



**USAID**  
FROM THE AMERICAN PEOPLE

**INDUSTRIAL RELATIONS  
PROMOTION PROJECT**



**VCCI**  
PHÒNG THƯƠNG MẠI VÀ CÔNG NGHIỆP VIỆT NAM



# **Industrial Relations Promotion Project**

## **Quarterly Report: Q1, Year II**

**October 1, 2010 – December 31, 2010**

**Contract No. DFD-I-00-05-00220-00 Task Order No. 8**

# **Industrial Relations Promotion Project**

## **Quarterly Report: Q1, Year II**

**October 1, 2010 – December 31, 2010**

**Contract No. DFD-I-00-05-00220-00 Task Order No. 8**

## List of Acronyms

<b>ADR</b>	Alternative Dispute Resolution
<b>APHEDA</b>	Australian Public Health, Education and Development Aid
<b>BWP</b>	Better Work Program (ILO)
<b>CBA</b>	Collective Bargaining Agreement
<b>CIEM</b>	Central Institute for Economic Management
<b>CIRD</b>	Center for Industrial Relations Development
<b>DOLISA</b>	Department of Labor, Invalids, and Social Affairs
<b>FDI</b>	Foreign Direct Investment
<b>FES</b>	Fredrich Ebert Stiftung
<b>FLA</b>	Fair Labor Association
<b>FMCS</b>	Federal Mediation and Conciliation Service
<b>GVN</b>	Government of Vietnam
<b>ICD</b>	International Cooperation Department
<b>ILO</b>	International Labor Organization
<b>ILSA</b>	Institute of Labor and Social Affairs
<b>IPZ</b>	Industrial Processing Zone
<b>IR</b>	Industrial Relations
<b>LAO</b>	Legal Aid Office
<b>LAS</b>	Legal Aid Service
<b>LWD</b>	Labor & Wages Department
<b>LI</b>	Labor Inspectorate
<b>LTTA</b>	Long Term Technical Assistance
<b>MIS</b>	Management Information System
<b>MOLISA</b>	Ministry of Labor, Invalids, and Social Affairs
<b>MPI</b>	Ministry of Planning and Investment
<b>NA</b>	National Assembly
<b>NIRC</b>	National Industrial Relations Commission
<b>NLC</b>	National Labor College
<b>PCI</b>	Provincial Competitiveness Initiative
<b>PIRC</b>	Provincial Industrial Relations Commission
<b>PPP</b>	Public-Private Partnership
<b>PPT</b>	Project Preparation Team
<b>STTA</b>	Short Term Technical Assistance
<b>TOT</b>	Training of Trainers
<b>TDT</b>	Ton Duc Thang University
<b>ULSA</b>	University of Labor and Social Affairs
<b>STAR</b>	Support for Trade Acceleration Project
<b>VCCI</b>	Vietnam Chamber of Commerce and Industry
<b>VGCL</b>	Vietnam General Confederation of Labor
<b>VNCI</b>	Vietnam Competitiveness Initiative

## **Quarterly Report Narrative Summary**

### **Accomplishments during this Quarter**

- A total of three international specialists provided different forms of capacity building and/or were resource persons to tripartite stakeholders in the areas of labor inspection and trade union legal services.

Jeff Wheeler and E J Murtaugh, USDOL Labor Inspection Specialists

Victor Narro, UCLA Legal Aid Services Specialist

Katie Quan, UC Berkeley Collective Bargaining and Labor Law Education Specialist (who was in-country from mid-September)

- The first major activity was a National Workshop on Collective Bargaining conducted on the first day of the quarter (October 1<sup>st</sup> - this was a carryover from the work in the previous quarter). This was presided over by the Vice-Minister of Labor who stayed throughout and became very engaged in the proceedings.
- Best practices and comparative models were provided to partners in the areas of labor inspection and trade union legal services used in policy and procedure development.
- A team of US DOL specialists presented at the ASEAN Forum on Labor Inspection which was hosted by Vietnam this year.
- The project identified the industrial relations models to pilot, including the initiation of a model multi-employer collective agreement, the model of provincial industrial relations committee, a private labor arbitration center and the collaborative effort by the three partner universities to draft a new textbook on industrial relations.
- The trade union legal aid services consultant provided technical assistance to the VCCI which expressed interest in creating legal service centers for employer, in addition to the work with VGCL on their legal services.
- The first project management unit meeting was held as precursor to the first Steering Committee meeting which is scheduled to be held at the beginning of the next quarter.

### **Detailed Summary of Activities:**

In October 2010, two U.S specialists from U.S Department of Labor traveled to Vietnam for the second trip for two major activities. The first activity included ASEAN Forum on Labor Inspection and a national workshop on Enhancing the Role of Labor Inspectors in Promotion Sound Industrial Relations by the MOLISA (Labor Ministry) International Cooperation Department and Labor Inspectorate. The two consultants presented on US Inspection model and on recommendations from their preliminary assessment survey of Vietnam Labor Inspection system earlier in the year. The two USDOL specialists were key presenters in the strategic planning workshop on labor inspection training development management in which consensus was reached upon the necessity of developing the handbook development, inspection information management system and training.

In November, the MOLISA inspectorate as project owner drafted a set of draft regulations on operational procedures for cooperation and collaboration between the Project Steering Committee, the

Project Management Unit (PMU), the Project Owner, the Project Office and participating partners and sent it to relevant parties for comments. Following this the first project management unit meeting was organized for representatives from key tripartite stakeholders who are designated to be the members of the PMU.

In the middle of November a trade union legal advisory services specialist from UCLA's Labor Center, traveled to Vietnam for his second consultancy trip. His first trip was to assess targeted legal advisory centers and offices in various parts of the country. The consultant developed a number of recommendations for strengthening the capacity of the current trade union legal advisory services. During this second trip, a training workshop on trade union legal advisory service development management was organized by VGCL (trade union) with the participation of representatives of key provincial legal advisory centers and offices. This was the opportunity for the participants to learn and share their practices and experiences from their fellow trade union legal aid services in the country as well as learn international practices from the consultant. Prior to the training workshop, a series of preparatory meetings between the consultant and a working group of national experts comprised from VGCL's Policy and Legal Department and selected provincial LAS offices were organized to prepare additional training materials for the workshop.

The project staff has been working with partners to adjust and finalize their second year plans. In the meantime carryover activities have continued. In November project staff continued the process of annual reporting to USAID including the FY 2010 Performance Plan and Review, DQAs, finalization of the project indicators and the M&E plan. The project staff as continued to work closely with partners and consultants (via correspondence) in following up the initial work in the areas of alternative dispute resolution, collective bargaining, labor law education and labor inspection, and industrial relations education. This project administration work continued into December, which was various meetings between the working levels of MOLISA, VCCI, VGCL, ILSSA and project technical staff were held. The purpose of these meetings is to discuss about the action plans for upcoming activities.

In terms of Industrial Relations (IR) education activities, the program development specialist worked with the three universities (ULSA, TDT and TUU) with nascent IR programs on developing a revised industrial relations textbook model on the currently used ULSA textbook. A detailed cooperation plan and a draft local service agreement were sent out to three universities for their comments.

During December, there was a meeting between the project director and MOLISA Inspectorate (project owner) and ICD to discuss relevant monitoring and evaluation activities. After the meeting, the two sides have agreed to curtail a number of activities proposed by MoLISA and decided to wrap them in two big meetings.

Also in December, preparations were made for an upcoming trip of a consultant from the Federal Mediation Conciliation Services to work with VCCI on creating model arbitration services and the MoLISA/LWD on IR policies. In addition, a labor dispute resolution national consultant was identified to work with the project team, including the international consultants and VCCI, to assess the private labor arbitration in Vietnam, study comparative arbitration models from other countries and finalize empirical based recommendations on private arbitration in Vietnam.

The project office also followed up on other project work in the areas of trade union legal services, collective bargaining, dispute resolution, strengthening the labor inspectorate and labor law education – meeting with partners, planning upcoming activities and continuing to revise drafts of reports and training materials. On-going activities such as labor law implementation capacity survey by the MoLISA Legal Department and a report on the labor inspection continued.

**Operating Environment: Problems encountered/overcome/outstanding issues**

- The project plans to follow through with the majority of the planned activities in the Year I and II workplans (the latter being modified to incorporate many of Year I activities). However the importance of follow up to achieve stated outcomes cannot be minimized. While work on the various industrial relation models been initiated, the original two year span of the project (i.e. without delay) did allow for some additional work with partners that might be needed might to strengthen and refine these models. The months lost in waiting for approval would have given the additional time needed for greater impact, sustainability, and multiplier effects as well as assessment and evaluation. The project office is working with partners to ensure that there will be sustainability post-project.
- The original project budget did not provide for a full-time professional translator on staff. This has put a burden on project staff who, in addition their other work, must devote large amounts of time to translating project related materials from reports to training curricula to official documents to emails from partners. This does not even include the time spent for editing translations. This has meant that feedback or responses from the project to partners can take time, which in term may cause further delays on the part of a partner. Follow up (such as translation of consultant's reports), can be protracted if the project staff is already working on other tasks. The project has tried various ways of dealing with this issue, including out-sourcing any large documents, shifting workloads as well as hiring part-time translators when necessary.
- The multi-stakeholder nature of this project, with up to ten partners representing the tripartite nature of labor relations in Vietnam, has created burdens in project management. As many planned activity areas are interlinked, it is important that partners can work in coordination. However this means that the project is dependent on partner schedules matching which in turn can lead to delays. In addition, the project has to follow up on with partners to plan further project developments. This type of follow up is difficult to do if many activities are running either simultaneously or close together responding to the compressed timeline. This has meant that anticipated follow up has been delayed in some cases. The project continues to push partners to abide by schedules, particularly important in a compressed time frame.
- As a USAID technical assistance project that specifically states using US specialists, this outside or international expertise is central to many of the projects activities. However this presented logistical problems as the project had to match the international expert's timeline with those of project partners. For the most part the project has been able to harmonize both sets of schedules; however there were instances when international consultants could not come at the time when a partner was ready, thus new dates had to be arranged. The opposite was also true, as a consultant have been ready to come out, but the partner may not been ready (or key person or leader may be out), leading to more rescheduling. Or if a consultant was to work with more than partner, this meant even more complicated coordination. While delays involving international specialists should be expected, especially given the numbers of partners involved and the areas covered, a shortened project timeline has meant that the impact of such scheduling issues is magnified.
- Even though project approval process is completed and the various bureaucratic structures have been established for the project in accordance with Vietnamese government procedures, this does not mean that the partners have confirmed what they wanted to do, especially within MoLISA. Because there are at least four MoLISA departments involved (under three different Vice-Ministers) there is a lack of consistency in terms of planning and program development. The Labor Inspectorate as the designated lead (called Project Owner) does not have experience in

coordinating bi-lateral projects or working with multiple project partners. The project team is spend considerable time having to follow up with each partner to develop plans, only to have partners change activity, priorities making consistency in planning and timing of activities difficult.

- Given the degree of control mandated by government procedures, the project cannot directly implement activities as such but needs to work through each partner through an officially approved workplan. However, while the project is not supposed to deviate from this workplan, this does mean a particular partner is obligated to complete their particular activity areas. This inflexibility means the project is unable to reprogram activities, even if a partner's priorities have changed. This may be an issue towards the end of the contract if some anticipated activity areas are not completed by a specific partner and the project is unable to bring in another partner to complete the activity.
- It has become apparent that the political current environment in Vietnam makes it difficult to implement governance work, especially a USG Industrial Relations project. While Vietnam's participation in the Trans Pacific Partnership negotiations make labor issues prominent in the bi-lateral relationship between the US and Vietnam, by the same token it makes work in this area sensitive to certain government agencies. These sensitivities could mean a planned activity is not allowed to proceed, partners not wanting to implement a planned activity or an international resource person not allowed to come. While these have not happened, the project knows that project partners are often questioned on activity content and relationship to the project. It is routine now that for activity to move forward can take time as outside approvals are sought. The project also needs to submit materials to be presented a head of time to be reviewed. The project office tries to anticipate these delays and longer timeframes in working with partners.

## ANNEX I: LEVEL OF EFFORT SUMMARY

<b>Labor Category/Position</b>	<b>Name</b>	<b>Workdays This Quarter</b>	<b>Cumulative Workdays</b>
<b>LTTA</b>			
1. <i>Communications and Reporting, Senior Level</i>	William Conklin (COP)	46	268
2. <i>Deputy Chief of Party</i>	Vu Huu Tuyen	59	293
3. <i>Program Development Specialist</i>	Dang Thi Hai Ha	51	277
<b>Home Office Support</b>			
4. <i>Communications and Reporting, Senior Level</i>	Helle Weeke	0	6
	Jason Singer	3	3
5. <i>Administrative Support, Junior Level</i>	Allison DiSenso	0	13
	Miriam Counterman	0	28
	Danielle Pearl	0	2
6. <i>Information Technology</i>	Stamen Mitev	0	6
7. <i>Information Management Specialist</i>	Tanja Lumba (TCN)	0	10
<b>STTA</b>			
6. <i>Public Administration/Public Finance, Senior Level</i>	Richard Fincher	0	29
	Kent Wong	0	10

**ANNEX II: Number of Participations of Direct Beneficiaries in Project Activities  
Compiled Data**

No.	USAID ID	WORKSHOP	No. of participants			Date of implementation	Note
			Total	F	M		
<b>COMPONENT I : ENHANCEMENT OF IMPLEMENTATION OF IR RELATED LAWS AND REGULATIONS</b>							
<b>Sub Component 1: Strengthening Capacity for Labor Inspectorate</b>							
	<b>1.1</b>	<b>Promotion of New Approaches and Strategies to Improve the Labor Inspection Capacity</b>					
		Workshop on Strengthening Role of Labor Inspectors in Promoting Sound Industrial Relations in Ha Long	80	28	52	14 Oct. 2010	Jeff Wheeler/ Everett Murtagh
	<b>1.2</b>	<b>Strengthening management information system for labor inspectors</b>					
	<b>1.3</b>	<b>Labor inspection training development</b>					
		Strategic Planning Workshop on Labor Inspection Training Development Management in Dong Nai	42	12	30	21-22 Oct. 2010	Jeff Wheeler/ Everett Murtagh
	<b>1.4</b>	<b>Regional labor inspectorate model in supplying technical advice</b>					
<b>Sub Component 2: Promoting Effective Approaches to Laws Implementation</b>							
	<b>2.1</b>	<b>Strategic planning for implementation of IR-related laws and regulations</b>					
	<b>2.2</b>	<b>Strengthening capacity of Legal Advisory Centers (LACs) and Legal Advisory Offices (LAOs) of the VGCL</b>					
		Training Workshop on Trade Union Legal Advisory Service Management	25	6	19	18, 19 Nov. 2010	Victor Narro/VGCL

	2.3	Strengthening capacity of Legal Advisory Services for Employers					
<b>COMPONENT II: PROMOTION OF SOUND INDUSTRIAL RELATIONS</b>							
<b>Sub Component 3: Developing National IR Strategies on IR Promotion</b>							
	3.1	Building towards Participatory national strategy for promoting sound industrial relations –					
	3.2	Enhancing MOLISA’s IR information system on industrial relations					
<b>Sub Component 4: Strengthening capacity for tripartite stakeholders on CBA and dispute resolution</b>							
	4.1	Strengthening capacity for tripartite stakeholders on collective bargaining					
		Tripartite Workshop on New Approaches to Collective Bargaining Agreements (CBA)	63	28	35	1 Oct. 2010	Katie Quan
		Workshop on Trade Union and New Approaches to Labor Collective Bargaining in HCMC	58	22	36	25 Sep. 2010	Katie Quan
	4.2	Strengthening capacity for tripartite stakeholders on ADR					
<b>Sub Component 5: Building Capacity for IR Education Institution</b>							
	5.1	Improving training capacity of IR Education of University of Labor and Social Affairs, Trade Union University and Ton Duc Thang University					
<b>Total</b>			<b>268</b>	<b>96</b>	<b>172</b>		

**ANNEX III: CHART OF PROPOSED ACTIVITIES: JANUARY– DECEMBER 2010**

YEAR TWO	SIIR ACTIVITY WORKPLAN	Jan, 2011	Feb, 2011	Mar, 2011
<b>SUB-COMPONENT 1: STRENGTHENING CAPACITY FOR LABOR INSPECTORATE</b>				
<i>1.1</i>	<b>Promotion of New Approaches and Strategies to Improve the Labor Inspection Capacity</b>			
<i>1.1.1</i>	International Consultancies of USDOL labor inspection specialists			➔
<i>1.1.2</i>	Workshop on Needs Assessment (“Enhancing the Role of Labor Inspection in Promotion of Sound Industrial Relations in Vietnam”)			
<i>1.1.3</i>	National tripartite strategic planning workshop on compliance and inspection			➔
<i>1.2</i>	<b>Strengthening management information system for labor inspectors</b>			
<i>1.2.1</i>	National Consultancy on MIS for labor inspectorate			
<i>1.2.2</i>	Consultative Meetings on Data collection and MIS for labor inspectorate			
<i>1.2.3</i>	Workshop on management information system for labor inspectorate (with USDOL as potential resource persons)			➔
<i>1.2.4</i>	Training of Trainer workshop on computer-based MIS for labor inspectorate			
<i>1.3</i>	<b>Labor inspection training and development</b>			
<i>1.3.1</i>	Consultative Meetings of labor inspection training committee			
<i>1.3.2</i>	Training Workshop on labor inspection training development management	➔		
<i>1.3.3</i>	Consultative Meetings of handbook/manual development committee			
<i>1.3.4</i>	National consultancy for development of training materials on labor inspection in the forms of handbook and manual			
<i>1.3.5</i>	Pilot training workshop on labor inspection for testing handbook and manual			
<i>1.4</i>	<b>Regional labor inspectorate model in supplying technical advice</b>			
<i>1.4.1</i>	Consultative meetings on pilot self-assessment scheme			
<i>1.4.2</i>	National consultancy for Development of Handbook on Self assessment			
<i>1.4.3</i>	Monitoring implementation of pilot models of self- assessment in Hanoi or Dong Nai			
<i>1.4.4</i>	Workshop on regional labor inspectorate model in supplying information and technical advice			

YEAR TWO	SIIR ACTIVITY WORKPLAN	Jan, 2011	Feb, 2011	Mar, 2011
1.4.5	Training workshop on promotion of self-assessment through piloting a regional labor inspectorate model in supplying information and technical advice			
<b>SUB-COMPONENT 2: PROMOTING EFFECTIVE APPROACHES TO LAW IMPLEMENTATION</b>				
2.1	<b>Strategic planning for implementation of IR-related laws and regulations</b>			
2.1.1	National consultancy for rapid assessment of capacity of stakeholders to implement labor laws and regulations (on going from year I)			→
2.1.2	Consultative meetings on findings in rapid assessment of capacity of stakeholders to implement labor laws and regulations			
2.1.3	National Consultancy for development of Handbook on Propaganda, Dissemination and Education of Labor Laws and Regulations			
2.1.4	Consultative meetings on Evaluation of Impact of "Project 31" on Dissemination and Education of Labor Laws and Regulations			
2.1.5	National Consultancy for Developing training materials on ADR			
2.3	<b>Strengthening capacity of Legal Advisory Services for Employers</b>			
2.3.1	Consultative Meeting on Legal Advisory Services for Employers			
2.3.2	VCCI Training workshop on legal advisory services fundamentals and skills			
2.3.3	International and national consultancies to develop draft model.			
2.4	<b>Strengthening capacity of Legal Advisory Centers (LACs) and Legal Advisory Offices (LAOs) of the VGCL</b>			
2.4.1	International Consultancy on legal advisory services fundamentals and skills			
2.4.2	Training workshop on LAC/LAOs development management			
2.4.3	Development of union legal advisory service manuals			
2.4.4	VGCL Training workshop on legal advisory services fundamentals and skills			
2.4.5	Three regional workshops on strategic planning for implementation of new resolution on union legal advisory services <i>(cancelled)</i>			

YEAR TWO	SIIR ACTIVITY WORKPLAN	Jan, 2011	Feb, 2011	Mar, 2011
<b>SUBCOMPONENT 3: DEVELOPING NATIONAL STRATEGIES ON IR PROMOTION</b>				
3.1	<b>Building towards Participatory national strategy for promoting sound industrial relations</b>			
3.1.1	An IR Survey is conducted in a number of IZ/IPZs (LWD)			
3.1.2	Development of draft National IR Strategies			
3.1.3	Report on ADR and CBA within the framework of industrial relations strategies			
3.1.4	National workshop on draft national IR Strategies (LWD)			
3.1.5	Development of the finalized study report on NIRC/PIRC and planning for piloting PIRC model			
<b>SUB-COMPONENT 4: STRENGTHENING CAPACITY FOR TRIPARTITE STAKEHOLDERS ON CBA AND DISPUTE SETTLEMENT</b>				
4.1	<b>Strengthening capacity for tripartite stakeholders on collective bargaining</b>			
4.1.1	Tripartite workshop on collective bargaining (Department of Labor and Wages, MOLISA)			
4.1.2	Piloting pattern bargaining model in textile sector (VGCL)	→		
4.1.3	Development of training collective bargaining materials and pilot training for selected 50 trade union officials (VGCL)			
4.1.4	Training on collective bargaining for 50 VCA officials (VCA)			
4.1.5	Development of training materials and advanced training on collective bargaining for 50 VCCI's HR officers (VCCI)			
4.2	<b>Strengthening capacity for tripartite stakeholders on labor dispute settlement</b>			
4.2.1	Tripartite workshop on dispute settlement (Department of Labor and Wages, MOLISA)			
4.2.2	Development of training materials on ADR			
4.2.3	Training on ADR for 50 selected trade union officials in IZ/IPZs (VGCL)			
4.2.4	Training on ADR for 50 selected VCA's HR officers (VCA)			
4.2.5	Training on ADR for 50 selected VCCI's and supporting the pilot development of labor arbitration center (VCCI)	→		
4.2.6	Training for strike resolution officials in IZs/IPZs (Department of Labor and Wages, MOLISA)			

YEAR TWO	SIIR ACTIVITY WORKPLAN	Jan, 2011	Feb, 2011	Mar, 2011
<b>SUB COMPONENT 5: BUILDING CAPACITY FOR IR EDUCATION INSTITUTION</b>				
5.1	<b>Improving training capacity of IR Education of University of Labor and Social Affairs, Trade Union University and Ton Duc Thang University</b>			
5.1.1	An extended workshop on industrial relations education with US educators			
5.2.2	Assessment of the IR textbook 2008 edition's quality		→	
5.2.3	Writing and editing the textbook			→
<b>SUB COMPONENT 6: MONITORING AND EVALUATION</b>				
6.1	Coordination and Planning (TBD)			
6.2	Monitoring and Evaluation (TBD)			