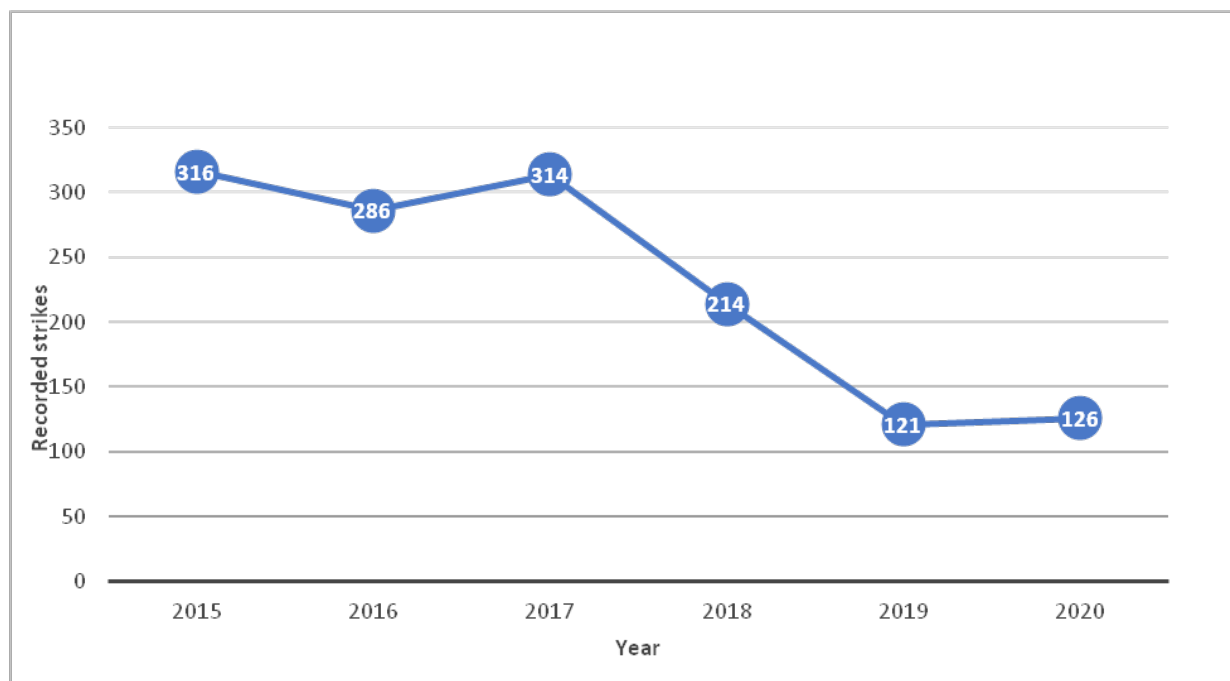
Daubler, however, has a different perspective. Instead of seeing Vietnam’s existing labour relations as a deviation from the tripartite ideal, he conceptualises them as having a “dual structure” (2018: 155). By this he means that the VGCL undertakes “the less conflict-ridden everyday issues and the distribution of benefits”, while wildcat strikes apply “pressure in the workplace”, pursuing “higher wages and improvements in working conditions”. Crucially, for Daubler the structure works: “this is a fairly gratifying state of affairs [...] although it has its shortcomings there is no real reason for fundamental changes” (2018: 158). I contend that we saw this dual structure in action effectively during the COVID-19 pandemic. The rest of the chapter will outline how this worked.

COVID-19 and the dual structure

Wildcat strikes

2011 was the high water mark for wildcat strikes in Vietnam, with nearly 1,000 recorded for the year; different sources put the number at somewhere between 857 (Siu and Chan, 2015: 71) and 993 (Schweisshelm and Do, 2018: 128). While still significant, strike numbers have been substantially falling since then, and in 2019 the VGCL recorded only 121 strikes. Due to the COVID-19 outbreak, however, the trend was reversed slightly in 2020, with 126 strikes recorded. This is shown in the graph below.

Recorded strikes according to VGCL data, 2015-2020



Source: collated from: internal VGCL data provided to author; Thu Hang, 2018; Hoang Manh, 2019; T.E.A, 2020; Hoang Manh, 2021.

An increase of five strikes, therefore, is very modest, and it is a rise from a low base, but it is a rise nonetheless. Towards the beginning of 2020, when the SARS-CoV-2 virus was first detected in Vietnam, many strikes were demanding health and safety in workplaces. For example, the Praegear Vietnam strike of February 2020 involved workers demanding that the Taiwanese-owned sporting goods factory, in southern Long An province, implement measures to protect them against coronavirus. In response, local union officials organised training and talks by medical experts, and the company introduced measures such as free masks, temperature checks, and spraying disinfectant. Other companies in the same region followed suit (Ky Quan, 2020). The mid-February strike at Vast Apparel, a Taiwanese-owned garment factory in central Quang Nam province, occurred over concerns that a Chinese employee who was being quarantined was staying too close to the factory. Officials explained to workers the tests which had been performed, and his movements prior to returning to the factory, before workers ended the strike (Ngoc Phuc, 2020). The same week, workers at JY, a Korean-owned stuffed toy factory in northern Ha Nam province, protested against Chinese employees being allowed to return to work without being tested for coronavirus. Authorities said that they had actually been tested but asked the company to provide masks to workers (The Anh, 2020).

Later in the year, when the economic impact of the pandemic began to be felt, striking workers shifted to demanding fair wages, social security payments and benefits. At Tomiya Summit Garment Export, a Japanese-owned factory in southern Dong Nai province, 250 workers went on strike at the end of April to oppose the company sacking them without providing support for finding other jobs. The company said it needed to cut the labour force because of the impacts of COVID-19, but in response to the strike announced that it would reduce working hours but not the number of workers (Ha, 2020). The September 2020 strike at Luxshare-ICT, a Chinese-owned

electronics factory in north-eastern Bac Giang province, came at an embarrassing time for the company, as Apple was considering contracting the factory to make some of its products. Workers had a number of demands, including related to salaries, bonuses, working hours, and leave allowances. The vast majority of the demands were met (Bao Han, 2020a). Before the December 2020 strike and occupation at My Tu, a Korean-owned garment factory in southern Binh Duong province, the factory had been laying off workers due to COVID-19. Workers discovered that the factory had been deducting social security contributions from salaries but not paying these into the social security fund, meaning workers would not have been able to claim unemployment benefits. There was also doubt about whether the remaining workers would be paid December salaries or bonuses. On December 11, workers went on strike to demand these, and occupied the factory overnight on December 15. The company then promised to resolve all social security payments by the end of December (Tam An, 2020).

The VGCL

Distributing material aid

Strikes were complemented by the VGCL's activities, the second part of the dual structure. At the most basic and immediate level, the VGCL provided material aid. This included donating financial gifts or food packages to workers in need, and giving personal protective equipment to workers and their workplaces, as well as checking that these were being used properly. In addition, the VGCL organised information sessions for workers and employers about COVID-19 preventative measures. A campaigning effort organised and coordinated by the VGCL, to get landlords to voluntarily freeze or decrease rents for workers who had suffered a loss of income, also had some success (FES, 2020).

Vietnam's flagship economic policy during COVID-19 was a 62 trillion dong (\$2.6 billion USD) support package, initially from April to June 2020, and then extended until the end of the year with another 18.6 trillion (\$798 million). This provided tax breaks and low-interest loans to affected businesses, and monthly financial support to those who needed it. Recipients had to be in one of seven groups including the unemployed, informal workers whose income had significantly reduced, poor and near-poor families, and household businesses. Payments were modest, and getting the relief rolled out faced huge issues, as strict bureaucratic conditions were attached which were difficult for many people to meet. For example, many informal migrant workers in Hanoi, such as street vendors and motorbike taxi drivers, were told that, in order to receive the support, they needed a business license and other documents verifying their residence, incomes, and nature of work, which they did not have (Lan Phuong and Tat Dinh, 2020). Nevertheless, the payments were a lifeline for many. The package was not the VGCL's initiative, but they had a hand in its development. They also played an important role in highlighting the issues that were stopping the money from getting to those who needed it, and making suggestions for how that could be improved (Cuoc Song An Toan, 2020).

Minimum wage negotiations

The VGCL also took a strong pro-labour stance during minimum wage negotiations in summer 2020. Vietnam's National Wage Council was established in 2013 as a mechanism to negotiate annual minimum wage rises. The Council has a tripartite structure, with delegates from the Vietnam Chamber of Commerce and Industry (VCCI), the VGCL, and MOLISA. It meets every

summer to decide on minimum wage increases for the following year; they are applied from 1st January.

In normal years, negotiations follow a familiar pattern. The VGCL says that workers are facing hardships from low wages, and propose a relatively large increase. The VCCI says that employers are facing difficulties, so cannot afford a large increase in minimum wages. They propose a much smaller increase. The Council meets, and eventually agrees on an amount which falls somewhere between the two proposals. In summer 2019, when the Council decided on minimum wage levels for 2020, the amount agreed was celebrated for being the first time that minimum wages would cover 100% of workers' basic living costs (Anh Thu, 2019).

Negotiations in summer 2020, however, were different. The VCCI said that, given all the hardships which businesses were facing due to the economic impact of the COVID-19 pandemic, there should be no increase in minimum wage levels in 2021; to do so would put too much financial pressure on employers. The VGCL opposed the VCCI, saying that workers had also faced severe hardships and loss of incomes, and therefore needed higher minimum wages in 2021. MOLISA, supporting the VCCI, very quickly proposed that the Council go to a vote on the issue. The VGCL resisted, saying that no real discussions or negotiations had taken place. The vote went ahead anyway, but the VGCL delegates refused to take part, decrying it as illegitimate; they were aware that, with the MOLISA representatives voting with the VCCI, the vote would have been lost even if they had taken part. The Council therefore decided not to raise minimum wages in 2021 (Van Duan, 2020). The VGCL did have one suggestion accepted into the official decision, however: the possibility that minimum wages could be raised on 1st July 2021, six months later than usual. The Council said that this possibility should be considered at a later date, once the full economic impact of the COVID-19 pandemic was known (Bao Han, 2020b). At the time of writing, in early 2021, the VGCL have returned to this suggestion, arguing that workers have suffered enough and that, as Vietnam saw economic growth of 2.9% in 2020, employers can afford a minimum wage increase in July 2021 (Bao Han, 2021).

Conclusion

This chapter argued that Daubler's conception of the dual structure of Vietnam's labour relations (2018: 155) is a useful way to understand the labour response to the COVID-19 pandemic in the country. Wildcat strikes demanded safe workplaces and fair wages and benefits at the enterprise-level. Complementing these were the VGCL's activities at national and regional levels; distributing material aid, and pushing for government policies to support workers through the pandemic and its economic impacts. The two parts of the structure combined to form a fairly effective response.

The dual structure has by no means been perfect. It could not stop workers experiencing significant hardship; hardship that was felt around the world. And despite their best efforts, the VGCL failed to achieve a minimum wage increase in January 2021, even though they succeeded in widely publicising the issue and raising the possibility of an increase in July 2021. As Daubler himself notes, the dual structure has its shortcomings. Perhaps it would also be less useful in mounting campaigns for major changes. During the COVID-19 pandemic, however, the dual structure was able to provide an effective, emergency response, blunting the worst impacts of the pandemic for many workers.

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i There was no formal freedom of association before January 2021, which saw some limited reforms (see Buckley, forthcoming). This chapter, however, focuses on 2020, before the reforms came into effect.

ii Here I use the term wildcat strike to mean a strike that is not led by a trade union.