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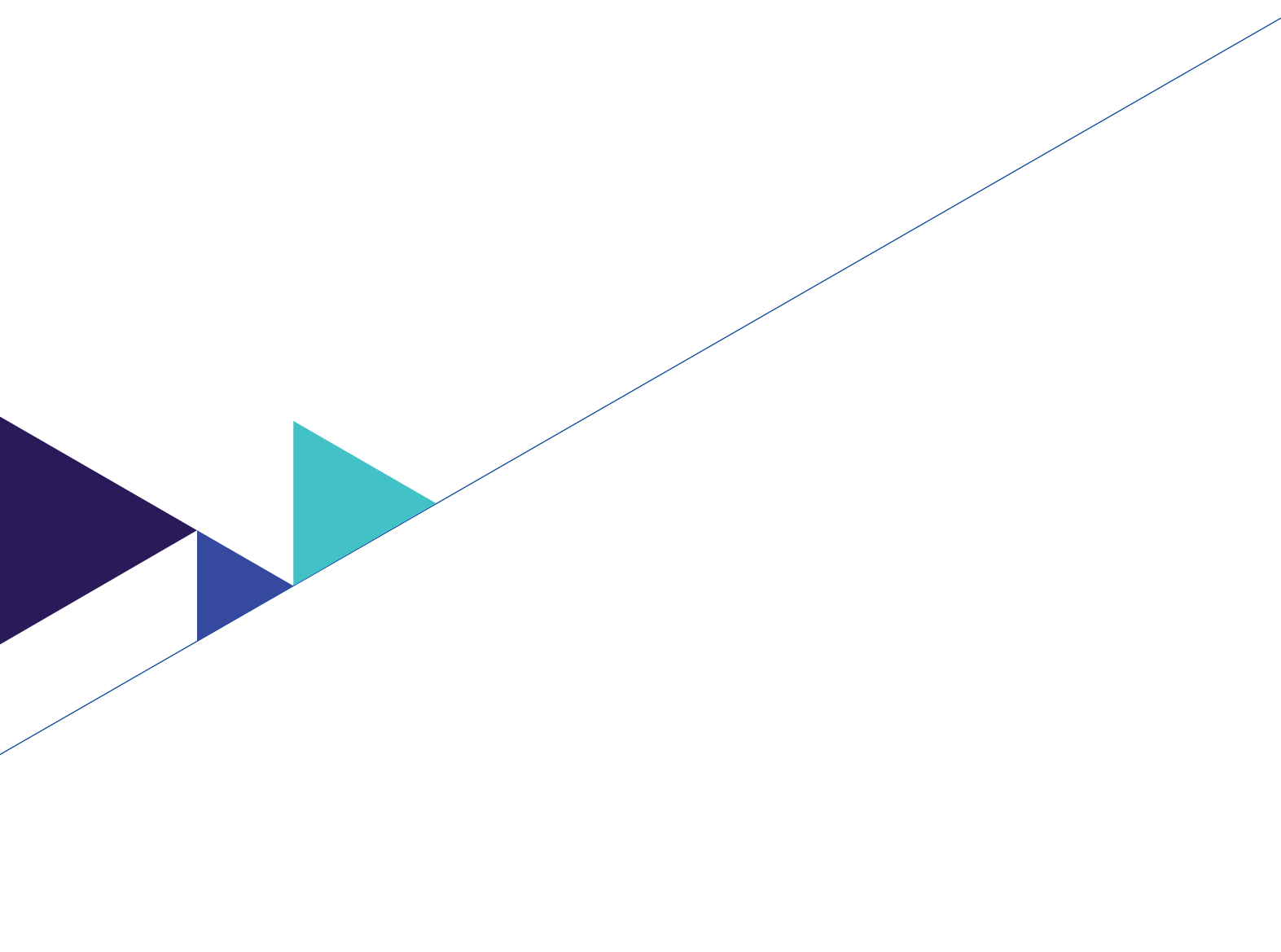


► **Country Programme Review
Viet Nam Decent Work
Country Programme 2017–2021**



Hanoi, September 2021

**▶ Country Programme Review
Viet Nam Decent Work
Country Programme 2017-2021**



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▶ Abbreviations

ASEAN	Association of South East Asian Nations
CITES	Convention on International Trade in Endangered Species
CPR	Country Programme Review
DOLAB	Department of Oversea Labour
DWCP	Decent Work Country Programme
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
ILO	International Labour Organization
ISO	International Organization for Standardization
MNED	More and Better Jobs through Socially Responsible Labour Practices in Viet Nam
MOLISA	Ministry of Labour, Invalids and Social Affairs
M&E	Monitoring and Evaluation
NIRF	New Industrial Relations Framework
OECD	Organisation for Economic Co-operation and Development
OSH	Occupational Health and Safety
OSHAS	Occupational Health and Safety Assessment Series
PISA	Programme for International Student Assessment
PPP	Purchasing Power Parity
R&D	Research and Development
SCORE	Sustaining Competitive and Responsible Enterprises
SDGs	Sustainable Development Goals
SEDP	Social-Economic Development Plan
SEDS	Social-Economic Development Strategy
VCA	Viet Nam Cooperative Alliance
VCCI	Viet Nam Chamber of Commerce and Industry
VGCL	Viet Nam General Confederation of Labour

► Executive summary

The third Viet Nam Decent Work Country Programme (DWCP) was launched in 2017 by the International Labour Organization (ILO) and its tripartite partners – the government, workers’ and employers’ organizations. It set out three country priorities to address in the next five years and was formulated and monitored by the Ministry of Labour, Invalids and Social Affairs (MOLISA), the Viet Nam Chamber of Commerce and Industry (VCCI), the Viet Nam General Confederation of Labour (VGCL) and the Viet Nam Cooperative Alliance (VCA). As a national programme it set forth the framework for policies, regulations, programmes and actions by the tripartite partners, different ministries and stakeholders in Viet Nam, and development partners (including the ILO) to support decent work in Viet Nam.

► Achievements

The employment policy and regulation framework has been improved to provide better opportunities in decent employment and sustainable entrepreneurship for women and men and particularly for vulnerable groups. The country had a high labour market participation rate (76 per cent in 2018), and a low unemployment rate (1.98 per cent) in 2019.

Recently more women and men in the informal economy have engaged in decent work through increased formalization. Entrepreneurship and business development enable more women and men to have decent work opportunities through increased formalization. More than 120,000 new

enterprises have registered each year in Viet Nam in recent years. The incidence of enterprises has increased to ten enterprises per 1,000 population in 2019. The number of workers in the formal sector steadily increased between 2016 and 2020, with the Government intensifying efforts to formalize the household business sectors.

Prospects for freely chosen and productive employment have been maintained and even expanded for women and men through migration and better preparedness for jobs and sustainable entrepreneurship in global value chains. The poverty rate has been reduced from 8.2 per cent in 2016 to 5.2 per cent in 2018 and 3.7 per cent in 2019. This rate is forecasted to be three per cent in 2020 (according to the poverty standard applicable to 2016–20). As of 2019, 15.9 million people, or 31.5 per cent of the working-age population, were covered by social insurance; 85.4 million people, or 88.5 per cent of the total population, were covered by health care insurance; and nearly 3 million, or 3.1 per cent of the population, benefited from social assistance or social transfer.

Effective industrial relations systems are being strengthened in line with international labour standards and fundamental principles and rights at work. The mechanism for social tripartite dialogue is being improved. Labour disputes have been reduced from 335 in 2013 to 101 in 2018.

The legal framework for occupational safety and health (OSH) is also being strengthened, while the institutional structure is being set up and strengthened.

Initiatives by the ILO that support synergies between good working conditions, enterprise productivity and competitiveness, and the resulting employment creation have been localized and disseminated. Most notable of these initiatives are the Better Work Viet Nam and the Sustaining Competitive and Responsible Enterprises (SCORE) programmes.

Within the time frame of this DWCP 2017–21, Viet Nam ratified four ILO Conventions: Right to Organise and Collective Bargaining Convention, 1949 (No. 98), Abolition of Forced Labour Convention, 1957 (No. 105), Employment Service Convention, 1948 (No. 88) and Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159). By ratifying the two fundamental and the two technical Conventions, along with the reforms introduced in the Labour Law in 2019 and other laws and regulations, Viet Nam has deepened its commitment to ratify and apply international labour standards to the economy.

► Relevance

The design and outcomes of the DWCP 2017–2021 responded to the needs of tripartite constituents, beneficiaries, the Sustainable Development Goals (SDGs) and the country's needs, policies and priorities. As with the DWCP for preceding periods, the DWCP 2017–2021 is in line with and supports the Social-Economic Development Plan of Viet Nam (SEDP). The DWCP also encompasses other national priorities highlighted by international organizations and the Government.

The DWCP 2017–2021 reflects the country's priorities to further strengthen international integration and links with global value chains.

Viet Nam has demonstrated a strong commitment to international integration, international trade expansion and the promotion of foreign direct investment.

Drafting of the DWCP 2017–2021 was based on national political, economic and social factors and was responsive to changes in the country's circumstances. The DWCP 2017–2021 promoted decent jobs, entrepreneurship development and preparedness of the workforce for a continuously changing environment. Above all, it supported issues related to sustainable development in Viet Nam.

The DWCP 2017–2021 set the framework for resource mobilization by the ILO, other development partners, other United Nations agencies and the Government. It is an effective instrument for prioritising resource allocations to the decent work priorities of the Government, ILO and other development partners.

The ILO is a specialized United Nations agency focused on employment, labour issues, labour standards, and labour migration. Its mandate and comparative advantage areas around decent work, international labour standards, social dialogue and social protection are recognized by other development partners and by tripartite constituents, especially the MOLISA, the VCCI, the VGCL and the VCA. The ILO has extensive experience with policy advice, capacity-building and technical cooperation on decent work and contributes to opening more opportunities for women and men to gain access to better jobs and participate in the decisions that affect their lives.

Cross-cutting issues, in particular, international labour standards, social dialogue, gender and environmental

sustainability, are integrated into the design and implementation of the DWCP. The DWCP 2017-2021 addresses international labour standards and gender in all three priority areas, with its outcomes and outputs adequately reflecting a gender dimension and gender-disaggregated indicators.

The DWCP also highlights that the sustainability of Viet Nam's economic growth is threatened by environmental stresses, which is a prime concern in the SEDP.

► **Coherence**

There are strong synergies and interlinkages of DWCP outcomes and other policies, and programmes being implemented by the government, social and other relevant partners. In addition to the SEDP, the targets, outputs and contents of the DWCP are consistent with other sector-based strategies and policies. For instance, the DWCP links with the Viet Nam Employment Strategy for 2011–20 and the Social Security Strategy for 2011–20, both of which are integral to the overall strategy for the country's socio-economic development.

The results of the DWCP 2017-2021 are also relevant and highly linked to many other national strategic and programme documents.

The DWCP adds value to different development cooperation projects and avoids duplication of effort. Some programmes implemented under the DWCP, such as SCORE and the New Industrial Relations Framework (NIRF) project, TRIANGLE in ASEAN, Safe and Fair, FIRST and Law 72 (Legislative Reform on Labour Migration in Viet Nam), are funded by different donors. The ILO also works in coordination with other

development partners on different areas of the DWCP, such as with the World Bank on social protection, the International Finance Corporation on Better Work and Australian Aid on gender development.

The DWCP 2017-2021 is consistent and harmonized with other programmes and interventions of United Nations agencies. In Viet Nam, the United Nations works to support the country in achieving the SDGs along with other national priorities. The One Strategic Plan 2017–2021 represents the programmatic and operational framework for delivering United Nations support to the Government over the five-year period and sets out how the United Nations will deliver as one entity in support of national development priorities.

The Viet Nam Sustainable Development Strategy 2011–2020 was signed by the Prime Minister in April 2012. The 56 SDG indicators have been nationalized by the General Statistics Office. The DWCP 2017-2021 includes support to the SDGs, and the ILO is committed to providing technical support for the applicable targets and indicators.

The DWCP 2017-2021 is coherent and logic. It is based on solid analysis of the country's context and therefore responds to the challenges confronting the country as well as emerging opportunities.

► **Effectiveness**

The DWCP has achieved its outcome indicators for 2017–21. Although the DWCP was signed at the end of 2017, activities have been implemented and contributed to all three priorities and nine result areas. A team of senior ILO experts provided technical assistance and timely sharing of lessons

learned to help strengthen the capacity of Vietnamese social partners. The approach of integrating development cooperation programmes and projects with government programmes has been successfully implemented under the DWCP.

In particular, the DWCP 2017-2021 is considered a common framework through which the Government and partners implement their policies, programmes and activities that contribute to achieving the goals and results of the DWCP, for example, promoting start-ups, business development, increasing the formalization of the economy, expanding coverage of social insurance and ratifying ILO Conventions.

► **Efficiency**

Outputs and results of the DWCP 2017-2021 have been delivered in a cost-efficient and timely manner. Cooperation projects implemented by the ILO (with support from different donors) have delivered the desired outputs and outcomes, thus contributing significantly to their achievement. Independent evaluations of projects implemented by the ILO in Viet Nam (by NIRF European Union, NIRF Canada, SCORE, TRIANGLE, etc.) confirmed the efficient use of resources financed by multiple donors. Similarly, the tripartite partners (the MOLISA, the VGCL, the VCCI and the VCA) have used their limited resources and leveraged the ILO technical assistance to produce important results and outcomes within the DWCP's time frame. This shows that inputs (funds, expertise, time, etc.) contributed by donors, the ILO, tripartite partners and other national stakeholders have been converted into desired outputs, outcomes and impacts in as cost-effective a way as possible.

In addition, outputs and results related to industrial relations and reforms in wage and social insurance, skills development and formalization have been achieved. Many outputs and results have been fed into reform initiatives in other fields by other ministries.

The timely delivery of these products has been especially useful for Viet Nam in other development efforts, for example the approval of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the European Union–Viet Nam Free Trade Agreement. It also supports Viet Nam's efforts to increase its pandemic preparedness since the onset of the COVID-19 crisis and the need to integrate further into global value chains – a trend that may reshape the economic landscape of Viet Nam and many other countries in the near future.

The progress, results and operational efficiency of the DWCP have been satisfactorily implemented. The DWCP has integrated a good monitoring framework with clear descriptions of outcomes, outputs and indicators.

The coordination between tripartite constituents under the DWCP has been effective in the design, implementation and reporting. The DWCP working group involved representatives from the ILO, the VGCL, the VCCI and the VCA.

More operational efficiency can be achieved if more resources are mobilized by the ILO and the tripartite partners. Streamlined procedures in technical cooperation projects can be extremely helpful for increasing the actual implementation time of technical cooperation projects.

► Impact and sustainability

The outputs and outcomes under the DWCP 2017-2021 will have broad social and economic effects, particularly given the fact that Viet Nam is changing its economic growth model to one that is based more on productivity, skills, knowledge and environmental sustainability. It will help Viet Nam to become more resilient to the adverse impacts of COVID-19 and to seize new opportunities brought about by new-generation free trade agreements, like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the European Union-Viet Nam Free Trade Agreement.

Broader social security coverage, a higher level of formalization, increased number of businesses via entrepreneurship efforts, strengthened OSH standards and compliance, etc. will have both broad and deep effects on the well-being of Vietnamese workers.

The DWCP has sustained impacts because many of the outcomes and results are institutionalized in the strategic government documents. This includes the documents for the broad-based SEDP as well as sector-based plans and strategies, such as those related to social insurance coverage, enterprise and entrepreneurship development, OSH and gender equality. These national strategies and plans have been replicated in similar plans by city and provincial authorities.

The national tripartite constituents took strong ownership of the DWCP 2017-2021. MOLISA, the VGCL, the VCCI and the VCA actively participated in the design, implementation and monitoring of the programme.

Some modalities introduced by the ILO are

being maintained and replicated, especially those related to labour standards. For example, better work practices are now replicated on a wider scale and by other stakeholders in the public and private sectors. Training programmes developed under the SCORE programme are now being replicated and used by support centres, business associations and the VCCI to support small and medium-sized enterprises improve their productivity.

► Constraints and challenges

It is important that Viet Nam moves up the productivity, environmental sustainability, and value-added ladder. Increased productivity will be required to sustain economic growth to meet the country's medium-term targets.

Viet Nam has now reached the peak of its "golden population" phase, and the population is rapidly ageing. Viet Nam has one of the fastest-ageing populations in the world.

Despite the low unemployment rate, Viet Nam's problem is less on unemployment and more on improving the quality of jobs and on moving jobs from low-productivity and low-income sectors to those with higher productivity and higher income.

The proportion of workers without an employment relationship was as high as 45 per cent in 2019. This means that vulnerable employment rates also remain high. The number of workers in informal employment is significant, at about 20.8 million people, with an additional 8.8 million working in household businesses that are quasi-formal. Altogether, they account for about 54.3 per cent of the total labour force.

Internal migrant workers' access to social services (at about 70 per cent of the workforce in big cities and industrial zones) remains a huge challenge. Workers continue to experience regulation and administrative barriers when accessing social services.

The number of Vietnamese men and women migrant workers working abroad has been increasing. Vietnamese migrant workers are facing multiple challenges, including accessing reliable information before departure, understanding on the rights at work, accessing effective complaints mechanisms, and economic and social integration upon return. As of 2019, 78 per cent of the workforce did not have any degree or certificate, and 48 per cent of workers had not received any form of training.

As much as 67.5 per cent of the labour force in the age group that should participate in social insurance was not in any social insurance scheme as of 2020. Voluntary social insurance has not contributed significantly to increasing the number of people covered by social insurance.

The National Child Labour Survey 2018 references an estimation of 1,754,066 children participating in economic activities, accounting for 9.1 per cent of the national child population. Among the children who were economically active, 1,031,944 were classified as 'children in child labour', accounting for 5.4 per cent of the population aged 5–17 and 58.8 per cent of working children. Among them, 519,805 children worked in heavy, dangerous or hazardous work, with a rate of 2.7 per cent of the 5–17 year old population, 29.6 per cent of working children and nearly 50.4 per cent of the total number of children in child labour.

COVID-19 is having wide ranging impacts on the global economy as well as direct and indirect effects on Viet Nam. The pandemic is having an adverse impact on poverty reduction, business and labour formalisation, access to social protection schemes, and on the quantity and quality of jobs and other decent work results that Viet Nam had achieved in recent times. Industry 4.0 will result in many jobs becoming obsolete, and many workers will lose their employment. It will also open a wide range of new job opportunities. However, only those most prepared with good skills will be able to access the new opportunities.

► Implications for the DWCP in the next period

The challenges also come with opportunities, especially through the restructuring of global supply chains and the free trade agreements that Viet Nam has just signed. Good analysis of these challenges and opportunities will help Viet Nam to forge the right strategy and action to sustain its socio-economic development and achieve the goals of the DWCP 2017-2021 at a higher level through new targets that are deeper and broader in the ensuing DWCP.

The review of the preceding DWCP and the current one demonstrates that recent growth stemmed largely from the structural transformation of workers moving from the less productive agriculture sector to the more productive manufacturing and services sectors. It has now become important that Viet Nam move up the value-added ladder and improve labour productivity and innovation to become an efficiency-based and innovation-led economy. These things

must be done in the context of environmental sustainability, as climate change is an increasingly important issue in all countries, including Viet Nam.

Quality of labour and human resources and an effective and dynamic job market will be key to these objectives. Skills development is a building block of both the quantity and quality of economic growth. The outcomes achieved under the DWCP 2017-2021 will

need to be broadened and deepened. In addition, the next programme will need to address the new challenges already confronting Viet Nam: an ageing population, the imperative to improve productivity, the reshaping of the global value chains (which was triggered by global trade tensions and accelerated by the COVID-19 crisis), Industry 4.0, technological change, digitalization and climate change.

¹ General Statistics Office; *ILO, National survey on child labor* (MOLISA, 2020).

1

Viet Nam Decent Work Country Programme 2017-2021



▶ Viet Nam Decent Work Country Programme 2017–2021

According to the International Labour Organization, decent work is productive work for women and men in conditions of freedom, equity, security and human dignity. It provides a balanced, integrated and programmatic approach to pursuing the objectives of full and productive employment of an acceptable quality at the global, regional, national, sector and local levels. It comprises four pillars: standards and rights at work; employment creation and enterprise development; social protection; and governance and social dialogue.

Launched in 2017 by the ILO and its tripartite partners – the Government, Workers’ and Employers’ organizations, the third Viet Nam Decent Work Country Programme (DWCP) revolves around three country priorities to address in a five-year period: (i) promoting decent employment and an enabling environment for sustainable entrepreneurship opportunities; (ii) reducing poverty by extending social protection for all and reducing unacceptable forms of work, especially for the most vulnerable; and (iii) building effective labour market governance that is compliant with fundamental principles and rights at work.

The DWCP includes nine country programme outcomes that describe the results sought within these priorities: three under Priority 1 (employment), two under Priority 2 (protection) and four under Priority 3 (rights and dialogue).

As with the previous two programmes, the DWCP 2017-2021 is based on the principle of tripartite cooperation and social dialogue. Working in partnership with the Ministry of Labour, Invalids and Social Affairs (MOLISA), the Viet Nam Chamber of Commerce and Industry (VCCI), the Viet Nam General Confederation of Labour (VGCL) and the Viet Nam Cooperative Alliance (VCA), the ILO offers support through policy advice, capacity-building and technical cooperation to open opportunities for women and men to gain access to better jobs and participate in the decisions that affect their lives.

The DWCP 2017-2021 was developed and endorsed by the Vietnamese tripartite constituents with official approval from the Prime Minister’s Office. It aligns with the Viet Nam Social Economic Development Plan and Strategy and the United Nations’ One Strategic Plan for the same period. The DWCP is implemented by all national stakeholders in the public and private sectors and by all provinces, with support from multiple development partners (donors and international agencies).^{2,3}

In this process, the tripartite constituents make important contributions. The ILO, as a development partner in the field of labour and employment, provides technical assistance and inputs. The outcomes and impacts of the DWCP are attributable to many ministries, agencies and development partners in Viet Nam, including the tripartite constituents and the ILO.

² Other national stakeholders and institutions which have made important contributions to many outcome areas of the DWCP are the Ministry of Planning and Investment, the Ministry of Industry and Trade, the Ministry of Finance, the Ministry of Agriculture and Rural Development, the State Bank of Vietnam, the People's Committee in 63 provinces and cities, social organizations like the Vietnam Women's Union and other ministries and agencies that are too numerous to list.

³ Other development partners that have contributed inputs and support to many outcome areas of the DWCP are the Asian Development Bank, the World Bank, the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, the Agence Française de Développement, the European Union, the Government of Japan, the United States Agency for International Development, Oxfam and other United Nations agencies.



2

**Socio - economic
development**

► Socio - economic development

► 2.1 Economic growth

Viet Nam is one of the most politically stable and economically dynamic countries in South- East Asia. Although there are important urban areas in the north and south of the country, almost 65 per cent of its 90 million population still lives in rural areas. Its territory covers more than 330,000 square kilometres.

Viet Nam's development over the past 30 years has been remarkable. Economic and institutional reforms under the Doi Moi (Renovation), launched in 1986, spurred rapid economic growth, transforming what was then one of the world's poorest nations into a lower-middle-income country. Gross domestic product (GDP) in 2015 was US\$ 193.6 billion United States dollars, which increased to US\$ 262 billion in 2019 (GSO, 2020).

In the first ten years of the new millennium, Viet Nam took advantage of opportunities and advantages to overcome many difficulties and challenges. Economic growth was strong – reaching an annual average of nearly 7.3 per cent between 2011-2020 (GSO, 2021). Viet Nam became a lower-middle-income country in 2010, despite the shock of two financial crises. It joined the World Trade Organization in 2007.

Between 2002 and 2018, GDP per capita increased by 2.7 times, reaching more than US\$ 2,700 in 2019. More than 45 million people were lifted out of poverty, with poverty rates declining sharply, from more than 70 per cent in 2002 to less than six per cent (US\$ 3.20 per day PPP) in 2018. The vast majority of Viet Nam's remaining poor, are ethnic minorities (86 per cent). Most of the Millennium Development Goals were achieved or exceeded. All in all, Viet Nam is today considered a development success story, having been transformed from one of the poorest nations in the world within just 25 years.

Given its deep integration with the global economy, Viet Nam has been hit hard by the COVID-19 pandemic. Yet, the health impact of the outbreak has not been as severe in Viet Nam as in other countries due to proactive measures at the national and subnational levels. With the macroeconomic and fiscal framework remains resilient, Viet Nam experienced a positive economic growth rate of 2.91 per cent in 2020 (GSO, 2020).

Thanks to its strong fundamentals, and assuming the relative control of the COVID-19 pandemic both in the country and in the world, the economy is expected to rebound in 2021. COVID-19 has also shown the necessity for stronger reforms to help the economy recover in the medium term, such as improving the business environment, boosting productivity, promoting the digital economy and enhancing public investment effectiveness and efficiency. It also proves the importance of

maintaining economic growth for poverty reduction, expanding social protection coverage and reducing the risks for the most vulnerable, especially those who are in the informal sector.

► 2.2 Employment and social and human development

The labour force increased from 51.7 million people in 2011 to 55.1 million people as of December 2020. The labour force participation rate was high, at 74.4 per cent as of December 2020. The overall unemployment rate fluctuated between 2 and 2.2 per cent in 2011–18 before dropping to nearly two per cent in 2019 (MOLISA, 2020). In 2020, the unemployment rate increased to 2.48 per cent with the urban unemployment rate of 3.88 per cent due to the effects of the COVID-19 pandemic (GSO, 2021).⁴

COVID-19 has pushed many workers in the formal sector to slip back to the informal sector. For the whole of 2020, the number of informal workers was 20.3 million people, an increase of 119,100 people as compared with 2019. The number of formal workers was 15.8 million people, decreasing by 21.1 thousand people as compared with 2019. The percentage of informal workers was 56.2 per cent in 2020, representing 0.2 percentage points higher than that in 2019 (GSO, 2021).⁵

The rate of poor households nationwide has decreased from 8.2 per cent in 2016 to 3.7 per cent in 2019. The rate is expected to decrease to three per cent as of 2020 (according to the poverty standard for the 2016–20 period). The rate of poor ethnic minority households has decreased on average by four per cent per year. By 2020, the estimated average income per capita of poor households nationwide will increase by 1.6 times beyond the 2015 level. The national multidimensional poverty rate in 2019 was 5.7 per cent, down by 1.1 percentage points from the 2018 level (MOLISA, 2020).

In 2019, 32.5 million people, or 15.9 per cent of the working-age labour force were covered by social insurance. In addition, 85.4 million people, or 88.5 per cent of the population, had health care insurance. This represents a dramatic improvement from the 52.4 per cent in 2008 and 79.9 per cent in 2017 (MOLISA 2020) and 88.5 per cent in 2019 (85.4 million people) (MOLISA, 2020).

Viet Nam has made the most impressive progress on MDG 1 on poverty reduction (UNDP, 2015). The rapid poverty reduction contributed positively to maintaining a low level of income disparity among the population. The income inequality coefficient, GINI, remains at an average level for the country, fluctuating between 0.42 and 0.43 in 2015–20. In 2019, the GINI coefficient (by income) was 0.42 (unchanged from the previous year).

The country performs well on general education, with remarkably high scores in the Programme for International Student Assessment (PISA) in 2012, 2015 and then in 2018, when the performance of Vietnamese students exceeded that of many member countries of the Organisation for Economic Co-operation and Development (OECD). In the 2018 PISA scores, Vietnamese students outperformed

⁴ Government Statistics Office (2020). See <https://www.gso.gov.vn/du-lieu-va-so-lieu-thong-ke/2021/01/-thong-cao-bao-chi-tinh-hinh-lao-dong-viec-lam-quy-iv-va-nam-2020/>

⁵ Government Statistics Office, (2020). See <https://www.gso.gov.vn/du-lieu-va-so-lieu-thong-ke/2021/01/-thong-cao-bao-chi-tinh-hinh-lao-dong-viec-lam-quy-iv-va-nam-2020/>

students in South-East Asia. In the Asia-Pacific region, only China and Viet Nam scored above average.⁶

Health outcomes have improved in tandem with rising living standards. From 1993 to 2019 the infant mortality rate decreased, from 32.6 to 16.7 per 1,000 live births. Between 1990 and 2019, life expectancy increased from 70.5 to 75.3 years and is the highest in the region for countries at a similar income level. The health insurance coverage in Viet Nam is 89.3% while some 70% of the total labour force still have not enrolled in social insurance in 2019. At the same time, Viet Nam is one of the most rapidly ageing countries; the population aged 65 and older is expected to increase 2.5 times by 2050 (MOH, 2020).

Viet Nam ranks 48th of 157 countries on the Human Capital Index, second in the Association of South East Asian Nations (ASEAN) region, behind Singapore.⁷ A Vietnamese child born today will be 67 per cent as productive when she grows up as she could be if she enjoyed complete education and full health. Viet Nam's Human Capital Index is the highest among lower middle-income countries, but there are some disparities within the country, especially for ethnic minorities. There is also a need to upgrade the skills of the workforce to create productive jobs at a large scale in the future. On the Human Development Index, Viet Nam has made important progress over the past three decades (table 1), with its scoring rising from 0.657 in 2011 to 0.693 in 2019 and ranking 118 of 189 countries.

In terms of gender-based inequality, Viet Nam scored 1.003 in the Gender Development Index (see the 2019 Human Development Report).⁸

Among the indicators:

- ▶ The Human Development Index score for females is 0.693 and 0.692 for males.
- ▶ Only 26.7 per cent of parliamentary seats are held by women.
- ▶ For every 100,000 live births, 49 women die from pregnancy-related causes.
- ▶ The adolescent birth rate is 30.9 births per 1,000 women aged 15–19.
- ▶ Female participation in the labour market in 2019 was 72.7 per cent, while it was 82.5 per cent for men.

▶ Table 1. Viet Nam Human Development Index

	2019
Life expectancy at birth (years)	75.3
Mean years of schooling	8.2
Expected years of schooling	12.7
Gross national income per capita (2011 PPP US\$)	6 220
Inequality-adjusted Human Development Index	0.580
Employment-to-population ratio (per cent for persons aged 15 and older)	76.0

Source: UNDP (2019) *Human Development Report*.

⁶ Programme for International Student Assessment (PISA) (2018), OECD (2018).

⁷ World Bank (2020). See <https://www.worldbank.org/en/publication/human-capital>

⁸ BUNDP (2019) *Human Development Report*.

Over the past 30 years, the provision of basic services has improved significantly. Household access to infrastructure services has increased dramatically. As of 2019, more than 99 per cent of the population used electricity as their main energy source for lighting, up from just 14 per cent in 1993. Access to clean water in rural areas has also improved, up from 17 per cent in 1993 to more than 70 per cent in 2019, while it is more than 95 per cent for the urban areas (MOLISA, 2020).

Viet Nam's rapid growth and industrialization have had detrimental impacts on the environment and natural assets. Electricity consumption has tripled over the past decade, growing faster than output. Given the increasing reliance on fossil fuels, the power sector accounts for nearly two thirds of the country's greenhouse gas emissions. Demand for water continues to increase, while water productivity is low, at about 12 per cent of the global benchmarks. Unsustainable exploitation of natural assets, such as sand, fisheries and timber, could negatively affect the prospects for long-term growth. Compounding the problem is the reality that much of Viet Nam's population and economy are highly vulnerable to climate impacts (WB, 2020).

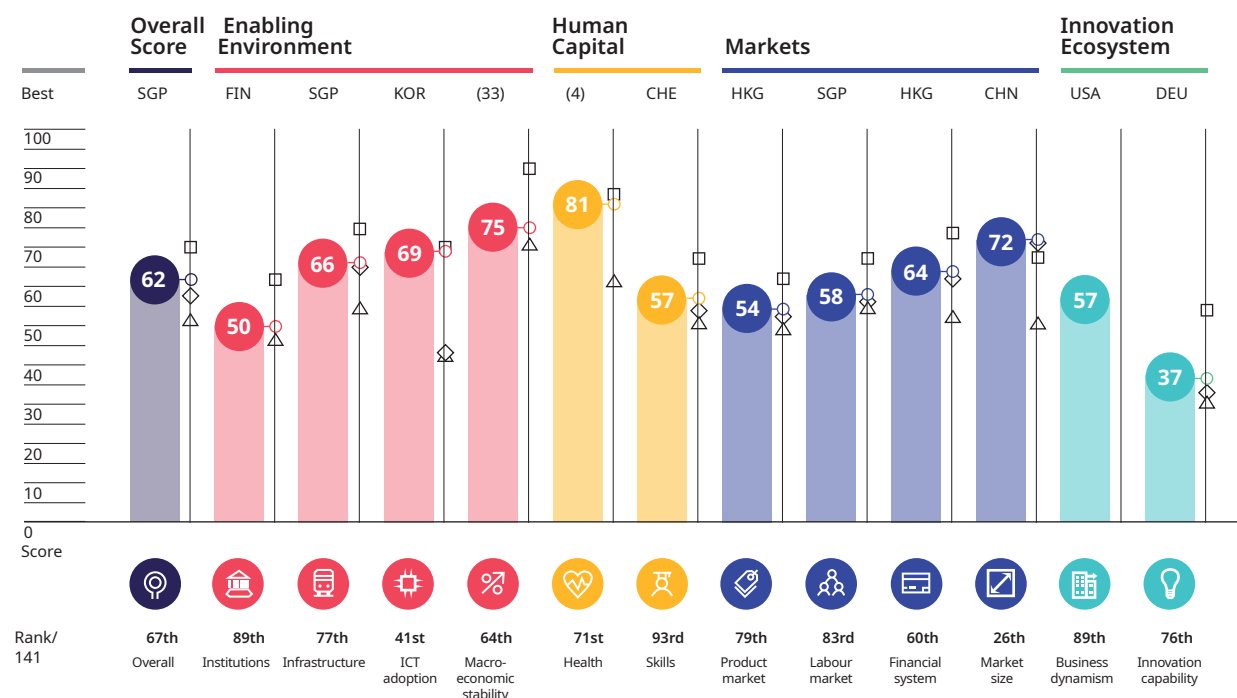
Urbanization and strong economic and population growth are causing rapidly increasing waste management and pollution challenges. Waste generation in Viet Nam is expected to double in less than 15 years (WB, 2020). Linked to this is the issue of marine plastics. An estimated 90 per cent of the total global marine plastic pollution likely comes from ten inland rivers, and the Mekong River is one of them. Viet Nam is among the top ten countries worldwide most affected by air pollution. Water pollution has significant costs on the productivity of key sectors and on human health.

Viet Nam ranks at 132 of 180 countries in the Environmental Performance Index (EPI). While Viet Nam outperforms the average score for Asia and the Pacific in the EPI categories of water and sanitation, heavy metals, agriculture, and biodiversity and habitat, further improvements are needed. Action to address climate change and improve environmental health (in air quality), ecosystem vitality (in water resources, forests, air pollution and climate and energy) and resilience to weather disasters is not only necessary, but also has the potential to provide job creation, green economy growth and innovation in Viet Nam.⁹ The Government is working to lower the environmental footprint of the country's growth and effectively mitigate and adapt to climate change. Strategies and plans to stimulate green growth and the sustainable use of its natural assets are in place. The Government is also implementing measures to mitigate and adapt to climate change and address extreme weather events and natural disasters by operationalizing its Nationally Determined Contributions (NDC).

Viet Nam is committed to addressing challenges in establishing the foundations of a modern industrialized country. In the 2019 Global Competitiveness Index 2019, Viet Nam scored 61.5 out of the maximum 100 points, up from the 58.1 points in 2018. This enabled the country to jump ten places to 67th, making it the most improved country of 2019. However, Viet Nam continues to rank low in terms of skill (93rd of 141 countries) and labour market (83rd of 141 countries). These are obviously major challenges in the upcoming development phase.

⁹ ILO (2018). *Viet Nam environmental and sustainability fact sheet*. See: https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_627572.pdf

► **Figure 1. Viet Nam's ranking on the Global Competitiveness Index 2019**



Source: WEF. The global competitiveness report 2019, (2020).

► 2.3 Population trends

Viet Nam is experiencing rapid demographic and social change. Its population increased from 87.8 million in 2011 to nearly 96.5 million in 2019 and is expected to expand to 120 million by 2050. The average annual population growth over the past decade has stabilized at 1.14 per cent. Between 2011 and 2019, 950,000 people were added to the population each year. Today, 70 per cent of the population is younger than 35 years, with a life expectancy of 76 years – the highest among countries in the region at similar income levels (MOH, 2020).

The emerging middle class, currently accounting for 13 per cent of the population, is expected to reach 26 per cent by 2026.¹⁰ According to the General Office for Population and Family Planning of the Ministry of Health, older Vietnamese will account for a quarter of the population by 2049 and 20 per cent will be 60 years of age or older within the next 20 years, resulting in the country experiencing an “elderly population crisis”, as warned by the Ministry of Health.

The country has now reached the peak of its “golden population” phase, and the population is rapidly ageing. In 2010, the population aged 0–14 years accounted for 24.7 per cent; it decreased to 23.8 per cent in 2018, while the population age 15–64 years decreased from 68.5 per cent to 67.4 per cent. People older than 65 accounted for 6.8 per cent of the population in 2010 and 8.8 per cent in 2018 (MOH, 2020).

¹⁰ The middle class is defined as having a daily per capita consumption of at least 2011 US\$ 15 PPP (World Bank).

According to the Ministry of Health, when Viet Nam first entered the ageing stage in 2011, the proportion of people older than 60 accounted for 9.9 per cent of the population; by 2018, it was nearly 12 per cent. Viet Nam will become a country with an old population by 2038, when the proportion of people aged 60 and older exceeds 20 per cent, according to projections. By 2049, the proportion will be about 25 per cent.

Viet Nam has one of the fastest-ageing populations in the world. While developed countries will take decades or even centuries to transform from a young population to an ageing population (France at 115 years, Australia at 73 years and China at 26 years), the process in Viet Nam took only 15 years. Viet Nam's ageing population is marked by more older women than older men, with an increase in the proportion of widows and older persons living alone. Older persons in Viet Nam face many difficulties, especially the 68 per cent who live in rural areas and still work in agriculture-related jobs with low incomes.

According to the Ministry of Health, more than 72 per cent of older persons in Viet Nam live with their children and grandchildren. However, the traditional Vietnamese family model, with many generations living under the one roof, has gradually shifted to the nuclear family model.

Average life expectancy is relatively high, at about 73 years, but Vietnamese people on average live healthy lives for only 64 years. And 96 per cent of the total elderly carry the burden of chronic non-communicable diseases. An average older Vietnamese person suffers from three diseases at any one time. The country's health care system has yet to meet the increasing needs of the older population. This will pose major challenges for the Government, while the number of people living in poverty or near poverty remains considerably high.

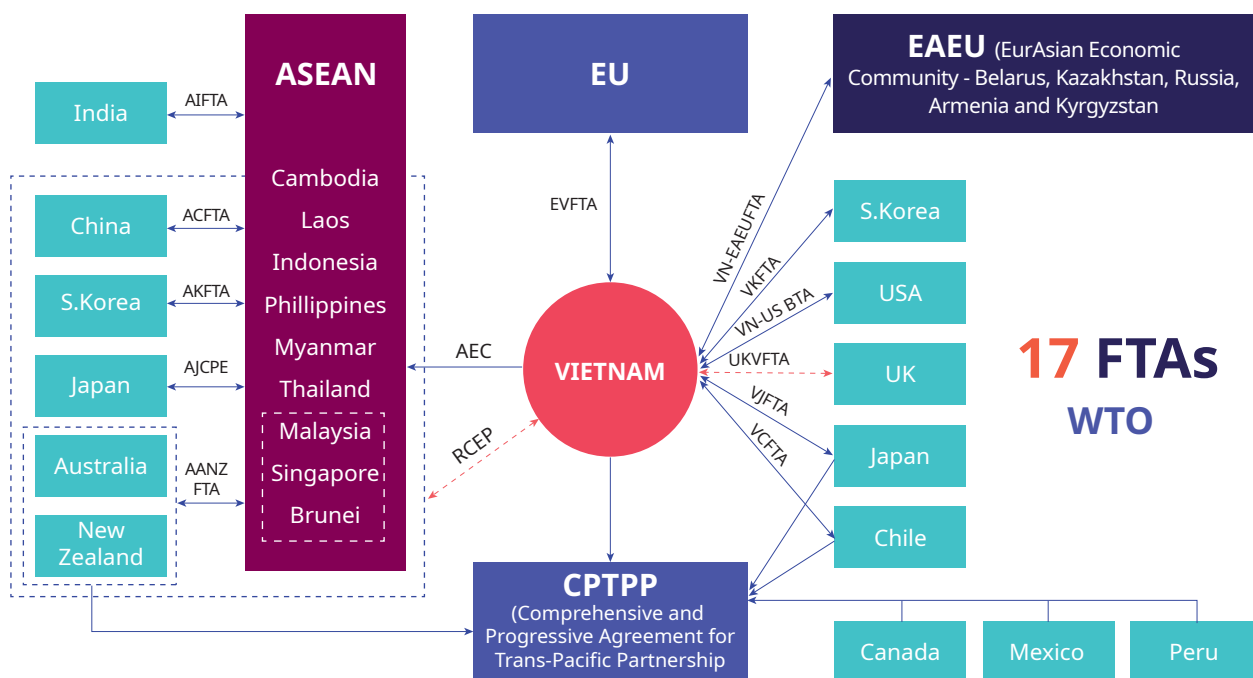
In 2019, Viet Nam deployed 152,530 migrant workers to work overseas, of which 54,700 were women. In March 2020, around 560,000 Vietnamese people were working in more than 40 countries and territories worldwide. The Vietnamese Government annually increase national and provincial labour migration targets, and actively promotes labour migration as a means of employment creation, skills improvement and poverty reduction. Vietnamese migrant workers migrating to Japan and Taiwan, China have made up over 90 per cent of regular labour migration for the past three years (2017-2019), with the number of migrant workers going to Taiwan, China decreasing and those migrating to Japan increasing (MOLISA, Labour Migration Data, 2019).

▶ 2.4 Viet Nam's international integration

Since the 1986 launch of the economic reform under Doi Moi, Viet Nam has transformed from one of the poorest nations in the world into a market-based economy. It has become more globally integrated, achieving the following milestones:

- ▶ On 28 July 1995, Viet Nam joined ASEAN as its seventh member.
- ▶ On 11 January 2007, Viet Nam became the 150th member of World Trade Organization.
- ▶ At the end of 2015, the ASEAN Economic Community was established according to the agreement among ASEAN countries, including Viet Nam.

► Figure 2. Viet Nam's free trade agreements



Source: *Economica Viet Nam*, (2021)

The access to ASEAN in 1995 and to the World Trade Organization in 2007 and the bilateral investment treaties and preferential trade agreements with ASEAN, China, the European Union, Japan, the Republic of Korea and the United States (among others) have helped Viet Nam to attract an increasingly larger amount of foreign direct investment (FDI).

Viet Nam has diversified its economic partners through (i) increased ASEAN integration, (ii) the Regional Comprehensive Economic Partnership (RCEP) and most recently (iii) through the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTTP) and the European Union–Vietnam Free Trade Agreement (EVFTA). These new-generation trade agreements call for greater attention by Viet Nam to social development and environmental protection while developing economically. For example, the European Union articulated that the European Union–Vietnam Free Trade Agreement will have wide-ranging effects on the economy, employment, labour standards, social cohesion and the environment. It is the European Union’s objective to ensure that its trade policy supports sustainable development within its own boundaries, in its partner countries and globally.

► Box 1: Greater development requirements under new-generation trade agreements

Similar to other new-generation trade agreements, the European Union–Viet Nam Free Trade Agreement includes a robust, comprehensive and binding chapter on trade and sustainable development, dealing with labour and environmental matters relevant to trade relations between the European Union and Viet Nam. The chapter sets specific provisions in this area with the two-fold aim of (i) promoting mutual supportiveness between trade and investment, labour and environmental policies and (ii) ensuring that increased trade and investment do not come at the expense of workers and environmental protection. The chapter includes obligations from both the European Union and Viet Nam regarding a core set of labour and environmental issues.

Multilateral labour and environmental rules

Specific commitments address the effective implementation of each of the four International Labour Organization (ILO) core labour standards (freedom of association and right to collective bargaining; forced or compulsory labour; abolition of child labour; non-discrimination in employment and occupation) and of all the ratified ILO Conventions (not only the fundamental ones) as well as progress towards ratification of non-ratified fundamental ILO Conventions. On the environment, the agreement includes commitments to the effective implementation by each party of all the ratified multilateral environmental agreements, including the United Nations Convention on Biological Diversity, the United Nations Convention on International Trade in Endangered Species (CITES) and the United Nations Framework Convention on Climate Change. With regard to the latter, a dedicated article on climate change further underlines the common commitment of the European Union and Viet Nam to achieve climate change objectives.

Domestic levels of labour and environmental protection

The agreement also establishes specific disciplines to avoid a “race to the bottom” in the labour and environmental areas. This means in practice that neither the European Union nor Viet Nam can derogate from or fail to effectively enforce any of its domestic labour and environmental laws to attract trade or investment. It also recognizes the right of each party to regulate in the area of labour and the environment and to establish the levels of protection it deems appropriate beyond – but not below – the commitments to ILO standards and Conventions and to the multilateral environmental agreements.

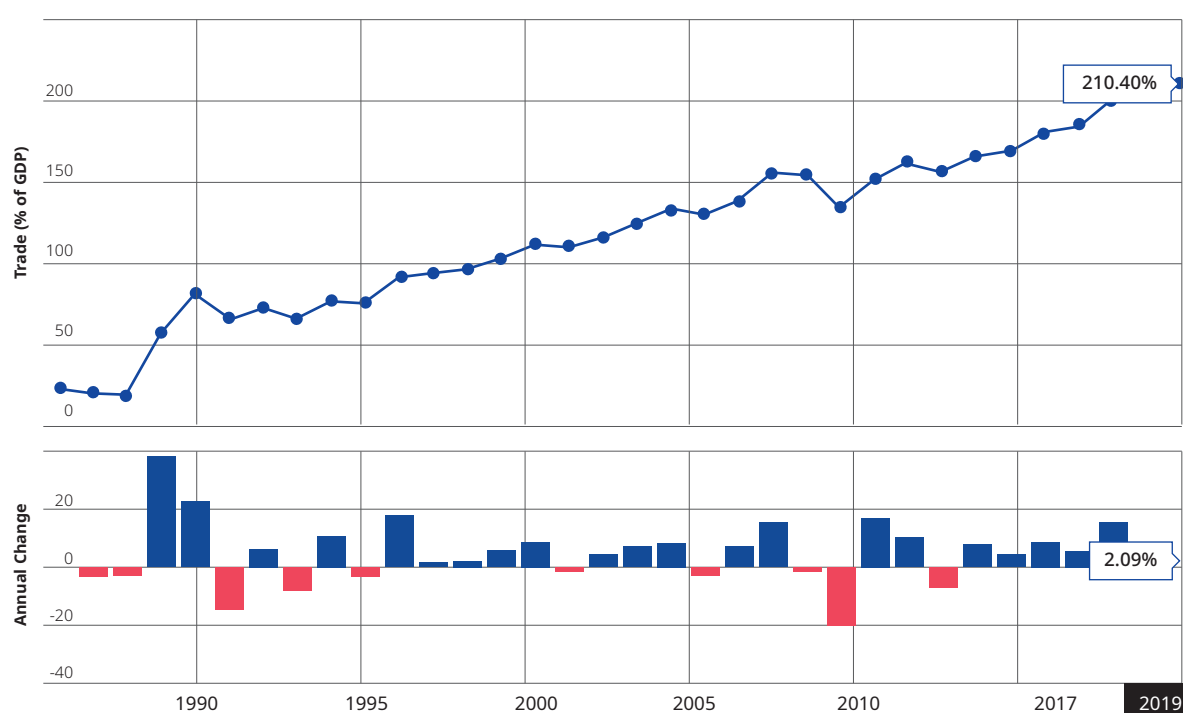
Thematic issues

Specific attention is paid to trade and investment practices that foster sustainable development. This includes fair and ethical trade and other voluntary sustainable assurance schemes as well as corporate social responsibility, whereby reference is made to international principles and Organisation for Economic Co-operation and Development guidelines on responsible business conduct. Furthermore, the agreement provides for specific action to advance the conservation and sustainable management of natural resources. In particular, it sets commitments on biodiversity, including strengthening cooperation under CITES and addressing illegal trade in wildlife; on forestry, including combating illegal logging; on fisheries, including fostering cooperation with regional fisheries management organizations, promoting sustainable aquaculture and fighting illegal, unreported and unregulated fishing.

For more than 30 years, Viet Nam has gradually opened its economy from a closed environment to one of the most integrated economies in the world. As a result, its trade-openness ratio went to more than 210 per cent of GDP in 2019 (WDI 2020).

The export-led growth policy of the Vietnamese Government has contributed to pushing up real per capita GDP nearly four times, from US\$ 433 in 1990 to US\$ 2,750 in 2020. This achievement is largely attributed to trade liberalization underpinned by several free trade agreements.

► **Figure 3. Export and import to GDP ratios and real per capita GDP 1990-2019**



Source: World Development Indicators (2019) and Macrotrends, see: <https://www.macrotrends.net/countries/VNM/Viet Nam/trade-gdp-ratio>.

Viet Nam has been transforming to an importing–exporting country. Since 2012, the share of exports to GDP has exceeded imports to GDP (figure 3). Viet Nam is one of the most open economies to international trade in Asia. Viet Nam's top exports are electronics equipment and goods, footwear, technology products and automatic data processing machines. Key import goods include electronic integrated circuits, micro assembly tool machinery and petroleum oils. According to the Ministry of Industry and Trade, the main trading partners are ASEAN, Australia, China, the European Union, India, Japan, the Republic of Korea and the United States.¹¹

The Vietnamese economic model remains heavily dependent on foreign investment and exports, especially with ASEAN, China, the Republic of Korea, Japan, the European Union and the United

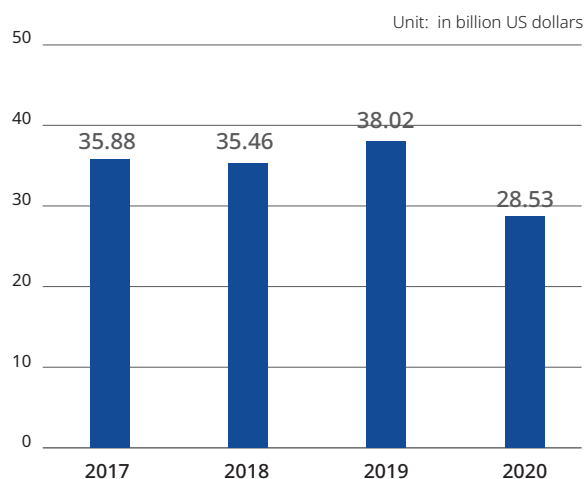
¹¹ MOIT (2020). *Vietnam Import – Export report 2019*.

States. In 2020, the value of exports was estimated at US\$ 281.5 billion while the import of goods amounted to US\$ 262.4 billion; and the trade surplus reached US\$ 19.1 billion (GSO, 2021).

▶ 2.5 Foreign direct investment, global value chains and COVID-19

FDI often follows trade. In reality, the country has increasingly become accessible to foreign investment. As of the end of 2019, there were 30,827 FDI projects with a total registered capital of US\$ 362.58 billion. Of that amount, US\$ 211.78 billion, or 58.4 per cent, had been disbursed. Manufacturing and processing remain the favourite sectors for foreign investors, reaching US\$ 16.5 billion in 2018 and accounting for 46.8 per cent of total FDI. Real estate moved up to second place and reached US\$ 6.6 billion, or 18.7 per cent. Wholesale and retail trade and the repair of motor vehicles and motorcycles secured the third position, at US\$ 3.6 billion, accounting for 10.4 per cent (PWC 2019).

▶ **Figure 4. Registered foreign direct investment capital in Viet Nam 2017-2020**



Source: Ministry of Planning and Investment, 2021.

FDI and the emergence of a small and medium-sized (SME) sector has made production in Viet Nam more globalized. This enables the country to integrate further into global value chains. As production becomes increasingly globalized, working conditions and labour rights in global supply chains have come under increased scrutiny. As a result, working conditions, labour standards, the environment and ecology norms are gradually improving. Many FDI companies in Viet Nam, especially multinational enterprises, have adopted codes of conduct and monitoring procedures. These codes and rules are increasingly effective with improving labour, social and environment standards among Viet Nam-based companies that are part of the global supply chains, be they domestic or foreign.

As of December 2019, FDI was present in all 63 provinces and cities of the country. Ho Chi Minh City continued to rank first in FDI attraction, with US\$ 47.34 billion (making up nearly 13.1 per cent of the total investment capital); followed by Binh Duong, with US\$ 34.4 billion (or 9.5 per cent of total investment capital), and Hanoi, with US\$ 34.1 billion (or 9.4 per cent of total investment capital).¹²

After more than three decades, the FDI inward stock in Viet Nam has increased from less than US\$ 41 million to more than US\$ 145 billion in 2018.¹³ The amount of annual registered FDI reached its peak in 2017 (figure 4). Despite the impact of COVID-19, total FDI into Viet Nam reached US\$ 28.5 billion in 2020.

¹² MPI (2020). *Brief report on foreign direct investment*, See: <http://www.mpi.gov.vn/en/Pages/tinbai.aspx?idTin=45020&idcm=122>.

¹³ UNCTAD (2020) *World Investment Report 2019*, Annex tables.



3

Progress overview of the Viet Nam DWCP 2017-2021

► Progress overview of the Viet Nam DWCP 2017-2021

Promote decent employment and an enabling environment for sustainable entrepreneurship opportunities

Outcome 1.1: *Employment policies and programmes provide better opportunities in decent employment and sustainable entrepreneurship for women and men workers, particularly those in vulnerable groups.*

The policy and legal frameworks on labour, employment, wages and industrial relations have improved, with a tripartite mechanism now one of the foundational principles.

In 2019, the revised Labour Code was released and reflected strengthened principles of the labour market, the legitimate rights and interests of both the employees and employers, social dialogue mechanisms and tripartite cooperation, all of which had been introduced in the 2012 Labour Code.¹⁴ The regulatory framework for the labour market has been strengthened in which the State respects the principle of the labour market and the agreement and negotiation between the employee–employee representative body with the employers and employers' organizations on employment, wages and working conditions. The Labour Code provides for the National Wage Council – a tripartite mechanism (involving the Government, employers' organizations and workers' organizations) – to negotiate the minimum wage to protect vulnerable employees and ensure healthy competition in the labour market and different platforms and mechanisms for social dialogue in industrial relations.

Between 2017 and 2020, the implementation of the Employment Law 2013 was strengthened towards the objective of expanding employment policies to the entire labour force, extending support to the underprivileged, the poor, rural workers and unemployed persons and to increase job opportunities for informal sector workers.¹⁵ The law provides a mechanism to support disadvantaged workers in finding jobs, accessing job opportunities through the development of employment service centres, providing credit for job creation, public employment policies, vocational skills development and unemployment insurance.

To implementing the Employment Law and related laws, the Government issued the National Target Programme on Employment and Vocational Training 2011–2015 and the Targeted Programme of Vocational Education, Employment and Safety 2016–2020, with a total budget of 14,024 billion Vietnamese dong (VND) (approximately US\$ 608 million).¹⁶ In early 2020, the prime minister issued

¹⁴ Law No. 10/2012 / QH13 of the National Assembly, dated 18/6/2012 and effective from 1 May 2013.

¹⁵ Law No. 38/2013/QH13 of the National Assembly, dated 16/11/2013 and effective from 1 January 2015.

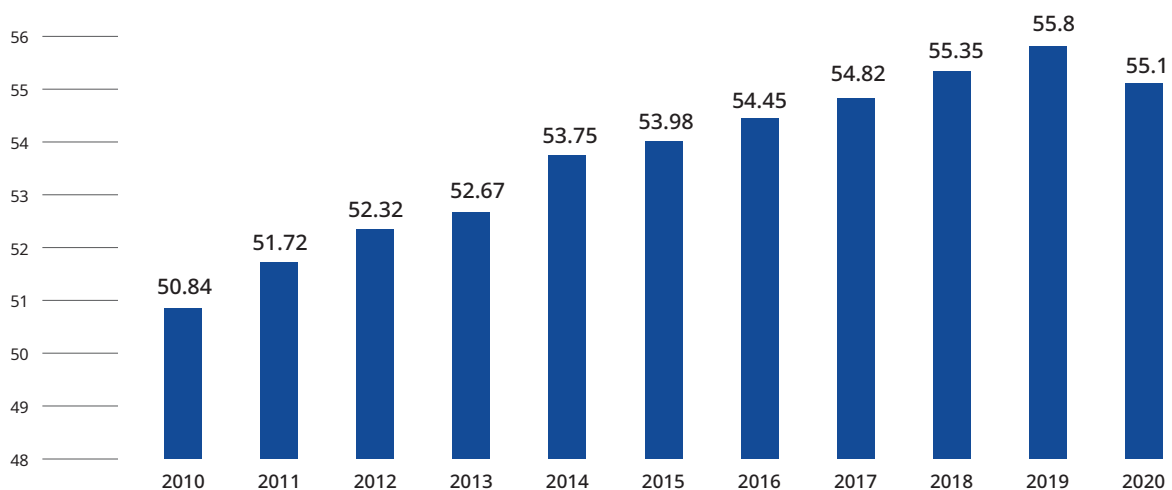
¹⁶ Decision No. 899 / QD-TTg dated 20 June 2017 of the prime minister.

Directive No. 24/CT-TTg on promoting skills to increase productivity and national competitiveness and to meet the increasingly diversified needs of the labour market.

Decent work opportunities for women and men have improved

The size of the labour force continues to increase. The labour force increased from 51.7 million people in 2011 to 55.1 million people in 2020.¹⁷ It will reach more than a forecasted 56 million people by 2020. Although the size of the labour force has increased, the growth rate has decreased. This is mainly due to the impact of population ageing. In 2011–2015, the average annual growth rate of the labour force was nearly 1.1 per cent. This decreased to 0.8 per cent in 2016–2020. Between 2011 and 2015, the labour force increased by more than 628,000 people per year on average. From 2015 onwards, it increased by about 455,000 people per year. Population ageing leads to ageing of the labour force. The average age of the labour force increased from 37.8 years in 2010 to 40.5 years in 2018; the median age also increased, from 37 years to 40 years, in the same period.¹⁸

► **Figure 5. Labour force 2010-20 (million people)**



Source: General Statistics Office of Vietnam, *Statistics Yearbook 2010–2018 (Hanoi 2019)* and GSO (2019)

The labour force participation rate in Viet Nam is high. This rate reached nearly 77.1 per cent in 2011 and increased to 77.4 per cent in 2015. However, this rate has tended to decrease in recent years, falling to 74 per cent in 2020. These developments in the labour force require a re-evaluation of the labour supply, the allocation of labour resources, new parameters on improving the quality of human resources, increasing labour productivity, ensuring social security and long-term care for older persons.

Between 2017-2020, employment policies and programmes provide better opportunities in decent employment and sustainable entrepreneurship for women and men workers. In 2020, of the total labour force, 53.4 million people (25.2 million of them are female) have jobs.

¹⁷ *ibid.*

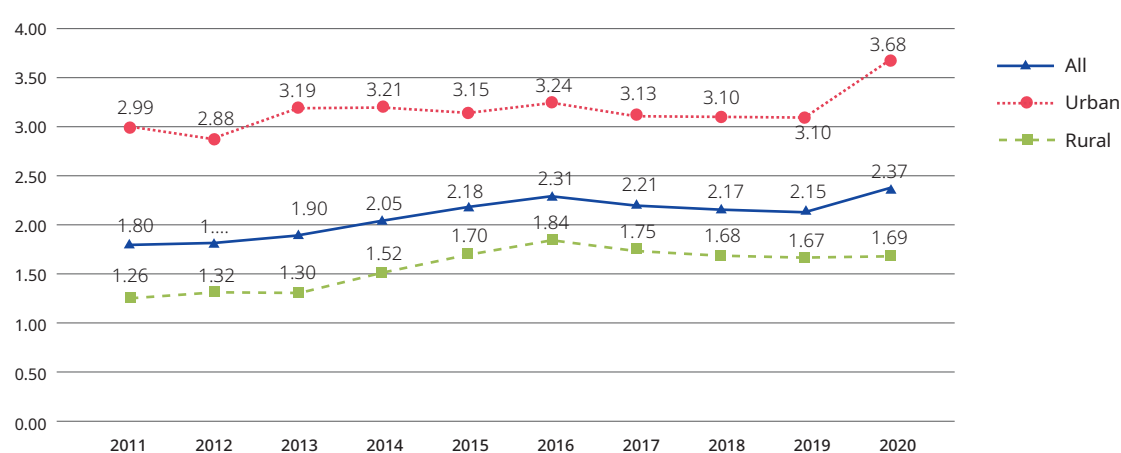
¹⁸ In 2010, people aged 0–14 accounted for 24.7 per cent (decreasing to 23.8 per cent in 2018) of the population, while those aged 15–64 accounted for 68.5 per cent (decreasing to 67.4 per cent in 2018). In contrast, the people aged 65 and older made up 6.8 per cent of the population in 2010 and increased to 8.8 per cent in 2018.

► **Table 2. Total number of people having jobs 2019-2020**

	2019	2020	2020 as compared with 2019
Total number of people having jobs	54.7	53.4	97.6%
<i>Of which:</i>			
Male	28.8	28.2	97.8%
Female	25.9	25.2	97.4%

Source: General Statistics Office (2021)

The overall unemployment rate and the urban unemployment rate are low. Viet Nam's overall unemployment rate fluctuated between two per cent and 2.2 per cent in the 2011–18 period and dropped to nearly two per cent in 2019. For urban areas, the unemployment rate has decreased, from 3.6 per cent in 2011 to 2.9 per cent in 2019.¹⁹ Underemployment has been reduced from nearly 1.7 per cent in 2017 to 1.3 per cent in 2019. Despite the low unemployment rate, Viet Nam's problem is less about reducing unemployment and more about improving the quality of jobs and moving jobs from low productivity and low-income sectors to ones with higher productivity and higher income.

► **Figure 6. Unemployment rate 2010-2020**

Source: General Statistics Office (2021), Statistics Yearbook 2010–2018 (GSO, 2019) and GSO (2021) GSI (Hanoi 2020).

However, in 2020 the overall unemployment rate increased to 2.37 per cent, and with the urban unemployment rate rising to 3.68 per cent due to the effects of the COVID-19 pandemic.²⁰

Youth unemployment remains a concern. Covid-19 has worsened the issue with the unemployment rate among the youth rising from 6.51 per cent in 2019 to 7.1 per cent in 2020. In the urban areas, about 10 per cent of the young people are unemployed.²¹

¹⁹ General Statistics Office of Vietnam, Socio-economic situation in the fourth quarter and 2019 (Hanoi, 2020).

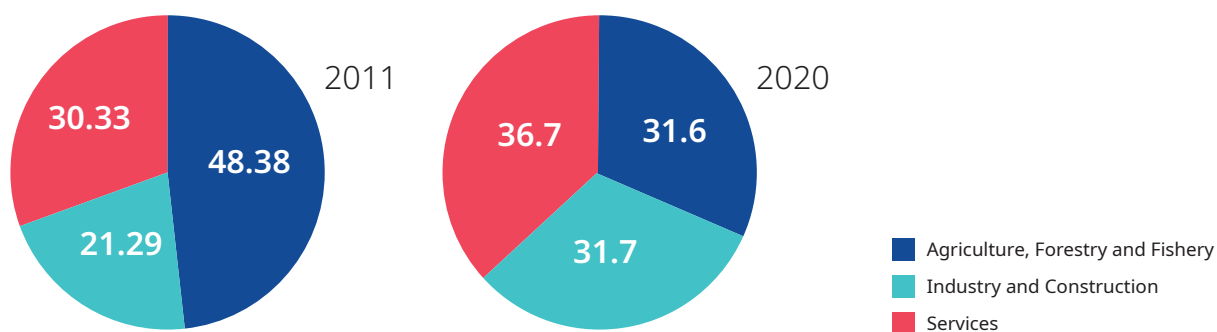
²⁰ General Statistics Office of Vietnam (2020). See <https://www.gso.gov.vn/du-lieu-va-so-lieu-thong-ke/2021/01/-thong-cao-bao-chi-tinh-hinh-lao-dong-viec-lam-quy-iv-va-nam-2020/>

²¹ Government Statistics Office (2020). See <https://www.gso.gov.vn/du-lieu-va-so-lieu-thong-ke/2021/01/-thong-cao-bao-chi-tinh-hinh-lao-dong-viec-lam-quy-iv-va-nam-2020/>

Better opportunities in decent employment and sustainable entrepreneurship for women and men workers

The labour restructuring has followed a positive trend, with a considerable reduction of the labour share in the agriculture sector. An increasing number of jobs are being shifted from the agriculture sector to others where wages and productivity are considered to be higher. In 2011, agricultural labour accounted for 48.3 per cent of total employment. This decreased to 31.6 per cent in 2020.

▶ **Figure 7. Labour restructuring by economic sector (per cent)**



Source: GSO, Statistics Yearbook 2010–2018 (Hanoi 2019) and GSO (2021)

The rate of workers without an employment relationship has continuously decreased, at about one per cent per year on average. In 2011, 35 per cent of the workforce had labour contracts and an employment relationship, while 65 per cent did not have an employment relationship. In 2019, about 45 per cent had some form of an industrial relationship, while 55 per cent did not. In other words, the vulnerable employment rate of 65 per cent in 2011 was reduced to 55 per cent in 2019 and an estimated 44 per cent for 2020.

▶ **Box 2: Contribution, inputs and cooperation activities by the ILO**

The achievement in this outcome area is attributable to the contribution of national stakeholders, both in the Government and the private sector, and to the inputs of the development partner community. Towards these outcomes, the ILO made the following contributions and inputs:

- National and international training, conferences and seminars.
- Supporting the labour and employment survey of the General Statistics Office, in particular the application of recommendations at the International Conference of Labour Statisticians in 2012 and 2017.
- Launching the project on MNED in Electronic sector from 2017 to 2019 to promote socially responsible labour activities in the electronics industry, improve competitiveness for businesses and promote social responsibility practices in labour in the supply chain.
- Implementing the Sustaining Competitive and Responsible Enterprises (SCORE) programme with enterprises and the Handicraft and Wood Industry Association of Ho Chi Minh City and the Binh Duong Furniture Association. Now the approach to improve productivity and labour safety has been introduced in new industries (supporting industries, apparel, footwear). The Government is exploring integration of the SCORE programme in vocational training curriculum.

- Technical assistance to develop the Viet Nam Sustainable Development Goals (VSDG) action programme, including labour indicators, for which the ILO was a supervisor. It was approved by the Government on 23 January 2019, followed by the VSDG action programme of the MOLISA and evaluation of national volunteering in 2018.
- Supporting the MOLISA in the development of an action plan for green growth (2018).
- Developing a report on Viet Nam's social labour trends for 2012–17.

Outcome 1.2: More women and men working in the informal economy engage in decent work through increased formalization.

Entrepreneurship and business development now enable more women and men to engage in decent work through increased formalization.

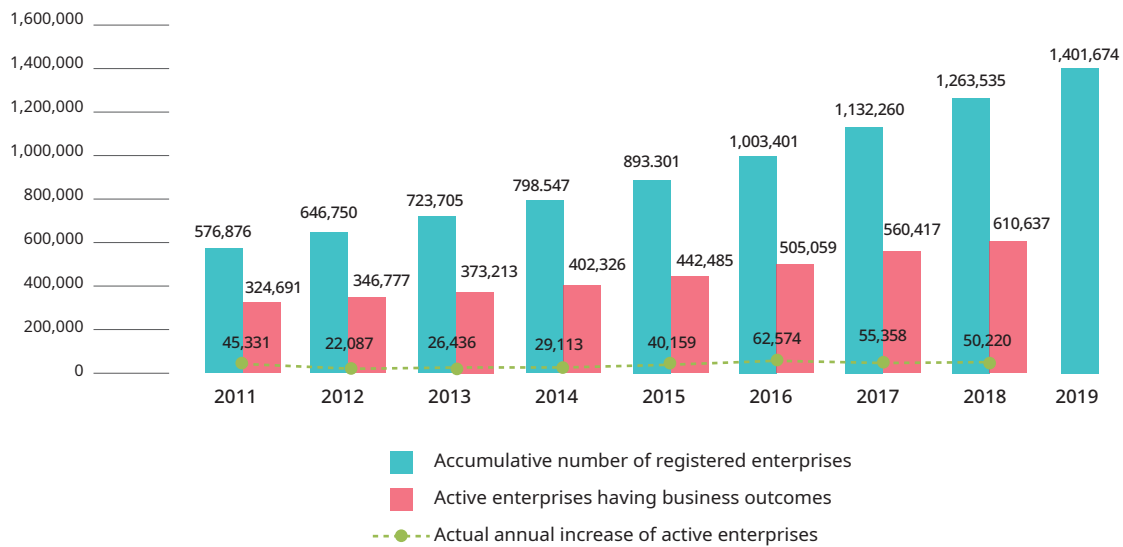
In the past three decades, entrepreneurship and business development have helped create a significant number of jobs for people in the formal sector. Private sector enterprises are providing about 8.8 million jobs, while the FDI sector offers 4.5 million jobs. All of these jobs are considered to be in the formal sector, with workers being covered by social insurance schemes. Around 8.7 million people work in the household business sector, which is a quasi-formal business sector, and only a small proportion of workers in this sector are covered by social security.

The Enterprise Law introduced in 1999 triggered a boom in the development of the formal domestic private sector enterprises, unleashing the entrepreneurship spirit of the Vietnamese people. The law liberalized the freedom to do business for citizens and provided a formal protection of private businesses and of private ownership of businesses. The law introduced unprecedented business environment reforms, tremendous improvements in business start-up procedures, removed barriers to business entry and prompted a change in the mindset of government institutions, ministries and local authorities towards private sector enterprises. As soon as the law was introduced, the number of annually registered enterprises increased dramatically. Billions of US dollars have been invested by Vietnamese business people into the economy through enterprises registered under the law.

The number of registered businesses has dramatically increased, reflecting both the formalization of existing household businesses as well as the creation of new firms. Formally registered enterprises were non-existent before 1990 because the laws did not allow the establishment of private sector enterprises. The first private enterprises were established in 1991 after the Sole Proprietorship Law and the Company Law were promulgated in 1990. But establishing a private company was both complicated and prohibitively costly during that time. Within nine years after the laws were introduced (until 1999), only 14,500 private enterprises were established. The Enterprise Law adopted in 2000 triggered a rapid growth in the number and size of private enterprises. It eased restrictions and conditions to market entry. Since then, the number of enterprises has increased at an amazing rate. By the end of 2017, more than one million private

enterprises had been registered (figure 8). In 2016 alone, 110,000 private enterprises were registered, and this figure increased to 138,000 in 2019. The number of enterprises per 1,000 population increased slightly to ten in 2019.

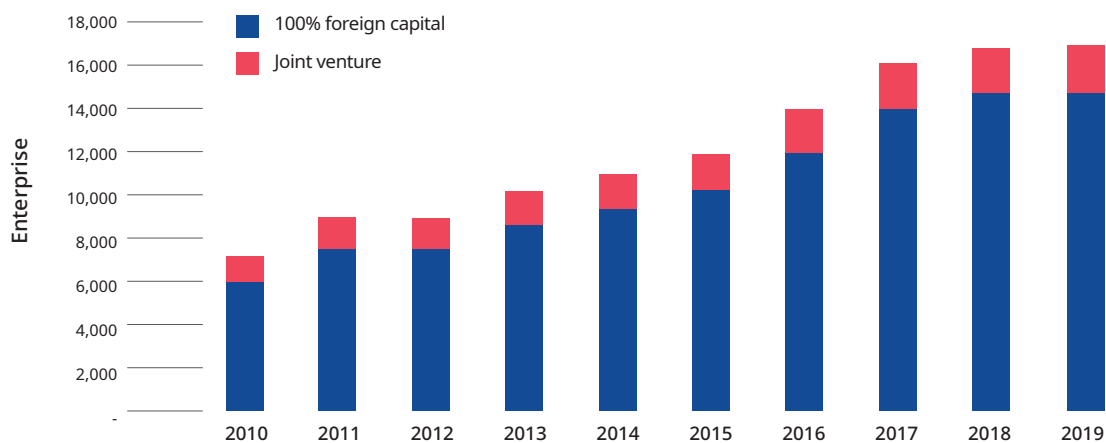
▶ **Figure 8. Cumulative number of registered enterprises, active enterprises and actual annual increase of active enterprises 2011-19**



Source: MPI (2021) GSO (2020).

Foreign-invested enterprises are becoming an important economic sector in Viet Nam and have become an important source of employment. As of the end of 2019, there were nearly 17,000 foreign-invested enterprises in the country, with 30,827 projects and total registered capital of nearly US\$ 363 billion (figure 9). Of that amount, around US\$ 212 billion, or 58.4 per cent, had been disbursed.

▶ **Figure 9. Number of foreign enterprises in Viet Nam 2010-2019**



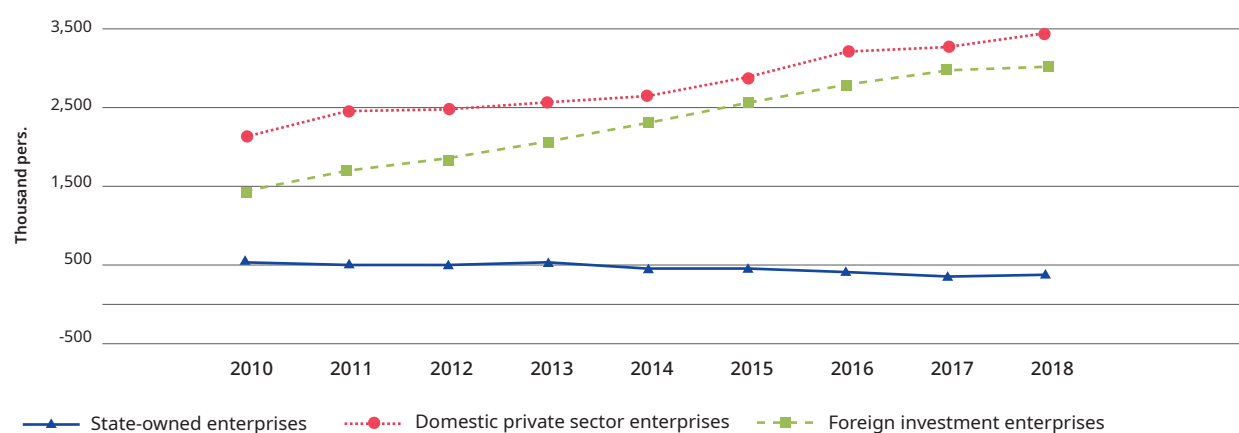
Source: Ministry of Planning and Investment (2020).

Besides, there were 21,238 cooperatives by the end of 2018, of which 13,958 were active. At that time, cooperatives had created 188,612 jobs and attracted nearly 6 million members.²²

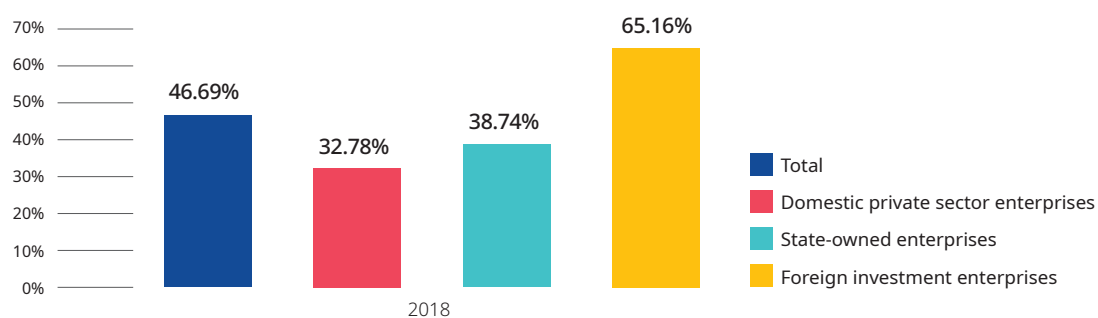
Employment generated by private sector enterprises have helped millions of workers shift away from lower-paid jobs in the farm sector to jobs in more productive sectors and that are higher paying (see more discussion in the employment section further on). Development of the business sector contributes significantly to the expansion of social insurance coverage, with the rate of the labour force of working age covered by social insurance increasing from 28.4 per cent in 2017 to 32.5 per cent in 2019.

Business and entrepreneurship development have contributed significantly to women’s economic empowerment, especially through job opportunities and income sources. Jobs enable women to improve their status in the family and in the community. They also help women strengthen their autonomy in decision-making and in having their voice heard. In 2018, women accounted for 46 per cent of the employment in the formal enterprise sector. The 2018 share of female workers in domestic private and FDI enterprises was 38.7 per cent and 65.2 per cent, respectively, compared with 32.8 per cent in state-owned enterprises (figure 11).

► **Figure 10. Number of female employees by business sector 2010-2018**



► **Figure 11. Percentage of female employees by business sector 2018**



Source: General Statistics Office (2020).

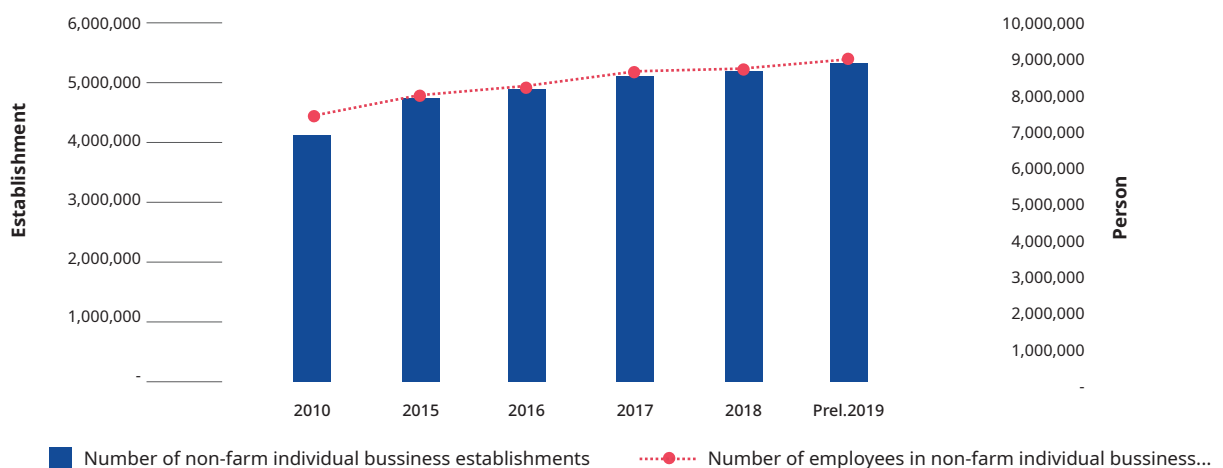
²² MPI, *The Cooperative White Book 2020* (Hanoi 2020).

According to MOLISA, businesses owned or led by women increased from 30.8 per cent in 2011 to 31.4 per cent in 2015 before decreasing to 26.5 per cent in 2018. Despite the decrease, the percentage compares favourably with the average of eight per cent in South Asia. About five per cent of CEOs in companies listed on the national stock exchange were women in 2019. These numbers are encouraging. Women have taken a stronger role in leadership and management in companies.²³ Viet Nam has been witnessing the rise of prominent and influential women CEOs, managers and business owners, such as the presidents or CEOs of VietjetAir, Vinamilk, TH True Milk, Kova Paint, Nutifood, HD Banks, VN Direct, HD Bank, PNJ and REE. These business women are as influential and inspiring as their male counterparts in the country.

Household businesses hold potential for decent work through increased formalization.

The household business sector is an important pillar of the private sector, with its share of GDP three times larger than formally registered enterprises.²⁴ Household businesses have a longer history of development than formally registered enterprises and foreign-invested enterprises.²⁵ Household businesses constitute a peculiar and unique form of business in Viet Nam and were accepted as a form of private initiative during the planned economy times. Before 1986, household businesses existed in the form of microscale goods production units that included artisans, farmers and small service providers who could do business after being licensed by the Government. This was the only form of private sector business, although tiny, that was allowed to operate during that time, along with the dominating role of the state sector.

▶ **Figure 12. Number of household business and employment in the household business sector**



Source: GSO (2019).

²³ For example, women leaders in FPTSoft accounted for 31 per cent of total leadership in the company in 2018 (FPTSoft 2018).

²⁴ A household business can be owned by one Vietnamese citizen, by one group of persons older than 18 or by a household. A household business is registered at one location only, may employ up to ten employees and is liable for its business activities to the full extent of its assets. Household businesses of more than ten employees must register as a company under the Enterprise Law 2014.

²⁵ Household businesses were allowed before private sector enterprises were officially allowed in 1990 (marked by the promulgation of the Sole Proprietorship Law and the Company Law). Household businesses could still be registered with the authorities at the commune level and pay a license tax (thuế môn bài). In 1988, they could take the form of an individual household business (hộ cá thể) or a small industry household business (hộ tiểu công nghiệp), according to the Decree No.27-HĐBT dated 9 March 1988 by the Minister Council (now the Government).

According to the General Statistics Office, the microscale private sector producers of this sort only accounted for 8.3 per cent of GDP in 1975 (see *Statistics Year Book 1983*). In 1986, microscale non-farm household businesses employed 23.2 per cent of the total workforce and created 15.3 per cent of total industrial outputs (see *Statistics Year Book 1988*). By the end of 1989, the whole country counted 333,300 registered household businesses, in addition to the 3,020 state-owned enterprises, 21,901 cooperatives and 1,284 private businesses. Before 1990, when the two laws on private companies and on sole proprietorships were introduced, household businesses were officially enabled by the Government through Decree No.27/HDBT, which recognized the status of individual business units and private business units in the form of household businesses and small-scale industrial household businesses.

Although many household businesses are registered with district government authorities, they are considered part of the informal economy. They recently caught the spotlight of public policies and government support programmes for formalization. Increased formalisation of the household businesses sector can offer more decent work. However, the measures to encourage the formalization of household business should be relevant to their conditions and desire. In reality, household businesses are convenient and easy ways to start a business in Viet Nam. They are preferred to some of the legal forms stipulated in the Enterprise Law for a person to start a business. For example, in 2019, there were 110,000 enterprises registered in the legal form stipulated under the Enterprise Law, although 155,000 people had started a household business in the same year.

Informal employment remains an issue.

The number of workers in informal employment remains significant. An estimated 20.8 million people are informal workers, and 8.8 million people work in household businesses, which are quasi-formal. Altogether, they account for about 54.3 per cent of the total labour force.

Informal workers tend to have low and irregular incomes, long working hours and little access to opportunities for skills development. Because they are not recognized, registered or regulated and thus not protected by labour market institutions, people in informal employment are exposed to what is known as “working poverty”.

Experience has shown that workers and their families in the informal economy often suffer because they are not covered by labour legislation. For instance, when it comes to safety and health requirements relating to working conditions, they do not receive the security of social benefits. In addition, the voice of people involved in informal employment is rarely represented in institutional decision-making. Enterprises in the formal economy some times face unfair competition from the informal sector because prices for goods and services are lower when no tax or social security contributions are paid. Like in many other emerging economies around the world, the informal sector in Viet Nam, which constitutes a major part of the labour force, has an important role in the everyday life of the Vietnamese.

While providing an important source of employment and income-generating opportunities to many people, the life of workers in the informal sector is characterized by low incomes and precarious labour conditions, making them more vulnerable to external shocks. The Government is trying to expand the protection to this group by improving the legal framework and developing policies to address the challenges in the informal economy.

The informal sector is also characterized by workers with unstable and temporary jobs, without labour contracts or verbal agreements and more work hours than regulated by the Labour Code. Business establishments operating in this sector are usually small-sized, with an absence of business registration and make no social nor health insurance payments nor provide support or other social welfare benefits to their workers.

According to the Labour Force Survey results released in 2020, about 60 per cent of informal economy workers were concentrated in rural areas, where numerous traditional handicraft villages, non-agricultural individual business households and cooperative units operate.

The majority of informal economy workers were engaged in three groups of economic industries: manufacturing, construction and wholesale and retail trade, repairing of cars, motorcycles and other motor vehicles. The proportion of informal economy workers was large among the youngest age group (15–24 years) and the 55 and older age group (at 60.2 and 74.4 per cent, respectively).

According to the General Statistical Office and the ILO in 2017, the rate of trained informal economy workers was low, at 14.8 per cent, which was 5.7 percentage points less than the rate of trained workers in the whole economy and 17.4 percentage points lower than trained formal workers. Some 71.9 per cent of non-agricultural workers without technical or professional qualifications were classified as in informal employment.

About 43.9 per cent of informal economy workers were classified into the group of workers with vulnerable jobs (32.1 per cent were own-account workers and 11.8 per cent unpaid family-contributing workers). In contrast, only 14 per cent of formal workers were classified in the group with vulnerable jobs.

More female workers tend to engage in vulnerable jobs than male workers, with 59.6 per cent of female workers in informal employment classified as having vulnerable jobs, compared with 31.8 per cent of male workers in informal employment. Monthly average earnings of informal economy workers were found to be less than that of formal economy workers in all categories of employment status. The average earning of formal economy workers was VND 6.7 million per month, while the average for informal economy workers was almost half that amount, at VND 4.4 million per month.

While only 1.7 per cent of formal economy workers failed to sign a labour contract, 76.7 per cent of informal economy workers engaged in such employment without any form of written labour contract; of them, 62.1 per cent had a verbal agreement and the remainder (14.6 per cent) had no form of agreement.

Most informal economy workers (at 97.9 per cent) have not gained any benefits from social insurance. Just 0.2 per cent of informal economy workers had compulsory social insurance paid by their employers. The remainder (about 1.9 per cent) participated in voluntary social insurance, whereas the rate of formal economy workers without compulsory social insurance was only 19.5 per cent, 78.4 percentage points lower than that of informal economy workers.

In the cooperative sector, 13,958 cooperatives created 188,612 jobs and attracted nearly six million members by the end of 2018.²⁶ However, the number jobs in the sector has been declining in recent

²⁶ MPI, *The cooperative white book 2020* (Hanoi, 2020).

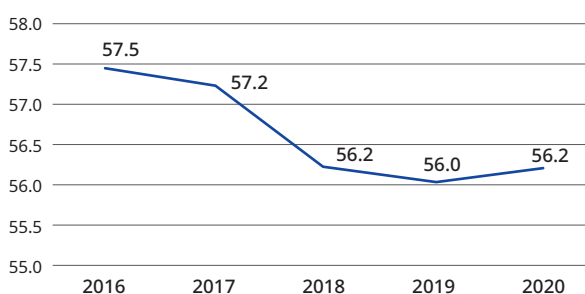
years. Many of the six million of members of the cooperatives are having some type of employment relationship with the cooperatives but they are not covered by a social security scheme. There is much room for improvement. The VCA needs to be further capacitated and provided with more support to strengthen decent work in the cooperative sector.

Around 20.3 million workers were not in the formal sector but in the quasi-formal or informal sector in 2020. These workers are mostly own-account, self-employed or unpaid household workers or freelancers. They are also among the poor and near-poor households. Their jobs are typically unstable and temporary, without labour contracts nor verbal agreements. They therefore are not covered by any social insurance schemes. Some are covered by the government health care insurance scheme, and some benefit from some form of social assistance. They are the most vulnerable groups of workers.

The COVID-19 pandemic has pushed many workers in the formal sector slipping back to the informal sector. For the whole of 2020, the number of informal workers was 20.3 million people, an increase of 119.1 thousand people compared with 2019. The number of informal workers was 15.8 million people, decreasing by 211,000 people as compared with 2019. The percentage of informal workers was 56.2 per cent in 2020, representing an 0.2 percentage points higher than that in 2019 (GSO, 2021). Underemployment in 2020 increased to 2.51 per cent.²⁷

The increase of workers in the informal sector in 2020 was in contrast with its decreasing trend observed prior to 2020. Between 2016-2019, before the outbreak of COVID-19, the number of formal workers increased by 5.6 per cent per year while and informal employees increased by 3.6 per cent year. The growth rate of formal workers is 1.6 times higher than that of informal workers, resulting in the shrinking share of the informal workers during this period (GSO, 2021).²⁸ However, COVID-19 halted this trend in 2020.

► **Figure 13. Workers in the informal sector 2016-20 (per cent)**



Source: General Statistics Office (2021).

Resolution 10-NQ/TW in 2017 by the Central Committee of the Communist Party on private sector development aims to have 1.5 million enterprises operating in the country by 2025 and at least two million enterprises by 2030. It also encourages formalization of business households by facilitating business households to expand their size and to improve operational efficiency.

The SME Support Law that was adopted in 2017 allows for household businesses to formalize, with the objective of improving the formality of these businesses and their more than eight million workers. Some incentives are offered by the law to encourage formalization, e.g. tax incentives, free

²⁷ General Statistics Office. See <https://www.gso.gov.vn/du-lieu-va-so-lieu-thong-ke/2021/01/-thong-cao-bao-chi-tinh-hinh-lao-dong-viec-lam-quy-iv-va-nam-2020/>

²⁸ General Statistics Office. See <https://www.gso.gov.vn/du-lieu-va-so-lieu-thong-ke/2021/01/-thong-cao-bao-chi-tinh-hinh-lao-dong-viec-lam-quy-iv-va-nam-2020/>

consulting or no registration fee. On the basis of the law, provincial governments in Ho Chi Minh City, Hanoi, Da Nang, Hai Phong, Quang Ninh, Can Tho and An Giang have included measures to promote the formalization of household businesses in provincial programmes and actions plan for improving business environments and for SME development.

The Government efforts in promoting the establishment of formal businesses and expansion of the FDI sector also support the shift of employment from the informal sector to the formal sector. Developing businesses, promoting entrepreneurship, formalizing the business sector and enhancing formality of the economy will continue to be Viet Nam's top priorities in the coming time.

► **Box 3: Contribution, inputs and cooperation activities by the ILO**

The achievement in this outcome area is attributable to the contribution of national stakeholders, both in the Government and the private sector, and to the inputs of the development partner community. Towards these outcomes, the ILO made the following contributions and inputs:

- National and international training, conferences and seminars.
- Supporting the labour and employment survey with the General Statistics Office and information processing of informal labour.
- Informal labour survey (2017).
- Research on the ability of participating in social insurance of labour in the informal sector and occupational safety and health research in the informal sector.
- Supporting the integration of employment-related indicators into the 2019 Population Census.

Outcome 1.3: Prospects for freely chosen and productive employment are maintained and expanded for women and men through migration and better preparedness for jobs and sustainable entrepreneurship in global value chains.

Policies and programmes to support migrant workers are being strengthened and becoming more effective.

Data from the Department of Overseas Labor (DOLAB) under MOLISA from March 2020 shows there are approximately 560,000 Vietnamese migrant workers working in more than 40 countries globally.²⁹ Most are young men and women from rural areas who obtain low-wage employment abroad in the manufacturing, construction, fishing, agriculture, domestic work, and service industries.

In 2019, over 152,530 migrant workers were deployed overseas through regular migration channels, of which 54,700 were women.³⁰ This surpassed the government's target by 27 per cent, and the numbers of migrant workers departing Viet Nam are growing year on year in line with Government targets. In 2019 Viet Nam placed more than 120,000 workers overseas for the fourth consecutive year.³¹ The true number of Vietnamese migrant workers is likely to be much higher than official Government figures.³²

²⁹ DOLAB (2019), Labour migration data.

³⁰ Ibid.

³¹ Ibid.

³² ILO and IOM (2017) Risks and rewards: Outcomes of labour migration in South-East Asia.

There are concerns about the number of Vietnamese migrant workers overstaying their visas and becoming irregular migrants in the Republic of Korea, Taiwan, China, and Malaysia. Migrant workers with an irregular migration status have increased vulnerability to exploitation and limited channels available to them to seek assistance from officials. Irregular migration is punishable by fines and other sanctions in Viet Nam as well as in destination countries.

Regular and irregular migrant workers make a significant contribution to the economic development of Viet Nam through remittances, providing a major source of foreign exchange income. The World Bank estimated that, in 2019, approximately US\$ 17 billion was sent home by Vietnamese migrants. This figure constituted 6.5 per cent of Viet Nam's GDP, placing the economic importance of its remittances second only to the Philippines within South-East Asia.³³

The main destination countries for regular Vietnamese migrant workers has traditionally been the more developed economies of East Asia (Japan, Republic of Korea, Malaysia and Taiwan, China), however in recent years a growing number of migrant workers have also sought work in the Middle East - particularly Saudi Arabia - North Africa and Europe.³⁴ Vietnamese migrant workers migrating to Japan and Taiwan, China have made up over 90 per cent of regular labour migration for the past three years (2017-2019), with the number of migrant workers going to Taiwan, China decreasing and to Japan increasing.

It is likely that the number of Vietnamese migrant workers going abroad will continue to rise. The Government annually increase national and provincial labour migration targets, and actively promotes labour migration as a means of employment creation, skills improvement, and poverty reduction. Other key push/pull factors encouraging migration include more profitable job opportunities abroad. In 2018, an average Vietnamese monthly wage was VND5.5 million per month (US\$ 233).³⁵ An ILO study found that, on average, Vietnamese women migrant workers made more than five times more money per month during their time abroad than they did in Viet Nam. The highest monthly salaries were earned in Japan averaging VND21,000,000 (US\$ 940) and the Republic of Korea averaging VND19,500,000 (US\$ 870), followed by Taiwan, China VND13,500,000 (US\$ 600), with Malaysia, Saudi Arabia, and Thailand all paying lower - although still higher than Vietnamese - average wages of approximately VND8,000,000 (US\$ 360).³⁶ Other push factors include unemployment, underemployment, and limited job opportunities in Viet Nam.

There is a growing number of women migrating into domestic and care work, despite a recognition of additional risks faced by women migrant workers. This trend is likely to continue, as the Vietnamese Government has recently established bilateral cooperation agreements with Malaysia and Saudi Arabia regarding the employment of domestic and care workers, and Taiwan, China has lifted a 2005 suspension on the recruitment of Vietnamese domestic workers.

In November 2020, the National Assembly passed the revised Law on Contract-Based Vietnamese Overseas Workers (Law 69). Law 69 strengthens protection for Vietnamese migrant workers by:

³³ World Bank (2019) Migration and remittances.

³⁴ DOLAB (2020) Labour migration data.

³⁵ General Statistics Office (GSO), *Labour Force Survey Report, 2018*.

³⁶ ILO (2019). *More choices, more power: Opportunities for women's empowerment in labour migration from Viet Nam*.

removing the obligation for workers to pay brokerage commissions, the ability for migrant workers to unilaterally liquidate contracts in situations of threats, sexual harassment, maltreatment or forced labour, the inclusion of definitions for discrimination and forced labour in line with ILO Conventions, and a provision for legal aid in cases of abuse, violence or discrimination whilst working abroad. The Law also includes a prohibition of deceitful advertising for the purpose of organizing trafficking in persons, abusing recruitment activities to illegally collect fees, or charging brokerage fees – all of which result in a revocation of recruitment agency license. The revised law still retains certain categories of recruitment fees and related costs chargeable to migrant workers (specifically, services charges and deposits), and DOLAB will develop four pieces of subordinate legislation to set ceilings on these costs in 2021.³⁷

In 2020, internal migrant workers in Viet Nam accounted for about 70 per cent of the workforce in cities and large industrial zones (MOLISA, 2020). Migrant workers are often poor and have limited skills. They are mainly from rural areas and do not have any vocational training. Working discipline is another constraint. They tend to work in low-pay, unstable and temporary work.

Through various programmes, the rights of migrant workers are being enhanced and protected. Viet Nam is actively improving the legal system to protect and support migrant workers, especially in terms of rights to social security (social insurance, health insurance, social assistance), the right to freedom of employment and labour, rights to ensure livelihood and income; rights to residence, housing, freedom of movement; right to learning; freedom of doing business; and the right to access to information and enjoy cultural values.

Efforts are being made to improve access to social services for migrant workers, such as health services, education and training services, information and sports science services, employment services, community services and social assistance. Housing policies for migrant workers are being introduced and implemented in many provinces.

Most recently, the Draft Law on Residence officially proposed the removal of the paper-based household registration book (the *hộ khẩu*), switching to a personal identification number, starting from July 2021. Administrative procedures that require the use of the household registration book hinder migrants in exercising many of their rights. There are nearly 30 administrative procedures at the ministerial level that require presentation of the household registration book, the temporary residence book and papers proving residency. Many migrants (49 per cent) have a temporary residency registration, but 13.5 per cent have no form of residence registration. While many benefits associated with permanent residence registration are no longer there, children's access to education or health care can be difficult if their parent has no permanent residence permit. Getting a loan from an official source is also difficult, and registration for a vehicle, like a motorbike, may not be easy at the destination without a household registration book.

The procedure for obtaining a household registration book in many places is overly complicated. The elimination of the paper-based household registration book and other policies for migrant workers that are being actively implemented will have a positive impact on protecting and expanding the rights and freedom of male and female workers nationwide in choosing their jobs.

³⁷ Decree detailing and guiding the implementation of a number of articles of the Law on Vietnamese workers working abroad under contracts, Prime Minister's decision on the Overseas Employment Support Fund, circular regulating the preparation of labor resources, contractual conditions and form of contracts, registration documents, orientation education, circular regulating the e-reporting.

The vocational training and education institution network is being expanded

The Law on Vocational Education 2014 (replacing the Law on Vocational Training 2006) led to a policy on innovating vocational education in a fundamental and comprehensive manner.³⁸ The network of vocational education institutions has been expanded to better meet the needs for vocational training, the needs of the market and the capacity and aspirations of employees. It also now helps to harmonize the requirement of universalizing vocational training to meet common market demands with the requirements for high-quality training to meet the needs of industries and occupations and of the international integration process.

Since 2015, the vocational education system has been renewed under the Law on Vocational Education, with due account to the needs of the business sector and of the international integration process. In January 2017, governance on vocational education and training was transferred to MOLISA, which now oversees all vocational training schools and colleges (formerly managed by the Ministry of Education and Training). This has helped to create a unified system of vocational education and training with three levels of education. There is no longer any distinction between educational colleges and vocational training colleges and schools. As of 2019, there were 1,912 vocational training institutions, including 402 colleges, 466 intermediate schools and 1,044 vocational education centres.

In addition, there are nearly 100 higher education institutions that offer vocational education at the college level. More than 1,000 enterprises and other establishments have registered to offer vocational education at the primary level. At the business level, nearly 200,000 enterprises offer apprenticeship training and 11,000 community learning centres and about one million organizations and individuals provide vocational training classes according to learners' needs. The Government is investing increasingly in several industries and occupations at the national, regional and international levels. The Government has prioritized investment into 45 high-quality schools according to the Decision of the Prime Minister, with the objective of 40 vocational schools being accredited as high-quality schools in a few years' time.

The enrolment size for vocational training is on an upward trend.

The enrolment size for vocational training is increasing, reflecting a change in society's perception of vocational education. Vocational enrolment for 2011–15 was around 9.2 million people, of whom 1.1 million were students in vocational colleges and vocational secondary schools. Slightly more than eight million people were in primary vocational training and vocational training shorter than three months.

From 2016 to 2019, more than two million students each year were enrolled in the vocational education system on average. In 2019 alone, nearly 2.3 million students were enrolled, reaching 103.5 per cent of the planned target for the year. Of the figure for 2019, enrolment at the college and intermediate levels was 568,000 students. Enrolment for vocational education and training are expected to have reached nearly 2.4 million students in 2020.

³⁸ Law No. 74/2014 / QH13, National Assembly, dated 27 November 2014 and effective from 1 July 2015.

Vocational training for rural workers is now prioritized.

In eight years (2010–17), more than 7.2 million rural workers were supported with vocational training under the Decision No. 1956/QĐ-TTg. Of them, nearly 40 per cent took up vocational training in agriculture, and more than 60 per cent were in non-agriculture. In 2019, 810,000 rural workers were supported with vocational training, reaching 101.25 per cent of the plan for the year (MOLISA 2020).

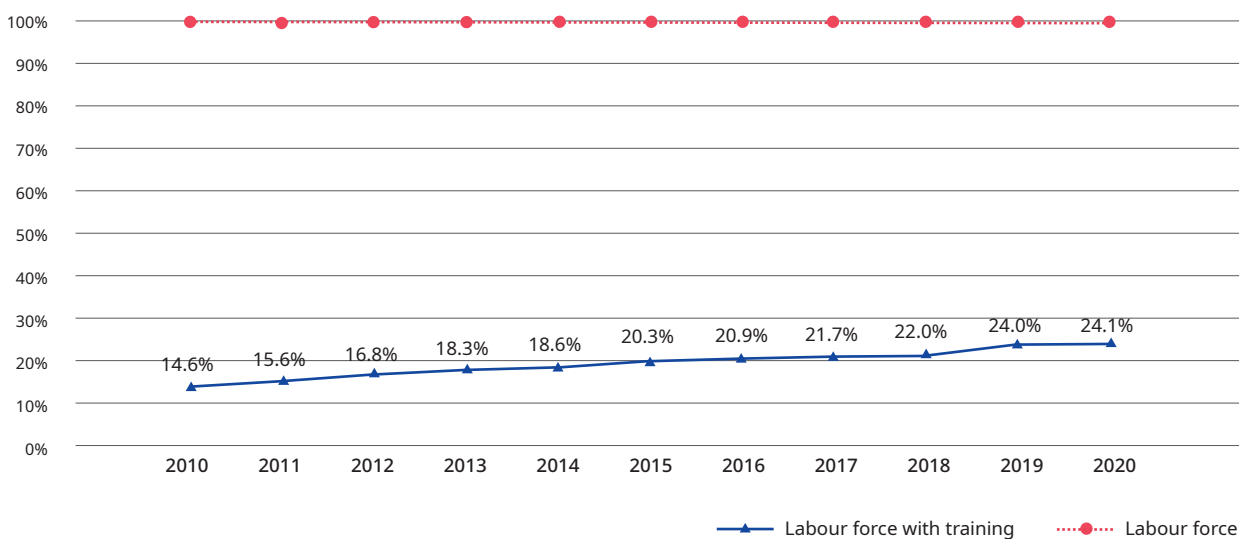
This contributes positively to the improvement of the quality of human resources in rural areas, improving the quality of employment and income, to employment restructuring and eventually to the economic restructuring process of Viet Nam.

The employment rate, salary and income of students completing the vocational education programme is improving.

The employment rate, salary and income of students completing the vocational education programme is an indicator of the effectiveness of vocational education. This index has been continuously improved over the past few years. On average, the percentage of college and secondary graduates who acquired a job right after graduation was about 85 per cent in 2019. The average starting salary after graduation of college students was VND six million per month, and intermediate school students earned an average of 5.5 million per month.

The social perception of vocational training has changed positively. The quality and effectiveness of vocational education have improved. Vocational training has gradually shifted from supply-based to demand-based. Vocational training become increasingly based on the forecast of the demand for human resources, employment trends and the requirements of enterprises, especially FDI enterprises and enterprises that have a high demand for skilled workers in advanced technology. Vietnamese contestants perform well in ASEAN and international skills contests.

▶ **Figure 14. Percentage of workforce with a diploma, certificate or professional certificate**



Source: GSO, Labour and employment survey 2010–2018 (Hanoi, 2019), GSO (2019).

Viet Nam has achieved some progress and reached targets set for vocational education and training in the SEDS 2011–2020 and the SEDP 2016–2020.³⁹ Workers are becoming more prepared for international integration and participation in global value chains. The rate of trained workers in 2011–15 was 51.6 per cent, which climbed 62 per cent in 2019 and is expected to reach beyond 65 per cent for 2020. The rate of trained workers with degrees and vocational training certificates increased from 15.6 per cent in 2011 to 24.1 per cent in 2020.

However, it should be noted that according to the current distribution of employment by skill level in Viet Nam, more than one-half (53 per cent) of jobs in the country are medium-skilled, and 12 per cent are high-skilled. The rest (36 per cent) are low-skilled. Meanwhile on average, upper middle-income countries have a comparable share of low-skilled jobs (32 per cent), a smaller share of medium-skilled jobs than Viet Nam (48 per cent), and a significantly higher share of high-skilled jobs (20 per cent, almost twice as large as Viet Nam).⁴⁰ This is an important challenge that Vietnam has to address as it is aiming at becoming an upper middle-income country by 2030.

► **Box 4: Contribution, inputs and cooperation activities by ILO**

These outcomes are attributable to national stakeholders, both in the government, private sector, and workers organizations.

Towards these outcomes, the Legislative Reform on Labour Migration in Viet Nam (Law 72) project, TRIANGLE in ASEAN project, Safe and Fair project, FIRST project, and Ship to Shore Rights in South-East Asia project have made the following contributions and inputs:

- National and international trainings, conferences and seminars.
- Technical comments, policy dialogues, gender analysis, research including experiences of women migrant workers towards policy towards legislative changes, social media material, and best practice sharing for revising the Prime Minister Decree focusing on setting conditions for licensing and sending workers to Japan, Taiwan (China) and Saudi Arabia. (Decree 38/2020/ND-CP dated April 3, 2020).
- Law on Contract-Based Vietnamese Overseas Workers (Law 69) in 2020, and its guiding decrees in 2021. Policy recommendations are made based on the results of a business case study examining enablers and opportunities for implementing an employer pays or zero-fee to Vietnamese migrant worker model, a recruitment agency study, and research report examining Vietnamese migrant workers access to justice, independent evaluation of key policies and implementation of the Law on Vietnamese contract-based overseas workers, risks and rewards -Outcomes of labour migration in South-East Asia (key findings in Viet Nam), the report 'More choices, more power: Opportunities for women's empowerment in labour migration from Viet Nam', VGCL's consultation report on migrant workers.

³⁹ The target of the SEDP 2016–2020 is that the rate of trained workers will reach about 65–70 per cent and the rate of workers with degrees and certificates will reach 25 per cent by 2020.

⁴⁰ ILO (2019). *Decent Work and the Sustainable Development Goals in Viet Nam*.

- Media training for balanced reporting of Vietnamese migrant workers and a toolkit and glossary on forced labour and fair recruitment for journalists in Viet Nam.
- Monitoring and evaluation of the compliance of recruitment agencies with the Code of Conduct implemented with 120 recruiting companies in 2017-2018 and 140 recruiting companies in 2018-2019 with recruitment and equal protection for women migrants and meaningful participation of trade unions and women's organization representatives.
- The VGCL-MTUC 2018-2019 Action Plan aims to operate a Memorandum of Understanding (MOU) on promoting the rights and legitimate interests of Vietnamese migrant workers.
- Implement vocational training programs for migrant workers.
- Developing occupational skill standards in the tourism sector according to ASEAN standards using a competency-based approach; supporting the establishment of Industry Skills Councils for the agriculture and construction sectors.
- Technical advice to MOLISA for development of the first National Skill Strategy.
- Support for better communications of safe migration messages for women in line with the commitments made by Viet Nam in the GCM.
- Support Viet Nam to pilot methodologies to measure SDG Indicator 10.7.1 developed by World Bank and ILO of the fourth quarter of the 2019 Labour Force Survey (LFS). This is to support Viet Nam to monitor recruitment fees and related cost born by Vietnamese migrant workers.
- Support to strengthen capacity of relevant ministries and national statistics offices to produce and apply relevant data and analysis on labour migration including SDG indicator 10.7.1, ILMS, women migrant workers and violence against women migrant workers.
- Five Migrant Worker Resource Centers (MRCs) in five provinces with high numbers of migrant workers continue to provide accessibility to migrant workers to reliable information and legal assistance.

Reduce poverty by extending social protection for all and reduce unacceptable forms of work, especially for the most vulnerable

Outcome 2.1: Social protection is extended and delivered to larger targeted population (men and women) through a more efficient and effective system.

In Viet Nam, social protection is based on four pillars: employment and minimum income, social insurance, social assistance and basic social services (figure 15).

► **Figure 15. Pillars of social protection in Viet Nam**

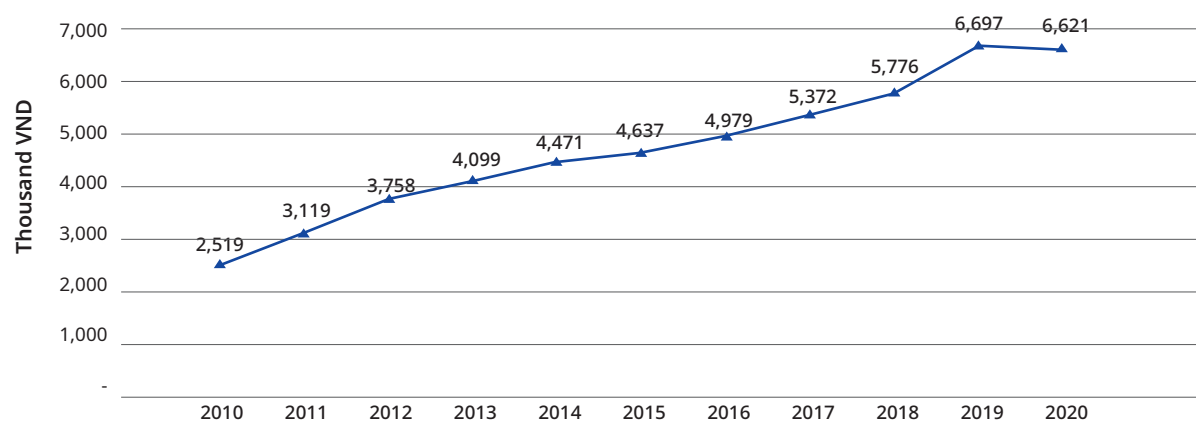
Employment and minimum income	Social insurance	Social assistance	Basic social services
<i>Job creation</i> <ul style="list-style-type: none"> • Preferential hiring • Vocational training • Job matching • Public employment • Poverty reduction 	<i>Compulsory social insurance</i> <ul style="list-style-type: none"> • Sickness • Maternity • Work injury and occupational disease • Retirement and survivorship • Unemployment • Health insurance <i>Voluntary social insurance</i> <ul style="list-style-type: none"> • Pension • Survivor 	<ul style="list-style-type: none"> • Regular cash allowance • Emergency relief • Social care 	<ul style="list-style-type: none"> • Education • Health • Housing • Clean water • Information

Source: Adapted by the ILO from the Institute of Labour Science and Social Affairs (2013).

Employment and income are improving.

Important progress has been made in terms of employment creation while labour income has increased steadily. Average monthly income of wage employees in 2011 was 3.1 million VND per month, increasing to 4.6 million VND per month in 2015 and 6.7 million VND per month in 2019 (figure 16).⁴¹ In 2019, male workers' income was 7.1 million VND per month, it was 6.3 million VND per month for female workers. Urban workers earn 7.8 million VND per month while rural workers 5.9 million per month.⁴²

► **Figure 16. Average monthly income of wage employees 2010-2020**



Source: GSO, Labour and employment survey 2010–2018 and Report on social economic situation in 2021.

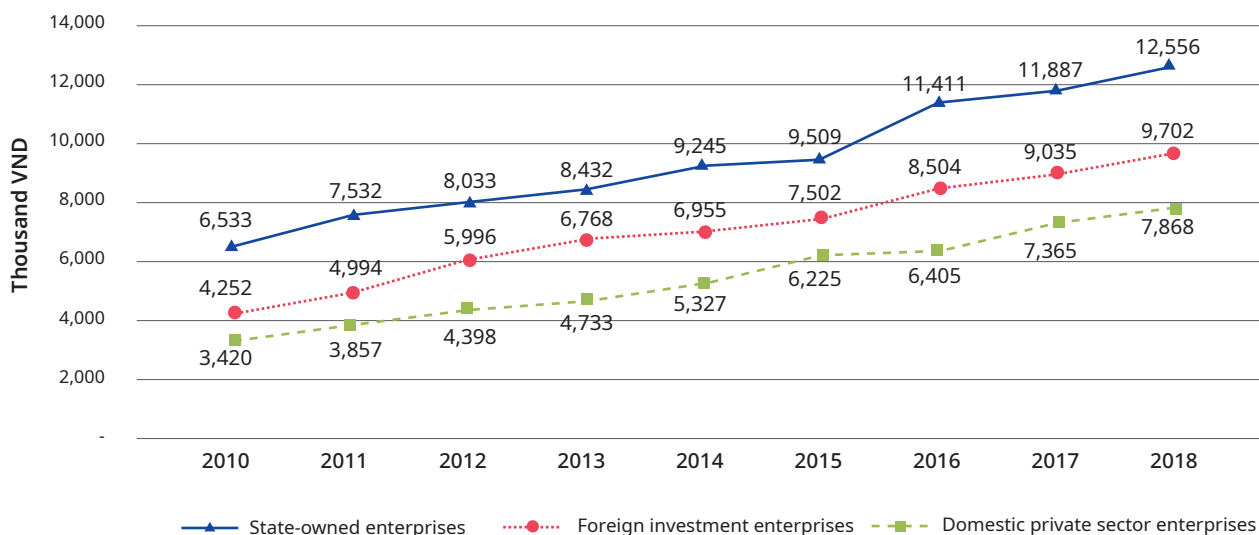
⁴¹ MOLISA, Labour-employment survey 2011–2019 (Hanoi, 2020).

⁴² GSO, Social economic situation in 2019 (Hanoi, 2020).

Entrepreneurship and business development have contributed significantly to decent jobs in terms of income improvement. As previously noted, employment generated by the business sector have helped millions of workers shift away from lower-paid jobs in the farm sector to jobs in more productive sectors and those that are higher paying.

On average in 2018, workers in the domestic private enterprises were paid VND 7.9 million per month, while their counterpart in a foreign-invested enterprise was paid VND 9.7 million. Between 2010 and 2018, the formal business sector helped double the average income for millions of workers who would otherwise have had to toil in the fields, work in the informal sector with much lower income or remain underemployed or unemployed.

▶ **Figure 17, Average worker monthly income by business sector 2010-2018**



Source: GSO (2020),

Social insurance and unemployment insurance coverage is expanding

Social insurance, including unemployment insurance, is one of the main pillars of the social security system of Viet Nam. Between 2011 and 2020, Viet Nam introduced important reforms to its social insurance and unemployment insurance policies. The Law on Social Insurance 2014 added several new regulations, aiming to better ensure the right to participate in and benefit from social insurance for employees. The law expands the scope of compulsory social insurance and introduces “supplementary pension insurance” aiming to supplement the retirement regime under compulsory social insurance. The Law also introduces and the policy to subsidy social insurance premiums for participants in voluntary social insurance depending on socio-economic development conditions and on state budget capacity in each period”. The Law on Social Insurance 2014 expands the beneficiaries of the occupational accident and disease insurance fund to include employees working under indefinite-term labour contracts, fixed-term labour contracts, seasonal labour contracts or a certain job with a term from a full one month to fewer than 12 months (not including domestic workers).

To increase coverage of social insurance, the Government issued Resolution No. 102/NQ-CP dated 3 August 2018 on targets for social insurance coverage. The Law on Employment 2013 expands the coverage of unemployment insurance to include employees working under a labour contract regime from three months or more. The Law also introduced a measure to "support for training, retraining, improving professional qualifications and skills to maintain jobs" for businesses to enhance their employment risk mitigation capacity and for protecting jobs for employees. In addition to the social security function, the unemployment insurance programme provides compensation for income loss for workers when their labour contract is terminated. The unemployment insurance scheme also provides support for job creation and training, job service and labour market information.

The 2015 Law on Occupational Safety and Health expands the beneficiaries of the occupational accident and occupational disease programme to cover seasonal workers, employees younger than 15 years and workers at retirement age.

Generally, actions are being implemented for the system of social insurance to move towards a multi-tier system, including the non-contributory pension tested social pension tier, the basic contributory social insurance tier and the supplementary pension insurance tier.

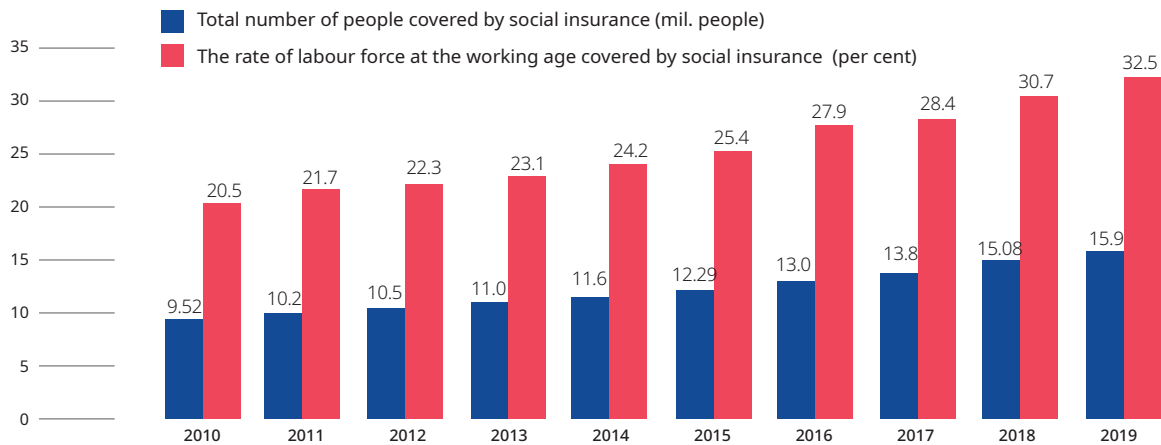
At the non-contributory pension tested social pension tier, the state budget provides a monthly allowance for the elderly without a monthly pension or social insurance benefit.⁴³ The basic social insurance tier, including compulsory social insurance and voluntary social insurance schemes, complies with the principles of contribution and defined benefit (đóng hưởng), solidarity and financial sustainability. This tier is currently organized and managed by the State through the Viet Nam Social Security.

The supplementary pension insurance tier is a voluntary retirement scheme based on market principles in order to enable employers and workers to have options for additional contributions to enjoy higher pensions in the future, as stipulated in Decree No. 88/2016/ND-CP dated 1 July 2016 on regulating the voluntary supplemental pension insurance regime.⁴⁴

⁴³ It is currently VND 270,000 per person per month for people aged 80 and older or aged 60 and older in poor households. In the long run, these age thresholds can be lowered to cover all older persons without pensions.

⁴⁴ Decree No. 88/2016 / ND-CP dated 1 July 2016 on regulating the voluntary supplemental pension insurance regime.

▶ **Figure 18. Number of people and labour force participation rate for social insurance 2010-2019**

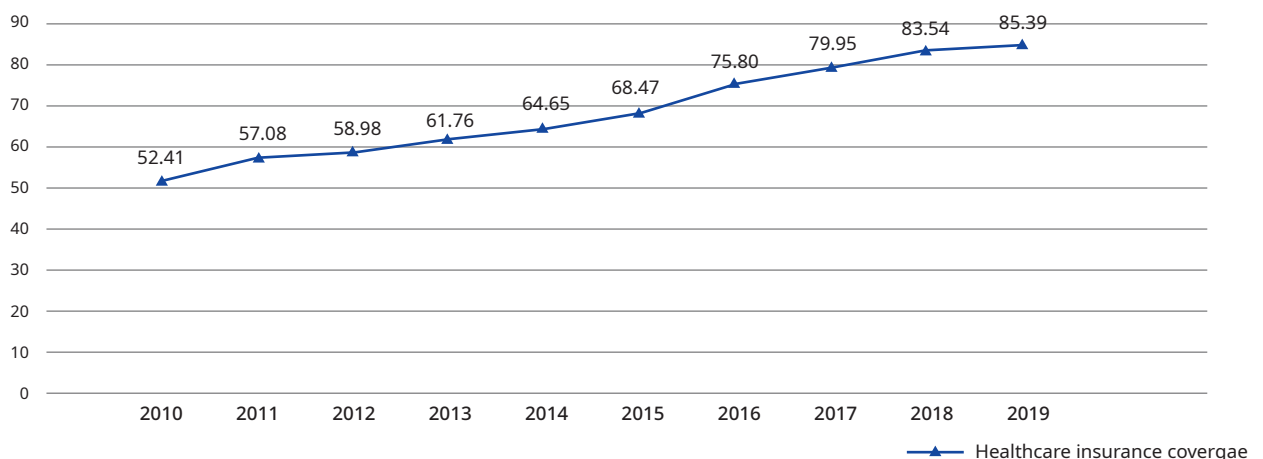


Source: Social Insurance Department, MOLISA 2010–2019.

Compulsory social insurance coverage under the Law on Social Insurance has been extended to all employees working with a labour contract, including Vietnamese working abroad and foreigners working in Viet Nam. Employees working without labour contracts can participate in voluntary social insurance. The number of participants and beneficiaries of the pension and death benefits is increasing. The benefits also diversify and increase with the introduction of multiple policies of statutory social insurance, voluntary social insurance and unemployment insurance.

In 2019, 85.4 million people, or 88.5 per cent of the population, were covered by health care insurance (figure 19). This represents a dramatic improvement from the 52.4 per cent in 2010 and even the 79.9 per cent in 2017. It is also important to note that all children younger than six are covered by health care insurance that is paid by the state budget.⁴⁵ Expansion of health care insurance is one of the outstanding achievements of Viet Nam in recent years.

▶ **Figure 19. Health care insurance coverage 2010-2019**



Source: Viet Nam Social Insurance (2020).

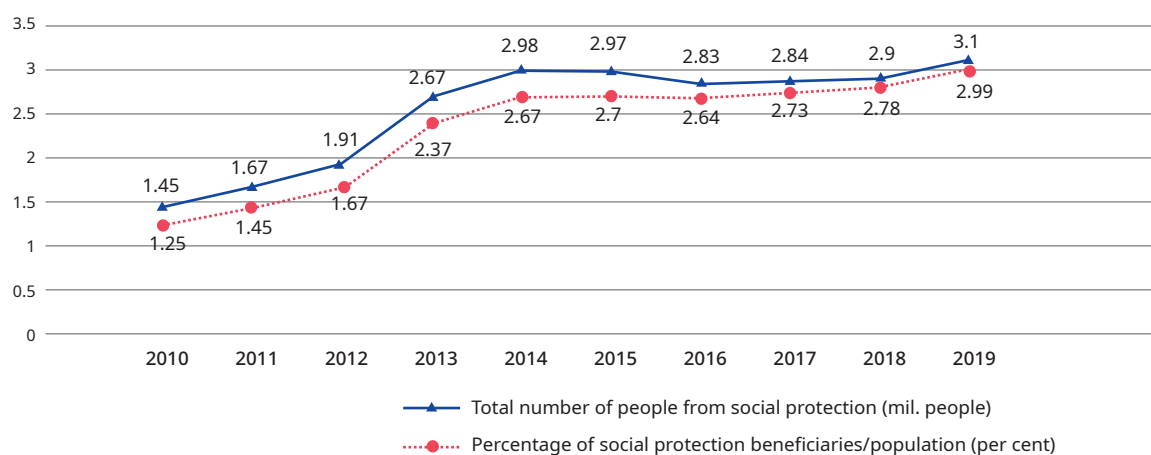
⁴⁵ Decree No. 146/2018 / ND-CP dated 17 October 2018 on the implementation of the Law on Health Insurance.

Social assistance beneficiaries are increasing

The social assistance policy is designed to include both regular and emergency assistance. The number of beneficiaries of social assistance is constantly increasing, achieving the goals of Resolution 15-NQ/TW. The social assistance policy is designed to provide timely assistance to 100 per cent of the people in difficult circumstances and in such cases as natural disasters, floods, epidemics and other unexpected incidents. Beneficiaries of social assistance have been steadily increasing, from nearly 1.7 million people (1.9 per cent of the population) in 2011 to nearly 3 million people (3.1 per cent of the population) in 2019 (figure 20).

In 2019, of the nearly 2.9 million people receiving the monthly social allowance, 48,259 were children with special circumstances, nearly 1.7 million were older persons and nearly 1.1 million were people with disabilities. Social assistance programmes and policies have been implemented effectively.

► **Figure 20. Number of social assistance beneficiaries and the percentage of the population 2010-19**



Source: MOLISA, Social Assistance Department (2010–19).

In addition to social assistance, Viet Nam has focused on developing social assistance facilities and social workers to meet the diverse and specialized needs. The country now has 425 social assistance centres, including 191 public centres and 234 non-public ones. The number of training institutions with specialization on social assistance has increased rapidly. Currently, 55 universities and colleges and 21 vocational training institutions offer training and education programmes specialized in social work. Total average bachelor degree programme enrolment is about 3,500 students per year. Five universities and training institutions are offering master and doctoral courses in social work.

Sustainable poverty reduction and access to social services has improved

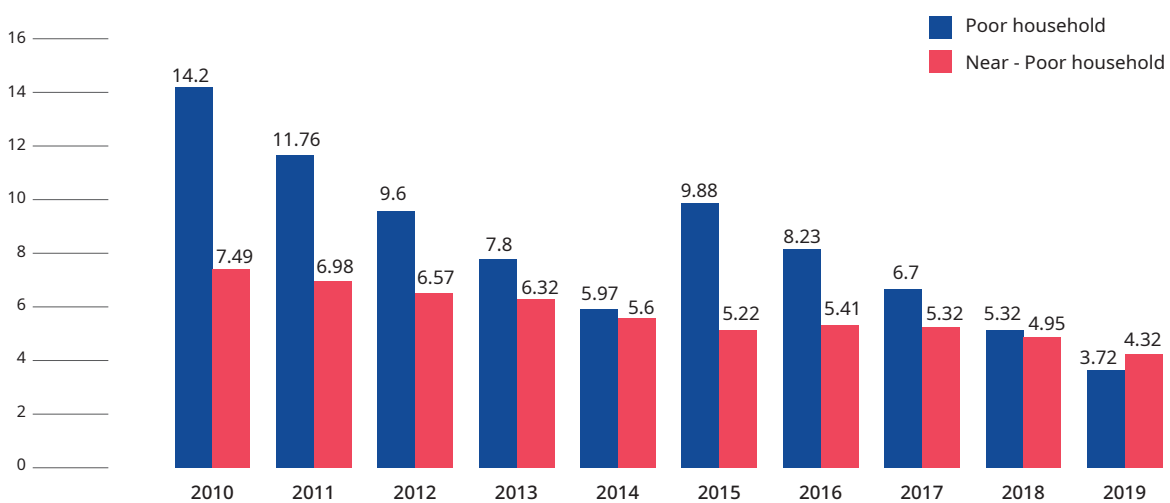
Poverty reduction is one of the priorities in the SEDS 2011–2020 and the five-year SEDP. Poverty reduction policies, programmes and projects provide a range of support to people who are poor, poor households and poor areas, ranging from infrastructure investment to tax incentives, credit, production support, productive land, afforestation, vocational training, job creation, housing, safe drinking water, education training, health care, legal aid and information assistance. In particular, poverty reduction from 2016 to 2020 was implemented according to the multidimensional poverty approach.

Viet Nam has achieved the poverty reduction targets in the SEDS 2011–2020 and the SEDP 2011–2015 and 2016–2020.

Period 2011–2015: The poverty rate decreased from 11.8 per cent in 2011 to less than five per cent in 2019, according to the poverty line in 2011–15 (figure 20). The poverty rate in poor districts decreased from nearly 51 per cent at the end of 2011 to 32.6 per cent at the end of 2014. The average rate of poor households in the country decreased by two per cent per year. The rate of poor households in poor districts averaged a reduction of more than five per cent per year, achieving the planned target under Resolution No. 80/NQ-CP dated 19 May 2011 on the sustainable poverty reduction orientation for 2011–20 and Decision No. 1489/QD-TTg dated 8 October 2012 on approving the national target programme for sustainable poverty reduction for 2012–15.

Period 2016–2020: The rate of poor households nationwide decreased from 8.2 per cent in 2016 to 3.7 per cent in 2019. The rate is expected to decrease to three per cent by 2020 (according to the poverty standard for the 2016–20 period). On average, the rate decreased by 1.5 per cent each year, fulfilling the National Assembly's target of 1–1.5 per cent per year. The rate of poor households in poor districts decreased from 44.9 per cent in 2016 to slightly less than 29 per cent in 2019. It is expected to decrease to about 24 per cent by 2020. On average, it decreased by 5.3 per cent per year, exceeding the target set by the National Assembly of four per cent per year. The rate of poor ethnic minority households decreased on average by four per cent per year, reaching the target of 3–4 per cent per year. By 2020, the estimated average income per capita of poor households nationwide will increase 1.6 times from the 2015 level. Per capita income of poor households in poor districts, poor communes, villages with extreme difficulties and poor households of ethnic minorities increased 2.2 times from the level at the end of 2015.

► **Figure 21. Rate of poor and near-poor households 2010–2019 (per cent)**



Notes:

*=2010–2014: Poor and near-poor households are determined according to the poverty standard for 2011–2015 (Decision No. 09/2011/QD-TTg on promulgating the poverty line and near-poor households applicable for 2011–2015).

**=2015–2019: Poor households and near-poor households are determined according to the multidimensional poverty line in the 2016–2020 period (Decision No. 59/2015/QD-TTg on promulgating multidimensional poverty lines applicable for the 2016–2020).

Source: MOLISA (2020).

The national multidimensional poverty rate in 2019 was 5.7 per cent, down by 1.1 percentage points from the 2018 rate.

Viet Nam is one of the first countries to achieve the Millennium Development Goal on poverty reduction. The results of the rapid poverty reduction have contributed positively to maintaining a low level of income disparity among the population. The income inequality coefficient, GINI, has remained at an average level, fluctuating between 0.42 and 0.43 during 2015–20. In 2019, Viet Nam's GINI coefficient (by income) was 0.42 (unchanged from what it was in 2018).

Social services

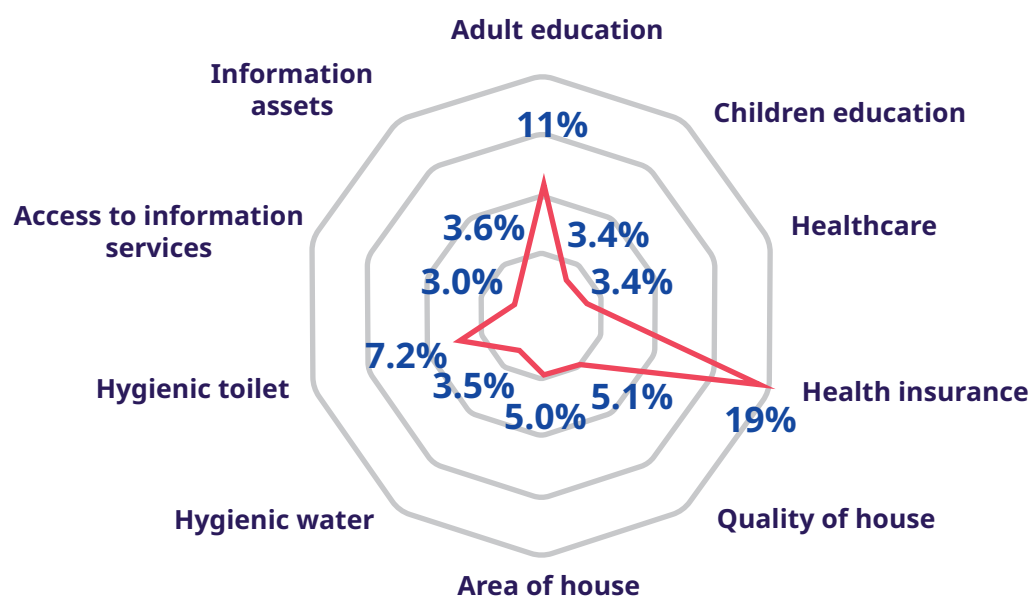
As of 2015, poor households are defined as those whose income level (per capita) is lower than or equal to the poverty line. However, from 2016 to 2020, the poor and near-poor households have been identified based on both income criteria and the level of access to social services, according to Decision No. 59/2015/QĐ-TTg dated 19 November 2015 on multidimensional poverty standards applicable for 2016–20. In addition to income criteria, there are also criteria for basic social services, including five services: health, education, housing, clean water and sanitation, and information. Ten indicators are used for measuring the lack of basic social services: access to health services; health insurance; adult education; children's education; housing quality; housing area per capita; domestic water source; hygienic toilet; use of telecommunications services; information assets; and access to information. As table 3 shows, from 2017 to 2020, indicators on access to social services changed substantially.

► **Table 3. Indicators of the lack of access to basic services 2017-2019**

	2017	2019
Adult education	16.52%	11.0%
Children education	5.40%	3.4%
Health care services	5.03%	3.4%
Hygienic water	17.71%	3.5%
Access to information	17.47%	3.0%

Source: GSO, *Population living standards survey in 2017 and 2019 (Hanoi, 2018 and 2020)*.

By 2019, Viet Nam had made progress on many indicators on basic social services, such as education for children, access to health care services, safe water, sanitation, access to information services and information assets. However, Viet Nam still faces many challenges in terms of access to adult education, health insurance, housing quality and per capita housing area.

▶ **Table 4. Lack of access to basic services 2019**

Source: GSO, Population living standards survey in 2019 (Hanoi 2020).

The application of the multidimensional poverty line in 2016–20, according to Decision No. 59/2015/QĐ-TTg, has identified poor and near-poor households by income, a poverty dimension and by the indicators related to the lack of access to basic social services. This is the basis for provincial authorities to determine the beneficiaries of poverty reduction and social security policies. On that basis, specific programmes are implemented to achieve the goal of reducing multidimensional poverty rates nationwide.

The National Office on Poverty Reduction proposes to develop a new national multidimensional poverty line applicable for 2021–25. It would encompass two groups of criteria: income criteria and groups of criteria related to being deprived of basic social services. Income criteria are determined on the basis of a standard of living. According to the General Statistics Office, the minimum standard of living is proposed to be VND 1,586,000 per person per month in rural areas and VND 2,065,000 per person per month in urban areas.

The criteria related to the shortage of basic social services would be inherited from the national poverty line for 2016–20. Thus, in addition to the poverty line dimensions in the previous period, employment is added as a new dimension in the new poverty line.

The gradual lift in the poverty line demonstrates Viet Nam's determination to improve the quality of poverty reduction, especially through improved access to basic social services. Along with that, it is proposed that indicators measuring the level of shortage of basic social services increase by two indicators from the previous period. Thus, 12 proposed indicators include nutrition, health insurance, adult education and training, children's education, housing quality; housing area per capita; safe living water source, hygienic latrines, access to information, information assets, use of telecommunications services, access to employment and dependants in the household.

► **Box 5: Contribution, inputs and cooperation activities by the ILO**

The achievement in this outcome area is attributable to the contribution of national stakeholders, both in the Government and the private sector, and to the inputs of the development partner community. Towards these outcomes, the ILO made the following contributions and inputs:

- Supporting the development and implementation of Party Resolution No. 28 on comprehensive reform of the social insurance system, a historic decision that provides the framework for a comprehensive and integrated approach to addressing contemporary social security challenges.
- Supporting the Government in preparing the Master Plan for the Social Insurance Reform, which aims at a multi-tier social protection system, aiming at universal coverage through the building a multi-tier system, combining tax funded and contributory social protection tiers.
- Supporting the Government in preparing the Master Plan for Social Assistance Reform and Development (MPSArD) (2017–2025) and Vision to 2030, which seeks to (i) improve the social assistance systems; (ii) fulfil the right to social protection of all citizens, (iii) extend social assistance coverage with priority given to disadvantaged groups; and (iv) ensure social justice, stability and sustainable development.
- Support the Government to Develop the Government’s Resolution 125 on Action Plan to implement the Resolution 28-NQ/TW and the QD 731/QD-LDTBXH MPSARDCapacity-building through participation in training, national and international conferences to support the preparation and implementation of MPSIR and MPSARD
- Promoting and establishing a social security system in Asia (phase III): expanding coverage of social insurance. The project supported MOLISA in developing the Social Insurance Policy Reform proposal, focusing on measures to expand social insurance coverage, implementing Resolution 28-NQ/TW (2017–19); ILO/Japan: ESSA Japan (phase III): Social insurance; and ILO/IA: social assistance and social insurance and the United Nations Joint Programme on Social Protection.
- Conduct a comprehensive review of the adequacy of social assistance benefits, with proposals for different evidence-based methodologies to establish and index benefit amounts in the future (the ILO/IA Project).Research on strengthening the social assistance system capable of coping with risks and shocks (2018). Supporting pension reform; technical assistance provided to MOLISA for analysing impediments to the social insurance system and developing reform options towards comprehensive old age pension system for Viet Nam: Delivering on Resolution 28/NQ-TW
- Actuarial assessment (August 2017–June 2018).
- Support MOLISA in a study on multi-tiered child benefits (MTCB) and design of a short-term benefit package for the extension of multi-tiered social security coverage in Viet Nam.
- Supporting communication on extension of social security coverage, with innovative approaches.
- Tackling access barriers to health care and strengthening female workers’ awareness on health-related social security benefits under the project Support to the Extension of Social Health Protection in South-East Asia.

Outcome 2.2: Unacceptable forms of work, especially child and forced labour, measurably reduced.

The Constitution (2013) states: “Children are protected, cared for and educated by the State, their families and society. They are entitled to be involved in children's affairs. It is strictly forbidden to abuse, mistreat, neglect, exploit labour and other acts that violate children's rights” (Article 37).

Viet Nam demonstrates political commitment to building a comprehensive system of laws and policies on child protection, including the protection, care and education of children. The Law on the Protection, Care and Education of Children was first passed by the National Assembly in 1991.⁴⁶ It was amended and supplemented in 2004.⁴⁷ The law was revised and renamed the Law on Children in 2016.⁴⁸ It specifies the civil, political, cultural, social and economic rights of children, in line with the United Nations Convention on the Rights of the Child and international standards on children's rights; with specific provisions on child protection, prohibited acts of violation of children's rights and children's participation in issues of children in the spirit of the Constitution.⁴⁹ The responsibility for implementing children's rights are shared by the State, families, schools and society, as specified in the Law.

The Government makes child labour prevention and mitigation a high priority. Viet Nam has adhered to and ratified international treaties to ensure children's rights. Viet Nam is the first country in Asia and the second country in the world to ratify the United Nations Convention on the Rights of the Child. Viet Nam also ratified the ILO Worst Forms of Child Labour Convention, 1999 (No. 182) and the ILO Minimum Age Convention, 1973 (No. 138).

Viet Nam established a child protection network in three levels: prevention, intervention and rehabilitation. Thanks to this network, the protection of children has improved markedly. The child protection system launched in 2012 has been formed in 46 of the 63 provinces and cities. Child protection work is carried out to prevent and mitigate the risks of doing harm to children and to support disadvantaged children or children who have been abused. The child protective service delivery system has been expanded both in terms of facilities and types of services.

However, the National Child Labour Survey 2018 references an estimation of 1,754,066 children participating in economic activities, accounting for 9.1 per cent of the national child population. Among the children who were economically active, 1,031,944 were classified as ‘children in child labour’, accounting for 5.4 per cent of the population aged 5–17 and 58.8 per cent of working children. Among them, 519,805 children worked in heavy, dangerous or hazardous work, with a rate of 2.7 per cent of the population aged 5–17, 29.6 per cent of working children, and nearly 50.4 per cent of the total number of children in child labour.⁵⁰

This result shows that the size and trend of children in work and children in child labour in Viet Nam has decreased dramatically and the current child labour rate is lower than the global and the Asia–Pacific region's average child labour rate.

⁴⁶ Law No. 57-LCT / HDNN8 on Child Protection, Care and Education, passed 12 August 1991 by the National Assembly.

⁴⁷ Law No. 25/2004 / QH11 on Protection, Care and Education of Children, passed 15 June 2004 by the National Assembly.

⁴⁸ Law No. 102/2016 / QH13 on Children, passed on 5 April 2016 by the National Assembly.

⁴⁹ Constitution 2013, Article 37, clause 1.

⁵⁰ GSO and ILO, *National survey on child labor* (MOLISA 2020).

► **Box 6: Contribution, inputs and cooperation activities by the ILO**

The achievement in this outcome area is attributable to the contribution of national stakeholders, both in the Government and the private sector, and to the inputs of the whole development partner community. Towards these outcomes, the ILO made the following contributions and inputs.

- National and international training, conferences and seminars.
- Contribution in supporting the development of the National Action Plan to Prevent and Reduce Child Labour as well as its rollout to 30 provinces.
- Supporting review of the NPA (2016–20) and the development and finalizing of the new NPA cycle (2021–25 with vision 2030).
- Supporting integration of specific provisions relating to child labour, forced labour and discrimination in the Labour Code were proposed for reform. The revision aimed to align such provisions with the 1998 ILO Declaration.
- Assisting in ratification of Convention 105 on the Abolition of Forced Labor
- Developing and disseminating a handbook of questions and answers on Convention 29 and Convention 105; supporting the development of communication materials on the prevention and elimination of forced labor;
- Supporting to improve reporting capacity and quality of periodical report of the Convention 29
- Project Enhance to strengthen national capacity in child labour prevention and reduction (2016–19).
- European Union project on fundamental principles and rights at work.
- Determination and agreement on concepts and definitions of child labour and conducting the 2018 National Child Labor Survey.
- Supporting implementation of target 8.7 of the national action plan for sustainable development to 2030 (2019).
- Viet Nam joined Alliance 8.7 as one of the pathfinder countries; it is a new initiative of United Nations aimed at realizing target 8.7 of the Sustainable Development Goals on building a world without forced labour, modern slavery and human trafficking and child labour.

Build effective labour market governance compliant with fundamental principles and rights at work

Outcome 3.1: Effective industrial relations systems built in line with international labour standards and fundamental principles and rights at work.

The legal framework in Viet Nam continues to evolve to better promote the development of harmonious, stable and progressive industrial relations to which the country aspires. Regulations are becoming increasingly aligned with the market economy and with the 1998 ILO Declaration on Fundamental Principles and Rights at Work.

The legal framework governing labour relations includes the Labour Code, the Trade Union Law, the Employment Law, the Law on Vocational Education, the Law on Social Insurance, the Law on Occupational Safety and Health, the Law on Contract-based Vietnamese Overseas Workers and some others. In particular, the Labour Code of 2012 and then in 2019 and guiding documents include many regulations that are intended to promote industrial relations, collective bargaining and social dialogue in social disputes.

Within the 2017–21 period, Viet Nam achieved major progress by adopting an improved Labour Code in 2019. For this first time this Code recognizes workers' right to form, establish and join workers' rights organizations (WRO) at the enterprise level that are not grass-roots trade unions affiliated with the VGCL. The Code provides that upon meeting representational thresholds, a workers' rights organization may participate in social dialogue and bargain collectively with employers. The 2019 Labour Code also improves and extends protections against anti-union discrimination to encompass workers' rights organization organizers and members. The 2019 Labour Code took effect on 1 January 2020. The Government has not yet issued implementing regulations that effectuate some of its provisions, including on establishing procedures for the registration of workers' rights organizations.

In September 2019, the Central Committee of the Communist Party issued Directive No. 37-CT/TW on building harmonious, stable and progressive industrial relations in the new context. The Directive sets the directions and foundation for regulatory changes and actions by ministries, provinces and cities in strengthening industrial relations in Viet Nam.

Industrial relations have improved

Industrial relations in enterprises have experienced positive change. In 55 per cent of enterprises, grass-roots trade unions organize employee conferences every year. The number of collective labour agreements signed is on an upward trend. By 2018, 27,866 collective labour agreements within enterprises were signed, representing an increase of five per cent from 2013. Although the increase in the number of collective bargaining agreements signed is encouraging, in general, the quality of the agreements need further improvement.

The number of collective labour disputes and strikes have decreased over the years. There were 355 incidents in 2013, 269 cases in 2014, 245 cases in 2015, 242 in 2016, 167 cases in 2017 and 101 cases in 2018. Overall, from 2008 to 2012, there were 2,750 labour strikes, whereas there were only 1,370 strikes from 2013 to 2018, which represents nearly a 50 per cent decrease.

The National Wage Council has been functioning effectively and has had a positive impact on regional wage setting and tripartism and social dialogue mechanism.

Wages are gradually improving

In 2018, the Communist Party issued Resolution 27-NQ/TW, demonstrating Viet Nam's determination to reform its wage policies in the context of modernization of the economy and deeper international integration. The Resolution recognizes that "proper pay is the investment for human resource development, creating motivation for higher labour productivity and efficiency of workers, thus making important contribution to social progress and equality, ensuring socio-political stability and improving the quality of growth and promoting sustainable development". The resolution takes into account ILO Viet Nam's suggestions in reforming the country's wage policies. While noting that roles of trade unions in collective bargaining are still limited in today's Viet Nam and also recognizing that "the State does not directly intervene in the wage policies of businesses", the Resolution emphasizes that "negotiation and agreements between employers, workers and their representatives" should become a basis for wage fixing at the enterprise level. In this respect, the Resolution highlights the need to "enhance the role and capacity of trade union organization, which is representative organization of workers, in labour relations in line with the socialist-oriented market economy and international integration".

In the past few years and especially after the issuance of the Resolution, salaries and wages of workers in the production and business sectors gradually improved according to the market mechanism. Increases are based on the principle of negotiation and agreement, on productivity, quality and efficiency of work performance. Other regulations and laws are also being revised to support this reform.

The minimum wage is implemented consistently among all types of enterprises. The mechanism for determining the regional minimum wage is based on the principle of negotiation and tripartite dialogue and on the recommendations of the National Wage Council. It is adjusted incrementally in accordance with socio-economic conditions and the capacity of the enterprise sector.⁵¹ Enterprises are autonomous in establishing salary scales, payrolls, salary allowances for employees in accordance with their own conditions (including all state-owned enterprises). The Government does not intervene in the salary and wage policy of businesses.

Governance in industrial relations is gradually reforming

Governance in industrial relations has been gradually reforming, shifting from state intervention to labour dispute prevention activities and to supporting the building of harmonious, stable and progressive industrial relations.

⁵¹ The regional minimum wage has been consistently implemented among enterprises since 2012. Since 2008, the minimum wage has been adjusted 12 times, an average increase of 3.98 times for FDI enterprises and 6.18 times for domestic firms. The increase in adjustment is higher than the consumer price index, which increased by 1.9 times.

There is also emphasis on strengthening institutional capacity, dissemination of laws and regulations, communication and awareness-raising, supervision and inspection to support relevant parties to implement social dialogue, negotiations and agreements.⁵²

On May 30, 2017, the Minister of the Ministry of Labour, Invalids and Social Affairs issued a decision to establish the Department of Labour Relations and Wage (Decision No. 736/QD-LDTBXH) and stipulate functions and tasks and organizational structure of the Department of Labour Relations and Wages

Roles of worker representative and of employer representative bodies are enhancing

The roles of workers' organizations and employers' organizations have been strengthened. Their activities are becoming less and less formalistic and more effective and efficient. In 2019, the VGCL and the VCCI signed an MOU to strengthen their bilateral cooperation through a project on improving the effectiveness of social dialogue in workplaces in the textile industry. This is to strengthen the positive results that achieved by the VGCL and the VCCI between 2013 and 2018, when 5,093 collective agreements were signed at the business level.

In addition, between 2008 and 2018, 33,346 grass-roots trade unions were established, with more than 2 million new members. There is now a total of 126,878 grass-roots trade unions and 10.3 million members. Of them, 51,670 grass-roots unions and 7.2 million members are at the enterprise level. According to the Report at the XII Trade Union Congress, in 2013–2018, the VGCL made 521 recommendations to the Communist Party and State on policies related to employees.

Policies and programmes in support of harmonious industrial relations being implemented

Some policies and programmes to support industrial relations, such as worker housing policies, public welfare works and improvement of the material and spiritual life for employees, were launched and implemented with a focus on workers in concentrated industrial zones. The implementation of policies and programmes in support of harmonious industrial relations has been strengthened by Directive No. 37-CT/TW by the Central Committee of the Communist Party on building harmonious, stable and progressive industrial relations in the new context.

In implementing the directive, provincial and ministerial authorities have launched different programmes and policies. For example, according to statistics of the Ministry of Construction, by the end of 2018, 198 social housing projects had been completed. More than 81,700 housing units had been constructed, and 226 other projects were being implemented with about 182,200 housing units to be provided. Of them, 100 projects (with 41,000 housing units) were housing developments for industrial park workers. And 73 other projects (with 88,400 housing units) for workers in industrial zones were being built. The Ministry of Construction estimated in 2018 that social housing meets about 28 per cent of the housing needs of the then-current workers.

⁵² Between 2008 and 2018, the inspection of the observance of the labour law and social insurance was conducted at 34,137 enterprises, with 240,167 recommendations made, 7,345 penalty decisions issued and fines totaling VND 124.16 billion.

► **Box 7: Contribution, inputs and cooperation activities by the ILO**

The achievement in this outcome area is attributable to the contribution of national stakeholders, both in the Government and the private sector, and to the inputs of the development partner community. Towards these outcomes, the ILO made the following contributions and inputs:

- Strengthening the tripartite partners' technical capacity through timely provision of the national and international training, conferences and seminars.
- Providing technical memoranda, official comments and other support to MOLISA during all phases of the Labour Code revision as well as during subsequent efforts to develop implementing regulations.
- Supporting capacity-building activities for the VGCL (through the NIRF Project) at the national and local levels through many workshops and consultations on amendments to Labour Code in the context of Viet Nam joining the new generation free trade agreements; mobile legal advice services and industrial park trade unions in collective labour agreement (2018).
- Supporting review of Directive No. 22-CT/TW and development of Directive No. 37 of the Party Central Secretariat on building stable and progressive harmonious labour relations in enterprises (2019).
- Completing and disseminating the 2018 and 2019 industrial relations reports.
- Reviewing the industrial relations indicators and indices and integrating them into a national database.
- Technical seminars and policy consultations continuously with stakeholders (VCCI, VGCL, National Assembly) at all levels to collect comments and improve the quality of the draft revised Labour Code; trade union law.
- In line with Resolution No. 27 on wage reform, capacity building to the National Wage Council and technical assistance to the National Wage Council to determine the 2019 and 2020 minimum wages; supporting: (i) determination of minimum wages per month and per hour; (ii) development of the regular wage report; (iii) ratification of Convention No. 131 on wages in 2021; and (iii) support for training on wage bargaining in enterprises and multi-employer settings for social partners.
- Deploying models to improve the representative capacity of trade unions at the grass-roots level: electing union president, collective bargaining and multi-employers collective bargaining.
- Supporting a study on the impact of COVID-19 on workers and businesses in some sectors, such as textiles, wood, electronics, and providing policy suggestions and responses.

Outcome 3.2: Labour inspection strengthened and preventive occupational safety and health culture instilled, with a view to increasing decent work for women and men and particularly young workers.

Labour inspection technology tools have been renovated.

Historically, Viet Nam's labour inspectorate has not had a database system or technological tools to facilitate the analysis of inspections undertaken. The process has been a laborious, manual one that has inhibited efficacy and follow-up. With ILO support since 2019, the inspectorate has been

developing a digital case management system to better plan and standardize inspections and maintain results in a database that facilitates follow-up and trends analysis.

The legal framework for occupational safety and health (OSH) is being strengthened

The Law on Occupational Safety and Health was enacted in 2015. It covers all sectors of the economy, including informal sectors and sectors where there is no industrial relations. The law encourages activities to develop a culture for preventing occupational accidents and occupational diseases. It provides regulations on mechanisms to promote the socialization of occupational safety and sanitation services; strengthening dialogue mechanisms, including at the national level through the Council of Occupational Safety and Health; improving working conditions; and minimizing accidents, injuries and occupational diseases. It also expands occupational health insurance and labour accident insurance to cover the informal sector, where there is no industrial relations mechanism, and provides support policies to these sectors.

The National OSH Action Plan 2016–2020 was launched in January 2016 under Decision No. 05/QT-TTG by the prime minister. The Action Plan provides specific objectives and actions to improve OSH among businesses and in workplaces. It articulates action to “continually study the ratification of ILO’s standards on occupational safety and health ”.⁵³

Institutional structure to promote OSH is being set up and strengthened

Institutions to promote OSH and reduce occupational accidents and diseases are established at the national and provincial levels. Viet Nam established the National Council for Occupational Safety and Hygiene in 2015 and issued the National Programme on Occupational Safety and Hygiene for 2016–20, with the goal of reducing five per cent of the incidence of deadly occupational accidents in such industries as mining, construction and electricity use. The People's Committees of provinces and cities set up the Steering Committee for the Programme on OSH within the locality. The committees are responsible for the organization of the annual National Week and Action Month for Annual Labour Safety. The severity of occupational accidents has been contained in a number of areas.

OSH awareness and communication has expanded

The culture of occupational accident prevention through communication and training on occupational safety and health and labour protection equipment was cultivated and spread. The number of people being informed and trained on OSH has increased every year, thanks to the socialization of training activities. In 2011–2015, about 500,000 to 1.1 million people each year were provided with OSH information and trainings. Between 2016 and 2018, 1.2 million to 2.1 million OSH trainers were trained. In 2018, businesses and organizations also organized training for about 5 million people. To date, there are more than 400 organizations operating training services on OSH.

⁵³ Government portal of Viet Nam. See: http://www2.chinhphu.vn/portal/page/portal/chinhphu/noidungc-huongtrinhquocgiakhac?piref33_14737_33_14736_14736.strutsAction=ViewDetailAction.do&piref33_14737_33_14736_14736.docid=4082&piref33_14737_33_14736_14736.substract=

OSH compliance by enterprises and workers has gradually increased

Compliance with the Law on Occupational Safety and Health of enterprises and employees has gradually strengthened. Corporate social responsibility has been promoted. Employees and workers have become more aware of the need and requirement of compliance with the OSH regulations. It has been a regular practice to inspect machines, equipment and materials with strict requirements on occupational safety before using. Enterprises pay more attention to providing personal protective equipment for employees and to organizing periodic health checks for employees.

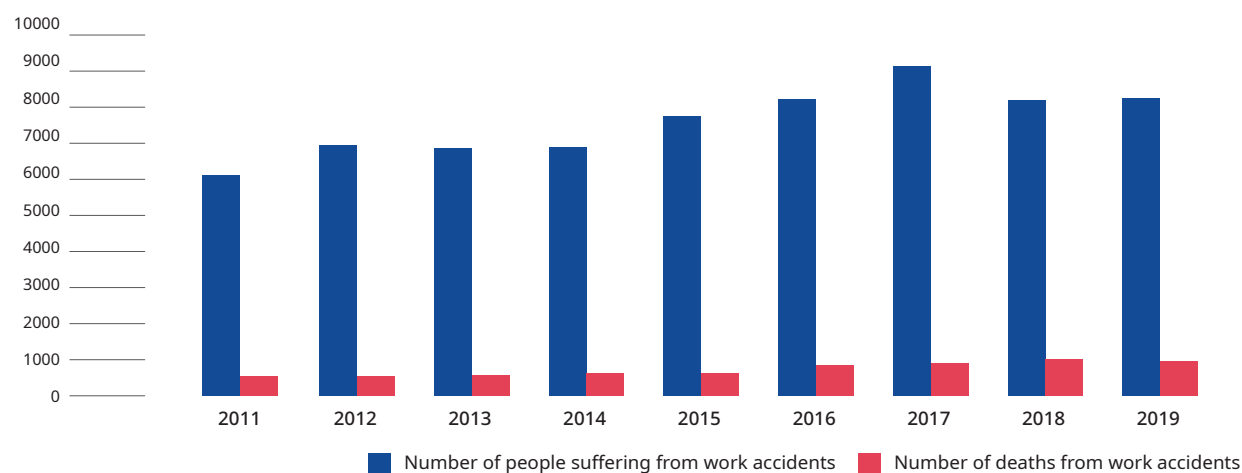
Most large enterprises operating in the industrial sector have developed OSH rules and procedures for their work, workplace and equipment. Many businesses have applied international management standards to OSH management in their business, such as ISO 14000, SA 8000 and OSHAS 18001. Some businesses have switched to ISO 45001.

Work accidents

Labour accidents are under better control. The statistics on occupational accidents now also cover the segments where official contractual labour relations are not established (especially in construction, electricity, mechanics and mining). Labour accidents occurring in agriculture, forestry, fisheries, craft villages and household production households began to be counted and reported as of July 2016.

Occupational accidents increased between 2011 and 2019, from 5,896 cases (to a peak of 8,956 cases in 2017) to 8,150 cases, with a total of 8,327 injured persons, 927 deaths and the number of deaths of 979 (table 5). Despite the increase in absolute terms, the percentage of occupational accidents and number of deaths over total number of enterprises decreases given the fast increase in number of enterprises in Viet Nam between 2017-2020.

► **Table 5. Number of people suffering from occupational accidents and number of deaths resulting from accidents 2011-2019**



Source: MOLISA, Report on occupational accidents, annual reports for 2011-2019.

In brief, the occupational accident situation is better controlled but remains complicated. The control tends to increase when monitoring statistics are extended to the area where contractual industrial relations are missing.

Occupational diseases

The number of employees are examined for occupational diseases is small. In the three years from 2015 to 2017, an average of 200,000 employees each year were examined for occupational diseases. In general, the number of new cases of occupational diseases seems to have decreased, but it is difficult to conclude this is a trend because the number of medical examinations account for a small proportion of the labour force. The cumulative number of work-related diseases in 2014 involved 28,274 people; in 2017, it was 29,068 people – an increase of 163 people. The number of people with pneumoconiosis is about 74 per cent. Because many localities do not have the medical system for examining, detecting and monitoring occupational diseases, the number of people suffering occupational diseases in reality is estimated to be many times larger than the official statistics. The control of occupational diseases still faces many constraints.

► Box 8: Contribution, inputs and cooperation activities by the ILO

The achievement in this outcome area is attributable to the contribution of national stakeholders, both in the Government and private sector, and to the inputs of the development partner community. Towards these outcomes, the ILO made the following contributions and inputs:

- National and international training, conferences and seminars.
- Supported since 2019 the labour inspectorate's development of a digital case management system to better plan and standardize inspections and maintain results in a database that facilitates follow-up and trend analysis.
- Strengthened labour compliance in electronic enterprises through labour inspection campaign (2017–18).
- Strengthened the labour inspection system at the national and local levels through a new labour framework project to address non-compliance in industrial relations (2017–19); implementing a labour inspection campaign on industrial relations in targeted provinces (2019).
- Developed documents and a training of trainers programme for labour inspection (2018) through the ENHANCE Project; and improving the capacity of child labour inspection for local labour inspectors (2019).
- Improving knowledge and skills of occupational safety and developing a team of trainers on OSH through the Safeyouth@work Project (2017).
- Contributed to implementation of the OSH National Action Plan 2016–2020, with support to MOLISA (Labour Inspection Department) under the NIRF Project.
- Supported the country to join the ASEAN OSHNET network through seminars and experience sharing.
- Support for compliance and improving working condition through Better Work Viet Nam Programme.

- Completed two studies: (i) assessment of injury and occupational disease rates for young workers and other groups in selected craft villages in Hung Yen Province; and (ii) analysis of work-related injuries for young workers based on existing administrative data collected by public health facilities (2017).
- Integrated two training packages on OSH into the short-term vocational training programme: industrial sewing, refrigeration repair and maintenance, developed in close coordination with the General Department of Vocational Training.
- Equipped core vocational teachers with basic knowledge and understanding of OSH in general and hazards, risks and preventive measures in specific industries, through two courses; piloting activities using newly developed training materials at selected schools and centres in the four provinces.
- Supported development of an action plan to promote a safe and healthy workplace for young people; implementing the action plan with a series of communication activities on the occasion of the Vietnam National Action Month, including a tripartite forum for OSH for young workers; two sessions with information on OSH for hundreds of apprentice and high school students; OSH information packages and training for owners and workers of craft villages; and producing videos, stories about OSH for young workers.
- Responded to the COVID-19 crisis, in collaboration with the World Health Organization, by supporting the National Steering Committee on COVID-19 prevention and control to development and issuance of national guidelines on prevention, control and assessment of COVID-19 infection risk at workplaces and dormitories. The ILO will also support the VCCI to develop the guideline and communication materials on business continuity plan in the context of the COVID-19.

Outcome 3.3: Decent work opportunities increased through integrated approaches to compliance and workplace innovation applied at the sector and workplace levels for sustainable enterprise development.

Initiatives inspired by long-standing ILO work capitalizing on synergies between good working conditions, enterprise productivity and competitiveness and resulting employment creation have been localized and disseminated.

Better Work Viet Nam offers sustainable solutions to the challenges of improving labour standards in global supply chains. It brings together the Government, employers, workers and international buyers to improve labour standards and competitiveness in Viet Nam's apparel industry. The programme makes practical improvements to labour standards and competitiveness through a focus on workplace cooperation, combining independent assessments of labour standards with advice and training. Independently verified data on labour compliance, accepted by all participating buyers, was produced and duplicative auditing reduced. The programme also created opportunities for benefit from trade agreements and investment options that reward good labour standards; and increased access to buyers who are concerned about labour standards in their supply chains.

Initiatives for more and better jobs through socially responsible labour practices were successfully implemented and became role models for replication in Viet Nam. The More and Better Jobs through

Socially Responsible Labour Practices (MNED) project to encourage multinational enterprises to contribute positively to economic and social development through socially responsible labour practices included a special focus on the electronics sector. Under the MNED project, two studies were undertaken to build a common knowledge base on socially responsible labour practices in the electronics sector and to foster a partnership approach to advance socially responsible labour practices.⁵⁴ Sector-based social dialogue and a tripartite plus dialogue platform were established and a National Plan of Action was adopted for promoting socially responsible labour practices among multinational enterprises and their direct suppliers. Workplace compliance and a culture of good governance within the enterprises was strengthened, including through improved social dialogue. Lessons learned were documented as part of identifying effective models of partnership between home and host countries of investment on FDI and multinational enterprises.

Sustaining Competitive and Responsible Enterprises (SCORE) is being implemented. SCORE is a practical training and workplace improvement programme to increase the productivity of small and medium-sized enterprises while promoting respect for workers' rights. SCORE aims to increase the productivity of small and medium-sized enterprises while promoting respect for workers' rights. In all of these initiatives, sector-based social dialogue has been promoted as well as workplace actions for innovations with domestic and multinational enterprises, designed to expand decent work and competitiveness.

► **Box 9: Contribution, inputs and cooperation activities by the ILO**

The achievement in this outcome area is attributable to the contribution of national stakeholders, both in the Government and private sector, and to the inputs of the development partner community. Towards these outcomes, the ILO made the following contributions and inputs:

- Strengthened partners' capacity through national and international training, conferences and seminars.
- Supported through the Better Work Program (Better Work Vietnam) to improve working conditions and enhance competitiveness in 359 garment factories with approximately 572,600 employees.
- Supported through Electronic Project (within the MNED project).
- Supported on CRS practices through Responsible Supply Chain in Asia project at wooden/furniture and seafood processing sector.
- Project to promote a new industrial relations framework to ensure respect for the ILO statement on fundamental principles and rights at work (2018).
- Developed an industrial relations newsletter.

⁵⁴ The two studies are available at: https://www.ilo.org/empent/units/multinational-enterprises/WCMS_756179/lang--en/index.htm and https://www.ilo.org/empent/units/multinational-enterprises/WCMS_626441/lang--en/index.htm.

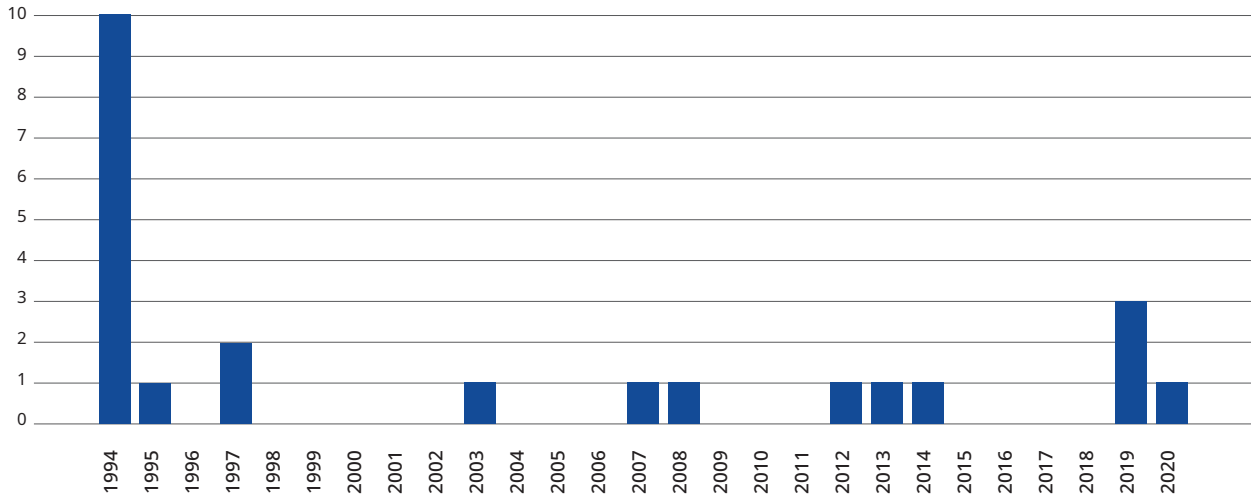
- Supported for strengthening capacity of the National Wage Council.
- Supported the National Wage Council in development wage policy and reform proposal.
- Implemented the Start and Improve Your Business Programme at a limited level (2017).
- Supported improved environmental sustainability, productivity, social dialogue and gender equality in the garment sector through the Decent Work in Garment Supply Chains Asia project (2019-2021).

Outcome 3.4: Deepened commitment to ratify and apply international labour standards.

- ▶ Viet Nam has ratified and is bound by 25 ILO Conventions and is a party to nine United Nations human rights instruments. Four of the ratifications occurred during the time frame of the DWCP 2017–21.
- ▶ Seven of the eight ILO fundamental Conventions have been ratified by Viet Nam. Only the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) remains to be ratified, in 2023.
- ▶ Of the ILO governance Conventions, Labour Inspection Convention, 1947 (No. 81), the Employment Policy Convention, 1964 (No. 122) and the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144) are ratified.
- ▶ Most recently, the Employment Service Convention, 1948 (No. 88), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98) and the Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159) were ratified in 2019, and the Abolition of Forced Labour Convention, 1957 (No. 105) was ratified in 2020.
- ▶ On 20 May 2021, ILO and MOLISA have inked a Memorandum of Understanding to push the promotion of international labour standards in Viet Nam over the next 10 years. Both sides agreed to work together to promote the ratification and implementation of international labour standards in Viet Nam through a cooperation framework between the MOLISA and ILO Viet Nam, and ensure the participation of representatives of workers and employers in the entire process.

The regular periodicity of ratifications (table 6) reflects a willingness of Viet Nam to undertake international obligations. The Government has administrative processes in place that systematically identifies, reviews and sets timelines for ratification of the ILO and international Conventions.

▶ Table 6. ILO Convention ratification by year 1994-2020



Source: ILO, Normative stock-taking for decent work in Viet Nam (2020)

The Government has demonstrated experience in prioritizing and planning for the ratification of ILO Conventions and their implementation in law. Recent ratifications have been made following a plan, with the adoption of implementing laws and regulations likewise being planned. The Government’s current plan is for ratification of Convention No. 87 by 2023.

The eight ILO core Conventions, under the 1998’s ILO Declaration on fundamental principles and rights at work, have become a central part of the new generation of free trade agreements, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the European Union–Vietnam Free Trade Agreement as well as most of the corporate socially responsible policies of multinational enterprises. The new generation of free trade agreements requires member countries, including Viet Nam, to make continued and sustained efforts towards ratifying all of these fundamental Conventions to ensure that they contribute to the protection of workers’ rights and a fairer share of economic gains from free trade.

► **Box 10: Contribution, inputs and cooperation activities by the ILO**

The achievement in this outcome area is attributable to the contribution of national stakeholders, both in the Government and private sector, and to the inputs of the development partner community. Towards these outcomes, the ILO made the following contributions and inputs:

- National and international training, conferences and seminars, including the technical seminars related to labor and social issues in the context of new generation of free trade agreements..
- Supporting activities under the ILO Development Cooperation projects and Regular Budget .
- Supporting MOLISA in completing a submission document, including feasibility studies and impacts of ratification of ILO Conventions in the context of Viet Nam's participation in new-generation free trade agreements (Convention No. 159, Convention No. 88).
- Organizing inter-agency task team meetings on promotion of ILS, technical seminars, national and regional consultation workshops to collect comments on completing the dossier submitted to Conventions No. 98 and No. 105.
- Developing and disseminating communication materials, Q&A materials related to Convention No. 98 and No. 105.
- Support for development and dissemination of national plan action for implementing the C.98 and C.105.
- Supporting the staff of MOLISA, the Ministry of Justice and the VCCI, VGCL to participate in courses related to the international labour standards and decent work.
- Supporting the organization of media events, dialogues and advocacy to promote the process of signing the European Union–Vietnam Free Trade Agreement, focusing on chapter 13 on Trade and Sustainable Development.
- Supporting the development of a strategic approach draft to the approval, compliance, application and reports of international labour standards in Viet Nam.
- Support for development of Memorandum of Understanding to push the promotion of international labour standards in Viet Nam over the next 10 years.
- Project on capacity-building to develop and implement the new industrial relations framework (2017–2021).
- Supporting feasibility study and impact assessment for ratification of ILO Conventions, including C.131 on minimum wage.
- Developing and distributing the Normative stock-taking for decent work in Viet Nam report.

4

Overall assessment of the Viet Nam Decent Work Country Programme 2017-2021



► Overall assessment of the Viet Nam Decent Work Country Programme 2017-2021

► 4.1 Relevance

Relevance to national priorities

The outcomes and design of the DWCP 2017-2021 respond to the needs of tripartite constituents, beneficiaries, the Sustainable Development Goals (SDGs) and the country's needs, policies and priorities. As with the DWCP for preceding periods, the DWCP 2017-2021 is in line with and supports the SEDP. The current SEDP aims at 7.8 million more jobs being created, social security coverage being broadened and people's living standards improved. These objectives need to be supported by the pillars of the DWCP 2017-2021.

The SEDP 2016-2020 emphasizes many decent work-related issues in Viet Nam. It notes that economic growth still relies heavily on the investment of labour and factor inputs. In terms of education, training and health, the SEDP cites weaknesses being slowly overcome. In terms of the work force, more than 80 per cent of workers are untrained. This contrasts with the SEDP target of 65-70 per cent of workers being trained by 2020. The SEDP recognizes that the quality of human resources remains a constraint to development, which the outcome of the DWCP 2017-2021 strongly emphasize.

The DWCP focus on other national priorities highlighted by international organizations and by the Government. The Global Competitiveness Index in 2019 ranked the country's "health" as 71st of 141 countries. But "skills", "labour market" and "innovation capability" scored the lowest in the Index. A new Law on Technical and Vocational Education and Training, in effect since July 2015, brought in reforms through a comprehensive set of policies and improved system for promoting skills development in priority sectors, thus enabling Viet Nam to more successfully supply workers with skills appropriate to the jobs on offer. This is in line with the SEDP goal in improving the quality of human resources by focusing on high value added and high productivity skills for modernization and innovation. However, much remains to be done to improve skills, labour market dynamism and innovation capability in Viet Nam.

The DWCP 2017-2021 is in line with Viet Nam's priorities in international integration and in linking up with global value chains. Viet Nam has demonstrated a strong commitment to international integration, international trade expansion, promotion of the FDI sector and promoting effective linkage with the global value chains. The Government Nam prioritizes the conclusion of new-generation trade agreements and preparedness for implementation. The new-generation free trade agreements require member countries, including Viet Nam, to make continued and sustained efforts towards ratifying all of the fundamental ILO Conventions to ensure that they contribute to the protection of workers' rights and a fairer share of economic gains from free trade. This commitment has been proven by recent ratifications of the Comprehensive and Progress Agreement for

Trans-Pacific Partnership and the European Union–Vietnam Free Trade Agreement, ratifications of other ILO Conventions and the revision and adoption of relevant laws and regulations to support this effort.

The DWCP 2017-2021 took into account the national political, economic and social factors when it was formulated. The DWCP has been responsive to changes in the country's circumstances. For example, it reflects the country's priorities in mobilizing domestic resources for development, on entrepreneurship development, on decent work, on skills and productivity for sustainable development in the long run. Viet Nam's strong commitment to human-centred development and social progress, as reflected in the strategic documents of the Communist Party and the Government, are also well factored into the DWCP 2017–21. New challenges and opportunities in the labour market as a result of the new growth pattern of Viet Nam were assessed and taken into account. The analysis of context and risks of the DWCP provided a solid foundation for determining strategic areas, outcomes, outputs and risk-mitigating measures.

The DWCP 2017-2021 promotes decent jobs, entrepreneurship development and preparedness of the workforce for the continuously changing environment. It supports issues related to sustainable development in the country. Viet Nam has nationalized the SDGs. The SDG Strategy 2011–2020 was signed by the prime minister in April 2012, with 56 SDG indicators nationalized by the General Statistical Office and a plan of action appraised for approval for implementing the strategy. The DWCP 2017-2021 reflects a strong link with the SDG targets (see more discussion in the Annex 2 DWCP results matrix).

The DWCP 2017-2021 is relevant because it sets the framework for resource mobilization by the ILO, other development partners, other United Nations agencies and the Government. It is a good instrument to suggest the allocation of resources to decent work priorities of the Government, the ILO and other development partners.

The system of evaluation criteria and indicators for each output has been appropriately designed. They are useful to collect information and evaluate the results achieved in each stage. In particular, the ILO Country Office developed a detailed plan for each year from 2017 to 2021. This is an important basis for regular monitoring and eventual evaluation of the programme. The ILO has also developed a rather detailed resource mobilization plan to achieve the objectives of the DWCP framework in the context of declining overseas development assistance sources now that Viet Nam has become a lower middle-income country.

Relevance to ILO's niche and comparative advantage

The ILO is the specialized United Nations agency on employment, labour issues and labour standards. Its mandate and comparative advantage areas around decent work, international labour standards, social dialogue and social protection are recognized by other development partners and by tripartite constituents, including MOLISA, the VCCI, the VGCL and the VCA. Regarding decent work, the ILO has strong and unique advantages in policy advice, capacity-building and technical cooperation to open opportunities for women and men to gain access to better jobs and participate in the decisions that affect their lives.

The ILO has accumulated knowledge, expertise and experience in the area of decent work and has provided advice and support in many countries. Building on its unique tripartite structure, the ILO facilitates dialogues between multiple stakeholders, including the tripartite partners, and is in a unique position to promote the DWCP.

At the country level, the ILO has a Country Office in Hanoi running various development cooperation projects. The ILO has produced encouraging outcomes in delivering against decent work priorities and partnering through past and ongoing activities (including technical cooperation projects) in many priority areas of the DWCP. The ILO has established a strong and fruitful collaboration with constituents, relevant government agencies and development partners.

Relevance in terms of cross-cutting issues

Cross-cutting issues, for example international labour standards, social dialogue, gender and environmental sustainability, have been prominently integrated into the design and implementation of the DWCP. It addresses the issues of international labour standards and gender in all three priority areas. Outcomes and outputs all address adequately gender dimensions with gender-disaggregated indicators.

The DWCP highlights that the sustainability of Viet Nam's economic growth is threatened by environmental stresses. This is also of prime concern in the SEDP. Many industries and regions are reported to be heavily polluted. Natural resources and land management are ineffective, resulting in resources being inefficiently used. Land policies are perceived as inappropriate at some points. There is emphasis on actions to cope with climate change, increase forest coverage, improve water supply coverage, improve treatment of industry waste, improve treatment of solid waste, to prosecute polluters and to respond to sea level rise and the vulnerability of low-lying coastal regions. Additionally, it is important to note the employment and livelihood effects of dirty industries and climate change.

The DWCP is based on a solid assessment of the needs of tripartite constituents, which are reflected in the design and execution of the programme. National partners, especially through tripartite cooperation, contributed proactively to the design and implementation of the programme. The DWCP builds on the tripartite cooperation with MOLISA, the VGCL, the VCCI and the VCA as the foundation for its implementation and monitoring structure. The DWCP contributes to strengthening tripartite cooperation in the overall effort of promoting decent work in Viet Nam. The tripartite cooperation has been strengthened in activities related to policy or regulation, capacity-building, policy advocacy, study and ratification. It is also apparent in all three priorities of the programme: (i) promoting decent employment and an enabling environment for sustainable entrepreneurship opportunities, (ii) reducing poverty by extending social protection for all and reducing unacceptable forms of work, especially for the most vulnerable; and (iii) building effective labour market governance that is compliant with the fundamental principles and rights at work.

► 4.2 Coherence

There are strong synergies and interlinkages of the DWCP outcomes and other policies and

programmes of the Government, social partners and other partners. In addition to the SEDP, the DWCP is in sync with other sector-based strategies and policies.

The DWCP is interlinked with the Viet Nam Employment Strategy for 2011–2020 and the Social Security Strategy for 2011–20, which is an integral part of the overall strategy for the country's socio-economic development. The targets, outputs and contents of the DWCP are consistent with these strategies.

The results of the DWCP 2017-2021 are also relevant and highly linked to many other national strategic and programme documents, for example:

- ▶ Vocational Development Strategy 2011–2020. The strategy's goal is to increase the percentage of trained workers to 40 per cent, equivalent to 23.5 million people in 2015 and 55 per cent by 2020, equivalent to 34.4 million people.
- ▶ National Target Programme for Sustainable Poverty Reduction, 2016–2020.⁵⁵
- ▶ The National Strategy on Gender Equality for 2011–20, with the overall goal that “by 2020, equality between men and women is ensured in terms of opportunities, participation and benefit in all political, economic, cultural and social fields, contributing to the rapid and sustainable development of the country”.
- ▶ Viet Nam Strategy for Sustainable Development 2011–2020.⁵⁶
- ▶ Resolution 10-NQ/TW in 2017 by the Communist Party Central Committee on private sector development. The Resolution targets 1.5 million enterprises by 2025 and at least 2 million businesses by 2030. Business households are encouraged to be formalized.⁵⁷
- ▶ Programmes and policies on small and medium-sized enterprise development, entrepreneurship promotion and business household formalization as reflected in the Law on Small and Medium Enterprises Support.
- ▶ Overall strategy for international integration until 2020, with a vision to 2030.⁵⁸

These documents are also highly prioritized by the tripartite partners (MOLISA, the VGCL, the VCCI and the VCA). In the design and execution of the DWCP, tripartite partners fed these priorities and strategies as inputs.

The DWCP adds value to different development cooperation projects and avoids duplication of effort. Some programmes implemented under the DWCP, such as SCORE and the New Industrial Relations Framework (NIRF) Project, are funded by different donors. The ILO also works in strong harmonization and coordination with other development partners on different areas of the DWCP, for example, with the World Bank on social protection, the International Finance Corporation on Better Work, SIDA on the garment sector, and Australian Aid on gender development.

⁵⁵ According to Decision No. 1722 / QĐ-TTg dated September 2, 2016 of the Prime Minister.

⁵⁶ According to Decision No. 32/QĐ-TTg dated 12 April 2012 of the Prime Minister.

⁵⁷ According to Resolution No. 10-NQ /TW dated 3 June 2017 of the Party Central Committee.

⁵⁸ According to Decision No. 40/QĐ-TTg dated 7 January 2016 of the Prime Minister.

The DWCP 2017-2021 is consistent and harmonized with other programmes and interventions of United Nations agencies. In Viet Nam, the United Nations works as one to support the country in achieving the SDGs and its national priorities. The One Strategic Plan 2017–21 represents the programmatic and operational framework for delivering United Nations support to the Government over the next five years and sets out how the United Nations will deliver as one in support of national development priorities. The One Strategic Plan – like this DWCP – aligns with the SEDS 2011–2020 and the SEDP 2016–2020 and the SDGs.

United Nations agencies engage in Joint Programme Groups as a unique modality to foster joint programming and facilitate the coordinated and effective delivery of the One Plan results. The ILO is convener of the Result Group on inclusive growth and social protection (the alternate is the United Nations Development Programme). The Result Group has agreed to a joint workplan to which the ILO will contribute on the extension of social insurance, social assistance, employment and inclusive growth. The ILO is also a member of other groups, such as the Climate Change and Environment Group, the Migration Group, the Result-Based Management Group and Data for Development Group.

The DWCP 2017-2021 is coherent and logical. It has captured opportunities for reinforcing each other in meeting objectives. The programme is based on solid analysis of the Viet Nam context. It can respond to challenges that the country is facing as well as the emerging opportunities.

► 4.3 Effectiveness

The DWCP has achieved its outcome indicators for 2017–21. Although the DWCP was signed at the end of 2017, activities have been implemented and contributed to all three priorities and nine result areas. A team of senior ILO experts have provided technical assistance and the timely sharing of lessons learned to further strengthen the capacity of the Vietnamese social partners. The approach of integrating development cooperation programmes and projects and government programmes has been successfully implemented under the DWCP.

In particular, the DWCP 2017-2021 is considered a common framework through which the Government and partners also implement their own policies, programmes and activities to achieve the goals and results, for example, promoting start-ups, business development, increasing the formalization of the economy, expanding coverage of social insurance and ratifying ILO Conventions in the process of international integration. The DWCP framework has attracted diverse participation of tripartite partners and many agencies, including the National Assembly, MOLISA, the General Statistics Office, the VGCL, the VCCI, the VCA, provincial authorities, universities, technical cooperation programmes and projects, United Nations organizations and domestic and international non-governmental organizations. This united participation helps each partner realize their operational goals and mandate while enhancing understanding, information sharing and coordination among them to achieve common goals.

Many results achieved are significant, such as ratification of four ILO Conventions (the two basic Conventions and two technical conventions). The Labour Code 2019 was issued. A national child

labour survey was conducted in 2019. The industrial relations framework has been strengthened. Visible results in other areas as also important, such as upgrading the technology for social insurance and salary reform, development of skills for workers, formalization of employment and integrating social and labour issues and standards into national and international agendas (such as with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the European Union–Vietnam Free Trade Agreement, the SDGs, corporate social responsibility practices and compliance with international labour standards in multinational enterprises and supply chains).

The DWCP 2017-2021 is effective because it creates a decent work framework under which resources are mobilized from different stakeholders for the achievement of its outcomes. The activities and outputs under the DWCP are implemented by the ILO and its tripartite partners effectively the outputs and outcomes of other donors and the Government. The DWCP 2017-2021 serves as the framework for resource mobilization to achieve Decent Work agenda. This has been achievable thanks to the high consensus between Viet Nam and the ILO on decent work priorities and areas of cooperation.

▶ 4.4 Efficiency

Outputs and results of the DWCP 2017-2021 have been delivered in a cost-efficient and timely way. Cooperation projects implemented by the ILO (with support from different donors) have delivered the desired outputs and outcomes, thus contributing significantly to the achievement of the DWCP outcomes. Independent evaluations of projects implemented by the ILO in Viet Nam (NIRF European Union, NIRF Canada, SCORE, etc.) confirm the efficient use of resources financed by multiple donors. Similarly, tripartite partners, especially MOLISA, the VGCL, the VCCI and the VCA, have used their limited resources and leveraged ILO technical assistance to produce these important results and outcomes within the timeframe of the DWCP. This shows that inputs (funds, expertise, time, etc.) contributed by donors, the ILO, tripartite partners and other national stakeholders have been converted into desired outputs, outcomes and impacts in as cost-effective a way as possible.

The expected outputs and results have supported other national priorities. For example, the revised Labour Law was approved in 2019 to address new challenges and opportunities in the labour market. The approval of the Labour Law and the ratification of four ILO Conventions within the timeframe of the DWCP is solid proof of the timely delivery of outputs and outcomes.

Outputs and results related to industrial relations, reforms in wage and social insurance, skills development and formalization also have been achieved. Many of those outputs and results have fed into reform initiatives in other fields by other ministries. For example, outputs on formalization contributed to the drafting of the Small and Medium Sized Enterprise Support Law (2017) and the revision of the Enterprise Law (2020) by the Ministry of Planning and Investment.

The timely delivery of these products has been especially useful for Viet Nam in other development efforts, such as the approval of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the European Union–Vietnam Free Trade Agreement. They also support the country's pandemic preparedness in the aftermath of the COVID-19 crisis and the need to integrate

further into the global value chains – a trend that may reshape the economic landscape of Viet Nam and many other countries in the near future.

The progress, results and operational efficiency of the DWCP have been satisfactorily implemented. The DWCP has integrated within itself a good monitoring framework with clear descriptions of outcomes, outputs and indicators. The ILO Country Office maintains a simple internal system to monitor the progresses and operational efficiency of the DWCP. All projects implemented by the ILO are evaluated by independent evaluators and evaluation reports are well kept and adequately fed into the monitoring system of the ILO Country Office. A mid-term review of the DWCP was also implemented by tripartite partners with support of the ILO. The tripartite partners also carried out proper monitoring and reporting. The MOLISA concluded a report on labour and employment as part of the reporting on the progress of the SEDP, covering all areas of the DWCP.

The coordination between the tripartite constituents under the DWCP has been effective in the design, implementation and reporting. A DWCP working group was established with representatives from the ILO, the VGCL, the VCCI and the VCA. The working group met regularly to coordinate actions and activities under the DWCP and to report on progress and results. Meetings of the working group have been effective and useful for all participating partners.

More operational efficiency can be achieved if more resources are mobilized by the ILO and the tripartite partners. Streamlined procedures in technical cooperation project can be extremely helpful for increasing the actual implementation time of technical cooperation projects.

► 4.5 Impact and sustainability

The outputs and outcomes under the DWCP 2017-2021 will have broad social and economic effects, particularly given the fact that Viet Nam is changing its economic growth model to one that is based more on productivity, skills and knowledge. It will help Viet Nam to become more resilient to the adverse impacts of COVID-19 and to seize new opportunities brought about by new-generation free trade agreements, like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the European Union–Vietnam Free Trade Agreement.

Broader social security coverage, a higher level of formalization, an increased number of businesses via entrepreneurship efforts, strengthened OSH standards and compliance, etc. will help ensure greater well-being of Vietnamese workers. New reforms in the Labour Law 2019 and ratification of four more ILO Conventions will strengthen the fundamental rights of workers while promoting flexibility and dynamism of the labour market. These reforms, ratifications and the adherence to the new-generation free trade agreements and strengthened OSH will also improve compliance with labour standards and norms and gender equality principles among enterprises. This will contribute towards strengthening the image of Viet Nam in the international community and practically in international markets and among international buyers. A better image and reputation in turn will translate into new business opportunities for Vietnamese businesses, with trickle-down benefits for employers and workers.

The DWCP has sustained impacts because many of the outcomes and results are institutionalized in the strategic papers of the Government and ministries. Outcome and results are not only reflected in the broad-based strategic document for the SEDP but also in sector-based plans and strategies, such as those related to social insurance coverage, enterprise and entrepreneurship development, OSH and gender equality. These national strategies and plans have been replicated in similar plans by city and provincial authorities.

The national tripartite constituents took strong ownership of the DWCP 2017–21. The MOLISA, the VGCL, the VCCI and the VCA actively participated in its design, implementation and monitoring. There is a strong synergy between the institutional missions, objectives and outcomes of the tripartite partners and those in the DWCP. Strong ownership and the institutionalization of the DWCP outcomes and results in the respective agendas of the tripartite partners is an important factor to ensure sustainability of the programme's outcomes in the long run.

The Government and social partners have shown their strong commitment in sustaining the achievements attained through the DWCP 2017-2021 as well as continue to promoting entrepreneurship, creating more employment in the formal sector, increasing social security coverage, improving labour norms and standards at workplaces and improving the quality of work in terms of wages, working conditions and rights for workers.

Some modalities introduced by the ILO are being maintained and replicated. For example, Better Work program's practices are now replicated on a wider scale by other stakeholders in both the public and private sectors. Training programmes developed under the SCORE programme are now being replicated and used by support centres, business associations and the VCCI to assist small and medium-sized enterprises improve their productivity.

▶ 4.6 New development priorities, Industry 4.0 and COVID-19

Viet Nam's economy has undergone dramatic changes in the past decade. Previous and the current DWCPs have achieved strong synergies with the social and economic conditions of the country. The review of the preceding DWCP and the current one, demonstrate that recent growth stemmed largely from the structural transformation of workers moving from the less productive agriculture sector to the more productive manufacturing and services sectors. The growth returns to this structural transformation are both diminishing and finite, although with agriculture still accounting for almost half the labour force.

It is now important that Viet Nam move up the value-added ladder and improve labour productivity and innovation to become an efficiency-based and innovation-led economy and one which is more environmentally sustainable. The Government has articulated this direction in several strategic papers, including the SEDP for 2021–25 that is being drafted. Increased productivity will be required to sustain economic growth to meet Viet Nam's medium-term targets. To maintain strong growth as set out in "Viet Nam 2035: Towards Prosperity, Innovation, Equity, and Democracy" (World Bank and MPI 2016), the diminishing productivity trends must be reversed. Furthermore, environmental sustainability and green jobs must be prioritized. This requires Viet Nam to adopt a new economic

model, restructure its economy and shift to a new economic development pattern. This will have important implications to the decent job landscape. Quality of labour and human resources and an effective and dynamic job market will be key to these objectives. There is no doubt that higher decent job objectives and targets need to be set and achieved in the coming time.

The SEDP for 2021–25 will be an important paper that, among other priorities, will address critical issues related to decent work. This strategic paper will make clear the need for restructuring the national economy to make it more competitive, more productive, more knowledge-based and innovation-led. The vision for 2035 sees Viet Nam becoming a prosperous country. It is important that labour, employment and decent and green jobs are considered in this context. Thus, the outcomes achieved under the DWCP 2017-2021 will need to be broadened and deepened.

COVID-19 has had devastating impacts on the global economy. Although Viet Nam has proven to be more resilient, reflected in the continuing growth of its economy (albeit at a more moderate rate), the pandemic has had negative social and economic impacts on the country. A General Statistics Office survey with 126,500 enterprises in April 2020 found that more than 90 per cent of them were affected by the pandemic. According to the Ministry of Planning and Investment, in the first four months of 2020, when the pandemic was approaching its peak in Viet Nam, at least 41,755 small and medium-sized enterprises exited from the market. According to MOLISA, 7.8 million workers either lost their jobs or were furloughed as of June 2020 due to the COVID-19 pandemic. The number of employed workers also dropped sharply, to the lowest level in the past decade. Worryingly, about 30.8 million people aged 15 and older are negatively affected by the effects of the COVID-19 pandemic. In the first six months of 2020, around 1.4 million people lost their job. Of those jobs, 900,000 were lost due to contraction, suspension or closure of businesses.

According to its report on the employment situation for the first six months of 2020, the General Statistics Office estimated 2.4 million more unemployed workers in the second quarter alone. The unemployment rate in that quarter increased by 2.7 per cent, of which the urban unemployment increased by 4.5 per cent against the previous quarter.⁵⁹

This drop in the average monthly income of workers in the second quarter, to VND 5.2 million (down by VND 525,000 from the previous quarter and by VND 279,000 from the same period in 2019) was noted. This is also the first time in five years that average worker income declined. Female workers have been the most severely affected. In the second quarter, the number of female workers of working age decreased by 4.9 per cent from the previous quarter and by 5.5 per cent from the same period in 2019. The pandemic pushed Viet Nam's unemployment rate to its highest in ten years. The unemployment rate rose the highest among low-skilled workers. The unemployment rate in the second quarter was 2.7 per cent, with 4.5 per cent in urban areas – the highest level in ten years. The General Statistics Office did not rule out the prospect that about five million people could lose their job by the end of 2020 due to COVID-19 and the economic distress that has ensued. COVID-19 is obviously a high-risk factor that jeopardizes the outcomes achieved under the DWCP.

⁵⁹ Laodong Viet Nam (2020). See <https://laodong.vn/cong-doan/cuu-doanh-nghiep-cung-la-cuu-nguoi-lao-dong-817683.laodong>.

Viet Nam is particularly vulnerable to the adverse effects of climate change. Many Vietnamese men women and children are vulnerable and exposed to climatic extremes, such as storms and floods, and their consequences, such as riverbank erosion and landslides. The challenge of climate change is growing, and climate change adaptation is now critical in both the short and long terms. Climate change exacerbates climatic shocks and other environmental stresses that make it more difficult for people to survive where they are. Economic and livelihood stressors are direct drivers for migration, with environmental factors compounding the primary drivers of migration. For example, research in Long An and Dong Thap provinces showed that environmental stress on livelihoods is high, with poor livelihoods and income in sending areas cited by migrants as two of the top three reasons for migration.⁶⁰ Climate change will also result in some types of jobs lost as well as new types of jobs created. People need to change their way of production and of doing business to become more resilient and to adapt to climate change. Getting the labour force, especially in segments that are the most vulnerable to climate change, to be better prepared for such challenges through relevant skills training, increased availability of green jobs and support for a just transition to a low carbon economy should be priorities in the coming period.

Industry 4.0 will result in many jobs becoming obsolete, and many workers will lose their employment. It will also open a wide range of new job opportunities. However, only those most prepared with good skills will be able to access the new opportunities. The less-skilled majority may find it harder to cope. According to Manpower Group research, up to 45 per cent of jobs can be automated. The industries forecasted to be most affected by technology and automation are information technology (26 per cent) and customer service (15 per cent). The retail and financial sectors will be heavily impacted, with 47 per cent of activities conducted by salespeople likely to be automated, and the rate will reach 86 per cent in accounting and bookkeeping as well as other data processing tasks. According to the 2018 Global Talent Competitiveness Index, which assesses countries' ability to attract, develop and retain talent, Viet Nam ranks 87th among 119 countries and territories. Major challenges include the lack of technology infrastructure, R&D spending as well as vocational and technical skills.

To lessen the negative impacts of Industry 4.0 or even turn the labour force into an advantage, Viet Nam needs to improve the quality of its education and training to build up a creative labour force with high intellectual standards and increase focus on environmental sustainability and green jobs. Technological change is shifting skills demand, calling for skills upgrades. But millions of workers are still in informal employment, particularly unskilled workers without formal qualifications. It is important that Viet Nam promote skills upgrading in the informal sector, coordinate its industrial and skills development policies and encourage the private sector to make use of available skills. The Government should facilitate the stronger involvement of employers' and workers' organizations in skills development. Upgrading the skills of Vietnamese workers and better preparing them for Industry 4.0 and professions relevant to a just transition should be another strategic priority for the DWCP in the next period, on the basis of the country's current priorities and the new context.

⁶⁰ UNDP, (2014). *Migration, resettlement and climate change in Viet Nam*.

► 4.7 United Nations One Strategic Plan

The One Strategic Plan 2017–21 represents the programmatic and operational framework for delivering United Nations support to the Government over the next five years. It sets out how the United Nations will deliver as one in support of national development priorities. The plan is aligned with the SEDS 2011–2020, the SEDP 2016–2020, the SDGs and Viet Nam’s international human rights commitments.

The Government and the United Nations system are committed to the implementation of the One Strategic Plan 2017–21 and to the same approach for the next period. The One Strategic Plan will also be aligned with the SEDP 2021–2030, which is being formulated by the Government.

The DWCP for 2017–21 has been in line with the SEDP and helped to contribute to the comparative and unique advantages of the ILO as one of the participating United Nations agencies within one planning, implementation and monitoring and evaluation framework. It is important that the DWCP for the next period follow the same approach.



5

Conclusions

► Conclusions

Overall, the review found that the DWCP 2017-2021 has made significant progress towards achieving its stated indicators and targets under each country priority and outcome.

► 5.1 Achievements

Notable achievements to which the DWCP contributed since 2017 include:

- ▶ Employment policy and regulation framework was improved to provide better opportunities in decent employment and sustainable entrepreneurship, for women and men workers particularly those vulnerable groups.
- ▶ The policy and legal framework for extension of social security coverage in Viet Nam has been improved. In this process, the ILO made important contributions and inputs. For example, the ILO supported the Government in the development of Party Resolution 28 on social security, in bringing more workers covered by social security schemes, through improved policy, legal framework, and enforcement and delivery mechanisms in Viet Nam.
- ▶ Entrepreneurship and business development enable more women and men to have decent work opportunities through increased formalization. The number of workers in the formal sector has increased steadily between 2016 and 2020.
- ▶ Multiple policies and programmes have been implemented to improve the access of immigrant workers to basic social services and housing. The vocational training network is being expanded with stronger participation of the private sector. These factors contribute to the prospect and preparedness for freely chosen and productive employment of workers.
- ▶ The poverty rate has been reduced from 8.2 per cent in 2016 to 3.7 per cent in 2019. Poverty reduction has been accompanied by a widening of social protection coverage and a reduction in unacceptable forms of work, especially for the most vulnerable. Child protection centres have also been set up in 46 of the 63 provinces. Social insurance coverage, particularly health insurance coverage, is expanding steadily.
- ▶ Effective industrial relations framework and systems are being strengthened in line and closer with international labour standards and fundamental principles and rights at work. Mechanism for social tripartite dialogue is being improved, the capacity of National Wage Council and Industrial relation committee has been strengthened.
- ▶ The legal framework for OSH was strengthened. An institutional structure to promote OSH is being set up and strengthened. OSH awareness and communication programmes are being proactively implemented. Businesses and workers are becoming increasingly compliant with OSH standards and requirements.
- ▶ Initiatives inspired by long-standing ILO work capitalizing on synergies between good working conditions, enterprise productivity and competitiveness, and resulting employment creation have been localized and disseminated.

- ▶ During the timeframe of the DWCP 2017–21, Viet Nam has ratified four ILO Conventions, including two fundamental ones (C.98 and C.87). By ratifying these Conventions and with the reforms introduced in the Labour Law 2019 and other laws and regulations, Viet Nam has deepened its commitment to apply international labour standards.

▶ 5.2 Constraints and challenges

Constraints and challenges do remain. Constraints and challenges from the perspective of the DWCP 2017-2021 are:

- ▶ The legal framework will need to be improved. Fragmentation in the prevailing legal framework has reduced the effectiveness in implementation. For example, the social assistance and social insurance policies have been independently designed and implemented.
- ▶ Viet Nam has now reached the peak of its “golden population” phase, with its population rapidly ageing. Viet Nam has one of the fastest-ageing populations in the world.
- ▶ Youth unemployment remains a concern. COVID-19 has worsened the issue with the unemployment rate among the youth rising from 6.51 per cent in 2019 to 7.1 per cent in 2020. In the urban areas, about ten per cent of the young people are unemployed (GSO, 2021).⁶¹
- ▶ The proportion of workers without an employment relationship remains high, at 45 per cent in 2019. This means that the rate of vulnerable jobs is also high.
- ▶ Challenges remain in the development of a multi-layer social protection system, its effective and efficient administration and its funding sustainability. Reaching the target of 60 per cent of retired people who are entitled to pensions, monthly social insurance and social pension benefits as stated by 2030 (Resolution 28-NQ/TW) will remain a challenge. Much efforts are needed to address the challenges related to (i) coverage, (ii) benefit rate, (iii) quality of services and (iv) compliance in the informal sector.
- ▶ The pension system will need to be further reformed to make it more efficient.
- ▶ The access to social services of migrant workers (accounting for 70 per cent of the workforce in big cities and industrial zones) remains a huge challenge. There are still barriers from the perspective of legal regulations and administrative procedures to migrant workers accessing social services.
- ▶ There is a critical issue related to the “missing middle” of social protection coverage – those who are ineligible for poverty-targeted social assistance but excluded from employment-based contributory arrangements.
- ▶ In the cooperative sector, 13,958 cooperatives are creating 188,612 jobs and attracting nearly six million members. However, the number of employed persons in the sector is declining. There is little work and activities to support employment and industrial relations in the cooperative sector. The VCA needs to be further capacitated and provided with more support to strengthen decent work in the cooperative sector.

⁶¹ Government Statistics Office (2020). See <https://www.gso.gov.vn/du-lieu-va-so-lieu-thong-ke/2021/01/-thong-cao-bao-chi-tinh-hinh-lao-dong-viec-lam-quy-iv-va-nam-2020/>

- ▶ As of 2019, up to 78 per cent of the labour force had no vocational degree or certificate. And 48 per cent of workers had not received any form of training. In the Global Competitiveness Index 2019 of the World Economic Forum, Viet Nam ranks low in terms of skills (93rd of 141 countries) and its labour market (83rd of 141 countries).
- ▶ According to the current distribution of employment by skill level in Viet Nam, more than one-half (53 per cent) of jobs in the country are medium-skilled, and 12 per cent are high skilled. The rest (36 per cent) are low-skilled. Meanwhile on average, upper middle-income countries have a comparable share of low-skilled jobs (32 per cent), a smaller share of medium-skilled jobs than Viet Nam (48 per cent), and a significantly higher share of high-skilled jobs (20 per cent, almost twice as large as Viet Nam). This is an important challenge that Viet Nam has to address as it is aiming at becoming an upper middle-income country by 2030.
- ▶ Voluntary social insurance has not been able to make a big difference in the number of people covered by social insurance (approximately 1.07 million people, VSS 2020).
- ▶ Viet Nam still has 1,754,066 children and adolescent workers participating in economic activities (hereinafter referred to as working children. Among these, 519,805 children worked in heavy, dangerous and hazardous work.
- ▶ A common understanding of policymakers of workers in informal employment is a challenge for the formalization of informal workers.
- ▶ COVID-19 and its consequence pose challenges to the achievements of Viet Nam in the areas of poverty reduction, formalization of the business sector and of the labour, and social protection coverage. Its consequences need to be observed and addressed in the coming years.
- ▶ Resources available to address these challenges are under pressure, at least in the short or medium term, due to likely slower economic growth and less budgetary revenue due to the impact of COVID-19 and due to the decline in overseas development assistance funds, which used to be provided to address these challenges.

COVID-19, climate change and natural disaster events will have direct impacts on the global economy and on Viet Nam. Economic distresses might have a direct impact on the quantity and quality of jobs and the DWCP results that Viet Nam has achieved in recent years.

However, challenges also come with opportunities, especially through the restructuring of global supply chains and the free trade agreements that Viet Nam has just signed. Good analysis of these challenges and opportunities will help Viet Nam to forge the right strategy and action to sustain its socio-economic development and achieve the goals of the DWCP 2017-2021 at a higher level through new targets that are deeper and broader in the ensuing DWCP.

6

Recommendations and possible future directions



► Recommendations and possible future directions

Viet Nam is stepping up its efforts to boost productivity, to move up the value-added ladder and to become an economy which is based more and more on innovation, efficiency, and environmental sustainability. Obviously, increased productivity will be required to sustain economic growth to meet the country's medium-term targets. This requires adopting a new economic model, restructuring the economy, and shifting to a different economic development pattern. COVID-19, ongoing digitalization and Industry 4.0 will reshape the global economy and that of Viet Nam. The labour market, employment landscape and decent job issues will change in the coming decades.

The three priorities of previous programme cycles remain fully valid for the coming period. Viet Nam still needs to focus on entrepreneurship development and creating more jobs. Social insurance coverage needs to broaden to bring more benefits for people. Poverty reduction and access to basic social services remain an important priority. Undoubtedly, building harmonious industrial relations, compliance with international standards and improving OSH in the workplace will continue to be important elements of the DWCP for the coming period. These outcomes need to be carried over from the current DWCP. However, the outcome indicators should be higher, reflecting higher decent work requirements in Viet Nam.

In addition to outcomes and indicators related to the quantity of employment and the breadth of social insurance coverage, more outcomes related to the quality of work should be included in the DWCP in the coming period. There should be more outcomes and indicators related to the income of workers, their social benefits and workers' rights and their exercise of such rights.

Focus should be directed to outcome areas where Viet Nam has made progress but challenges remain. Most notable is the high level of informality and the high level of jobs in the informal sector, the high level of child labour, though it had decreased from 15.5 per cent in 2012 to 9.1 per cent in 2018, the high level of workers without any type of vocational training, poor work skills, migrant workers, accessibility to basic social services and poverty. More actions are needed in these areas to achieve a higher level of results.

New challenges are arising and will need to be addressed in the upcoming DWCP:

- The population of Viet Nam is ageing rapidly, and the country is losing its demographic dividend. The ageing population and a slower population growth rate will have a wide range of consequences on the labour force, the labour costs, the social insurance network, etc. The country's emerging middle class, currently accounting for 13 per cent of the population, is expected to reach 26 per cent by 2026. All of these issues will need to be taken into account in the next DWCP.

- ▶ The requirement that Viet Nam shift towards productivity-based growth is becoming imperative. The labour force will need to be better prepared. Workers need to be upskilled and provided with professional knowledge to support Viet Nam moving towards a new development pattern – one that is based more on productivity, innovation and knowledge.
- ▶ Skills development is a building block of both the quantity and quality of economic growth. Evidence at the macro - and microeconomic levels shows that skills development is at the core of some of the most impressive economic development performance in history as well as the greater access of women and men to better jobs. Viet Nam has achieved robust and continued growth for two decades. However, the quality of growth has increasingly become a policy priority, with skills development being one of the most pressing issues for several reasons. Economic development and trade integration have brought job creation, but Viet Nam still occupies relatively low skill levels in the global value chains.
- ▶ The reshaping of the global value chains (which has been accelerated by the COVID-19 crisis) and Viet Nam's deeper integration into the global value chains and the world economy through new-generation trade agreements require that labour standards rise to a higher level, that workers skills be upgraded and that industrial relations be further improved.
- ▶ The adverse impacts of COVID-19 on the DWCP outcomes for 2017–21 and for the coming period need to be mitigated with remedial actions. It is likely that the impact will be mitigated in Viet Nam, considering the prospect for economic growth for 2021 and the years to come are highly positive thanks to solid macroeconomic conditions and to the fact that Viet Nam has managed the pandemic well. The upcoming DWCP needs to give higher priority to outcomes related to greater preparedness of Viet Nam to similar shocks, especially in protecting labour, workers and the more vulnerable groups of the labour force.
- ▶ Industry 4.0 and technological changes are shifting the skills demand, calling for a skills upgrade. Yet, millions of workers are still in informal employment, particularly unskilled workers without formal qualifications. Viet Nam should promote skills upgrading in the informal sector, coordinate its industrial and skills development policies and encourage the private sector to make use of available skills. In addition, the Government should facilitate the stronger involvement of employers' and workers' organizations in skills development.
- ▶ The gig economy and greater digitalization will create new types of employment, new industrial relations, new skills and new knowledge. Obviously, the DWCP will need to help the Government, tripartite partners and other stakeholders be well prepared.
- ▶ Viet Nam is one of many countries highly vulnerable to climate change. Climate change and green growth will impact the economy, employment, migration and livelihoods. The DWCP will need to approach climate change and green growth as important dimension and outcome areas.

Some lessons and recommendations from past DWCP reviews remains valid to be considered in the upcoming DWCP:

- ▶ Much greater awareness of the DWCP as a national programme is needed, especially given the fact that its outcomes increasingly need coordinated efforts of and contribution by many national stakeholders and institutions other than the tripartite constituents. By so doing, other national

stakeholders and development partners will take stronger ownership of the outcomes and objectives of the DWCP and make more active contributions in the upcoming period.

At the operational and efficiency level, some measures could be taken:

- ▶ More resources should be mobilized and allocated to support the achievements in the outcome areas that are the responsibility of the tripartite partners and the ILO.
- ▶ Tripartite partners and the ILO can integrate various outcome areas into projects, programmes and policies in other sectors and by other ministries to maximize the resources available in them and by other stakeholders for the purpose of the DWCP.
- ▶ Engage with constituent partners to develop an approach to DWCP cooperation that more often deepens their results in the world of work in Viet Nam, assuring that eventual results can be monitored and verified.

Annex 1

► Scope, purpose and clients of the Country Programme Review

Scope and purpose

The Country Programme Review (CPR) assesses the relevance and coherence of the Decent Work Country Programme (DWCP) 2017–21 design, the efficiency in implementation, the effectiveness of its operations and the sustainability of results. The review is intended to provide a basis for improved insights within ILO Viet Nam as to how to better design, implement, monitor and assess country programmes in the future and also identify priorities by the constituents to inform the development of the next DWCP.

The CPR covers all interventions planned and carried out during 2017–21, considering that the priorities remain the same. The CPR is coordinated by the DWCP Working Group (including the Ministry of Labour, Invalids and Social Affairs (MOLISA), the Viet Nam Chamber of Commerce and Industry (VCCI), the Viet Nam General Confederation of Labour (VGCL), the Viet Nam Cooperative Alliance (VCA) and the ILO in Viet Nam with support from the ILO Regional Office for Asia and the Pacific.

The accuracy of the CPR depends on the collaboration from the national tripartite constituents and other relevant stakeholders. Due attention has been paid to collaboration in the review process.

The main purpose for the CPR is for DWCP improvement and learning, with the following elements:

1. Assessment of the design and implementation of the DWCP and how they contributed to the performance against the stated outcomes.
2. Assessment of the extent to which the DWCP is aligned with and incorporates the relevant SDGs, whether robust M&E frameworks and capacities are in place to track progress, the SDG and DWCP contributions and whether a mechanism for reporting has been established and feeds into the SDG and other evaluation processes.
3. Assessment of constituents' capacity needs and gaps regarding the monitoring and evaluation of the SDGs in line with the Social-Economic Development Plan (SEDP) and sectoral plans. Any significant DWCP progress updates were provided accordingly by the Tripartite DWCP Working Group to help finalize the report before the end of June 2020.

The scope of the CPR covers the period of 5 December 2017 to date and covers all areas of

geography, structure or sequence where the DWCP operates. The scope includes the relevant mix of advocacy and policy advice, capacity-building, services, strategic partnerships, direct demonstration projects and research that make up a DWCP. The review has engaged the appropriate constituents and stakeholders, including the government, worker and employer tripartite groups, funding partners, the ILO, beneficiaries and the public. It also covers national, provincial and local levels.

All sources of funds that have contributed to the delivery of outputs and the achievement made on DWCP outcome to date have been taken into account.

Analytical framework

The CPR focuses on the relevance of the DWCP to beneficiaries' needs, its coherence to other actors' interventions, the validity of the DWCP design, the DWCP's efficiency and effectiveness and the impact of the results and the potential for their sustainability.

Overall, the CPR addresses the following areas:

1. *Relevance*: Is the DWCP doing the right things?
2. *Coherence*: How well does the DWCP fit?
3. *Effectiveness*: Are the DWCP outcomes being achieved?
4. *Efficiency*: How well are resources being used?
5. *Impact*: What difference does the DWCP make? To what extent has the DWCP generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects?
6. *Sustainability*: Will the DWCP benefits endure?
7. *Issues related to post-COVID-19*: Will the post-COVID-19 crisis impact the delivery of the DWCP? What is the implication for Viet Nam and the DWCP for the upcoming period?
8. *Other issues*: What are labour market trends in Viet Nam, Industry 4.0, climate change, the United Nations One Strategic Plan, the new SEDP and the SEDS for the next five and ten years, etc.

The questions on the role and relevance of the ILO, its niche and comparative advantage, gender and partnerships and the tripartite cooperation and participation are the cross-cutting themes that are constantly asked and reviewed in the context of all of these questions.

The detailed analytical framework and the questions used for the assessment are summarized in the following box.

► Analytical framework and questions used for the CPR of the DWCP Viet Nam 2017–2020

1. Relevance *(Is the DWCP doing the right things?)*

- The extent to which the DWCP outcomes and design respond to the needs of tripartite constituents, beneficiaries and the Sustainable Development Goals (SDGs) and the country's needs, policies and priorities and will continue to do so if circumstances change. Is the DWCP well designed to address relevant priorities and needs (its outcomes, the underlying theory of change, its theory of action, its modus operandi, risk analysis, context analysis, etc.)? To what extent have the national political, economic and social factors shaped the formulation of the DWCP?
- To what extent is the DWCP based on the ILO's niche and comparative advantage in the country?
- To what extent have the relevant cross-cutting issues (international labour standards, social dialogue, gender equality and environmental sustainability) been integrated into the design and implementation of the DWCP?
- To what extent is the approach realistic, and does it consider budgetary realities?
- To what extent is it based on a solid mapping of constituents' needs and reflective of those needs in execution?

2. Coherence *(How well does the DWCP fit?)*

- What are the synergies and inter-linkages between the DWCP outcomes and other policies, programmes and interventions of the Government, social partners and other partners?
- To what extent is the DWCP consistent, harmonizing, complementing and coordinating with other actors' and development partners' interventions?
- To what extent does the DWCP add value while avoiding duplication of effort (between programmes and different development cooperation projects)?
- To what extent is the ILO partnership working with the tripartite constituents and other development partners, including donors?
- To what extent is the resource mobilization an integral part of DWCP strategies?

3. Effectiveness *(Are the DWCP outcomes being achieved?)*

- To what extent has the DWCP achieved or is expected to achieve its outcomes, including any differential results across groups (particularly marginalized populations)?
- To what extent has the knowledge generated been disseminated and shared with tripartite constituents and the public?
- To what extent has the DWCP worked in partnerships with the tripartite constituents in delivering DWCP outcomes, built national capacities and supported policy change?

- To what extent are the main capacity and resource constraints of the tripartite constituents in delivering the DWCP in line with their priorities? Have there been steps to address the constraints collectively?

4. Efficiency *(How well are resources being used?)*

- To what extent has the DWCP delivered or is likely to deliver results in an economic and timely way?
- To what have the inputs (funds, expertise, natural resources, time, etc.) turned into outputs, outcomes and impacts, and has it been in the most cost-effective way possible, compared to feasible alternatives in the context?
- To what extent have the expected outputs delivered within the expected time frame or was the time frame reasonably adjusted to the demands of the evolving context?
- In terms of operational efficiency, how well was the DWCP implemented, managed, coordinated, monitored and report on?
- To what extent did the tripartite constituents participate in the design, implementation, monitoring and evaluation of the DWCP? How effectiveness was the tripartite steering committee?

5. Impact *(What difference does the DWCP make?)*

- To what extent has the DWCP generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.
- Identify the social, environmental, and economic effects of the DWCP that are longer-term or broader in scope than those captured under the effectiveness criterion, beyond the immediate results.
- Are there any indirect, secondary, or potential consequences of the DWCP? Examine the holistic and enduring changes in systems or norms and the potential effects on people's well-being, human rights, gender equality and the environment.

6. Sustainability *(Will the DWCP benefits last?)*

- What are the policies that the ILO has technically and financially influenced through the DWCP framework?
- Is any pilot or modality introduced by the ILO still being maintained or replicated?
- Examine the financial, economic, social, environmental and institutional capacities of the systems needed to sustain the net benefits of the DWCP over time.
- Analyse resilience, risks, potential trade-offs and the actual flow of net benefits, and estimate the likelihood of net benefits continuing over the medium and long terms.

7. Other issues *(Will the post COVID-19 crisis impact the delivery of the DWCP?)*

- Examine the potential challenges for the implementation of the DWCP in the immediate to medium terms.
- Examine the specific needs and priorities, if any, of the ILO constituents induced by the COVID-19 outbreak.
- Identify possible strategies for implementing the DWCP in the changed context due to the COVID-19 crisis.
- Examine the development trends of the labour market (based on the review of previous DWCP).
- Examine the labour market, Industry 4.0 and climate change.
- Examine the Labour Law and its regulations.
- Examine the labour market in the context of new-generation free trade agreements, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the European Union–Vietnam Free Trade Agreement.
- Examine the strategic priorities for the DWCP for the next period on the basis of the current priorities of Viet Nam and the new context (SEDP, COVID-19, etc.).
- To what extent will the DWCP in the coming period be in line with the United Nations One Strategic Plan and with new strategies and plans of the Government?

Throughout the framework, the question on the role and relevance of the ILO, its niche, comparative advantage, partnerships and the tripartite cooperation and participation are the cross-cutting themes that should be constantly reviewed in the context of all of these questions.

Main clients

ILO Viet Nam and tripartite partners in the country (including MOLISA, the VGCL, the VCCI and the VCA), the ILO Regional Office for Asia and the Pacific, the Decent Work Technical Support Team Bangkok and headquarters, along with ILO constituents in Viet Nam, are the main clients of this Country Programme Review.

Administrative arrangements

The core CPR team comprised a lead consultant as team leader and a national consultant. The DWCP Working Group in Viet Nam, the ILO Viet Nam Programme Unit in collaboration with the Monitoring and Evaluation Officer from the Regional Office for Asia and the Pacific provides overall oversight.⁶²

Approach and methodology used for the CPR

The CPR approach is to promote and encourage participation of stakeholders, especially, the Tripartite DWCP Working Group, throughout the review process. All aspects of an evaluation in the ILO are guided by the ILO evaluation policy and the ILO evaluation strategy, which adhere to the Organisation for Economic Co-operation and Development and Development Assistance Committee Principles (OECD and DAC 2010c) and the United Nations Evaluation Group Norms and Standards for Evaluation (UNEG 2016). The evaluation also follows specific ILO principles for evaluation, such as adequacy of treatment of core ILO cross-cutting priorities, gender equality, non-discrimination, while promoting standards, tripartite processes, and constituent capacity development.

The CPR also uses a goal-based and objectives-based programme approach to evaluate its framework. The DWCP document and its theory of change and relevant documents are used as a basis.

Desk review, data collection and analysis

The consultant team reviewed and analysed important documents provided by tripartite partners (the MOLISA, the VGCL, the VCCI, the VCA) and ILO Viet Nam:

- ▶ National Development Framework;
- ▶ UN Development Assistance Framework;
- ▶ Decent Work Country Programme document;
- ▶ ILO Strategic Programme Framework and Programme and Budget;
- ▶ DWCP results framework, theory of change, performance plan and implementation plan;
- ▶ DWCP baseline reports and information;
- ▶ DWCP monitoring, progress and status reports;

⁶² Members of DWCP Working Group include representatives of MOLISA, VCCI, VGCL, VCA and the ILO.

- ▶ List of projects linked to each DWCP outcome and the relevant project evaluation reports;
- ▶ List of Country Programme Outcomes linking and implementation reports;
- ▶ Other studies and research;
- ▶ Technical and financial reports;
- ▶ National tripartite workshop proceedings or summaries; and
- ▶ Reports by MOLISA on the implementation of labour, employment and social objectives in the SEDP, and multiple reports by the Ministry on different areas covered by the DWCP: social insurance, poverty reduction, etc.

In addition, the CPR team reviewed and compiled data and statistics from the General Statistics Office, MOLISA, the VGCL, the VCCI, the VCA and other institutions (international and national) to provide hard data and evidence to support the answers and arguments to the criteria and questions described previously.

Data and information for verifying indicators (outputs and outcomes) were sourced from reports of the ministries, especially MOLISA, the VCCI, the VGCL, the VCA, the General Statistics Office, other development partners and others. The CPR team also studied the following source of data and information:

- ▶ Mid-term review of the DWCP Viet Nam;
- ▶ Monitoring sheet on outcomes and outputs of the DWCP that were developed by ILO Hanoi Office;
- ▶ Monitoring matrix by ILO Hanoi Office for every year and for five years; and
- ▶ Information, data and reports provided by members of the DWCP Working Group.

Interviews

Based on the feedback of the DWCP Working Group at the kick-off meeting, the information gaps and the criteria and questions previously highlighted, the review team conducted interviews with national partners and key informants. The informants for the review included ILO staff, members of the DWCP Working Group (MOLISA, the VGCL, the VCCI, the VCA), other government agencies and institutes (such as the Ministry of Planning and Investment and the Central Institute for Economic Management).

It was agreed with the DWCP Working Group that the interviews would be only with selected partners, thanks to the availability of secondary data, reports, information, progress reports and the mid-term review that had been conducted recently.

Data analysis and triangulation

Qualitative data from the interviews and other sources were analysed. This type of analysis involved conducting content analysis of the data, looking for patterns, categories, taxonomies and/or themes. To ensure validity and reliability, the findings that emerged were triangulated. Triangulation involved the confirmation of findings using multiple sources of data and methods of data collection.

Gender dimensions, international labour standards and social dialogue were cross-cutting concerns throughout the methodology, deliverables and final report of the CPR. This means that women and men were involved in consultations, review analysis and in the review team. Data reviewed by the team were disaggregated by sex to the extent possible, and based on this, analysis was conducted to assess the relevance and effectiveness of strategies and outcomes for women and men. The recommendations reflect such analysis and are also gender-responsive.

Stakeholders' workshop

Two stakeholders' workshops were conducted, one in Ho Chi Minh City and the other in Hanoi, to consult a broader group of stakeholders on the findings.⁶³ Key constituents, stakeholders and partners were invited. The workshops had four purposes: (i) gather additional information from the participants; (ii) answer the review questions by reviewing and discussing the information on the DWCP; (iii) allow for the stakeholders to validate the initial review findings; and (iv) make evidence-based recommendations on how the DWCP should go forward.

⁶³ The consultation workshops were conducted in Hanoi on 10 March 2021, and in Ho Chi Minh City on 26 March 2021.

Annex 2

▶ Update of the Viet Nam DWCP progress

Country priority 1. Promote decent employment and an enabling environment for sustainable entrepreneurship opportunities

Outcome 1.1. Employment policies and programmes provide better opportunities in decent employment and sustainable entrepreneurship for women and men workers, particularly those vulnerable groups

Cooperative activities:

- ▶ National and international training, conferences and seminars.
- ▶ Supporting the labour and employment survey of the General Statistics Officer, in particular the application of recommendations at the Labour Statistics Conference in 2012 and 2017.
- ▶ Implementation of the Responsible Supply Chains in Asia programme aimed to promote responsible business practices into the operations of multinational companies and their supply chains in the wooden and seafood processing in Viet Nam
- ▶ Launching the Electronics Project from 2017 to 2019 to promote socially responsible labour activities in the electronics industry, improve competitiveness for businesses and promote social responsibility practices in labour in the supply chain.
- ▶ Implementing the SCORE programme with enterprises and with the Handicraft and Wood Industry Association of Ho Chi Minh City and the Binh Duong Furniture Association. Now the approach to improve productivity and labour safety has been introduced in new industries (supporting industries, apparel, footwear). The Government is exploring integration of the SCORE programme in vocational training curriculum.
- ▶ Technical assistance to develop the VSDG action programme, including labour indicators, for which the ILO was a supervisor. It was approved by the Government on 23 January 2019, followed by the VSDG action programme of MOLISA and evaluation of national volunteering in 2018.
- ▶ Supporting the MOLISA in the development of an action plan for green growth (2018).
- ▶ Developing a report on Viet Nam's social labour trends for 2012–2017.

Indicator	Results to mid-2021	Target 2021
Indicator 1.1.1. <i>Employment activities advocated and implemented through knowledge sharing and awareness raising</i>	Raising awareness of decent work through propaganda, promotion and advocacy activities.	In 2021, at least 1 policy or programme will be developed base on knowledge and evidence provided by the ILO.
Indicator 1.1.2. <i>Public policies integrating employment issues developed addressing the need of workers, particularly the vulnerable groups</i>	(1) (1) Action programme for implementation VSDG of MOLISA (2018). (2) Action programme for green growth of MOLISA (2019).	At least 1 policy in 2021.
Indicator 1.1.3. <i>Employment policies or practices piloted at a provincial level successfully transferred to another province(s)</i>	The practice of improving labour productivity and safety in wood enterprises (SCORE programme) has been replicated in other provinces and sectors.	At least 2 practices in 2019.

Outcome 1.2. More women and men working in the informal economy engage in decent work through increased formalization.

Cooperative activities:

- ▶ National and international training, conferences and seminars.
- ▶ Supporting the labour and employment survey with the General Statistics Office and information processing of informal labour.
- ▶ Informal labour survey (2017).
- ▶ Research on the ability of participating in social insurance of labour in the informal sector and occupational safety health research in the informal sector.
- ▶ Supporting the integration of employment-related indicators into the 2019 Population Census.

Indicator	Results to mid-2021	Target 2021
<p>Indicator 1.2.1. <i>Proportion of informal employment in non-agriculture employment, by sex</i></p>	<p>The informal labour report in 2018 was completed and published.</p>	<p>The government determines in 2019.</p>
<p>Indicator 1.2.2. <i>Number of policies adopted by government and/or social partners designed to make formalization among informal economy workers more likely</i></p>	<p>Resolution 28 on social insurance is issued with approval of the master plan on social insurance reform. The plan includes a clear goal of researching and designing short-term social insurance packages with appropriate contributions, level of benefits and payment methods for informal workers.</p>	<p>By 2021, at least 1 support policy to improve the ability to formalize labour in the informal economy.</p>
<p>Indicator 1.2.3. <i>Number of evidence of use by targeted/beneficiary informal economy workers of selected indices of formalization (provided with ILO support) to make enterprise(s) more formal</i></p>	<p>(1) Two studies on OSH and the injury rates of young workers published in late 2018 provide a comprehensive picture of OSH in the informal sector and useful data and age disaggregation and occupational disease and injury information. The study was carried out by MOH in collaboration with MOLISA and social partners. A national tripartite workshop was conducted in December 2018 to discuss and develop solutions to improve the notification, collection and reporting system to strengthen compliance activities at the workplace.</p> <p>(2) According to the report of the Gender, Family and Environment in Development Center, up to 97.9 per cent of the employees do not have social insurance. The average monthly income of workers in the informal sector is about VND 4.4 million per month, 30 per cent lower than that of the formal sector. In addition to not participating in social insurance, the ratio of female workers to total migrant workers aged 15–59 years was 52.4 per cent; of which, 34.3 per cent had difficulty in employment, 42.6 per cent had difficulty in accommodation, 79.1 per cent of total migrant workers come from rural areas; and two thirds of migrant workers had no professional qualifications. Migrant workers often do simple jobs.</p>	<p>In 2019, at least 1 evidence relating to informal employment in micro and small enterprises in selected value chains.</p>

Outcome 1.3. Prospects for freely chosen and productive employment are maintained and expanded for women and men through international migration and better preparedness for jobs and sustainable entrepreneurship in global value chains.

Towards these outcomes, the Legislative Reform on Labour Migration in Viet Nam (Law 72) project, TRIANGLE in ASEAN project, Safe and Fair project, FIRST project, and Ship to Shore Rights in South East Asia project have made the following contributions and inputs:

- ▶ National and international trainings, conferences and seminars;
- ▶ Technical comments, policy dialogues, gender analysis, research including experiences of women migrant workers towards policy towards legislative changes, social media material, and best practice sharing for revising the Prime Minister Decree focusing on setting conditions for licensing and sending workers to Japan, Taiwan (China) and Saudi Arabia. (Decree 38/2020/ND-CP dated April 3, 2020).
- ▶ Law on Contract-Based Vietnamese Overseas Workers (Law 69) in 2020, and its guiding decrees in 2021. Policy recommendations are made based on the results of a business case study examining enablers and opportunities for implementing an employer pays or zero-fee to Vietnamese migrant worker model, a recruitment agency study, and research report examining Vietnamese migrant workers access to justice, independent evaluation of key policies and implementation of the Law on contract-based Vietnamese overseas workers, risks and rewards -Outcomes of labour migration in South-East Asia (key findings in Viet Nam), the report 'More choices, more power: Opportunities for women's empowerment in labour migration from Viet Nam', VGCL's consultation report on migrant workers.
- ▶ Support Viet Nam to pilot methodologies to measure SDG Indicator 10.7.1 developed by World Bank and ILO of the fourth quarter of the 2019 Labour Force Survey (LFS). This is to support Viet Nam to monitor recruitment fees and related cost born by Vietnamese migrant workers.
- ▶ Support to strengthen capacity of relevant ministries and national statistics offices to produce and apply relevant data and analysis on labour migration including SDG indicator 10.7.1, ILMS, women migrant workers and violence against women migrant workers.
- ▶ Five Migrant Worker Resource Centers (MRCs) in five provinces with high numbers of migrant workers continue to provide accessibility to migrant workers to reliable information and legal assistance.
- ▶ Media training for balanced reporting of Vietnamese migrant workers and a Toolkit and Glossary on forced labour and fair recruitment for journalists in Viet Nam.
- ▶ Monitoring and evaluation of the compliance of recruitment agencies with the Code of Conduct implemented with 120 recruiting companies in 2017-2018 and 140 recruiting companies in 2018-2019 with recruitment and equal protection for women migrants and meaningful participation of trade unions and women's organization representatives.

- ▶ The VGCL-MTUC 2018-2019 Action Plan aims to operate a Memorandum of Understanding (MOU) on promoting the rights and legitimate interests of Vietnamese migrant workers.
- ▶ Implement vocational training programs for migrant workers.
- ▶ Developing occupational skill standards in the tourism sector according to ASEAN standards using a competency-based approach; supporting the establishment of Industry Skills Councils for the agriculture and construction sectors.
- ▶ Technical advice to MOLISA for development of the first National Skill Strategy.
- ▶ Support for better communications of safe migration messages for women in line with the commitments made by Viet Nam in the GCM.

Indicator	Results to mid-2021	Target 2021
<p>Indicator 1.3.1. <i>Recruitment cost borne by employee as a proportion of yearly income earned in country of destination</i></p>	<p>(1) Publication of research report: The cost of Vietnamese employees to go to work in Malaysia</p> <p>(2) 10.7.1 Millennium Development Goals monitoring index: The rate of recruitment costs paid by employees compared to the income of the year while working abroad is included in the Vietnamese monitoring index.</p> <p>(3) Business case study examining enablers and opportunities for implementing an employer pays or zero-fee to Vietnamese migrant worker model.</p> <p>(4) Brokerage commission paid by Vietnamese migrant workers removed from revised Law on Contract-Based Vietnamese Overseas Workers after ILO advocacy. The Law permits public employment service centers to recruit and send migrant workers with free service and brokerage charges but still have to pay for deposit and related costs</p>	<p>(1) Data are extended to other countries</p> <p>(2) Reduce costs paid by workers</p>

Indicator	Results to mid-2021	Target 2021
<p>Indicator 1.3.2. <i>Well-managed public and private migration policies that are gender sensitive, promote the fundamental principles and rights of women and men migrants at work and foster regional and international cooperation</i></p>	<p>(1) Completed a ten-year independent assessment research report on implementation of the Law on Vietnamese Guest Worker (Law No. 72) and the impact report of proposing amendments to the law.</p> <p>(2) Revised Law on Contract-Based Vietnamese Overseas Workers which strengthens protections for Vietnamese migrant workers. Development of four sub-laws in 2021 which will give legal enforcement to certain articles in the revised Law.</p> <p>(3) Viet Nam Association of Manpower Supply revised and issued its Code of Conduct for Vietnamese enterprises sending workers to work abroad version 2018 to enhance standards for enhancing transparency and responsibility in the recruitment process, meeting gender issues and protecting female workers.</p> <p>(4) On 20 March 2020, the Prime Minister of Viet Nam promulgated Prime Minister Decision No 402/QĐ-TTg on the Plan of Implementation of Global Compact on Migration in which the Government plans to ratify relevant conventions between 2020-2030 including the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families, and ILO Conventions including the Migration for Employment (Revised) Convention, 1947 (No. 97), the Migrant Workers (Supplementary Provisions) Convention, 1973 (No. 143), the Private Employment Agencies Convention, 1997 (No. 181) and Protocol of 2014 to the Forced Labour Convention, 1930. In addition, ILO and UN Women under the Safe and Fair joint programme provided technical comments to the Ministry of Foreign Affairs which included recommendations for equal access to information about labour migration opportunities, the risks and rewards of labour migration, as well as the need for sex-disaggregated data.</p>	<p>12 policies in 2021</p>

Indicator	Results to mid-2021	Target 2021
	<p>(5) VGCL officially adopted and issued its Constitution at the 12th National Trade Union Congress at the Decision 174/QD-TLD dated 3 February 2020. The new Constitution extends VGCL mandate to support Vietnamese migrant workers and migrant workers in Vietnam to participate in any forms of organizing workers by VGCL. This is a remarkable step towards strengthening migrant workers' rights.</p>	
<p>Indicator 1.3.3. <i>Skills needed in employment in global value chains available on the labour market</i></p>	<p>(1) Completion of career skills standards in the tourism under ASEAN standards applying a competency-based approach.</p> <p>(2) Support the establishment of sector skills councils for the agriculture sector and the development of sector skills strategies for agriculture sector to improve sector competitiveness through standardization of career skills, and identification of skill gaps, fostering dialogue among various stakeholders in the sector on human resource development.</p>	<p>Improvements in facility reviews.</p>
<p>Indicator 1.3.4. <i>Youth, especially, the most vulnerable ones (women and rural workers) provided opportunities to access and trained on digitalized skills for employment in response to the job needs in the digital economy</i></p>	<p>Undefined.</p>	<p>Improvements in facility reviews.</p>

Country priority 2: Reduce poverty by extending social protection for all and reduce unacceptable forms of work, especially for the most vulnerable

Outcome 2.1 *Social protection is extended and delivered to larger targeted population (men and women) through a more efficient and effective system.*

Cooperative activities:

- ▶ Supporting the development and implementation of Party Resolution No. 28 on comprehensive reform of the social insurance system, a historic decision that provides the framework for a comprehensive and integrated approach to addressing contemporary social security challenges.
- ▶ Supporting the Government in preparing the Master Plan for the Social Insurance Reform, which aims at a multi-tier social protection system, with unilateral coverage and synchronization of social insurance and social assistance. One of the reforms is the goal of universal coverage through the use of a multi-tier system, combining tax funded with contributory benefits.
- ▶ Supporting the Government in preparing the Master Plan for Social Assistance Reform (2016–2025) and Vision to 2030, which seeks to (i) improve the social assistance systems; (ii) fulfil the right to social protection of all citizens, (iii) extend social assistance coverage with priority given to disadvantaged groups; and (iv) ensure social justice, stability and sustainable development.
Capacity-building through participation in training, national and international conferences.
- ▶ Training on the management of social security programmes; supporting MOLISA in completing the “Innovation and development of social assistance in 2017–25 with a vision to 2030” proposal, building a guiding framework for the implementation of this proposal and making recommendations for connection between contributed pensions and social pensions (2017–19).
- ▶ Promoting and establishing a social security system in Asia (phase III): expanding coverage of social insurance. The project supported MOLISA in developing the Social Insurance Policy Reform proposal, focusing on measures to expand social insurance coverage, implementing Resolution 28-NQ/TW (2017–19); ILO/Japan: ESSA Japan (phase III): Social insurance; and ILO/IA: social assistance and social insurance and the United Nations Joint Programme on Social Protection.
- ▶ Research on strengthening the social assistance system capable of coping with risks and shocks (2018).
- ▶ Supporting pension reform; technical assistance provided to MOLISA for analysing impediments to the social insurance system and developing reform options (Master Plan on Social Insurance Reform).
- ▶ Actuarial assessment (August 2017–June 2018).
- ▶ Comprehensive MPSIR proposed and endorsed by Highest Political representative by May 2018 (Resolution 28).
- ▶ Reform aimed at a multi-tier social protection system, with universal coverage and synchronization of social insurance and social assistance.

- ▶ Supporting communication on extension of social security coverage, with innovative approaches.
- ▶ Tackling access barriers to health care and strengthening female workers' awareness on health-related social security benefits under the project Support to the Extension of Social Health Protection in South-East Asia.

Indicator	Results to mid-2021	Target 2021
Indicator 2.1.1. <i>Proportion of the population covered by social protection systems and includes the proportion of workers covered by social insurance, beneficiaries of social assistance schemes, proportion of the population covered by the social health insurance scheme</i>	(1) 31 per cent of the labour force at working age participate in social insurance. (2) 2.95 per cent of the population received social assistance. (3) 88.5 per cent of the population participated in health insurance. (4) Issuing Resolution 28/NQ-TW	(1) 50 per cent of the labour force participates in social insurance (2020). (2) 4–5 per cent of the population receives monthly social assistance (2020). (3) 90 per cent of the population participates in health insurance (2020).
Indicator 2.1.2. <i>Number of legal revisions for improving adequacy of benefits, number of new and strengthened procedures and services for improving delivery of social protection benefits</i>	(1) Some contents in the draft proposal about voluntary, short-term and flexible social insurance package. (2) The 2012 Labour Code is comprehensively revised, including social security-related issues.	4 amendments to the law in 2021.

Outcome 2.2. Unacceptable forms of work, especially child and forced labour, measurably reduced.

Cooperative activities:

- ▶ National and international training, conferences and seminars.
- ▶ Supporting the development of the National Action Plan to Prevent and Reduce Child Labour as well as its rollout to 30 provinces.
- ▶ Supporting review of the NPA (2016–20) and the development and finalizing of the new NPA cycle (2021–25 with vision 2030).
- ▶ Supporting integration of specific provisions relating to child labour, forced labour and discrimination in the Labour Code were proposed for reform. The revision aimed to align such provisions with the 1998 ILO Declaration.
- ▶ Project Enhance to strengthen national capacity in child labour prevention and reduction (2016–19).
- ▶ European Union project on basic principles and rights at work.

- ▶ Determination and agreement on concepts and definitions of child labour and conducting the 2018 National Child Labor Survey.
- ▶ Supporting implementation of target 8.7 of the national action plan for sustainable development to 2030 (2019).
- ▶ Support for ratification convention 105 on Abolition of forced labour;
- ▶ Support to improve the quality of periodic reports on the implementation of Convention No. 29 on forced labor.
- ▶ Raising the public awareness on forced labour through supporting partners to develop and disseminate the communication materials on forced labour
- ▶ Viet Nam joined Alliance 8.7 as one of the pathfinder countries; it is a new initiative of the United Nations aimed at realizing target 8.7 of the Sustainable Development Goals on building a world without forced labour, modern slavery and human trafficking and child labour.

Indicator	Results to mid-2021	Target 2021
Indicator 2.2.1. <i>Proportion and number of children aged 5–17 years engaged in child labour, by sex and age</i>	Child Labour Survey conducted in 5 provinces and cities.	Decreased, determined later together with partners.
Indicator 2.2.2. <i>Provinces that have adopted a provincial action plan for the reduction and prevention of child labour in accord with the National Plan of Action on Child Labour</i>	More than 30 provinces and cities approved the Provincial Action Programmes on Prevention and Mitigation of Child Labour under the National Action Programme on Prevention and Mitigation of Child Labour.	Provincial action plans will be approved at least in 50 provinces and cities.
Indicator 2.2.3. <i>Institutional structures, including laws, that lead or coordinate action against forced and child labour</i>	(1) Some international labour standards on the elimination of forced labour were officially proposed by MOLISA to amend a number of articles of the law on criminal judgment execution. (2) Ongoing development of documents for ratification of Convention No. 105.	The multi-stakeholder institutional structure at the national level will come into operate.

Country Priority 3: Build effective labour market governance compliant with fundamental principles and rights and at work

Outcome 3.1 *Effective industrial relations systems built in line with international labour standards and fundamental principles and rights at work.*

Cooperative activities:

- ▶ Strengthening the tripartite partners' technical capacity through timely provision of the national and international training, conferences, and seminars.
- ▶ Providing technical memoranda, official comments, and other support to MOLISA during all phases of the Labour Code revision as well as during subsequent efforts to develop implementing regulations.
- ▶ Supporting capacity-building activities for the VGCL (through the NIRF Project) at the national and local levels through many workshops and consultations on amendments to Labour Code in the context of Viet Nam joining the new generation free trade agreements; mobile legal advice services and industrial park trade unions in collective labour agreement (2018).
- ▶ Supporting review of Directive No. 22-CT/TW and development of Directive No. 37 of the Party Central Secretariat on building stable and progressive harmonious labour relations in enterprises (2019).
- ▶ Completing and disseminating the 2018 and 2019 industrial relations reports.
- ▶ Reviewing the industrial relations indicators and indices and integrating them into a national database.
- ▶ Technical seminars and policy consultations continuously with stakeholders (VCCI, VGCL, National Assembly) at all levels to collect comments and improve the quality of the draft revised Labour Code. Provision of ILO official comments for finalization of the Labour Code.
- ▶ In line with Resolution No. 27 on wage reform, capacity building to the National Wage Council and technical assistance to the National Wage Council to determine the 2019 and 2020 minimum wages; supporting: (i) determination of minimum wages per month and per hour; (ii) development of the regular wage report; (iii) ratification of Convention No. 131 on wages in 2021; and (iii) support for training on wage bargaining in enterprises and multi-employer settings for social partners.
- ▶ Deploying models to improve the representative capacity of trade unions at the grass-roots level: electing union president, collective bargaining and multi-employers collective bargaining.
- ▶ Supporting a study on the impact of COVID-19 on workers and businesses in some sectors, such as textiles, and providing policy suggestions and responses.

Indicator	Results to mid-2021	Target 2021
<p>Indicator 3.1.1. <i>Revising industrial relations code and trade union law conforming to fundamental ILO Conventions, where applicable to Viet Nam.</i></p>	<p>(1) The revised Labour Code was adopted by the National Assembly and will be effect from 1st January 2021.</p> <p>(2) Documentation submitted to amend Trade Union Law is being completed and appraised.</p>	<p>Amendments to the Labour Code and Trade Union Law contribute to improve 50 per cent or higher of the remaining areas identified in the 2010 technical review and implement at least 50 per cent of the issues under the updated ILO technical review conducted in January 2017. Postponed the revision of Trade Union law.</p>
<p>Indicator 3.1.2. <i>Bottom-up workers' representation, as evidenced by observed activities of bottom-up representatives</i></p>	<p>(1) After more than 20 years of unofficial existence, Industrial Zones Alliance Network, which includes more than 50 trade unions located in 50 industrial zones, export processing zones and economic zones in 48 provinces, was officially established under Decision of VGCL dated 22 June 2018 (Decision No. 1151/QD-TLD). The Industrial Zones Alliance Network has a key role in promoting authentic trade union activities and enhancing the role of representation of workers in areas of industrial relations.</p> <p>(2) To ensure the content of collective bargaining is more favourable than the conditions stated in the law or in existing enterprise collective bargaining agreements. The multi-enterprise collective bargaining agreements in 2018 and expanded in 2019 mark a new step in enhancing representation in collective bargaining with the participation of enterprises that own resorts or hotels and wood or high-quality furniture factories where there is a large number of employees (26 enterprises with more than 12,000 workers) in Da Nang and Binh Duong. The expanded multi-enterprise collective bargaining agreement has the potential to become a sector framework agreement, contributing to building an important foundation to sustain progress and develop industrial relations in these sectors, not</p>	<p>(1) The survey data (early 2019) on the representativeness of workers increases.</p> <p>(2) Promoting the establishment and capacity building of trade unions and worker representative organizations in addition to maintaining trade union support at all levels.</p>

Indicator	Results to mid-2021	Target 2021
	only in Da Nang and Binh Duong but also can be replicated in other localities.	
Indicator 3.1.3. <i>New government industrial relations systems and institutions operational, with use being made of them.</i>	(1) Completing and disseminating the National Labor Relations Report 2018. Core issues for improving industrial relations were advocated for inclusion in the revised Labour Code. (2) Data and indicators on industrial relations were reviewed.	The national industrial relations system is fully operated.

Outcome 3.2 *Labour inspection strengthened, and preventive occupational safety and health culture instilled with a view to increasing decent work for women and men, and particularly young workers.*

Cooperative activities:

- National and international training, conferences, and seminars.
- Supporting since 2019 the labour inspectorate’s development of a digital case management system to better plan and standardize inspections and maintain results in a database that facilitates follow-up and trend analysis.
- Strengthening labour compliance in electronic enterprises through labour inspection campaign (2017–2018).
- Strengthening the labour inspection system at the national and local levels through a new labour framework project to address non-compliance in industrial relations (2017–19), implementing a labour inspection campaign on industrial relations in targeted provinces (2019).
- Developing documents and training of trainers for labour inspection (2018) through the ENHANCE Project; and improving the capacity of child labour inspection for local labour inspectors (2019).
- Improving knowledge and skills of occupational safety and developing a team of trainers on OSH through the Safeyouth@work Project (2017).
- Contributing to implementation of the OSH National Action Plan 2016–2020, with support to MOLISA (Labor Inspection Department) under the NIRF Project.
- Supporting the country to join the ASEAN OSHNET network through seminars and experience sharing.
- Provision of support through implementing the Better Work Viet Nam Programme.
- Completing two studies: (i) assessment of injury and occupational disease rates for young workers and other groups in selected craft villages in Hung Yen Province; and (ii) analysis of work-related injuries for young workers based on existing administrative data collected by public health facilities (2017).
- Integrating two training packages on OSH into the short-term vocational training programme: industrial sewing, refrigeration repair and maintenance, developed in close coordination with the General Department of Vocational Training.

- ▶ Equipping core vocational teachers with basic knowledge and understanding of OSH in general and hazards, risks and preventive measures in specific industries, through two courses; piloting activities using newly developed training materials at selected schools and centres in the four provinces.
- ▶ Supporting development of an action plan to promote a safe and healthy workplace for young people; implementing the action plan with a series of communication activities on the occasion of the Vietnam National Action Month, including a tripartite forum for OSH for young workers; two sessions with information on OSH for hundreds of apprentice and high school students; OSH information packages and training for owners and workers of craft villages; and producing videos, stories about OSH for young workers.
- ▶ Responding to the COVID-19 crisis, in collaboration with the World Health Organization, by supporting the National Steering Committee on COVID-19 prevention and control to development and issuance of national guideline on prevention, control and assessment of COVID-19 infection risk at workplaces and dormitories. The ILO will also support the VCCI to develop the guideline and communication materials on business continuity plan in the context of the crisis; Support to rapid assess the production and business situation at enterprises affected by the 4th wave of COVID-19 pandemic.

Indicator	Results to mid-2021	Target 2021
<p>Indicator 3.2.1. <i>Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status</i></p>	<p>Updating reports through occupational safety and health campaign.</p> <p>According to the report of 62 of the 63 provinces and central cities, in the first six months of 2018, there were 3,988 work accidents causing 4,102 people suffering from accidents (including the area having industrial relationships and the area where workers work without labour contract) in which:</p> <ul style="list-style-type: none"> • number of fatal work accidents: 363 cases; • number of work accidents with two or more victims: 56 cases; • number of deaths: 384 people; • number of seriously injured people: 813 people; and • victims are female workers: 1,341 people. 	<p>Data on work accidents collected;</p> <p>The collected data shows that the frequency of work accidents leading to death decreased by 7.2 per cent/year in 2018.</p>
<p>Indicator 3.2.2. <i>Published annual labour inspection report as required by Art. 20 of ratified Labour Inspection Convention, 1947 (No. 81)</i></p>	<p>Draft guidelines for inspection in construction industry.</p>	<p>Annual reports published</p>

Indicator	Results to mid-2021	Target 2021
<p>Indicator 3.2.3. <i>Percentage of young workers who have increased understanding of OSH in the workplace and percentage of young workers who have taken initiatives or change their behaviours in regard to OSH in the workplace</i></p>	<p>(1) Completing and disseminating two studies: (i) assessment of injury and occupational disease rates for young workers and other groups in selected craft villages in Hung Yen province; and (ii) analysing work-related injuries among young workers based on existing OSH data collected by public health facilities in 2017.</p> <p>(2) Support to increase knowledge and awareness of the OSH risks that young workers face at work by developing Action Plan for tripartite partners of the ILO. Youth Organization takes concrete steps to promote a safe and healthy workplace. Actions in five priority areas – compliance, data and research, education and training, advocacy, and networks – were implemented. In addition, in implementing the Action Plan, a series of communication activities on the occasion of World Day for Safety and Health at Work and Viet Nam National Action Month were successfully implemented, including a tripartite forum for occupational safety and health for young workers; two sessions provided information on OSH for hundreds of apprentices and high school students; information packages on OSH and training for owners and workers of the craft village; and producing videos, stories about OSH for young workers.</p> <p>(3) The ILO cooperated with MOLISA to organize the dialogue forum For a Safe and Healthy Worker Generation: Improving Occupational Safety and Health Conditions for Young Workers in action month in 2018 and 2019.</p>	<p>Increasing understanding, attitudes and behaviours on occupational safety and health for young workers.</p> <p>Maintaining the integration of training activities about raising OSH awareness and capacity through formal education and training channels. An assessment report of awareness of young people about OSH is available and provided data shows that this rate has increased.</p>
<p>Indicator 3.2.4 <i>Rate of non-compliance with labour law by enterprises by sectors and areas</i></p>	<p>(4) Labour Inspection Campaign in 2019 was launched on 27 March in Binh Duong with the theme of Compliance with Labour Law for Sustainable Development of the Wood Processing Industry by MOLISA, implemented with the support of the ILO through the new</p>	<p>Results on the extent of the capacity building of the inspector and the legal compliance of enterprises and workers.</p>

Indicator	Results to mid-2021	Target 2021
	<p>Industrial Relations Framework Project. The campaign involved participation from the VGCL, the VCCI and wood industry associations. The campaign includes different groups of activities, such as inspection, training, and communication to increase the awareness of employers and employees on the importance of promoting legal compliance in the wood processing industry in the country.</p> <p>(5) The e-business alliance model was formed and replicated in other industries.</p>	

Outcome 3.3 Decent work opportunities increased through integrated approaches to compliance and workplace innovation applied at sectoral and workplace level.

Cooperative activities:

- ▶ Strengthening partners' capacity through national and international training, conferences, and seminars.
- ▶ Better Work Viet Nam programme.
- ▶ Electronic Project (through the MNED project).
- ▶ Responsible Supply Chain in Asia project.
- ▶ Project to promote a new industrial relations framework to ensure respect for the ILO statement on fundamental principles and rights at work (2018).
- ▶ Developing an industrial relations newsletter.
- ▶ Supporting the National Wage Council.
- ▶ Supporting the wage policy reform proposal (2017).
- ▶ Implementing the Start and Improve Your Business Programme at a limited level (2017).

Indicator	Results to mid-2021	Target 2021
<p>Indicator 3.3.1. <i>Number of BW member factories and enterprises that adhere to compliance standard</i></p>	<p>To date, there are 574 factories participating in the Better Work Viet Nam programme. Compliance is quite good and has improved.</p>	<p>Improving compliance.</p>
<p>Indicator 3.3.2. <i>Tailored made tools and strategies for compliance, productivity, and competitiveness developed and used in targeted sectors and enterprises</i></p>	<p>(1) The VCCI Ho Chi Minh City and industry associations (EBMO) trained 24 enterprises using the SCORE training package developed by the ILO to improve productivity and working conditions in small and medium-sized enterprises, including Vietnamese suppliers to international companies, such as Adidas and H&M. Training and consulting services were delivered and are being fully managed by project partners, although the ILO still funds 25 per cent of training costs. The programme received positive feedback from enterprises.</p> <p>(2) Outreach support package of SCORE was introduced by the Department of Industry and Trade of Ho Chi Minh City and expanded to supporting industries.</p> <p>(3) Completed training materials and organizing training of trainers at the Asia–Pacific level for enterprises on social responsibility.</p> <p>(4) Dong Nai High Technology College completed the inclusion of important SCORE contents in its training programme and provided a new training programme for 501 students with a satisfaction rate of 92 per cent.</p> <p>(5) In the third quarter of 2018, Better Work Viet Nam supported the application of approaches to maintain and improve work conditions, improve productivity and business competitiveness for more than 560 factories, affecting the lives of more than 780,000 workers.</p>	<p>Maintaining and expanding the initiative model to other sectors as well as disseminating it widely at the national level.</p>

Indicator	Results to mid-2021	Target 2021
<p>Indicator 3.3.3. <i>Tripartite plus dialogue platforms and implemented Joint Plan of Action for promoting socially responsible labour practices among multinational enterprises</i></p>	<p>(1) The e-business alliance model to promote responsible labour practices was formed and maintained with positive operating results and has been replicated to other sectors. VCCI cooperated with Business Alliance to organize important activities, such as strengthening policy dialogue between the investment country and the host country and maximizing the impact of multinational enterprises on decent work in the electronics industry in Viet Nam.</p> <p>(2) In the context of integration and joining the new generation of free trade agreements, the e-business alliance model is being applied to enhance connectivity, cooperation, and partnerships in activities to promote the practice of social responsibility in other industries, such as fisheries and timber.</p> <p>(3) Under the framework of the Better Work programme, the project initiated a high-level multi-party platform, comprising Vietnamese tripartite partners along with garment manufacturers and regional and global brands to discuss and create consensus on national development plans for the industry that include social responsibility issues of enterprises.</p> <p>(4) Implementation of the project Social Responsibility in Supply Chains in Asia has helped to promote responsible supply chains and environmentally responsible business ethics, decent work and respect for human rights. of workers in the wood and seafood processing industry in Viet Nam.</p>	<p>Extensive trilateral dialogue platform in the independent electronics industry without ILO support, promoting social responsibility of labour practices.</p> <p>Integrating training modules on corporate social responsibility into the curriculum of universities (Nha Trang, Can Tho)</p> <p>Developing and disseminating a manual for compliance with the Labor Code 2019 in the seafood industry</p> <p>Expand training on corporate social responsibility for Vietnam Cooperative Alliance</p>

Outcome 3.4 Deepened commitment to ratify and apply international labour standards.

Cooperative activities:

- ▶ National and international training, conferences, and seminars.
- ▶ Supporting activities under the ILO framework project, Regular Budget Supplementary Account: Job service support.
- ▶ Supporting MOLISA in completing a submission document, including feasibility studies and impacts of ratification of ILO Conventions in the context of Viet Nam's participation in new-generation free trade agreements (Convention No. 159, Convention No. 88), in particular Convention No. 98.
- ▶ Organizing group meetings, technical seminars, national and regional consultation workshops to collect comments on completing the dossier submitted to Conventions No. 98 and No. 105.
- ▶ Developing and disseminating communication materials, Q&A materials related to Convention No. 98 and No. 105.
- ▶ Supporting the staff of MOLISA, the Ministry of Justice and the VGCL to participate in courses related to the international labour standards.
- ▶ Supporting the organization of media events, dialogues, and advocacy to promote the process of signing the European Union–Vietnam Free Trade Agreement, focusing on chapter 13 on Trade and Sustainable Development.
- ▶ Supporting the development and technical consultation to complete the draft dossier for submission to Convention No. 105.
- ▶ Supporting the development of a strategic approach draft to the approval, compliance, application and reports of international labour standards in Viet Nam.
- ▶ Project on capacity-building to monitor the implementation of the new industrial relations framework (2017–2019).
- ▶ Supporting feasibility study and impact assessment for ratification of ILO Conventions.
- ▶ Developing and distributing the Normative stock-taking for decent work in Viet Nam report.

Indicator	Results to mid-2021	Target 2021
<p>Indicator 3.4.1. Ratification of international labour standards, with particular attention to Conventions No. 87, No. 98 and No. 105.</p>	<p>Ratification of Convention No. 88 on employment services (23 January 2019); Convention No. 159 on vocational rehabilitation and employment for people with disabilities (25 March 2019); Convention No. 98 on the right to compromise (June 2019); Convention No. 105 (June 2020).</p>	<p>Ratification of Conventions under the Government's plan to 2020.</p> <p>Ratification of Convention No. 87, Convention No. 98 and Convention No. 105 by 2020.</p>
<p>Indicator 3.4.2. Instances of satisfaction or progress expressed by Committee of Experts on the Application of Conventions and Recommendations in relation to Conventions ratified by Viet Nam.</p>	<p>The Committee of Experts on the Application of Conventions and Recommendations (CEACR) expressed satisfaction with the developments both in law, practice, and the application of Convention No. 29 (revision of militia and self defense).</p>	<p>Four observations of the Committee of Experts on the Application of Conventions and Recommendations expressed satisfaction with the progress in law and practice and the application of Conventions No. 29, No. 81, No. 182 and No. 138.</p>