

Forced Into a Complicated Transition

Enhancing and Mobilising Structural and Organisational Power of Trade Unions to Better Protect Rights and Interests of Workers in Vietnam

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The first wildcat strikes in the 1990s in Vietnam were perceived as nothing more than a nuisance for the Vietnam General Confederation of Labor (VGCL), the sole official trade union in the country.

But as the wave of industrial action reached a peak of nearly 1000 strikes and work stoppages in 2011 without any involvement from the VGCL, the union leadership could no longer ignore what was happening.

Worried about becoming obsolete and losing the trust of workers, the VGCL understood the urgent need of elementary change to the way it operated.

VGCL's problem was that it was stuck in the past. While its standing in state enterprises was still strong, the economic reforms introduced by the Communist Party of Vietnam (CPV) to transform a controlled market into a free market economy had resulted in the rapid diversification of economic structures.

New economic actors had also emerged. In sectors like the garment and electronics industry, private and foreign investors are taking over equitised state enterprises.

The labor struggle, too, had long shifted to the private sector.

VGCL is and was a huge organization. By 2013 it had 9.2 million members. But recruitment was often done in collaboration with employers: The trade union displayed a top-down attitude, undermining trust in VGCL.

Until it reformed itself, VGCL could and would not be seen as an honest representative of the entire, changing workforce.

Contradicting tasks

The strike wave that rattled Vietnam in the first decade of the 2000s was organised by the workers themselves, without any contribution from the VGCL. Participants were developing a class consciousness, but did not feel the need to affiliate with any kind of trade union.

The strikes were successful because the treatment of workers in those companies had

been deplorable beyond doubt. The selforganised strike-actions had made the grievances public and visible, exposing the VGCL's inability to address such blatant violations of workers rights.

VGCL was facing a huge dilemma. If it wanted to remain relevant, it had to establish strong unions in the new emerging sectors, and regain the trust of the labour force by changing its strategies and tactics.

At the same time, it also had to fulfill its duties under Vietnam's political system. Adopting a necessary new approach in representing the working class was threatening to disconnect the union from the CPV and the state.

The VGCL leadership eventually understood that recruiting new members was not enough. The union needed to change its structures, its methods and its whole mentality to cope with the challenge at hand.

Using political influence

VGCL's main advantage is and was its strong position in the Vietnamese political system. VGCL was part of the independence movement, and under constitution it is "the representative of the total workforce in Vietnam."

Through its proximity to the ruling CPV it has significant political influence. It has direct access to the prime minister on important economic issues, and is regularly consulted by the parliament on all draft laws that impact the workforce.

Between 2010 and 2012, VGCL used this institutional power to pave the way for structural and organisational transformation. The VGCL spearheaded the 2012 amendment to the Labour Code, and the enactment of a new Trade Union Law in the same year.

Big Wins

The Labour Code established a new institution: The National Wage Council (NWC).

Since 2013, the tripartite body consisting of the party, government and employer organizations and workers has come together every year to renegotiate the minimum wage.

This is in part thanks to the VGCL. Its previous research on the minimum living standards of the workers revealed that the minimum wage met just 70 percent of minimum living standards.

That put both the party and the parliament under pressure. They decided to tie the minimum wage to actual minimum living standards, making Vietnam the only country in Southeast Asia with an official policy in this regard. This marked a big success for VGCL.

On top of this, the new Labour Code introduced the obligation for written labour contracts and limited overtime working hours.

It guaranteed a certain wage level during the probation period, increased maternity leave for women workers from 4 to 6 months and eliminated forced labor.

But the most important changes were the provisions on collective bargaining. In the past, collective bargaining was legally possible in Vietnam but limited in practice.

In theory, binding standardised working conditions and social responsibilities were to be stipulated at sector or industrial level. But because there were no employers' associations on the industrial level to bargain with, it hardly ever happened.

This is now expected to change. Some federations of labour on the district and provincial level are already testing multi-employer bargaining in selected industries.

VGCL also reports some gradual changes in the formal character of collective bargaining and a steady increase in the number of companies participating in industry-wide agreements.

The new Trade Union Law on the other hand improved the standing of trade unionists – above all on the grassroots level - and enhanced the protection of trade union officers, making a grassroots approach for VGCL feasible.

Bottom-up approach

The process of change, which started with law making efforts, had an impact on VGCL's structures and organization.

While being involved with the law making process, VGCL for the first time presented the draft of two laws for discussion to lower level union members.

This not only helped them contribute their own input, but won VGCL broad support among the workforce.

Encouraged by this, the VGCL leadership decided to keep on using a bottom-up, or worker centered approach to representing the rights and interests of workers. It has been rewarded by growing membership.

Lessons Learned

VGCL today knows that the process of change is still unfolding. But the lessons learned will give some guidance for the future.

Most importantly, VGCL understood that developing the capacities of learning is essential, as is constant exchange with members and the broad mass of workers.

VGCL recognized that by focusing on representing the interests of working people in Vietnam, it can become more independent from the party and the state.

It will also strengthen its fundamental powers in a way that makes it easier for it to accomplish its other duty, namely to help build and defend the "socialist Vietnamese Homeland".

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