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**INDUSTRIAL RELATIONS
PROMOTION PROJECT**



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Industrial Relations Promotion Project

Quarterly Report: Q1, Extension

October 1, 2011 – December 31, 2011

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

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List of Acronyms

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

Quarterly Report Narrative Summary

Accomplishments during this Quarter

- The six-month cost extension, running from October 2011 thru March 2012, began this quarter. A workplan for the six-month extension period was completed and submitted to the COTR.
- The project working with the UCLA Labor Center and CUNY George Murphy Institute arranged a study tour under a USDOS International Voluntary Visitor Program (IVVP) on labor education took for ten participants including 6 from partner universities as well as two representatives each from MoLISA and VGCL.
- The pilot employer self-assessment activity designed for Hanoi and HCMC continued to be implemented by the Labor Inspectorate in the extension period. The PO has been working closely with the LI on conducting the pilot self-assessment activity which is the on-going activity and for the possible upcoming visit of the USDOL official on labor inspection as well as designing a labor inspection guide book.
- A follow up capacity building program on the multi-employer Collective Bargaining Agreement, (CBA) pilot, that was signed in September 2011, was conducted for the VGCL with the technical assistance of Katie Quan, US CBA from UC Berkeley.
- Continuation of work to strengthen the pilot Provincial Industrial Relations Committee (PIRC) model by Labor and Wage Department/MoLISA.
- The US Department of Labor and DAI signed a Cooperative Agreement to support a continuation of the project (i.e. Phase II) for a year and a half starting on May 1, 2012.

Activity Description during the Quarter

A total of two international specialists (STTA and non-STTA) provided different forms of capacity building and/or were resource persons in eight workshops with participants drawn from tripartite stakeholders (VGCL, MoLISA, and VCCI) and training institutions.

Katie Quan, UC Berkeley Labor Center, Collective Bargaining and Labor Law Education Specialist

Mark Anner, Penn State University, Comparative Industrial Relations Specialist (US-based STTA)

1. Strengthening Capacity for Labor Inspectorate:

2.

The Project staff focused mostly on cooperating with the Labor Inspectorate to complete the implementation the planned pilot self-assessment activities. With support from the Project Office (PO), the Labor Inspectorate conducted a series of instruction sessions for 400 enterprises in Hanoi and 500 enterprises in HCMC on the self-assessment process. In addition, the Labor Inspectorate supplied the self-assessment questionnaires either during the sessions or sent it out by post.

3. Promoting Effective Approaches to Laws Implementation:

To promote effective labor law enforcement, the project provided technical assistance to MOLISA including reviewing the progress Project 31 (which focused on labor law education), sharing the international practices and providing guidance on challenges in actual implementation. The project has arranged for a consultancy of a US senior labor education specialist who gave technical comments and

learnt lessons from US. As part of this program, a Labor Law Education Workshop was held in Ho Chi Minh City attended by 60 participants from the MOLISA, DOLISAs, IPZ Management Boards, employers and trade unions from 12 Southern provinces. The workshop was to review the progress various DoLISAs in the south, where manufacturing centers are based, in implementing the government's program on labor law education, Project 31.

The project continued to assist the VGCL to redefine the role of their Legal Aid Office/Center system so it can play a pivotal role in assisting in both preventing and resolving wildcat strikes, especially in the absence of effective enterprise unions and collective bargaining agreements. The project has been able to utilize the expertise of a US labor legal aid specialist in the area of capacity building and training material development. The PO as well supported the development a handbook for LAC and LAO personnel and by enlisting a national specialist in the field to assist the VGCL.

4. Developing National IR Strategies on IR Promotion:

With support from the project, the Labor and Wages Department (LWD) of MoLISA - focal point for the National Industrial Relations Commission (NIRC) – continued to develop a new model for industrial relations at the provincial level - the Provincial Industrial Relations Commission (PIRC). As part this support a workshop on the “Establishment of Pilot Provincial Industrial Relations Committee” was held in Hanoi and chaired by a Deputy Minister of MOLISA. The Draft National IR strategy was open for discussion and the Hanoi Pilot PIRC was used for a follow up plan of action and replication in other cities/provinces. In addition, the project supported a baseline survey on labor relations in selected IPZs that was conducted in December. It is anticipated that the survey findings would be used in development of LWD's an IR Strategy Synthesis Report and IR Strategies.

5. Strengthening capacity for tripartite stakeholders on CBA and dispute resolution:

The project supported a VGCL workshop on Binh Duong Textile and Garment Industry CBA that was a forum for 9 participating enterprises to form plans of action to implement the Binh Duong Textile and Garment Industry CBA. Following that the PO and VGCL in conducted a three-day training workshop on the multi employer pilot CBA in early December in Ho Chi Minh City. The workshop was split into two parts. The first day consisted of a review of the progress and lessons learned from the implementation of the multi-employer pilot. A total of 60 bi-partite participants attended, who were a mixture of union officials and managerial staff from selected enterprises, including from 9 of 12 enterprises who had been the signatories of the pilot CBA.

This was followed by a two-day an advanced training for 20 participants – union leaders and official from Federations of Labor and IPZs. The training focused on how these leaders could implement a similar multi-employer collective bargain process with their unions. Most participants either had some experience in collective bargaining or had undergone basic training or both. The leader trainer for this workshop was Ms. Katie Quan (who also was a resource person at the review workshop on the first day). As an outcome to the workshop, there may be similar types of multi-employer CBAs conducted in Dong Nai and Long An provinces, based on this model.

As part of the project's dispute resolution initiatives, based on the work with the VGCL in the area of legal aid, the VCCI requested the project provide technical assistance to establish legal services for employers as a way to prevent labor disputes. The project made available a US labor legal aid specialist, who had experience working with US employers in this area. The PO supported the VCCI to host a bi-partite workshops on Legal Advisory Services in December in Ho Chi Minh City.

With the project's support, the VCCI has created a framework for a model Labor Arbitration Center. This center would be available to both workers and unions as well as employers.

6. Building capacity for IR education institutions:

In this area, the Project has provided technical assistance to the three universities offering this discipline, the University of Labor and Social Affairs (ULSA), the Vietnam Trade Union University (VTU) and Ton Duc Thang University (TDT). A new IR textbook is being developed in cooperative effort by all three universities, and an informal labor educator network has been established. Specifically, the PO has coordinated with the three universities to finalize the IR textbook and curriculum development. And the PO is looking for possible capacity building options for university faculty on collective bargaining and dispute resolution. In addition, linkages continue to be developed with leading US labor education programs: UCLA and UC Berkeley Labor Centers, Harvard University Labor Studies, CUNY Murphy Labor Center and Cornell University.

The PO had spent considerable amount of time on the logistical, administration and program preparation for an International Voluntary Visitor Program (IVVP) on labor education took place from Nov. 13-23 with ten participants including 6 from the universities the program is working with: Vietnam Trade Union, University of Labor and Social Affairs, and Ton Duc Thang University as well as representatives from MoLISA and VGCL. The IVVP participants had opportunities to meet up, study and share IR policy, training and practices with USDOL officials, AFL – CIO officials and trade unionists, educators from National Labor College, the universities in New York, LA and California.

A de-briefing meeting on the IVVP program was held at the end of December in which representatives of the US embassy and USAID were invited.

7. Others:

The PO managed to arrange technical exchanges visit on IR practices for AFL-CIO and VGCL and facilitated bilateral cooperation exchange programs between US National Labour College and Vietnamese IR universities;

The PO met with a visiting US State Dept. and FMCS team and supplied relevant information and documentation to the team members to develop a Labor Dispute Resolution Project Proposal in Vietnam.

Timothy Ryan, Asia Regional Program Director of the Solidarity Center based in Washington and official of the AFL-CIO, traveled to Vietnam to work with VGCL. The main purpose of his trip is to explore the potential for cooperation between the VGCL and the AFL-CIO, the Solidarity Center, and the National Labor College. Mr. Ryan also met with representatives of the three universities to exchange knowledge and experience on IR education and discussed possibilities to arrange meetings and visits between these universities' VOLVIS participants and the National Labor College.

8. Detailed Summary of with US specialists' technical supports activities:

Katie Quan, a collective bargaining specialist from UC Berkeley Labor Center, travelled to Vietnam to follow up on collective bargaining activities such as pilot multi-employer CBA in Binh Duong and capacity building for project partners, the VGCL on CBA development. Participants learned the procedures of collective bargaining through role-plays, gained comparative knowledge of collective bargaining practices in China and Latin America and were able to conduct decent collective negotiation and bargaining in decent way at the end of the training. She, as well, was the resource person for the MOLISA's workshop to review Project 31 implementation with appreciated comments and practical showcases and technical advises.

Mark Anner from Penn State University assisted in compiling supplemental materials to IR textbooks which would be the syllabus for IR training in the 03 universities.

Operating Environment: Problems encountered/overcome/outstanding issues

- 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 may 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.
- 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.

- The project has entered a six-month extension period to assist in making up for the 8 months (not including the 3 month initial period) of non-implementation of activities as official project approval had not been granted until September 2010. The extension period will encompass both completing on-going work and new work in existing designated project areas. While this extension period is very much needed in order to achieve the full impact on industrial relations for the project was originally designed, it will be up to the project partners to implement and complete their activities on time (as the project does not conduct activities itself, it basically coordinates and administers). The project will continue to follow up with partners to ensure they adhere to the agreed workplan. However, in the next quarter given the two holiday seasons (i.e. Christmas/ New Year and Tet), up to five weeks or so could be “lost” to activity implementation.

ANNEX I: LEVEL OF EFFORT SUMMARY

| Labor Category/Position | Name | Workdays This Quarter | Cumulative Workdays |
|--|-----------------------|-----------------------|---------------------|
| LTTA | | | |
| 1. <i>Communications and Reporting, Senior Level</i> | William Conklin (COP) | 44 | 486 |
| 2. <i>Deputy Chief of Party</i> | Vu Huu Tuyen | 82 | 539 |
| 3. <i>Program Development Specialist</i> | Dang Thi Hai Ha | - | 309 |
| Home Office Support | | | |
| 4. <i>Communications and Reporting, Senior Level</i> | Helle Weeke | - | 6 |
| | Jason Singer | - | 4 |
| | Tine Knott | 7 | 7 |
| 5. <i>Administrative Support, Junior Level</i> | Allison DiSenso | - | 13 |
| | Miriam Counterman | - | 28 |
| | Danielle Pearl | - | 2 |
| | Sara Lehman | 16 | 20 |
| 6. <i>Information Technology</i> | Stamen Mitev | - | 6 |
| 7. <i>Information Management Specialist</i> | Tanja Lumba (TCN) | - | 10 |
| STTA | | | |
| 6. <i>Public Administration/Public Finance, Senior Level</i> | Richard Fincher | - | 49 |
| | Kent Wong | - | 20 |
| | Katie Quan | 10 | 25 |
| | Lance Compa | - | 15 |
| | Victor Narro | - | 16 |

**ANNEX II: Table: 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 | | |
| COMPONENT I : ENHANCEMENT OF IMPLEMENTATION OF IR RELATED LAWS AND REGULATIONS | | | | | | | |
| Sub Component 1: Strengthening Capacity for Labor Inspectorate | | | | | | | |
| | 1.1 | Promotion of New Approaches and Strategies to Improve the Labor Inspection Capacity | | | | | |
| | 1.2 | Strengthening management information system for labor inspectors | | | | | |
| | 1.3 | Labor inspection training development | | | | | |
| | 1.4 | Regional labor inspectorate model in supplying technical advice | | | | | |
| | | Consultative meetings on pilot scheme of enterprise self assessment | 25 | 8 | 17 | 8 Sept. - 15 Oct. 2011 | LI |
| | | Training workshops for 900 enterprises on self assessment and monitoring implementation of Enterprises Self assessment in Hanoi and HCMC | 900 | 300 | 600 | 3,4, 11, 13 Oct. 2011 | LI |
| | | | | | | | |
| Sub Component 2: Promoting Effective Approaches to Laws Implementation | | | | | | | |
| | 2.1 | Strategic planning for implementation of IR-related laws and regulations | | | | | |

| | | | | | | | |
|--|-----|--|----|----|----|------------------|-----------------|
| | | Workshop on Assessment of Impact of Labor Law Education (Project 31) in HCMC | 45 | 21 | 24 | 30 Nov. 2011 | Katie Quan/LD |
| | 2.2 | Strengthening capacity of Legal Advisory Centers (LACs) and Legal Advisory Offices (LAOs) of the VGCL | | | | | |
| | 2.3 | Strengthening capacity of Legal Advisory Services for Employers | | | | | |
| | | Workshop on Legal Advisory Services for employers in HCMC | 28 | 10 | 18 | 28 Dec. 2011 | |
| | | | | | | | |
| COMPONENT II: PROMOTION OF SOUND INDUSTRIAL RELATIONS | | | | | | | |
| Sub Component 3: Developing National IR Strategies on IR Promotion | | | | | | | |
| | 3.1 | Building towards Participatory national strategy for promoting sound industrial relations – | | | | | |
| | | Workshop on Organizational and Operation Mechanism o Industrial Relation Board in Hanoi | 40 | 15 | 25 | 13 Dec. 2011 | Nguyen Huu Dung |
| | 3.2 | Enhancing MOLISA’s IR information system on industrial relations | | | | | |
| Sub Component 4: Strengthening capacity for tripartite stakeholders on CBA and dispute resolution | | | | | | | |
| | 4.1 | Strengthening capacity for tripartite stakeholders on collective bargaining | | | | | |
| | | Training Workshop for Implementation of Binh Duong textile/garment sector CBA in Binh Duong in Oct.2011 | 56 | 24 | 32 | 28, 29 Oct.2011 | |
| | | Workshop on Assessment of Binh Duong CBA Process and Training Workshop on Multi-employer CBAs for VGCL leaders in HCMC | 85 | 36 | 49 | 1, 2, 3 Dec.2011 | Katie Quan |

| | | | | | | | |
|--|------------|---|--------------|------------|------------|-------------|------------------------------|
| | | | | | | | |
| | 4.2 | Strengthening capacity for tripartite stakeholders on ADR | | | | | |
| | | | | | | | |
| Sub Component 5: Building Capacity for IR Education Institution | | | | | | | |
| | 5.1 | Improving training capacity of IR Education of University of Labor and Social Affairs, Trade Union University and Ton Duc Thang University | | | | | |
| | | Voluntary Visitor Program Study Tour | 10 | 3 | 7 | 1 Nov. 2011 | UCLA, CUNY, PAS - US embassy |
| Total | | | 1,189 | 417 | 772 | | |

**ANNEX III: CHART OF PROPOSED ACTIVITIES: JANUARY – MARCH
2011
(EXTENSION PERIOD)**

| YEAR TWO | SIIR ACTIVITY WORKPLAN | Sept. 2011 | Oct. 2011 | Nov. 2011 | Dec. 2011 |
|--|--|------------|-----------|-----------|-----------|
| SUB-COMPONENT 1: STRENGTHENING CAPACITY FOR LABOR INSPECTORATE | | | | | |
| 1.1 | Promotion of New Approaches and Strategies to Improve the Labor Inspection Capacity | | | | |
| Extension | International Consultancy of USDOL specialist (in conjunction with 1.3 and 1.4) | | | | → |
| Extension | National Workshop on Implementation of ILO Convention No. 81 on Labor Inspection (ICD/LI) | | | | → |
| Extension | National Workshop on Labor Inspection and OSH (ICD/LI) | | | | |
| 1.2 | Strengthening management information system for labor inspectors | | | | |
| 1.2.2 | Consultative Meetings on Data collection and MIS for labor inspectorate (combined with 1.4) | —————→ | | | |
| 1.3 | Labor inspection training development | | | | |
| 1.3.1 | Consultative Meetings of labor inspection training committee (continued) | —————→ | | | |
| 1.3.3 | Consultative Meetings of handbook/manual development committee (continued) | —————→ | | | |
| 1.3.5 Extension | Development of training materials including manual and review process (with US DOL consultant) | | | | → |
| 1.4 | Regional labor inspectorate model in supplying technical advice | | | | |
| 1.4.1 | Consultative meetings on pilot self-assessment scheme (continued) | —————→ | | | |
| 1.4.3 | Monitoring implementation of pilot models of self- assessment (continued) | ———→ | | | |
| Extension | US DOL/IT specialist consultancy to develop on-line self-assessment system | | —————→ | | |
| Extension | Launch Workshop to promote new on-line self-assessment system | | | | |
| SUB-COMPONENT 2: PROMOTING EFFECTIVE APPROACHES TO LAW IMPLEMENTATION | | | | | |
| 2.1 | Strategic planning for implementation of IR-related laws and regulations | | | | |

| YEAR TWO | SIIR ACTIVITY WORKPLAN | Sept. 2011 | Oct. 2011 | Nov. 2011 | Dec. 2011 |
|--|---|------------|-----------|-----------|-----------|
| 2.1.4 Extension | Consultative meetings and Workshop on Impact of “Project 31” (Labor Law Education) an Development of Strategies with US Specialist | | → | | |
| 2.3 | Strengthening capacity of Legal Advisory Services for Employers with VCCI | | | | |
| 2.3.1 | Consultative Meeting on Legal Advisory Services for Employers (continued) | | → | | |
| 2.4 | Strengthening capacity of Legal Advisory Centers (LACs) and Legal Advisory Offices (LAOs) of the VGCL | | | | |
| 2.4.3 | Development of union legal advisory service manuals (continued) | | | → | |
| SUBCOMPONENT 3: DEVELOPING NATIONAL STRATEGIES ON IR PROMOTION | | | | | |
| 3.1 | Building towards a national strategy for promoting sound industrial relations | | | | |
| 3.1.1 | An IR Survey is conducted in a number of IZ/IPZs by a national consultant (LWD), consultative meetings | | → | | |
| 3.1.2 | Draft National IR Strategies developed by national consultant (LWD) along with Consultative Meetings | → | | | |
| 3.1.4 | Presentation workshops on draft national IR Strategies and PIRC models(LWD) | | | → | |
| Extension | Workshop on Building Consensus on IR Assessment Framework and IR Indicators (LWD) | | | | → |
| SUB-COMPONENT 4: STRENGTHENING CAPACITY FOR TRIPARTITE STAKEHOLDERS ON CBA AND DISPUTE SETTLEMENT | | | | | |
| 4.1 | Strengthening capacity for tripartite stakeholders on collective bargaining | | | | |
| 4.1.2 Extension | Workshops for Monitoring pilot model CBA in Binh Duong (VGCL) | → | | | |
| Extension | Assessment Workshop of CBA Model | | | → | |
| Extension | US CBA Specailist conducts Training on CBA Model | | | → | |
| 4.2 | Strengthening capacity for tripartite stakeholders on labor dispute settlement | | | | |
| Extension | US ADR Specialist will conduct bi-partite trainings on advanced negotiation and communications at workplace and develop curricula | | | | |
| SUB COMPONENT 5: BUILDING CAPACITY FOR IR EDUCATION INSTITUTION | | | | | |
| 5.1 | Improving training capacity of IR Education of University of Labor and Social Affairs, Trade Union University and Ton Duc Thang University | | | | |
| 5.2.3 | Finalizing IR textbook (continued development, editing, translation distribution) | → | | | |

| YEAR TWO | SIIR ACTIVITY WORKPLAN | Sept. 2011 | Oct. 2011 | Nov. 2011 | Dec. 2011 |
|-------------|--|------------|-----------|-----------|-----------|
| Extension | Development of supplemental materials through use of US based consultant | | → | | → |
| Extension | US DOS supported International Visitor Program to US (WDC, NYC, LAX) 8-10 participants | | | → | |