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# **Supporting Implementation of Labor Laws and Promotion of Sound Industrial Relations in Vietnam (SIIR)**

**ANNUAL REVIEW**

**YEAR I: October 1, 2009 – September 30, 2010**

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

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## INTRODUCTION

This report covers the Year I of the two-year Industrial Relations Promotion Project running from October 1, 2009 to September 30, 2010 implemented by DAI under contract with USAID. This project is both the first governance project of its kind managed by the USAID Mission and the first bi-lateral cooperation between USAID and the Ministry of Labor, Invalids, and Social Affairs (MoLISA). As a ground-breaking project in both its content and partnerships, this project has also become a trial and learn process, especially within its first year of operation, for USAID, DAI and the main stakeholders.

While MoLISA is the main Vietnamese counterpart, the project was designed to be tripartite, with the Vietnamese General Confederation of Labor (VGCL) and the Vietnamese Chamber of Commerce and Industry (VCCI) as the two other main partners. The Vietnamese Cooperative Association (VCA) was added as a second employer counterpart. Later three universities which were associated with the main tripartite partners and which were identified as having the potential to play an important role in the development of Vietnam's industrial relations system were identified and included within the scope of the project: University of Labor and Social Affairs (USLA – under MoLISA), Trade Union University (TUU – under the VGCL) and Ton Duc Thang University (TDT – under the VGCL).

The project was originally designed to have three section areas of focus in the first year: the project start up phase, a component on strengthening the implementation of labor laws and a component on the promotion of industrial relations. The latter components contain the labor relations areas which would be addressed in both project years: including labor inspection, dispute resolution and provision of legal services, collective bargaining and labor law and industrial relations education. The primary needs as expressed by labor, management and government, represented by VGCL, VCCI and MoLISA, has guided the implementation of activities.

To date, the project has made good progress on providing technical assistance in strengthening labor inspection capacity. It has done this by offering new types of labor law education strategies, addressing dispute resolution needs, strengthening legal aid services, promoting new forms of collective bargaining, and enhancing innovative industrial relations education programs. The tripartite partners have all benefited from in-depth diagnostics which have formed the basis for targeted technical assistance and greater tripartite cooperation. In addition the project has provided guidance to the main implementers of the National Industrial Relations Policy. Lastly, pilot industrial relations models in areas of labor inspection, collective bargaining, dispute resolution and provincial industrial relations committees are all in the process of being initiated.

Greater progress in the two project components – promoting sound industrial relations and strengthening the implementation of labor laws – had been anticipated. However, the process of obtaining the Government of Vietnam's (GNV) official approval, presumed granted in principle before the contract was awarded, had a dramatic impact on the original schedule. The original project design anticipated 3-4 months project start-up and needs assessment phase, beginning October 1, 2009. However, for a variety of reasons, including specific GVN entities' concerns about allowing a U.S.-funded contractor to work on politically sensitive issues, formal approval to undertake technical assistance activities was not granted until mid- August 2010 (i.e. nearly the end of Year I). The project was able to work creatively with partners to address project objectives prior to official approval.

## IMPACT ON INTRUSTRIAL RELATIONS

The Industrial Relations Promotion Project (IRPP) was designed to address on-going problems of major concern to state management agencies, private industry (both domestic and FDI), and civil society institutions (VGCL and universities). In 2010 the number of industrial actions continued to decrease. In 2008, the number of industrial actions was at a high reaching over 700 disputes, and in 2010, this number fell to a little over 400 disputes. The Vietnamese government still considers addressing industrial relations as a main economic and governance priority. The labor laws designed to protect worker rights and attract both foreign and domestic investment are under-going a comprehensive revision throughout the 2011, with enactment expected in 2012. Due to Vietnam's new full membership in the Trans Pacific Partnership (TPP), there will be even greater emphasis on labor laws and how they are practiced in relation to international standards.

This project is to address key labor relations areas, including labor inspection, dispute resolution, collective bargaining, and labor law and industrial relations education. These goals were identified in the project design, which was a consultative effort between USAID and MoLISA and reflected priority areas of the GNV. Progress in these areas can play a vital role in determining how far Vietnam can go in attaining trade benefits, which in turn can help preserve its economic growth. Equally important, progress in these areas can contribute to a predictable and stable industrial relations system that continues to represent the interests of all stakeholders and leads to greater economic and social stability.

The project will continue to be driven by the primary needs expressed by labor, management and government, represented by the main tripartite stake holders VGCL, VCCI and MoLISA. To date, the project has made good progress on providing technical assistance to strengthen labor inspection, offering new types of labor law education strategies, addressing dispute resolution needs, strengthening legal aid services, promoting new forms of collective bargaining and enhancing innovative industrial relations education programs. The tripartite partners have all benefited from in-depth diagnostics which have formed the basis for targeted technical assistance and greater tripartite cooperation. In addition, the project has provided guidance to the main implementers of the National Industrial Relations Policy. Lastly, pilot industrial relations models in areas of labor inspection, collective bargaining, dispute resolution and provincial industrial relations committees are all in the process of being initiated.

The impact of this project can also be seen in bi-lateral relations between the US and Vietnam. This project was implemented in response to a request by the GVN for technical assistance in order to strengthen the industrial relations system in the wake of pressures from rapid economic transformation and growth. The project was negotiated and designed coinciding with Vietnam's application for increased trade benefits with the US, first for participation in the Generalized System of Preferences program and then as part of the Trans-Pacific Partnership. While the main goal of the project is to strengthen the labor relations system not to directly promote international labor standards, the two areas are linked. For example, the work the project has been doing with tripartite partners on promoting collective bargaining puts the GNV in a better position to be able to ratify the ILO core convention on collective bargaining, No. 98, and to create legal frameworks that would support this convention as well as create capacity and pilot initiatives that will serve to enhance dispute prevention. In addition, this project has contributed to and even become a platform for various types of bi-lateral dialogue (e.g. government to government, union to union, and university to university) on labor issues. This bi-lateral dialogue also affects the overall industrial relations in Vietnam and outlasts the immediate impacts of a two-year project.

## **OPERATING ENVIRONMENT: IMPACTS ON PROJECT IMPLEMENTATION ON YEAR I**

As noted, the delay in official government approval of the project by over half a year, has had lasting effects on what can be accomplished in a compressed timeframe of basically little over a year. The project team has worked creatively and strategically with the main tripartite stakeholders to be realistic about what activity areas can be implemented. Even before approval the project was able to provide technical assistance through US-based specialists in labor inspection, industrial relations education, collective bargaining, labor law education, dispute resolution (including ADR) and legal aid. This assistance gave the project the basis to launch activities after official approval. However in Vietnam, official processes take time and are often relationship based. The latter is especially relevant for a US supported project in the field of labor relations, as there are inherent suspicions as to the true intent of this project (e.g. promoting US trade agendas). This project needs to be careful to seen working in concert with the major stakeholders according to their needs and timeline (and should not be viewed as just pushing activities to fulfill a compressed timeframe). Much of the envisioned work outlined in the original taskorder has started. However, by the end of the two years there will be still much to do, especially in comprehensively developing the activity areas and really developing the outcomes in order to have lasting impact.

Due to the delay in the official implementation of much of the Year I workplan, most of the activities have been carried over to Year II and incorporated into that plan. This has meant that in the major activity areas of labor inspection, labor law implementation and education, industrial relations model building, dispute resolution, collective bargaining and industrial relations education, the envisioned next phases (e.g. working with trained trainers) have been abbreviated. While these activities have been initiated and are on-going, they cannot be comprehensively addressed as they would otherwise (if there had a full two years of activity implementation).

- As discussed with project partners, some areas of planned work have had to be reprogrammed in order to concentrate on achieving the major outcomes. For example, due to the importance of developing an industrial relations model, the Labor and Wages Department of MoLISA has decided to postpone initiating work on an information data system (as was envisioned in the Year I Workplan). The Labor and Wage Department wanted to concentrate on the development of a Provincial Labor Relations Bureaus for the rest of the project. The Labor Inspectorate also decided to scale back the number of activity areas the project was to work on with them and focus primarily on developing a model management information system, encouraging parallel capacity building, and developing an improved self-assessment program.
- 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 of 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) allowed for any additional work with partners that 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.
- It would be unrealistic to assume that any project could change the course of the industrial relations process in two years. The original concept of the project was to use a two-year timeframe to provide technical assistance in order to allow partners to develop more effective means to improve and strengthen systems, processes, and capacity in conjunction with on-going

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labor law reforms. While the technical assistance will be provided, the role of the project in strengthening systems, process and capacity will not be as great as if the original timeframe was kept.

## **PROGRESS AGAINST PROPOSED PROJECT ACCOMPLISHMENTS YEAR I HIGHLIGHTS**

In the four months in which activities were held in Year I, formal activities were conducted with the main tripartite partners, MoLISA, VGCL and VCCI, in forms of roundtables, presentations, and training workshops with a total 700 participants coming from all three partners. However, these formal activities do not fully capture what the project achieved even prior to June. Much of the time and energy of the project staff was devoted to on-going consultations and planning with tripartite partners, both at the leadership and working levels. Through interactions with tripartite partners, new strategies, approaches and draft policies have been discussed and shaped. These strategies, approaches, and draft policies were based on assessments that the project provided in vital areas of alternative dispute resolution, collective bargaining, labor inspection, legal aid services, and industrial relations education,. This dialogue, both formal and informal, with tripartite partners will continue through the life of the project.

### **Examples of highlights and achievements of the project in its first year include:**

#### Specific Activity Areas Accomplishments

- The project cleared most of the official procedures to become formally approved: on July 7<sup>th</sup> the project was listed in the ODA portfolio of Vietnam; on August 5<sup>th</sup>, there was an MOU on the project signed between MoLISA and USAID; and on September 13<sup>th</sup>, the Project Document was approved by the Minister of Labor;
- In the first year of the project, international technical assistance was provided by 9 US labor relations specialists in the areas of alternative dispute resolution, labor inspection systems, mediation and conciliation services, trade union legal advisory services, industrial relations education, labor law education, and collective bargaining. Much of this technical assistance will lay the groundwork for the rest of the program;
- In order to utilize, support and even develop local expertise in labor relations, the project worked with partners to identify and use Vietnamese consultants in the areas of labor inspection - system and practice, implementation of labor laws and regulations – a rapid assessment of capacity and dispute resolution – design of a model. This also met the concerns of MoLISA that the project would only use international experts;
- In order to form the basis of policy recommendations to be presented to MoLISA, in-depth diagnostic evaluations were made of the labor inspection system, the dispute resolution system (mediation and conciliation and arbitration services), the trade union legal advisory services system and current labor law education strategies;
- In August 2010, a groundbreaking workshop on the state of Industrial Relations Education in Vietnam was held in HCMC, with a specialist on IR education from the ULCA Labor Center as the main resource person. This workshop helped build a consensus among participating universities (attached to the VGCL and MoLISA) on what national approaches should be in terms of strengthening industrial relations both in the technical and academic approaches, as well as defining the needs of each institution in terms of technical assistance. This workshop also saw agreement to initiate a Labor Educators Network, similar to the one in existence in the US.
- Another major activity after the Project Document was approved was a national tripartite workshop on multi-employer collective bargaining. It was held in Hanoi in September 2010, with a collective bargaining specialist from the UC Berkeley Labor Center as the chief resource person. This first-ever examination at the national level of new approaches to collective bargaining was chaired by a MoLISA Vice-Minister, who stayed throughout workshop.

Afterwards both MoLISA and the VGCL indicated that they have decided to embrace the recommended approaches on multi-employer collective bargaining.

- The MoLISA Labor Inspectorate is now willing to embrace new approaches towards inspections based on a rapid, but comprehensive assessment of critical areas, including information management, training, and in-house development capacity (including design of appropriate resource materials). This assessment was conducted by two specialists from the US DOL. The Labor Inspectorate is the process of forming development committees for each critical area identified and will look to secure internal resources for each committee.
- Working with VGCL, the project is assisting in redefining the role of the trade union's Legal Aid Office/Center system. This current system of providing legal aid to workers in enterprises can play a pivotal role in assisting in preventing and resolving wildcat strikes, especially in the absence of effective enterprise unions and collective bargaining agreements. The project assisted in providing technical assistance through the form of recommendations and through the expertise of a trade union legal aid specialist from the UCLA Labor Center. The recommendations have been incorporated in a VGCL national resolution on restructuring the legal aid system.

### US- Vietnam bi-lateral Relations

Bi-lateral cooperation between the US and Vietnam in area of labor relations has already been strengthened at different levels through the project:

- On-the-ground in Vietnam - the initiation of this project (including design, the follow through, and signing of the MOU) has signaled the intent of the US government to assist the Vietnamese government to improve labor relations at a critical time of trade negotiations, in which the US is seeking to see progress in certain labor related areas (among others);
- Between MoLISA and US DOL - the provision of technical assistance on labor inspection has been mentioned in the US-Vietnam dialogue and in discussions by visiting congressional delegations. In addition, the US-Vietnam labor dialogue process has become more substantive based on input from the DOL technical assistance team that was able to come here through the project.
- Between MoLISA and the FMCS - for future work to establish a model mediation service that might be modeled along the lines of the FMCS. A model mediation service not just focused on dispute resolution, but also on dispute prevention, which may be one way to address the issue of wildcat strikes.
- Between the VGCL and AFL-CIO – the project has assisted in the development of a formal dialogue process between the two on issues of mutual concern, including trade agreements. As a follow to the AFL-CIO delegation trip the project facilitated, the VGCL may now be included in the Joint Trade Union Forum on the Trans Pacific Partnership (previously it had not been invited to participate).
- Between Vietnamese and American universities - leading US universities in IR such as UC Berkeley, UCLA, and Cornell University are now engaged in dialogue with the participating Vietnamese universities and desire formal linkages, from student and faculty exchanges to areas of proposed joint research on labor related topics and scholarship opportunities.

### Multiplier Effects (including raising the profile of USAID)

- An informal network in the US to discuss US-Vietnam labor relations - the US labor relations specialists used thus far on this project have formed an informal network in the US to discuss US-Vietnam labor relations and to share information on this project. At various forums where Vietnam labor relations and labor issues have been a topic, this USAID industrial relations project has been highlighted as a positive step forward. The work of the project so far (and the acknowledgment of USAID's management of it) has been mentioned in the two major labor educator's gatherings this past year: the LERA (Labor Education and Research Association) and UALE (United Association for Labor Education) conferences.
- Additional resources - while the overall project budget is very limited, the project has been able to leverage additional resources in the form of US DOL and FMCS technical services in Year I (and greater use of them in Year II). In addition, the project has found US university support. The project has also been able to solicit interest in public-private partnership types of support for labor law education materials and industrial relations textbook development.
- Policy and strategy recommendations - although this project does not work directly on labor law development, the policy and strategy recommendations that are currently presented by the project (through its stakeholders, primarily MoLISA) will significantly contribute to the on-going revision of the Labor Code of Vietnam. This also parallels the work the project is doing with the MoLISA Legal Department (which is tasked with labor law reform) on creating a national strategy on labor law education. This work will lay the foundation for an effective national approach on dissemination and education of labor laws and regulations.

## PROGRESS AGAINST PROPOSED PROJECT ACCOMPLISHMENTS

### Expected Impact/Long-Term Objective

To create an enabling environment for the promotion of sound industrial relations in Vietnam, by strengthening capacity for tripartite stakeholders to comply effectively with labor laws and by developing strategic labor relations policies and initiatives in the country's emerging market economy.

### Immediate Objectives

#### *Component I: Needs Assessment and Cooperation Extension*

A needs assessment process to support project design, build relationships, and garner stakeholder support is undertaken, in parallel with further cooperation initiatives for extending international support to promote sound industrial relations.

### Progress

The initial needs assessment phase, to develop project workplans for USAID and MoLISA that respond to the original project taskorder and the DAI proposal, was completed. The project office was fully established and a discussion process began with various identified project partners. Once this was started, an international consultant was brought to assist in the workplan process. As the consultant had recent experience in running an industrial relations project for six years for the ILO, he was able to provide insights and guidance as to what had been attempted previously in other projects in activity areas, such as labor law education and development, labor inspection and compliance, dispute resolution and prevention, and collective bargaining and negotiations. Thus the project could avoid duplication and build on the work of others as well as identify new areas for pilot activities. Thus, the project worked to expand and develop the basic workplan design and preliminary needs assessment into final products.

However, due to fact that the project approval process was much longer than anticipated, the original needs assessment and workplan development was extended considerably. In the original project documents, this component was to last about 3 months and then activities would begin. In actuality, approval was only given in the eleventh month. The project was able to get some work accomplished prior to approval, beginning in the 9<sup>th</sup> month. This delay had two major impacts (among others). It meant that the changes in the timeframes for activities were significant enough to change some activity areas and expectations about what could be accomplished in a compressed timeframe (e.g. 14 months as opposed to 21 months). The delay also meant that there were external changes in the labor relations environment which affected the priorities of partners. For example the fact that the labor law revision was postponed until 2011 affected not only the Legal Department of MoLISA but also other partners.

The timeline then for Year I in reality should look something like this:

- The needs assessment period should be considered to run from September 1, 2009 to May 31, 2010.
- The pre-approval activities ran from June 1- August 15, 2010 (approximately).
- The official activity period for Year I ran from August 15, 2010 to September 30, 2010.

A narrative description of the project approval process is found in Annex I, but here are a few notes that have bearing on the progress of Component II and III:

- First while there was an initial assessment document produced, the project has been conducting on-going assessment of labor relations in Vietnam. In particular, there have been diagnostics of

certain activity areas in which the project is working. Technical experts supported by the project conducted these diagnostics. However, the project could not get permission to use this expertise until confirmation of approval was given in June 2010. Thus these expert assessments were not in Component I, but are considered part of the activities of the other two components.

- Even after MoLISA received confirmation from MPI and the Prime Minister's office that the project would be approved (sometime in June 2010), the project could not conduct official activities. There had to be an official workplan for MoLISA that was to be an attachment for the MOU (signed on the first part of August 2010). However for the project to begin any type of pre-approval activities there had to be a USAID workplan for Year I. So the MoLISA workplan, which was to cover two-years, was retro-active to account for any activities the project conducted prior to approval. The Year I workplan was only really came into effect when it became clear that approval would be given (there were initial indications in May 2010 that approval was forthcoming).
- The Year I workplan corresponding to project documents was written for a twelve month period. However for all intent and purposes, the activity implementation period was only four months at most and even that was abridged somewhat. In reality, there were no formal activities until late August.

#### *Component II: Enhancement of Implementation of Industrial Relations Related Laws and Regulations*

By the end of the project, compliance to industrial relations related laws and regulations is enhanced through first, increased understanding of the Labor Code and regulations among the main tripartite stakeholders (i.e. MoLISA VGCL and VCCI); second, strengthened human institutional capacity for labor inspectorates, and third enhanced capacity of union legal advisory services.

#### **Progress**

The Component II activities for Year I should be divided up into two phases, those in the pre-approval period (June 1 – Aug. 15) and those in the post-approval period (Aug. 15 – Sept. 2010). The main difference between the two phases is that while the project was allowed to bring in consultants to conduct assessments before approval, no formal activities could be conducted until after formal approval. This also meant that partners were not willing to commit to implementing activities until after official approval – thus causing further delay.

Given all the impediments in the project experienced in implementing the Year I workplan, progress in Component II has been steady in all the identified areas: enhancing compliance in implementing labor laws, strengthening capacity of labor inspectorate, and improving trade union legal advisory services. While many planned activities in the Year I workplan could not be completed given the shorten timeframe, the required planning, assessment and development of baseline information have all begun, and in some cases the work has been completed. Thus, if the project partners are willing to take the initiative (a major caveat), the project should be able to implement the majority of Component II activities in the Year II workplan (which is basically an 18-20 month program compressed into 12 months). Some specific Component II progress areas:

The main partner in the area of labor law education and awareness building is the Legal Dept. of MoLISA. With the postponement of the labor law revision, the envisioned work with the Legal Dept. to create an education strategy for the new labor laws, implement education program activities, and work to develop regulations and guidelines in critical areas such dispute resolution and collective bargaining was changed. The focus became on understanding how to develop better labor law education strategies and to assess what types of comparative practices from other countries might be applicable for development of labor law education model strategies. In the first area, the project and the Legal Department worked together to design a survey measuring the capacity of tripartite stakeholders to not only measure how

much these stakeholders (e.g. local officials) understood about the current labor laws, but how they learned the labor laws. This survey was implemented after approval was given and the findings will be used in Year II. 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 stakeholders on-going or planned initiatives on labor law education. The specialist was then a resource person in a series of workshops for MoLISA officials from around the country. During the workshops, MoLISA officials presented their plans for advancing education on labor laws. The consultant provided feedback on the individual plans, and presented practices from other countries that are undergoing labor law revision. This work will be the basis of labor law education policy recommendations that will be developed in Year II for MoLISA.

In the area of strengthening the capacity of labor inspection, the project used a team of labor inspection specialists from the US DOL to both undertake an assessment of the labor inspection system and make recommendations on priority areas. The Labor Inspectorate identified these priority areas both for the project and for the Labor Inspectorate itself. During this assessment process, the DOL team also presented on the US labor inspection system at various forums (as this was prior to approval and no formal activities could be conducted), in which labor inspectors from around the country participated. The US DOL technical recommendations formed the basis for work in Year II, including providing a basic blueprint for the Labor Inspectorate to proceed with this project. The specialist team was able to build a working relationship with the Labor Inspectorate, which will serve them in their work in Year II. (They will be returning 2-3 times, depending on progress on the ground). The project also was able to provide other technical assistance to the Labor Inspectorate on how an FMCS type model could be adapted in Vietnam (as the labor inspectors perform mediation duties and theoretically are to oversee the implementation of CBAs) and on what was being recommended in the draft Inspection Law in Vietnam. For some reason, the Labor Inspectorate was not being consulted in the process of this general inspection law; afterwards the Labor Inspectorate became involved in the drafting process.

To assist the VGCL in its efforts to develop and improve legal advisory services, the project worked with a trade union legal aid specialist from the UCLA labor center. The consultant had a background in assisting similar legal aid services in the US, where there are limitations on fiscal and human resources (for the latter both in terms of numbers and capacity). The consultant conducted an assessment of several union legal aid centers and offices around the country, as well as interviewed the national and provincial level union officials responsible for these centers. The timing of this work was opportune as the VGCL was in the process of developing a resolution to significantly change the structure and mission of these centers, including moving from providing legal aid to providing legal services and developing a sustainable financial support base. As a result of this work, the consultant was able to provide guidance in the drafting of the resolution. Also since legal aid centers will be allowed more flexibility to undertake initiatives, there is a more conducive operating environment for implementation of pilot activities (recommended by the consultant).

### *Component III: Promotion of Sound Industrial Relations*

By the end of the project, the fundamental underpinnings of the IR system in Vietnam are strengthened. This includes the enhanced development of IR conceptual frameworks, national strategies, and statistical data systems, along with increased capacities for social dialogue, collective bargaining, alternative dispute resolution (ADR), and industrial relations education development.

### **Progress**

The Component III activities for Year I should be divided up into two phases, those in the pre-approval period (June 1 – Aug. 15) and those in the post-approval period (Aug. 15 – Sept. 2010). The main difference between the two phases is that while the project was allowed to bring in consultants to conduct assessments before approval, no formal activities could be conducted until after formal approval. This

also meant that partners were not willing to commit to implementing activities until after official approval – thus causing further delay.

Given all the impediments the project experienced in implementing the Year I workplan, progress in Component III has also been steady in most areas identified, including increasing capacities for social dialogue, collective bargaining, alternative dispute resolution (ADR), and industrial relations education development. Two other areas, strengthening enhanced development both of IR model frameworks and IR national strategies will be addressed in Year II. In addition, the area of developing an IR statistical data system was reprogrammed at the request of the partner, LWD. They decided that, instead, the priority should be promoting industrial relations strategies and creating pilot models. Aside from these changes, the project should be able to implement the majority of Component III activities in the Year II workplan, as long as the project partners are willing to take the initiative – a major caveat. Some specific Component III progress areas:

In the area of dispute resolution, the project has provided technical assistance to all tripartite stakeholders (and this includes dispute resolution activities in Component II – in Year II most will be under this component). This technical assistance has resulted in proposals by all partners for new initiatives that may be developed into policy recommendations and into legal frameworks in the next year. MoLISA is interested in piloting some type of model based on the FMCS in the US and wants to decentralize its approach to dispute resolution systems. These may be incorporated into Provincial Industrial Relations Committees that the project will work on in Year II. In addition, the VCCI is interested in creating private (i.e. non-governmental) labor arbitration services. The VGCL also sees the potential in the use of private mediators. As a response to a series of presentations and requests given by project consultants, all stakeholders see the advantages of the Alternative Dispute Resolution and are requesting capacity building in this area. This will be addressed in Year II.

In the area of collective bargaining, there is now acceptance that there needs to be alternative approaches to the current enterprise CBAs, which are viewed as basically ineffective. However, the government's one pilot, the textile sectoral CBA involving 200 factories, has also proven to be ineffective. Due to the analysis of the project's collective bargaining specialist on this pilot CBA, both MoLISA and VGCL committed to initiate a smaller scale multi-employer CBA with the project's support in Year II.

In the area of industrial relations education, the project's attention to the role universities can play in the development of industrial relations – from training and education to research and policy formation – is ground-breaking in Vietnam. No other project has tried to empower universities in the field of industrial relations. There is still much to be accomplished, but the three participating universities do not see themselves in isolation anymore. Though the project suggested the formation of an informal network, there was no formal support involved. Though they are separated by bureaucratic and structures, the three universities 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.

While the project did not formally begin activities with MoLISA directly to support the National Industrial Relations Committee, to strengthen industrial relations policy, and to develop an industrial relations model (Provincial Industrial Relations Committees) in Year I, the project has made various consultants available to MoLISA officials to discuss these issues and presented some comparative practices. These will be the basis of planning discussions with MoLISA in Year II in this area.

## YEAR I WORKPLAN ACTIVITIES: STATUS BY ACTIVITY

### Component I – Project Start-up and Needs Assessment

YEAR ONE	SIIR ACTIVITY WORKPLAN	Oct, 2009	Nov, 2009	Dec, 2009	Jan, 2010	Feb, 2010	Mar, 2010	Apr, 2010	May, 2010	Jun, 2010	Jul, 2010	Aug, 2010	Sep, 2010	YEAR TWO
<b>Project Start-up - Need Assessment and Cooperation Extension</b>														
A	Project Start-up	→												
B	Assessment of needs of stakeholders and project design		→											
C	Project document development process			→										
D	Coordination workshops including project presentation and strategic planning								→					

**Status:**

A: Project- Start Up

Completed

B: Assessment of stakeholders and project

Completed – This included the assessment trip of Jan Sunoo

C: Project document development process

Completed

D: Coordination workshops including project presentation and strategic planning

On-going – Preliminary activities were conducted in Year One, including the MOU signing; after the Project Steering Committee is formed, there was formal strategic planning workshop (Year II, Quarter 1).

**Notes:** Any remaining budget for these activities will be used for any Coordination, Planning Monitoring and Evaluation activities proposed by MoLISA (and have to be approved USAID) in Sub-component 6 in Year II workplan.

**Impact:** The impact of success in getting project approval should neither be minimized nor should the impact of the length of the project approval process be overstated. Throughout the first year, the project looked for creative ways to begin activities. Vietnamese government rules can be applied very strictly as to what a bi-lateral funded project is allowed to do. This meant considerable time and effort was spent by project staff in preparing requests and lobbying for specific activities to be conducted. However, the project was aware that in pushing for various activities to be allowed, it also put a burden on official partners who were ultimately responsible and answerable for any pre-approval activities. Although, this longer than anticipated approval process allowed the project to work in consultation with partners in planning and developing a two year framework which is the basis for the Year I workplan. In addition, the project was able to adjust to the postponement of the Labor Code revision and come up with alternative activities that also contributed to the same outcome. Finally, during this several month prior-approval period the project was able to engage with project partners through discussions, consultations, dialogue, and assessment processes as a form of technical assistance (including contributing to the development of industrial relations models). These interactions also added directly to policy discussions in the areas of labor inspection and compliance, labor law education, legal, dispute resolution, collective bargaining, promotion tripartite structures and industrial relations education.

## Component II – Enhancement of Implementation of Industrial Relation Related Laws and Regulations

YEAR ONE	SIIR ACTIVITY WORKPLAN	Oct, 2009	Nov, 2009	Dec, 2009	Jan, 2010	Feb, 2010	Mar, 2010	Apr, 2010	May, 2010	Jun, 2010	Jul, 2010	Aug, 2010	Sep, 2010	YEAR TWO
1.1	Promotion of New Approaches and Strategies to Improve the Labor Inspection Capacity													
1.1.1	International consultants for strategic planning process on compliance and inspection and development of draft curricula										→		→	
1.1.2	National tripartite strategic planning workshop on compliance and inspection												→	→
1.1.3	Pilot capacity building activities – testing and evaluation (to be continued in Year II)												→	→

### Status:

- 1.1.1 International consultants for strategic planning process on compliance and inspection and development of draft curricula  
Completed – Two labor inspection specialists from the USDOL came out in Year I to work with the Labor Inspectorate in July for an assessment of the Labor Inspectorate. At least two more trips are planned for Year II (Quarter 1 and 3). In addition, the project arranged for a US inspection specialist to present on the new Law on Inspections that was being proposed and in which the Labor Inspectorate had not been involved in drafting.
- 1.1.2 National tripartite strategic planning workshop on compliance and inspection  
Postponed – This will take place in Year II, Quarter 1 in conjunction with the 2<sup>nd</sup> visit of the US DOL team, as there was not enough time post-official approval to begin this.
- 1.1.3 Pilot capacity building activities – testing and evaluation  
Postponed – This will take place in Year II, mostly in Quarter 3 in conjunction with the 3<sup>rd</sup> visit of the US DOL specialist team, as there was not enough time after official approval to begin this.

**Notes:** The US DOL team will play a key role in working with and providing technical assistance to the Labor Inspectorate in many of these planned activities (e.g. 1.1 and 1.2 in Year I). However, it will be incumbent upon the Labor Inspectorate to follow up with planning and acting on the technical assistance provided. If not, implementation of these and planned Year II activities will be delayed.

**Impact:** Though duration for activities has been limited so far, the impact of direct technical assistance to the Labor Inspectorate has been considerable. The profile of the department has been raised, especially in regard to the US –Vietnam Labor Dialogue, where Director of the Labor Inspectorate was invited to present for the first time. The Labor Inspectorate budget, along with the numbers of labor inspectors, has increased and it has included the project recommendations in its current strategies along with budget reallocations.



**Status:**

- 2.1.1 Evaluation process of capacity of stakeholders to implement labor laws and on labor law education  
On-going – A survey on the capacity of stakeholders to implement labor laws was started with the Legal Dept. late in Year I (Quarter 4) and is continuing in Year II.
- 2.1.2 Expert meetings for strategic planning to develop a program of action for labor education strategies  
Postponed – While initial discussions were held with the US labor law education specialist, the expert meetings will be conducted in Year II (most likely in Quarter 1) based on the final recommendations from the consultant, which will come in Year II (these activities were held at the end of Year I)
- 2.1.3 Regional strategic planning workshops on developing labor education strategies  
Completed – Two regional workshops with the Legal Dept., one in Hanoi and one in HCMC were held with a US labor law education specialist (Katie Quan from UC Berkeley Labor Center) as the resource person.
- 2.1.4 International specialist for strategic planning and development of model labor law education templates  
Completed – A US labor law education specialist from UC Berkeley in Year I Quarter 4 worked with the Legal Dept. on planning for labor law education strategies, in which the consultant presented on best practices in the US and other countries in designing and implementing labor law education campaigns.

**Notes:** The project initiated most of the activities in this activity area. The international labor law education specialist will be sending a report with recommendations which will be presented in Year II to the Legal Department. The Legal Department will need to make a decision in Year II on how it will follow up on these recommendations. The project does not have enough support allocated for production of labor law education materials – but it can develop a framework and model materials. However, if the laws will change in a year and a half, there is the question if there should be development of such materials now, and if so, if possible to design them in a way to incorporate such changes.

**Impact:** Given that all these activities represent the re-planning since the labor code revision was postponed, the project was able to make a fair degree of progress in this area within the limited timeframe. The Legal Department will incorporate the recommendations from the labor law education consultant into Project 31, the government’s program on educating the public on laws. The project is continuing to work with the Legal Department on the capacity survey and most likely will hold a consultation activity combining a review of the findings with a presentation of recommendations/findings from the report of the labor law education consultant. Through these limited activities, the Legal Department will now be able to develop a labor law education campaign that can be much more effective in terms of promoting understanding and outreach than might have been possible before.

YEAR ONE	SIIR ACTIVITY WORKPLAN	Oct, 2009	Nov, 2009	Dec, 2009	Jan, 2010	Feb, 2010	Mar, 2010	Apr, 2010	May, 2010	Jun, 2010	Jul, 2010	Aug, 2010	Sep, 2010	YEAR TWO
		2.2	Formulation of Accompanying Ordinances and Guidelines											
2.2.1	Tripartite planning workshops on developing dispute resolution procedures									→				

YEAR ONE	SIIR ACTIVITY WORKPLAN	Oct, 2009	Nov, 2009	Dec, 2009	Jan, 2010	Feb, 2010	Mar, 2010	Apr, 2010	May, 2010	Jun, 2010	Jul, 2010	Aug, 2010	Sep, 2010	YEAR TWO
		2.2.2	Dispute Prevention Overview/Preliminary Meetings									→		
2.2.3	FMCS service model overview workshops											→		

**Status:**

- 2.2.1 Tripartite planning workshops on developing dispute resolution procedures  
Ongoing – Initial workshops and meeting were conducted on dispute resolution procedures using US consultants and national consultants. A series of recommendations (as part of policy papers) are being developed for more planning workshops in Year II
  
- 2.2.2 Dispute Prevention Overview/Preliminary Meetings  
Completed – A US CBA specialist from UC Berkeley gave a series of meetings for project stakeholders on comparative forms of dispute prevention through collective bargaining, focusing on forms of multi-employer bargaining (in conjunction with Activity 4.2.3).
  
- 2.2.3 FMCS service model overview workshops  
Completed – An FMCS consultant presented comparative models (including the FMCS, China and Korea) that could be adapted for use in Vietnam at workshops for the VCCI and the labor inspectorate.

**Notes:** In addition to these consultative meetings, the CBA specialist presented at workshops for VGCL, VCCI and ULISA as well as at a national consultation workshop (please see Activity Area 4.2.). There are tentative plans for this CBA specialist to return in Year II, but this is dependent on the consultant’s availability, on whether other planned CBA consultants are able to come, and on the progress of the LWD and VGCL in particular on following up in the area of multi-employer bargaining.

As dispute resolution and the need to improve capacity and approach have received much focus, the project began its first activities centered on providing comparative approaches to dispute resolution in a series of round tables for USLA and MoLISA which draw upon the expertise and expertise of different international consultants. Building on these initial activities, the project supported a mediation and arbitration specialist from the US to conduct an in-depth assessment on the current dispute resolution systems and, in doing so, provide further background for tripartite stakeholder on the US models of dispute resolution.

The FMCS specialist is slated to come out one to two more times based on his availability. He will be presenting on various topics that partners such as the VCCI and Labor Inspectorate have requested – what a FMCS type of model system would look like, an employer’s labor arbitration service, and comparative examples for national tripartite industrial practices (for the NIRC). He will present on comparative practices and suggest models, but it will be up to the stakeholders to follow up. Fortunately he has agreed to be available for guidance from afar through communications with the project office.

**Impact:** Due to the delay in project approval, as well as the postponement of Labor Code revision, the activities originally envisioned to support the formulation of guidelines in essential IR areas, such as dispute resolution and prevention, had to be transformed. These guidelines are critical to the implementation of labor laws in these areas. The emphasis is now on providing technical assistance to stakeholders through the use of comparative models and best practices, in order to augment and strengthen their recommendations to policymakers and for new labor laws (which need to be in place

before the guidelines are established). To this end, the project used three labor specialists to both assess the areas of dispute resolution and collective bargaining and to present options for new approaches in these areas. As a result of this technical assistance, a new form of collective bargaining is being tested (multi-employer), an FMCS model (both to offer professional mediation services and to monitor workplaces to prevent disputes) has been introduced, and the concepts of alternative dispute resolution may be incorporated into the new legal framework.

YEAR ONE	SIIR ACTIVITY WORKPLAN	Oct, 2009	Nov, 2009	Dec, 2009	Jan, 2010	Feb, 2010	Mar, 2010	Apr, 2010	May, 2010	Jun, 2010	Jul, 2010	Aug, 2010	Sep, 2010	YEAR TWO
2.4	<b>Strengthening capacity of Legal Advisory Centers (LACs) and Legal Advisory Offices (LAOs) of the VGCL</b>													
2.4.1	International consultant reviews and assesses current LAC and LAO system performance and capacity												→	
2.4.2	National workshop on LAC/LAOs to development of new strategies												→	
2.4.3	Development of legal service related training materials/technical manuals for union counselors and leaders (continued in Year II)											→	→	
2.4.4	Pilot capacity building activities – testing and evaluation											→		

**Status:**

2.4.1 International consultant reviews and assesses current LAC and LAO system performance and capacity

Completed – A trade union legal aid specialist from the UCLA Labor Center came to conduct an evaluation of the legal aid system of the VGCL. He will return at least once in Year II (Quarter 1) to conduct strategic planning and material development activities. There is a possibility he could return a third time in Year II, Quarter 3 or 4 to conduct targeted training for VGCL on legal services.

2.4.2 National workshop on LAC/LAOs to develop new strategies

Postponed – This will take place in Year II in conjunction with the return of the US consultant, as there was not enough time in Year I to begin this.

2.4.3 Development of legal service related training materials/technical manuals for union counselors and leaders

On-going – Based on the first trip, the UCLA-based legal aid expert has begun to develop various materials that are to be part of manuals and handbooks. This consultant will return in Year II, Quarter 1 to work with the VGCL to continue the development of training and in-service materials

2.4.4 Pilot capacity building activities – testing and evaluation

Postponed – This will take place in Year II with a third visit (most likely in Quarter 3 or 4) of the UCLA legal aid expert.

**Notes:** The project is utilizing the services of a specialist from the UCLA Labor Center for this activity area. He has agreed to be available when he is back in the US and has expressed interest in coming back to Vietnam to work one or two more times. In this area it is important to build up consistency in approach and a rapport with the VGCL. It helped that the consultant had met officials from the VGCL

when they visited the US in the past. He was able to visit about five LACs or LAOs when he was here. While the main purpose of his visit was to assess the capacity of the legal aid services, he also presented models of labor legal aid practices in the US and elsewhere in his discussions and interviews. He will be submitting his report in the next quarter, which the project will translate and follow up with the VGCL

**Impact:** The consultant was able to establish a rapport with the VGCL at both the central and provincial levels, which was critical in getting the staff at the various legal centers to open up and frankly discuss their needs and current capacities. The legal aid offices and centers can play a critical role in assisting the VGCL with demonstrating the value of a union to workers. In performing outreach, offering legal aid, and handling grievances, the union is giving something tangible in the way of services to workers. In the absence of types of dispute prevention, this may be a model alternative, albeit a temporary one. The VGCL asked the consultant to contribute to their draft resolution on revising legal aid into legal services. Ideally this concept that legal aid centers could contribute to union outreach (and potentially even organizing) and dispute prevention can be incorporated into the resolution. The other area the consultant explored is how the relationship between the legal aid centers/offices can be developed with the labor inspectors, in order to alert them to possible “hot shops” (i.e. where there are numerous violations and where workers may strike). This is one approach the FMCS uses in the US, and could be applied here.

### Component III – Promotion of Industrial Relations

YEAR ONE	SIIR ACTIVITY WORKPLAN	Oct, 2009	Nov, 2009	Dec, 2009	Jan, 2010	Feb, 2010	Mar, 2010	Apr, 2010	May, 2010	Jun, 2010	Jul, 2010	Aug, 2010	Sep, 2010	YEAR TWO
		3.1	<b>Building towards Participatory national strategy for promoting sound industrial relations</b>											
3.1.1	An integrated FDI survey is conducted to gather empirical information on IR systems in Vietnam (with VNCI)													
3.1.2	Targeted IR themed study of selected IPZs													
3.1.3	Roundtable on development of IR indicators for labor research and studies													

**Status:**

3.1.1 An integrated FDI survey is conducted to gather empirical information on IR systems in Vietnam (with VNCI)

Reprogrammed – Originally this was to be funded in the pre-approval phase as way of getting activities started. The idea was that the project would support certain costs associated with this survey that VNCI was to undertake. This would be first such survey of FDI enterprises that VNCI has conducted. The LWD would then be able to use the data generated in its work with the project. However this survey encountered numerous logistical problems and is delayed well into Year II. The project contributed expertise in developing the labor related questions in the survey and there is the possibility once the survey is complete VNCI and the project could come to some arrangement to use the data.

3.1.2 Targeted IR themed study of selected IPZs

Postponed - This will be started in Year II Quarter I or II, depending on the Labor and Wage department. The project has engaged in frequent discussions with the LWD on this, but until there was project approval, the LWD did not want to commit to

beginning this survey. The funds that might have been spent on 3.1.1 have been added to this activity (as the initial budget amount was judged to be insufficient by the LWD).

3.1.3 Roundtable on development of IR indicators for labor research and studies

Reprogrammed – This was initially discussed during the workplan planning phase with the LWD director who expressed interest in the idea. However, later this was not considered a priority and the LWD wanted to concentrate on fewer areas (e.g. developing of model CBAs and strengthening the NIRC). The project office may actually host a roundtable on its own at the end of the Year II to look at the issues around developing IR indicators.

**Notes:** These activities were based on discussions with the LWD during the planning phase. Subsequently, there were changes in the LWD focal points for the project. The LWD felt overall there was originally too much planned for their allocated budget, thus they wanted to consolidate activity areas. The IPZ survey will still be an important activity, but there are on-going internal discussions on how it should be conducted. There still is no agreement, but this is not surprising given the sensitivities of the government over labor strikes and access to factories. The project will continue to work with the LWD to implement this in Year II.

**Impact:** The LWD decided that a main priority for their work with this project should be the promotion of an industrial relations model based on the recommendations of the NIRC. However, they still need baseline information to use in the development of their policies. The project did work with the VNCI in its FDI survey, providing targeted labor relations questions to be included. As this survey is outside the project and is operating on a different timeline, it is unclear when the data will be available. The project may work in partnership with the VNCI, the VCCI and the LWD once the survey is complete. In the meantime, the project will continue to work with the LWD on developing its in-depth survey of FDI enterprises in a high strike area (e.g. targeting IPZ). The LWD department has already identified a potential consultant to implement this survey.

YEAR ONE	SIIR ACTIVITY WORKPLAN	Oct, 2009	Nov, 2009	Dec, 2009	Jan, 2010	Feb, 2010	Mar, 2010	Apr, 2010	May, 2010	Jun, 2010	Jul, 2010	Aug, 2010	Sep, 2010	YEAR TWO
3.2	<b>Enhancing MOLISA’s IR information system on industrial relations</b>													
3.2.1	External consultant to assess current information system and make recommendations on changes													
3.2.2	Expert meeting and regional workshops to build consensus on IR information systems and design													
3.2.3	Pilot development of IR data yearbook template (to be continued in Year II)													

**Status:**

3.2.1 External consultant to assess current information system and make recommendations on changes  
Reprogrammed – The LWD decided it wanted to concentrate in supporting the NIRC activity and promoting the model of the PIRC and requested the project reallocate these funds.

3.2.2 Expert meeting and regional workshops to build consensus on IR information systems and design

Reprogrammed – The LWD decided it wanted to concentrate in supporting the NIRC activity and promoting the model of the PIRC and requested the project reallocate these funds.

3.2.3 Pilot development of IR data yearbook template

Reprogrammed –The LWD decided it wanted to concentrate in supporting the NIRC activity and promoting the model of the PIRC and requested the project reallocate these funds.

**Notes:** The LWD still regards this as priority area; however they felt there were neither enough financial resources from the project nor enough human resources from the department to make much headway on this. If there is a continuation in any form of this project, the LWD will request support for this area of work. In the meantime, partly due to discussions on the need for better information management within MoLISA, there has been a re-organization in terms of the management information structure in MoLISA.

**Impact:** Through discussions with the LWD, including facilitating dialogue with international consultants, the LWD has accepted that there is a need for a much improved information system. They are now advocating with MoLISA leadership on developing a new whole information and data collection system, something that is outside the scope of the project, but which will be essential to any improved labor relations system.

YEAR ONE	SIIR ACTIVITY WORKPLAN	Oct, 2009	Nov,2009	Dec,2009	Jan, 2010	Feb, 2010	Mar, 2010	Apr, 2010	May, 2010	Jun, 2010	Jul, 2010	Aug, 2010	Sep, 2010	YEAR TWO
4.1	<b>Strengthening capacity for tripartite stakeholders on ADR and conflict management strategies</b>													
4.1.1	International consultancy to evaluate system and capacity of stakeholders, develop model curricula and initiate pilot testing									→		→		
4.1.2	Training workshop on developing ADR education/capacity for VCCI experts (HRMN involved)												→	
4.1.3	Basic trainings on ADR and IR fundamentals for tripartite stakeholders (MOLISA Legal Department)												→	
4.1.4	Pilot tripartite training for third party ADR (MoLISA LWD)										→			

**Status:**

4.1.1 International consultancy to evaluate system and capacity of stakeholders, develop model curricula and initiate pilot testing

Completed – A US-based ADR specialist conducted an evaluation of the ADR systems and is producing a report containing analysis, comparative models and recommendations. He is in the process of developing model curricula and will return in Year II (Quarter 3) to conduct pilot trainings.

4.1.2 Training workshop on developing ADR education/capacity for VCCI experts (HRMN involved)

Postponed – This was due to availability of the ADR specialist, who is scheduled to return in Year II (Quarter 3) to conduct the training workshop.

## 4.1.3 Basic trainings on ADR and IR fundamentals for tripartite stakeholders (MoLISA Legal Department)

Postponed – This was due to availability of the ADR specialist, who is scheduled to return in Year II (Quarter 3) to conduct the training workshop.

## 4.1.4 Pilot tripartite training for third party ADR (MoLISA LWD)

Postponed – This was due to availability of the ADR specialist, who is scheduled to return in Year II (Quarter 3) to conduct the training workshop.

**Notes:** Originally it was envisioned by the project that the ADR specialist would be able to complete some of the scheduled training in Year I, possibly within the assessment trip. However a formal activity like this could not be conducted prior to approval. Thus the project has split up the ADR specialist's timeline – the first trip was to provide the basis for designing the training (i.e. assessing needs, capacity in dispute resolution, understanding current systems, etc). Based on this, the ADR specialist is drawing up an in-depth policy paper, as well as designing training materials to be used during the return trip.

**Impact:** The ADR specialist was able to visit a number of factories and gain access to a number of key individuals. Because of this, the ADR specialist was able to begin work on a comprehensive assessment of the dispute resolution systems, including critical areas in terms of implementation and capacity, and was able to make a range of recommendations for all stakeholders. While the ADR specialist did not have a background in Vietnam, by the end of this consultancy he had enough experience and information both to produce a diagnostic report and to design training curricula to be used in his next trip during Year II. The stakeholders have all requested his recommendations from the project. In particular MoLISA wants to use this in the revising of Chapter 14 (on labor disputes) in the Labor Code.

YEAR ONE	SIIR ACTIVITY WORKPLAN	Oct, 2009	Nov, 2009	Dec, 2009	Jan, 2010	Feb, 2010	Mar, 2010	Apr, 2010	May, 2010	Jun, 2010	Jul, 2010	Aug, 2010	Sep, 2010	YEAR TWO
4.2	<b>Strengthening capacity for tripartite stakeholders on CBAs</b>													
4.2.1	Pilot CBA training activity with VCA (training courses, same trainers with that of VCCI)												→	
4.2.2	Pilot CBA training activity with VCCI (HRMN utilized)												→	
4.2.3	External consultants evaluate existing CBAs, develop training materials for VGCL and LWD and begin pilot training (to be continued in Year II)											→		→

**Status:**

## 4.2.1 Pilot CBA training activity with VCA (training courses, same trainers with that of VCCI)

Postponed – Due to lack of time in Year I post-approval and availability of training specialists, this will be rescheduled in Year 2 (Quarter 3)

## 4.2.2 Pilot CBA training activity with VCCI (HRMN utilized)

Postponed – Due to lack of time in Year I post-approval and availability of training specialists, this will be rescheduled in Year 2 (Quarter 3)

## 4.2.3 External consultants evaluate existing CBAs, develop training materials for VGCL and LWD and begin pilot training (to be continued in Year II)

Completed – An international consultant evaluated current approaches to Collective Bargaining and provided expert analysis of the current sectoral CBA pilot process and provided the guidance to serve as the basis of a multi-employer model CBA.

**Notes:** Given the delay in receiving project approval, the formal training workshops envisioned within 4.2.1 and 4.2.2 with the VCCI and VCA could not be held by the end of Year I. However, the project was able to bring a US-based collective bargaining specialist from UC Berkeley by the end of Year I to work in the area of collective bargaining and create a foundation for a formal training program for project partners in Year I and a model multi-employer collective bargaining agreement.

**Impact:** The collective bargaining specialist’s analysis of the current pilot sectoral textile agreement pointed out major weaknesses, especially in comparison to similar types of sectoral agreements in other countries. Based on this analysis, there is now a re-thinking of approaches to new forms of collective bargaining, as well as a move to strengthen any future sectoral agreements along the lines the consultant suggested (there is a sectoral agreement proposed for the rubber industry proposed). Both the LWD and VGCL have expressed interest in exploring an alternative – a multi-employer collective agreement – and have requested that the project support them. The consultant touched on other areas in “3 step bargaining”, such as the union bargaining directly with buyers in the garment industry in addition to bargaining with the factory owners. These ideas generated great interest from stakeholders, and the project is working with the consultant to create educational material on this.

YEAR ONE	SIIR ACTIVITY WORKPLAN	Oct, 2009	Nov,2009	Dec,2009	Jan, 2010	Feb, 2010	Mar, 2010	Apr, 2010	May, 2010	Jun, 2010	Jul, 2010	Aug, 2010	Sep, 2010	YEAR TWO
5.1	<b>Strengthening Educational Institutions in Promoting Sound Industrial Relations</b>													
5.1.1	International educational consultant evaluates institutional and human resource capacities of university IR education programs												→	
5.1.2	A national tripartite consultation on industrial relations education in response to the National Human Resource Management (HRM) Framework Program												→	
5.1.3	Development of Labor Educator Network (to be continued in Year II)												→	

**Status:**

5.1.1 International educational consultant evaluates institutional and human resource capacities of university IR education programs

Completed – An industrial relations education specialist from the UCLA Labor Center came to work with the three targeted universities to assess their current IR programs and courses and to make recommendations. He is scheduled to return in Year II Quarter 2.

5.1.2 A national tripartite consultation on industrial relations education, in response to the National Human Resource Management (HRM) Framework Program

Completed – This was held with the UCLA IR education specialist. It brought together academics and administrators from the 3 targeted universities, in order to put together both individual and joint plans of action.

5.1.3 Development of Labor Educator Network

On-going – An initial first meeting of concerned IR and labor educators was held in conjunction with the visit of the UCLA IR education specialist. Since then, there have been exchanges between universities and individual academics, which have started to take ownership of this process. Activities will be conducted in Year II that will be designed to facilitate the network.

**Notes:** The project arranged for an IR education specialist from UCLA to give technical assistance to the three universities in the development of their industrial relations education programs. The project also arranged for the specialist to give an individual assessment to each institution, as each of the three universities is in a different stage of developing IR programs. Prior to the specialist’s visit the project liaised with each university throughout the approval process. This was the first time a bi-lateral project had taken up the initiative in this area. All three universities had been unaware of what the other two institutions were doing in this field.

**Impact:** Through the efforts of the project in emphasizing the potential impact (both long-term and short-term) that universities can have in the development of labor relations, there has been acknowledge by the tripartite stakeholders that universities should be more active in policy discussions and formation, especially in producing quality research as the basis for decision-making. It is equally important that the participating universities acknowledged that their many in-country resources should be accessed and used. It is more a matter of communication and networking among colleagues than anything else. This arrangement is more cost-effective and sustainable, and builds more internal capacity, than trying to arrange study tours abroad. The project will play a role in providing educational material, but it is up to the universities to work together – a process which they have started on their own. Also the IR education consultant has introduced a number of concepts which are now being embraced – including how labor educator networks have been formed and operate in the US and how linkages can be established for the universities with the US network.

YEAR ONE	SIIR ACTIVITY WORKPLAN	Oct, 2009	Nov, 2009	Dec, 2009	Jan, 2010	Feb, 2010	Mar, 2010	Apr, 2010	May, 2010	Jun, 2010	Jul, 2010	Aug, 2010	Sep, 2010	YEAR TWO
5.2	<b>Improving training capacity of IR Education of University of Labor and Social Affairs, Trade Union University and Ton Duc Thang University (compared with the narrative)</b>													
5.2.1	Pilot activities for targeted IR educators and staff from the universities including presentations by international resource persons, capacity building, and material development (to be continued in Year II)													
5.2.2	International expertise to begin capacity building and strengthening of IR education programs													

**Status:**

5.2.1 Pilot activities for targeted IR educators and staff from the universities including presentations by international resource persons, capacity building, and material development

On-going – In Year I, international consultants gave a series of presentations to academics and staff from targeted universities (and others) on alternative dispute resolution, the FMCS model in the US, labor inspection and compliance, and multi-employer CBAs. In addition, the standard IR textbook is now being reviewed and revised with the assistance of at the UCLA based IR education specialist.

5.2.2 International expertise to begin capacity building and strengthening of IR education programs

On-going – Based on the identified needs of each from the three universities, as a follow up from the IR education specialist’s trip, plans had been made to for bringing US-based labor educators to work with each university to address the identified needs of each. Originally this was slated for Year Quarter 1, but it will be in Quarter 2.

**Notes:** The project has made international project consultants available to the three partner universities to engage with faculty and students at roundtable and dialogue type events in areas relevant to the development of their IR programs (e.g. collective bargaining, dispute resolution, labor inspection, and national service models – the FMCS). The project and the universities have worked together to plan out the use of limited funds for individual and joint initiatives.

**Impact:** The project has been able to build cooperation among the three universities to the point that they have agreed on a joint model IR activity – the production of a revised industrial relations textbook with each university contributing a chapter. This will be developed in Year II. In addition, through the project making international consultants available to each university, the universities have linkages and partnerships with various institutions and universities in the US as resources in the future.

## **ANNEX I: NARRATIVE SUMMARY REVIEW – NEEDS ASSESSMENT/APPROVAL PROCESS**

### **Project Start-up**

The project began in mid-October with the arrival of the DAI-based start-up Administrator and the Chief of Party (COP). The whole project staff was in place shortly after the arrival of the COP. This was because the two program staff first in place had already been identified in the proposal process, and the Finance and Office Manager and Administrative Assistant positions were hired soon after. In early November the Project Start-up Administrator provided training on basic DAI and administrative procedures as well as specialized financial training for the Finance and Office Manager.

Project office space was secured in the same building as the DAI STAR and VNCI projects. As the construction of the office space took several weeks, the project staff worked mainly out of the STAR office in the interim. By mid-December the project staff was ready to move into the new office. Two DAI resource persons, an IT specialist and a TAMIS system specialist, came out to install systems and provide training.

Initial meetings were held with the USAID Mission COTR (Technical Officer) and Alternative COTR and the Regional Contracting Officer (via video conference). An introductory meeting was also held with the International Cooperation Department (ICD) of Ministry of Labor, Invalids and Social Affairs (MoLISA) to discuss project approval guidelines, design procedures, and expectations. After MoLISA sent letters to various identified tripartite stakeholders of the project, the project planning process began. Then, the project team held meetings with the main stakeholders: designated sections of MoLISA (Legal Department, Labor Inspectorate and Labor and Wages Department), the Vietnamese General Confederation of Labor (VGCL) and Vietnam Chamber of Commerce and Industry (VCCI).

In mid-December, MoLISA established the Project Preparation Team (PPT) as the official body with which to liaison in project planning. Other international organizations which conduct labor-related activities were identified and introductory meetings were also held.

### **Assessment of Needs of Stakeholders and Project Planning**

A Needs Assessment Report was undertaken to assist in defining the proposed activities in the draft project work plan and to ensure project would be in line with the expectation of both USAID and government of Vietnam. In late November, the project team contracted an external short-term consultant to conduct an outside assessment of the project elements that were originally proposed in the both USAID contract and DAI proposal, to see how the original proposals might be realistically addressed in a finalized project design. The consultant directly interviewed the main tripartite stakeholders identified in the preliminary project design and framed how their priorities could be addressed within the stated scope of the project's components. These priorities were analyzed in the context of the current industrial relations situation in Vietnam. In order to gather additional perspectives on the issues of labor law implementation and industrial relations, information was also collected from several international organizations involved with current labor relations projects in Vietnam. During the interviews, the stakeholders were asked for their candid analysis of issues related to current states of labor inspection, labor law compliance, and industrial relations in general, as well as to elaborate on what activities they were to conduct in the original proposal. They were also asked about their organization's roles, priorities, and current strategies on these issues. As of the end of the consultancy, in early December, the project team has come up with preliminary approaches to putting together a project proposal framework that might be able to satisfy key partners, and also fulfill what was originally proposed and agreed to by DAI and USAID.

## **Project Document Formulation and Submission**

During the period from January to March 2010, the project worked on two areas: completing the process for formal approval of the Vietnamese government and finalizing project activities. For the former, the project team worked with the ICD to develop the two documents required by the government: the project framework document and the project document. In addition to frequently meeting with PPT partners, the project team continued to have planning meetings with some other project partners, including the VCCI and the legal division of the VGCL.

Prior to the Tet holidays in February, the COP and project officers briefed the USAID COTR on the project design and approval process. The COP sent the draft Activity Framework, Annual Workplan and M & E plan to the COTR for review. The full project workplan document was completed by the end of the March, although there had to be continual changes based on new requests of the main partners and due to the increasing possibility that the Labor Code and Trade Union revisions, slated to happen this year, would be postponed.

The project technical team continued to work with the MoLISA designated departments to discuss, in detail, the implementation of a number of project activities. The two sides developed terms of reference for external consultants, to be used in proposed activities and for making changes to relevant activities. To this end, the project team began to contact various relevant US based organizations and institutions (e.g. universities) as well as individuals who had expertise in the identified activity areas to gauge their interest, availability, and willingness to undertake short term assignments.

By the end of April 2010, a request for adding the project into ODA project portfolio was officially submitted by MOLISA to MPI for approval, which marked the beginning of the approval finalization process.

### **Activities in Preparation/Pre-Approval Phase**

As the approval of the project was already in process, the project began to plan some low level activities prior to formal approval that could be categorized as “preparation work” and overseen by the ICD. The project technical team identified and drafted the scopes of work for some international and national consultants who could undertake tasks such as evaluation and analysis of specific areas. The project planned two roundtable talks featuring presentations by the Dean of the School of Law, University of San Francisco with the Legal Department, MoLISA and University of Labor and Social Affairs. These were conducted in June. Also, the project began working with the Legal Department to initiate and conduct an assessment survey on the capacity of labor laws implementation. A draft questionnaire was prepared by the project and Legal Dept. staff.

The project received a big boost with the notification of official approval (though confirmation was pending). This approval arrived in the second half of the month, via a letter from the Government Office. The letter officially listed the project into U.S grant portfolio and detailed MoLISA responsibilities for approval of the project. However the project document still needed to be finalized and a Memorandum of Understanding (MOU) drafted and signed.

The first contracted international consultant was a US-based Alternative Dispute Resolution (ADR) specialist who arrived at the end of June, to study the current dispute resolution and arbitration systems and practices. The consultant conducted interviews with concerned stakeholders, such as VCCI, Provincial Federations of Labor (Ho Chi Minh City and Binh Duong), various FDI enterprises and private monitoring firms. From these interviews, a report is being developed which will provide recommendations for both policy and practice for MoLISA and other stakeholders on making dispute resolution more effective. This rapid assessment survey on ADR, has developed into a substantial policy paper, and is also being used by the consultant to develop training curricula for the second phase. This

second phase will provide technical assistance and focused training to tripartite stakeholders, which is tentatively set for January 2011.

The second international consultancy was comprised of a two-person labor Inspection specialists team from the International Labor Affairs Bureau, at the U.S. Department of Labor. This team's job was to undertake the analysis of the Labor Inspectorate system and current data collection/information system to serve as the basis for an assessment report and recommendations of policies and best practices. Various meetings with MoLISA Departments such as Legal, OSH, Labor and Wage, Gender Equality, Employment, and Inspector Training School were set up to get their buy-in and to share information on labor inspection systems in Vietnam and U.S. Three roundtable presentations on the U.S labor inspection system were organized in Hanoi, Danang, and Ho Chi Minh City, with participation from labor inspectors from surrounding areas. The team will return in October to conduct capacity building activities and to participate in an ASEAN workshop on labor inspection.

The project, working with the STAR program, made arrangements for a team from the AFL-CIO to come to Vietnam to strengthen bi-lateral ties with the Vietnam General Confederation of Labor (VGCL). The project team organized the meeting schedule with the VGCL, organized logistics, and made the program available for translation.

### **Approved Activities**

The signing ceremony of the MOU between USAID and MoLISA for the project was held on August 5<sup>th</sup>. This marked the official start of the project. Following the signing ceremony, the third draft of the project document was sent to the project owner and to concerned stakeholders for comments that will later be sent to the MoLISA Leaders for official approval.

Following the MOU signing, a specialist from Federal Mediation and Conciliation Services (FMCS) conducted three roundtable talks on mediation conciliation and how an FMCS model might in work in Vietnam with the VCCI, MoLISA Inspectorate, and ULSA. Each presentation focused of the role that each partner could play in such a model.

The IR education specialist from the UCLA Labor Center worked with three selected universities to assess the needs for technical assistance for each university. Ton Duc Thang (TDT) University in Ho Chi Minh City hosted an evaluation workshop on the status of IR education, in which lecturers from ULSA and the Trade Union University (TUU) participated. At this workshop, the consultant presented about IR education in the US university system and gave a summary analysis of the state of IR education in Vietnam. After the workshop, each university sent their detailed proposals to the international consultant who in turn generated a set of recommendations for each university. This will also be the basis of a follow up trip in Year II that focuses on capacity building. The consultant will try to bring other labor educators from the US to work with these universities, and expand university-to-university linkages.

The trade union Legal Aid Services consultant, also from the UCLA Labor Center, worked with the VGCL to assess their legal aid center system. The consultant traveled to union legal aid centers and offices in Haiphong, Danang, Binh Duong, HCMC, and Dong Nai provinces to evaluate current practices. Based on the findings from this trip, the consultant will write up an assessment report in which recommendations will be incorporated. He will also draw up a training curriculum which he is slated to implement in November.

The project hosted an international consultant on regulatory reform, in cooperation with VNCI project, to give a presentation to the MoLISA Labor Inspectorate officials on current work on draft Inspection Law. The consultant had been doing a series of presentations on inspections for various ministries under the VNCI project but MoLISA was not included – thus the project was able to provide the format for him to engage MoLISA. During the working session, the consultant shared international experience in developing modern management systems for inspection and the types of strategic planning that could be

developed and incorporated into current practices. The roundtable meeting was also a platform to help the consultant to understand the labor inspection system (including constraints) in Vietnam within the context of Vietnam's multiple inspection systems. Through the presentation, the Labor Inspectorate was able to engage the consultant on other countries' inspection systems and open up possibilities of further technical cooperation between the MOLISA Inspectorate and USAID IR Project and VNCI.

A consultant from the UC Berkeley Labor Center worked in two areas, labor law education and multi-employer bargaining. In the labor laws education area, the consultant worked with the MOLISA Legal Department, and was a resource person for two regional workshops in the north (Hanoi) and in the south (HCMC). The workshops, which were hosted by a MOLISA Vice Minister, focused on a few workshops. The consultant presented one workshop on sharing international practices on labor law and education, and DoLISAs (provincial level) in the North and the South presented on the implementation of Project 31 (on labor laws education and dissemination).

The other part of the consultant's work focused specifically on multi-employer agreements. The ULSA, VGCL, VCCI and MoLISA Labor and Wages Dept. organized four workshops, which concentrated on new approaches to collective bargaining, with different scales of audience. In the workshops, new concepts, such as centralized bargaining, decentralized bargaining, pattern bargaining, and sectoral agreements were introduced. Discussions were centered on how to find applicable models of multi-employer collective bargaining agreement for Vietnam. The workshops included representatives of academia, employers' representatives/FDI enterprises, unions, and the government. Both the workshops on labor law education and collective bargaining and separate meetings with relevant stakeholders were forums of information sharing, including internal assessments provided by stakeholders that the consultant could use to develop follow up on recommendations after the trip.

## ANNEX II: SUMMARY CHART OF ACTIVITY STATUS

YEAR ONE	SIIR ACTIVITY WORKPLAN	Completed	On-going	Postponed	Reprogramm ed
<b>Project Start-up - Need Assessment and Cooperation Extension</b>					
A	Project Start-up	√			
B	Assessment of needs of stakeholders and project design	√			
C	Project document development process	√			
D	Coordination workshops including project presentation and strategic planning		√		
1.1	<b>Promotion of New Approaches and Strategies to Improve the Labor Inspection Capacity</b>				
1.1.1	International consultants for strategic planning process on compliance and inspection and development of draft curricula		√		
1.1.2	National tripartite strategic planning workshop on compliance and inspection			√	
1.1.3	Pilot capacity building activities – testing and evaluation (to be continued in Year II)			√	
1.2	<b>Strengthening management information system for labor inspectors</b>				
1.2.1	Planning workshop on management information system for labor inspectors				
1.2.2	Training workshop on client MIS for labor inspectors			√	
2.1	<b>Strategic planning for implementation of IR-related laws and regulations</b>				
2.1.1	Evaluation process of capacity of stakeholders to implement labor laws and on labor law education		√		
2.1.2	Expert meetings for strategic planning to develop a program of action for labor education strategies			√	
2.1.3	Regional strategic planning workshops on developing labor education strategies	√			
2.1.4	International specialist for strategic planning and development of model labor law education templates (to be continued in Year II)		√		
2.2	<b>Formulation of Accompanying Ordinances and Guidelines</b>				
2.2.1	Tripartite planning workshops on developing dispute resolution procedures			√	
2.2.2	Dispute Prevention Overview/Preliminary Meetings	√			
2.2.3	FMCS service model overview workshops	√			
2.4	<b>Strengthening capacity of Legal Advisory Centers (LACs) and Legal Advisory Offices (LAOs) of the VGCL</b>				
2.4.1	International consultant reviews and assesses current LAC and LAO system performance and capacity	√			
2.4.2	National workshop on LAC/LAOs to development of			√	

	new strategies				
2.4.3	Development of legal service related training materials/technical manuals for union counselors and leaders (continued in Year II)		√		
2.4.4	Pilot capacity building activities – testing and evaluation			√	
3.1	<b>Building towards Participatory national strategy for promoting sound industrial relations</b>				
3.1.1	An integrated FDI survey is conducted to gather empirical information on IR systems in Vietnam (with VNCI)		√		
3.1.2	Targeted IR themed study of selected IPZs			√	
3.1.3	Roundtable on development of IR indicators for labor research and studies				√
3.2	<b>Enhancing MOLISA's IR information system on industrial relations</b>				
3.2.1	External consultant to assess current information system and make recommendations on changes			√	
3.2.2	Expert meeting and regional workshops to build consensus on IR information systems and design				√
3.2.3	Pilot development of IR data yearbook template (to be continued in Year II)				√
4.1	<b>Strengthening capacity for tripartite stakeholders on ADR and conflict management strategies</b>				
4.1.1	International consultancy to evaluate system and capacity of stakeholders, develop model curricula and initiate pilot testing		√		
4.1.2	Training workshop on developing ADR education/capacity for VCCI experts (HRMN involved)			√	
4.1.3	Basic trainings on ADR and IR fundamentals for tripartite stakeholders (MOLISA Legal Department)			√	
4.1.4	Pilot tripartite training for third party ADR (MoLISA LWD)			√	
4.2	<b>Strengthening capacity for tripartite stakeholders on CBAs</b>				
4.2.1	Pilot CBA training activity with VCA (training courses, same trainers with that of VCCI)			√	
4.2.2	Pilot CBA training activity with VCCI (HRMN utilized)	√			
4.2.3	External consultants evaluate existing CBAs, develop training materials for VGCL and LWD and begin pilot training (to be continued in Year II)		√		
5.1	<b>Strengthening Educational Institutions in Promoting Sound Industrial Relations</b>				
5.1.1	International educational consultant evaluates institutional and human resource capacities of university IR education programs	√			
5.1.2	A national tripartite consultation on industrial relations education in response to the National Human Resource Management (HRM) Framework Program	√			
5.1.3	Development of Labor Educator Network (to be				√

	continued in Year II)				
5.2	<b>Improving training capacity of IR Education of University of Labor and Social Affairs, Trade Union University and Ton Duc Thang University (compared with the narrative)</b>				
5.2.1	Pilot activities for targeted IR educators and staff from the universities including presentations by international resource persons, capacity building, and material development (to be continued in Year II)		√		
5.2.2	International expertise to begin capacity building and strengthening of IR education programs		√		
<b>37</b>	<b>TOTAL NUMBER OF ACTIVITIES – YEAR I</b>	<b>11</b>	<b>9</b>		<b>4</b>