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**INDUSTRIAL RELATIONS
PROMOTION PROJECT**



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Industrial Relations Promotion Project

Quarterly Report: Q2, Extension

January 1, 2012 – March 31, 2012

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 | Fedrich 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 (January – March 2012)

Accomplishments during this Quarter

- A one-month no-cost extension for April 2012 was approved. The workplan and other document 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.*

A total of 05 international specialists (STTA and non STTA) have provided different forms of capacity building and/or were resource persons in 20 activities (e.g. workshops/consultative meetings/talks) with around 300 men and women participating from tripartite stakeholders and training institutions. Area covered in these activities were labour law education, labor inspection capacity improvements, multi-employer collective bargaining, negotiation skills building, dispute resolution and university curriculum strengthening.

Activity Description during the Quarter

1. Strengthening Capacity for Labor Inspectorate:

The Project staff supported the Labor Inspectorate (LI) to review Vietnamese stakeholders' adherence to the international labor inspection standards and other international conventions and highlighted the role of labor inspection in promoting occupational safety and health during the 14th National OSH Week.

Besides providing technical assistance to LI in drafting a Strategy for Improved Effectiveness of Labor Inspection System, the Project staff supported the development of labor inspection manuals and reviewed progress on self assessment survey. This latter activity is to promote labor law compliance on pilot enterprises through creating and launching a tailored Online Self Assessment Software 1.0. This information management tool was highlighted as an efficient and multipurpose vehicle for Vietnamese labor inspectors to (i) develop relevant database; (ii) quickly update labor law compliance status; (iii) handling macro/micro labor emerging issues responsively, promptly and (iv) promote labor law education among managerial staff and in-house trade unionists at workplace.

2. Promoting Effective Approaches to Laws Implementation:

To see how a model labor law education strategy could be developed, the project supported a labor law education specialist to conduct an assessment of tripartite stakeholder's on-going or planned initiatives on labor law education. The Specialist produced recommendations based on comparative experiences in other countries undergoing labor law revision, and these have been proposed to strengthen Project 31 (Labor Law Education) which had been tasked by MoLISA Legal Department. This work focuses on creating a national strategy on labor law education, which would lay the foundation for an effective national approach on dissemination and education of labor laws and regulations.

Working with the VGCL, the project is assisting in redefining the role of their Legal Aid Offices/Centers system through technical assistance in strategic planning and management, capacity building, and material development. To this end, the PO supported in developing the VGCL's LACs and LAOs operation handbook which is preceded by a qualified national consultant.

3. Developing National IR Strategies on IR Promotion:

With technical and financial support from the Project, the Labor and Wages Department (LWD) of MoLISA - focal point for the National Industrial Relations Commission (NIRC) – review two years of NIRC operations and introduced a new approach to improve effectiveness - a new provincial based model to address industrial relations (e.g. resolving and preventing labor disputes) by introducing the Provincial Industrial Relations Commission (PIRC) model. The project has been providing technical assistance to the LWD to help strengthen and reformulate this model, which will include all three major stakeholders. Comparative examples such as the FMCS and other approaches to labor mediation have been introduced through project support, and are being considered for this new industrial relations model.

The Project utilized both the expertise of national and international IR specialists to develop draft IR indicator sets that could enable Vietnamese labor policy makers to obtain and assess the latest IR developments and responds with effective policies;

The Project worked with the Labor and Wage Department to deliver both an IR Comprehensive Assessment Report and the 2011 – 2012 Sound IR Framework Strategy Proposal which would be reviewed in a National IR Strategy Conference chaired by the Deputy Prime Minister which is scheduled to be held in April 2012.

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

In the area of collective bargaining, there is now acceptance that there needs to be alternative approaches to the current system of enterprise CBAs, apart from sectoral CBAs. The Project is working with the VGCL in providing support and technical assistance to both the union and the employer associations which includes a program of capacity building based on the successful multi-employer CBA that was signed in August 2011 in Binh Duong. As a follow up the MOLISA and VGCL requested the Project's assistance to replicate the multi-employer CBA models in other provinces of Long An, Dong Nai or/and in the rubber sector in the short future.

The Project has provided technical assistance through capacity building to all tripartite stakeholders on dispute resolution and VGCL and VCCI on collective bargaining and dispute resolution. Bi-partite participants from management, managerial staff and in house trade unionists have learned new techniques in Alternative Dispute Resolution, effective communication and negotiation skills from US Specialists who adapted the curricula and training contents to the needs of each stakeholder.

This technical assistance has resulted in proposals by all partners for new initiatives that have the potential become policy recommendations and incorporated into legal frameworks. MoLISA has

expressed interests in piloting some type of model based on the FMCS in the US and wants to decentralize its approach to dispute resolution systems. This may be incorporated into the LWD's work on developing PIRCs. With the project's assistance, the VCCI has created a framework for a model private Labor Arbitration Center. This VCCI model is based on the current commercial arbitration system, which has greatly facilitated dispute resolution in that sector.

5. Building capacity for IR education institutions:

In the area of industrial relations education, the project's focus on the role universities can play in the development of industrial relations – from training and education to research and policy formation – will have long-term benefits in Vietnam. An informal network of labor educators has been developed based on the work of the project in this area. Though they are separated by bureaucratic and structures, the University of Labor and Social Affairs (ULSA), the Vietnam Trade Union University (VTU) and Ton Duc Thang University (TDT) have taken it upon themselves to begin to form liaisons and share information in a systematic approach to the development of their Industrial Relations education programs.

In the area of building the capacity in the field industrial relations education, the Project has been providing technical assistance to the three universities to develop and finalize new a IR text/resource books, which is being developed by educators from these universities. The Project has introduced and provided syllabi, textbooks, and other course materials from selected US university labor programs. In addition to the draft text/resource book, the Project and university partners are developing draft syllabus and supplemental materials, including IR glossary and labor terminology handbooks, this joint and cooperative effort.

Institutional linkages have been formed between these three universities and leading US labor education centers: UCLA Labor Center, Harvard University Labor Studies program, CUNY Labor Education Center, UC Berkeley Labor Center, Cornell University and National Labor College. More than only providing technical assistance, these linkages can lead to more Vietnamese labor stakeholders being able to study in these US programs. In return, U.S. professors and labor experts may now be able to teach at these Vietnamese universities.

There are also now new official linkages between partner universities and US educational institutions. CUNY and Vietnam Trade University are now planning for a joint program in labor relations. The VCCI now will be engaging with Cornell University to send candidates to participate in Cornell's labor relations programs, specifically on dispute resolution (including arbitration) and also to arrange for Cornell University to run a dispute resolution program in Vietnam through the VCCI.

6. Other:

The Project managed to arrange technical exchanges with members of ILO Labor Inspection Audit Team, IALI, ASEAN Inspectors, Better Work Program, and Green Jobs and participated in the key activities of the 14th National OSH Week which took place in Dong Nai in March 2012.

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

Nancy Mills, former Interim Executive Director of AFL-CIO Solidarity Center, 30 year experience in the field of employment and trade union movement in US, travelled to Vietnam to share her enriched expertise and knowledge on collective bargaining and dispute resolution experience and comparative models for project partners in a number of CBA Talks at tripartite counterparts and the three universities. Participants learned from her for research techniques for in preparation for collective bargaining

negotiations, and she also provided training and content recommendations to be incorporated in industrial relations curricula in selected universities.

Richard D. Fincher, Adjunct Professor of the Cornell University and ADR Specialist, travelled to Vietnam for targeted trainings on mediation and dispute resolution for tripartite partners. He conducted pilot bi-partite trainings for VCCI and VGCL officials and IR educators and students on Effective Communication and Negotiation skills for Labor Dispute Prevention and Resolution at Workplace, which were the first of its kind.

Tac Tacelosky, US IT Specialist, travelled to Vietnam for developing the Online Self Assessment/Verification Software which was tailored for Labor Inspectorate's work and trained LI/MIS Committee members for operation skills.

Van Nguyen, from the Labor Center of University of California Berkeley - Industrial Relations Education Partnership Development Specialist, has provided the technical assistance to the MOLISA's University of Labor and Social Affairs (ULSA), the VGCL's Vietnam Trade Union University (VTU) and Ton Duc Thang University (TDT) in the areas of improving their training capacity through joint elaboration of industrial relations textbook and development of cooperation with U.S universities and institutions on IR education and facilitated the Vietnamese and U.S partners to prepare for their educational cooperation in coming time.

Mark Anner from Penn State University assisted in compiling supplemental materials to IR textbooks which could be used in syllabi for IR training in the three universities.

Operating Environment: Problems encountered/overcame/outstanding

- 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 bilateral 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 continues to follow up with partners to ensure they adhere to the agreed workplan. The one month no-cost extension will assist in on-going work completed, but the project will still be pressed to finish everything by April 30, 2012

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) | 52 | 538 |
| 2. <i>Deputy Chief of Party</i> | Vu Huu Tuyen | 59 | 598 |
| 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 | 3 | 10 |
| 5. <i>Administrative Support, Junior Level</i> | Allison DiSenso | - | 13 |
| | Miriam Counterman | - | 28 |
| | Danielle Pearl | - | 2 |
| | Sara Lehman | 17 | 37 |
| 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 | 12 | 61 |
| | Kent Wong | - | 20 |
| | Katie Quan | 8 | 33 |
| | Lance Compa | - | 15 |
| | Victor Narro | - | 16 |
| <i>Public Administration/Public Finance, Senior Level (cont'd)</i> | Mark Anner | 5 | 5 |

Annex II

**Table: Number of Participations of Direct Beneficiaries in Project Activities
Compiled Data
(Jan. 12- Mar. 12)**

| 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 | | | | | |
| | | Workshop on Implementation of National Commitments to International Standard on Labour Inspection in HCMC | 50 | 11 | 39 | 17 Feb. 2012 | |
| | | Workshop on Strategies for Enhancing Capacity of Labour Inspection in Dong Nai | 50 | 22 | 28 | 14-15 Mar.2012 | |
| | 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 | | | | | |
| | | Workshop on Review of Pilot Self-assessment and Development of Online Self-assessment Scheme in HCMC | 50 | 16 | 34 | 16 Feb. 2012 | Tac Tacosky |
| Sub Component 2: Promoting Effective Approaches to Laws Implementation | | | | | | | |

| | | | | | | | |
|----------------------------------------------------------------------------------------------------------|-----|--------------------------------------------------------------------------------------------------------------|----|----|----|------------------|-----------------|
| | 2.1 | Strategic planning for implementation of IR-related laws and regulations | | | | | |
| | 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 | | | | | |
| 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 – | | | | | |
| | | Roundtable talk on review of NIRC and pilot PIRC Models in Hanoi | 30 | 6 | 24 | 9 Feb 2012 | |
| | | Tripartite Planning Workshop on Strategies for Promoting Sound Industrial Relations | 45 | 9 | 36 | 8 March 2012 | Nguyen Huu Dung |
| | 3.2 | Enhancing MOLISA’s IR information system on industrial relations | | | | | |
| | | Consultative meetings on concept and measurement of industrial Relation in Hanoi and HCMC | 46 | 18 | 28 | 15, 16 Feb. 2012 | |
| Sub Component 4: Strengthening capacity for tripartite stakeholders on CBA and dispute resolution | | | | | | | |
| | 4.1 | Strengthening capacity for tripartite stakeholders on collective bargaining | | | | | |
| | 4.2 | Strengthening capacity for tripartite stakeholders on ADR | | | | | |
| | | Training Workshop on Effective Communication and Negotiation Skills in Enterprises for VCCI with | 35 | 22 | 13 | 12, 13 Jan. 2012 | Richard Fincher |

| | | | | | | | |
|------------------------------------------------------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|------------|------------------|-----------------|
| | | VGCL in HCMC | | | | | |
| | | Training Workshop on Effective Communications and Negotiation Skills in Enterprises for VCCI with VGCL in Hanoi | 26 | 8 | 18 | 10, 11 Jan. 2012 | Richard Fincher |
| | | | | | | | |
| 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 | | | | | |
| | | | | | | | |
| | 6.1 | Consultative meeting on draft evaluation report | 20 | | | 22 March 2012 | 22 March |
| | 6.2 | Project final evaluation Workshop | 50 | | | 28 March 2012 | |
| | | | | | | | |
| Total | | | 402 | 112 | 220 | | |

ANNEX III: Tentative Project Timeline April 2012 (No-Cost Extension)

| Activity No | Project Activity | Timing | Counterpart | Note |
|--------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------------------|--------------------------------------------------------------------------|
| 1.3.5 | Labor Inspection Manual Review and Finalization and translation of Supplemental Materials | On-going in April | LI, LI Manual Development Committee, Project Office | |
| 1.4 | On line Self Assessment System (OSAS) Model Release/Launch | 24 April | LI, Consultants. Project Office | |
| 1.4.1 | MIS Consultative Meetings on OSAS | April | LI, MIS Committee, Project Office | Finalization of OSAS 1.0 with inputs from Tac and other resource persons |
| 3.1 | National Workshop on Promotion of Sound IRs at workplace (Industrial Relations strategies for strike resolution – one day) | April (unconfirmed) | LWD, (USDOL) | Vice-PM (Mr. Huan), at the Reunion Palace in HCMC |
| 2.4.3 | Handbook for Legal Aid Services | On-going, | VGCL | National Consultant |
| 2.4 | Legal Aid Services Handbook Release Workshop (one- day) | April (unconfirmed) | VGCL | In Hanoi |
| 3.1.1 | IR Survey with integrated FDI data from 2010 and 2011 VNCI Surveys | On-going in April | LWD, Project Office | Mark Anner |
| 5.2.3 | Finalizing Industrial Relations Resource Book | On-going in April | ULSA, VTU, TDTU | Universities, Project, Consultant |
| 5.2 | Industrial Relations Education Appraisal Roundtables (2 x one-day) | 5 and 25 April | ULSA, VTU, TDTU | Universities, Project Office, Consultant |
| 5.2 | Finalizing IR Glossary/Supplemental Materials | On-going in April | Project Office and | Van Nguyen, Mark Anner |
| 5.2 | IR Education Partnership Consultancy | March/April | ULSA, VTU, TDTU | Thanh Van |
| | Translation, Editing and Compilation of project TA materials | 1-30 April | All Staff | |
| | Sara Lehman's closedown STTA | 16- 27 April | All Staff | |
| | Closedown File Audit | 16-30 April | | Sara Lehman, Nga Pham |

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|--|-------------------------------------------------------------------------------------------------------|------------|-----------|------------------------------------|
| | Submission of Deliverables to USAID | 30 April | All Staff | |
| | Final Project Inventory and disposition of project inventory as outlined in approved disposition plan | 13 April | All Staff | Sara Lehman, Nga Pham |
| | Update and submission of final deliverables to DEC | 30 April | | Sara Lehman |
| | Final review of closedown tasks, vendor notifications and contractual terminations | 1-15 April | All Staff | Nga Pham, Sara Lehman, Wim Conklin |