

The Labour Code was adopted

The Labour Code of the Socialist Republic of Viet Nam, adopted by the National Assembly term XIV at the 8th session, presents efforts from the Party, the State and the people of Viet Nam to guarantee the harmony of interests between workers and enterprises; create a sustainable employment opportunities based on dialogue, labour productivity boost, and production and business development in the context of industrial revolution and integration



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The Labour Code No. 45/2019/QH14 was adopted on November 20, 2019, by the XIV National Assembly of the Socialist Republic of Viet Nam at the 8th Session.

It will come into force from January 01, 2021.

Basic guidelines and principles followed during the Labour Code's drafting process:

- *Complying with the 2013 Constitution;*
- *Respecting and internalizing international commitments regarding fundamental principles and rights at work;*
- *Responding to the country's integration and economic development in the 4.0 era;*
- *Ensuring the harmonization of interests of all parties to industrial relations;*
- *Respecting the right to negotiate of parties to industrial relations and the State plays a role of regulating and supporting the parties upon request;*
- *Innovating the approach to gender equality including measures to promote gender equality and specific policies for female workers;*
- *Creating a democratic discussion forum; listening and receiving all comments, especially from employees, workers' representative organizations, employers, employers' organizations, experts and social community.*

The 2019 Labour Code - New regulations aiming at building progressive, harmonious and stable industrial relations

The Labour Code was passed by the National Assembly with almost absolute votes (with 90.06%). This is the result of a thorough evidence and experiment-based preparation process with democratic consultation and willingness to learn and listen while maximizing international experts' technical contribution, especially from the International Labour Organisation (ILO). This revised Labour Code's drafting process created a broad forum for democratic, frank and fierce debate to reach a consensus of the majority of all members in society.

The Labour Code (LC) is considered a progressive breakthrough, notably regarding IR regulations.

1. Expanding the coverage while clearly defining Individual and collective labour relations

The first innovation is that LC extends to those who work without employment relationship. Labour relations as a term is defined in more details (paragraph 5, Article 3) for representative organizations and competent state agencies. This means that more employees will benefit from LC's protection than in the past.

In addition, it is clearly defined in LC that labour relations includes individual and collective labour relations for the very first time. Accordingly, the principles of negotiation, dialogue, intervention as well as assistance will be applied to individual IR under employment contracts and collective IR.

2. Workers have the right to establish, join and participate

in activities of workers' organizations at enterprise level

This is the most important change in the 2019 LC. With this provision, workers have various options to participate in the collective bargaining process which helps workers enjoy fairer benefits while enterprises can negotiate to improve productivity. It can be said that this provision has removed a long-standing knot in the operation of Viet Nam's IR system.

3. Provisions on employers' organization

The LC also demonstrates great progress when defining the right to organize for both employers and employees, meaning that they can establish their own representative organizations to participate in dialogues and negotiation not only at the enterprise level but also at multi-employer and sectoral levels. This is significant because it helps employers as well as workers adjust working conditions to changes in the labour market and to negotiate the level of flexibility needed to maintain sustainability over longer periods.

4. Codifying the goal of developing the harmonious, stable and progressive IR as stated in the 2013 Constitution

5. Asserting the state agencies' supportive role in IR

Paragraph 2 of Article 7 provides that employers, workers and their representative organizations build the progressive, harmonious and stable IR with the support from competent state authorities.

This is a step forward in the 2019

LC. It confirms that the state’s role is to support, not to interfere with IR parties’ activities. This provision demonstrates the state’s maximum respect for the right to self-negotiate and discretion of IR parties.

6. A consistent system for supporting processes, procedures and mechanisms for parties to conduct dialogue and negotiation on IR issues in the context of multiple workers’ representative organizations in the enterprise

6.1. Dialogue at the workplace is regulated to demonstrate maximum respect for self-negotiation of the parties

The 2019 LC fixes the interval between workplace dialogue sessions to be annually instead of 3 times per year in the 2012 LC. In addition, it adds on some cases that employers are compelled to organize dialogue such as: a large number of workers face the risk of job loss or mass lay-off due to economic reason; during the

developing process of wage scale, payroll, work norms, etc. Dialogue at the workplace is much clearer which creates opportunities for the parties to comply with the 2019 LC.

6.2. Mechanism for negotiation and conclusion of collective bargaining agreement

The Code stipulates the principles to be followed: There is only one CBA in one enterprise; the most representative organization by law will have the right to negotiate and sign CBAs, other organizations have the right to participate, yet the CBA must necessarily be agreed upon by the majority of employees in the enterprise. Besides, the Code values the good faith principle which is specified in the negotiation procedures.

The provisions on collective bargaining and CBA are more clearly defined in terms of issues to negotiate, process, and responsibilities of the parties in order to facilitate and encourage the

negotiation and conclusion of CBAs.

Collective Bargaining Council is a newly formed institution to support the negotiation and conclusion of multi-employer and sectoral CBAs.

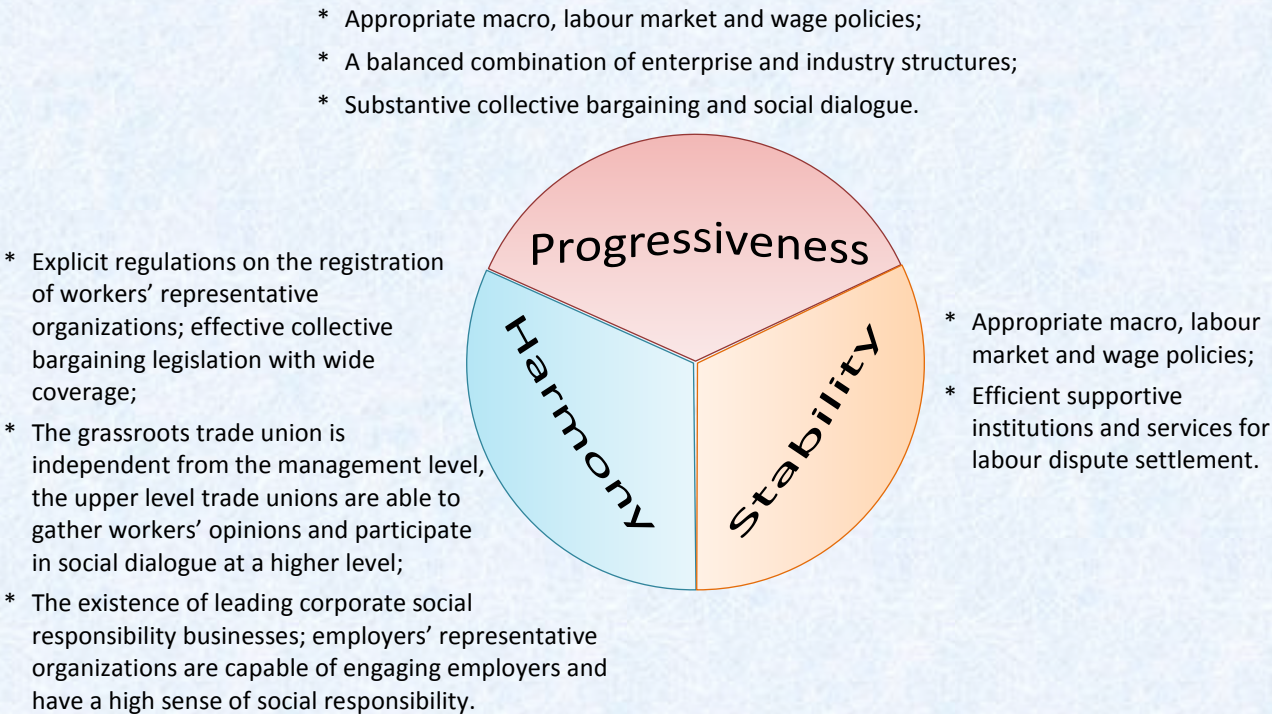
7. The provisions on labour dispute resolution create favourable conditions for the parties to have easy access and various options for settling labour disputes and strikes

7.1. Expand the jurisdiction of the labour mediation and the Labour Arbitration Council

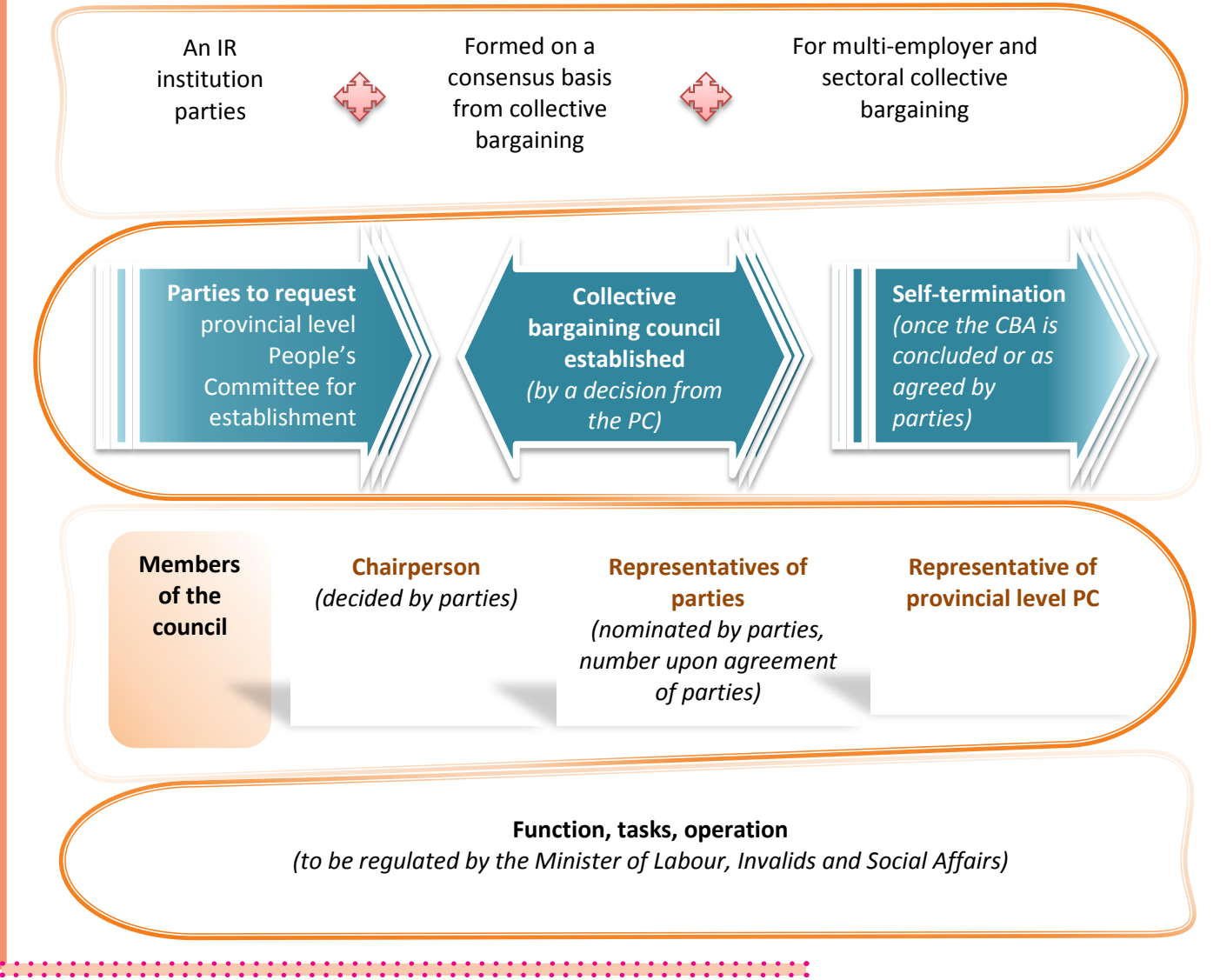
Accordingly, these institutions have the power to deal with both individual and collective labour disputes; in all stages, including pre-, during and post-labour disputes and strikes.

7.2. Excluding the provision on the responsibility of the President of the District People's Committee in dealing with collective labour disputes

The main elements for progressive, harmonious and stable IR



Collective Bargaining Council – The supportive institution for multi-employer and sectoral collective bargaining



It is an affirmation of determination to minimize the intervention of state administrative agencies in IR.

7.3. Widening the scope of application and authority of labour arbitration institutions in settling labour disputes

These include: empowering the arbitrators in terms of adjudication, forming a new mechanism - the Labour Arbitration Panel, ensuring that the Labour Arbitration Council operates practically and professionally and most importantly, performs well its functions in

individual labour dispute resolution in Viet Nam.

7.4. More choices for employees when requesting for labour disputes settlement via expanding the jurisdiction of labour mediators and arbitrators in resolving labour disputes.

7.5. For the first time, it is explicitly stipulated in the Labour Code that employees must not carry out a strike when a collective labour dispute is being resolved by the Labour Arbitration Council (Article 197.4).

8. Valuing the role of tripartite dialogue mechanism of the National Wage Council

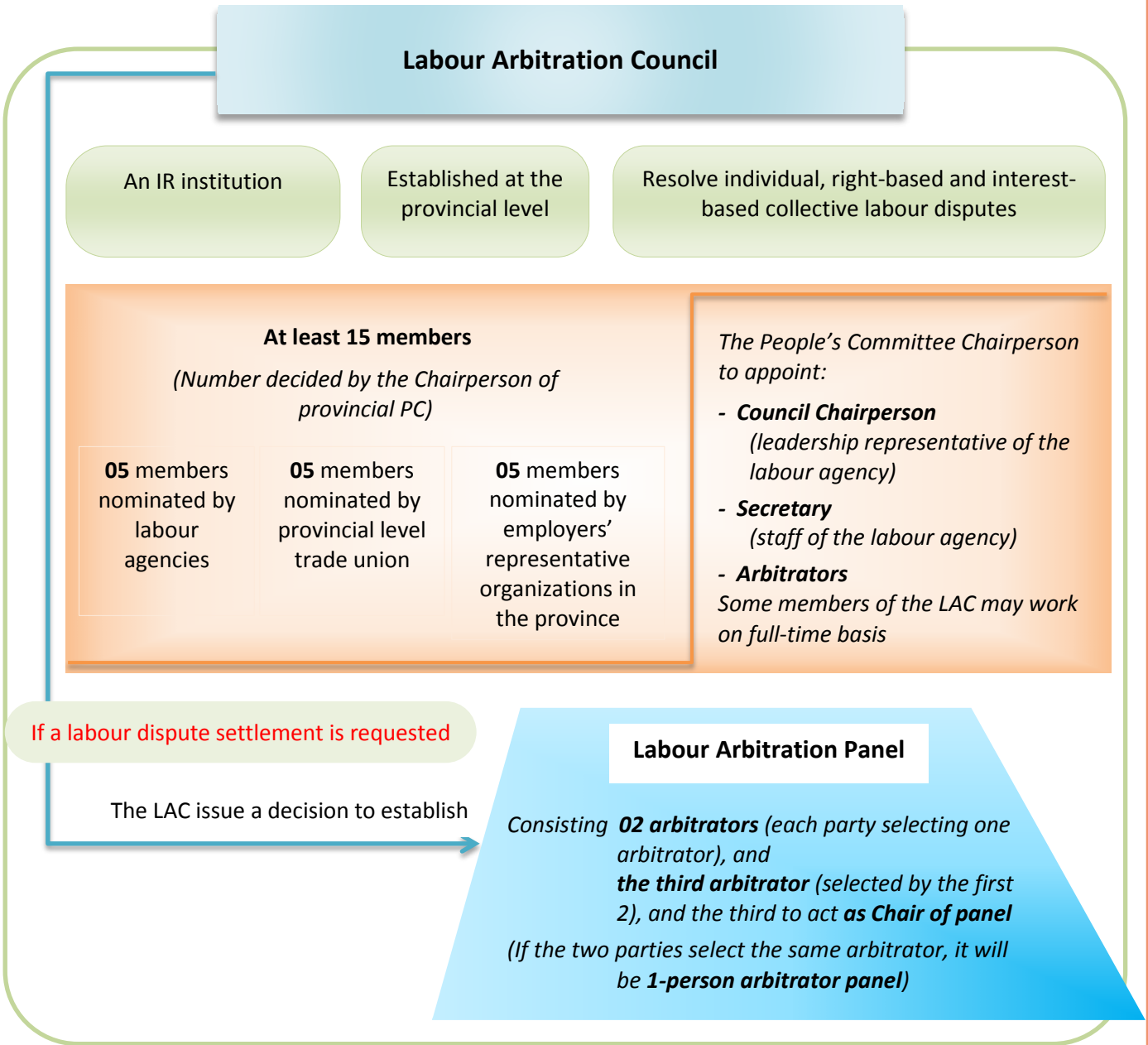
This is also an advance of the LC when formalizing the role of the National Wage Council in recommending minimum wage policy.

9. Clearly stipulating various roles of the state in terms of administrative management, support, supervision and monitor the implementation of IR law.

Labour Arbitration Panel - Enhance the efficiency of labour dispute settlement by the Labour Arbitration Council

The LC has been promulgated recently with three goals attached to the amendments of the Labour Arbitration Council (LAC): (1) The LAC is properly defined in its role and function in resolving labour disputes; (2) the LAC to be a reliable address for parties to request the settlement of a labour dispute; and (3) the LAC to become a pillar and effective institution in Viet Nam's labour dispute resolution system.

In order to ensure that the LAC comes into life and functions properly, the LC stipulates the establishment of a Labour Arbitration Panel (by the LAC) to resolve a certain labour dispute (upon request of the disputing parties).



Building effective industrial relations institutions - Viet Nam's future of work



Labour Forum 2019 - Future of work and society

In order to realize the determination to become an upper middle-income country by 2030, social improvement is needed along with economic development. Three messages were selected and discussed at the Viet Nam Labour Forum 2019: Future of Work – The Choice for Viet Nam, jointly organized on November 27th, 2019 in Hanoi by the Ministry of Labour, Invalids and Social Affairs and the International Labour Organization (ILO) as part of the ILO Centenary year, including: (1) Understanding skills needs, supply and demand for labour skills for decent work and sustainable growth in a dynamic economy; (2) Building modern labour institutions to create highly effective workplaces based on

substantive social dialogue; and (3) Building a universal social security floor to address gaps in social security coverage and adapting to the rapidly changing situation and needs.

The IR development is closely related to the development of Viet Nam's economy

Socio-economic growth and relatively stable inflation situation in the country over the past years have had a positive impact on IR development in a more stable and harmonious manner. Labour disputes and strikes have been decreasing continuously since 2013.

However, the quality of industrial relations development remains low. Collective bargaining remains under-developed, while workers' claims in (mostly wild-cat) strikes are largely

responses to law violations. Interest-based negotiation, especially around wages, accounts for only a small proportion. Most of them focus on supplementary benefits, while important issues of wage and working conditions are not effectively addressed. Collective bargaining and industrial relations interactions have not had much effect on improving the low quality of employment. In many cases, there remains a need for the state to make policies or actively support the development of industrial relations.

Industrial relations trends in the context of rapidly changing labour market

There is an increasing trend of waged workers (nearly 25 million in 2015). Meanwhile, enterprises are less and less dependent on unskilled

and cheap labour; instead, they employ more skilled workers. The automation trend develops quickly, there is approximately 30% decrease of the workforce in industries where automation has been introduced at a large scale. Enterprises increase automation, as a result, they only keep skilled workers and do not recruit new workers.

As businesses tend to use more technology, skilled workers will have more quality job opportunities, whereas low-skilled workers will be more likely to be unemployed. Enterprises will face the risk of human resources shortage; difficulties will arise in recruiting and training workers to apply new technologies and retaining skilled workers. This issue requires businesses to build harmonious industrial relations based on dialogue and substantive negotiation to attract and retain workers, especially skilled workers, to keep their mind at work and contribute to the development of the business.

Trade union IR activities are facing difficulties

Trade union officials are currently facing difficulties in terms of experience, time and finding a balance between work and trade union activities. Therefore, they have not fully promoted the role of representing and protecting workers' interests.

The revised Labour Code (adopted in November 2019) is a step forward in the process of modernizing Viet Nam's labour law system, approaching international labour standards, and making it more appropriate with a socialist-oriented market economy

The new Labour Code extends its coverage to workers who work outside "employment relationship" – thus, labour law protection reaches over 55 million people. The revised

Labour Code broadens the right of workers to form and join the Viet Nam Trade Union or workers' representative organizations within enterprises to conduct dialogues, bargain collectively and protect their rights and interests at enterprises. There was also a revision of the provisions on retirement age, gradually raising the retirement age for both men and women. Accordingly, the workforce tends to increase in the coming years.

The extension of the coverage of the Labour Code raise the issue of how to build a system of labour management and governance to cover all objects and operate in a stable and healthy way in the future.

Strategies for building IR institutions to create effective employment based on substantive social dialogue

First, focusing on transforming an in-depth economic growth model based on the use of more qualified and skilled labour resources.

Secondly, developing progressive, harmonious and stable industrial relations by strengthening dialogue, good faith and substantive collective bargaining

Enterprises need to develop a stable and sound IR policy based on the democratic principles, respect for the rights of workers, and development of regular dialogue and negotiations with workers.

On the part of trade union (and in the future including other workers' organizations), it is necessary to clearly identify the role of elected trade union officials. It is to protect workers' rights and interests (the "bridge" role only makes sense when they convey information between the employer and workers). Union officials must truly represent workers; at the same time, they should be equipped with negotiation skills and

industrial relations orientation.

If employers and workers are really determined, they will be able to establish sound and harmonious IR, helping the parties to benefit from the development process.

Finally, effectively implementation of the Labour Code

The revised Labour Code has been evaluated by experts and partners as having made great progress. It expresses the will and aspirations of workers and businesses; creates an appropriate legal framework to maximize the autonomy of industrial relations parties. However, in the future, it is necessary to ensure the effective implementation for the Labour Code to come into life, helping businesses to develop sustainably, contributing to creating job opportunities and quality employment for workers in the current context.

Viet Nam Labour Forum 2019: The Future of Work – The Choice for Viet Nam, co-organized by the Ministry of Labour, Invalids and Social Affairs and the International Labour Organization(ILO) for the first time.

In the future, the Labour Forum will be held bi-annually, provides an occasion for tripartite constituents and other partners to discuss opportunities and challenges, as well as the future of work for Viet Nam at a time when the 4th industrial revolution, globalization, climate change and demographic changes are greatly affecting the formation of national socio-economic policies in general and labour - employment policies in particular.

Developing an industrial relations information system meeting current requirements



IR indicator set

IR indicators, information and data that reflect the status and trends of IR development will help the authorities in the policy-making process, in administration and management of industrial relations.

With the support of the NIRF/Canada Project "Supporting the capacity building of national IR database for scientific evidence-based policy making" and ILO experts, MOLISA has developed an IR indicator set.

The set of indicators has been initially developed. Collection has been piloted to evaluate the state of existing IR data in Viet Nam as well as

the collection, statistics and analysis of IR data of authorities.

Improving IR information, data and indicators in the new context

In the context of the newly promulgated LC 2019 with numerous fundamental changes in terms of IR, it is essential for the indicator set to be continuously studied, updated and completed.

Firstly, changes must be made to reflect workers outside employment relationship.

Secondly, IR situation must be reflected, including quality and

quantity indicators.

Thirdly, with increasingly significant role of IR in the process of development and integration, the indicators must be general and must reflect the IR development process which contributes to the socio-economic development of Viet Nam. At the same time, the indicators must reflect their role in implementing the new generation trade agreements; and also measure Viet Nam's efforts in its proactive and effective international integration process.

Fourthly, supplement new indicators required by the revised Labour Code, including: the monitoring of individual and collective IR;

IR INDICATOR SET

(for pilot collection in some localities)

Group of indicators on quantity and quality of GTU's activities	Indicators on CBA	Group of indicators on labour dispute settlement	Group of indicators on strikes
Rate of unionized-enterprises	Rate of enterprises and cooperatives	Number of collective labour disputes	Number of strikes
Rate of unionized employees	Coverage rate of CBAs	Number of individual labour disputes	Average number of workers per strikes
Rate of enterprises conducting periodic dialogue at workplace		Rate of successful settlement of collective labour disputes	Rate of workers on strikes
		Rate of successful settlement of individual labour disputes	Average length of strikes
			Lost working days per 1,000 workers

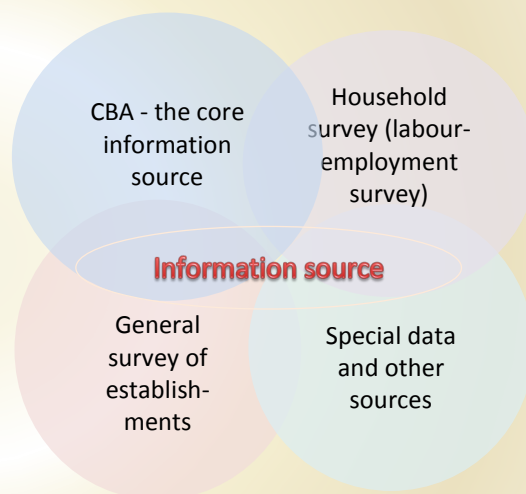
Statistical indicators of collective bargaining

* Collective bargaining coverage: key statistical indicators

1. Rate of wage workers covered by collective bargaining
2. Rate of employed workers covered by collective bargaining
3. Share of employees who have the right to collective bargaining covered by collective bargaining

* Qualitative indicators: Legal framework

1. Right to collective bargaining
2. Level of collective bargaining
3. The level of collective bargaining coordination
4. Expansion of CBAs



(Resource: Quick Guide on Sources and Uses of Collective Bargaining Statistics, ILO 2018)

the registration and operations of workers' representative organizations; the monitoring and supervision of negotiation activities and CBAs (especially such of the most representative organization in a multi-representative organization enterprise); the situation and trends of labour disputes and strikes; the operation of IR institutions and mechanisms, especially the indicator measuring the role of the state in policy consultations and IR support, etc.

Fifthly, IR indicators should be incorporated with ILO IR indicators to ensure consistency in statistical comparisons in all member states.

Sixthly, the set of indicators should be researched and applied at 3 different levels, including central, local and enterprise level.

Given IR's specific characteristics, these indicators will serve different goals.

At the enterprise level, the IR indicators will focus on reflecting the genuineness of the processes of exchange, dialogue, negotiation and implementation of grassroots democracy; the quality of IR through terms of wages, benefits, working conditions and respect for the right to establish and operate workers' organizations, etc. recorded in the CBA; situation of individual and collective labour disputes/strikes; employee satisfaction level; and perhaps the situation of labour turnover in enterprises due to IR causes.

Meanwhile, **IR indicators and data at local and central levels** are more statistical, it reflects the support of the State in IR through supportive mechanisms and institutions, mediation, arbitration, etc. as well as the performance of tripartite mechanisms and institutions through exchanges and consultation with partners in law-making and policy-making process related to rights and

interests of IR parties.

Seventhly, the feasibility should be taken into account when developing the indicator set, i.e. the systematic collectability, assessability and manageability; the suitability with the context and characteristics of Viet Nam's socio-economic development; and the authorities' ability to collect and update information.

Finally, in the current era of modern technology, it is necessary to apply information technology in the collection, statistics, analysis, information and data on IR from the central to local levels. This is to serve effectively the need for policy planning, administration and management of IR, as well as the needs for supporting the parties in dialogue and negotiation in IR.

Wage reform in the private sector - Hourly minimum wage policy

The minimum wage is the lowest wage paid to employees who perform the simplest jobs under normal working conditions to ensure the minimum living standards of workers and their families, in accordance with socio-economic development circumstance.

(Paragraph 1, Article 91, Labour Code 2019)

The minimum wage aims to:

- ✚ Protect workers from being paid too low;
- ✚ Ensure a fair share and equitable sharing of economic progress results for all parties;
- ✚ Address poverty and reducing inequality, including the equality matters between men and women.

The need to issue hourly minimum wages in Viet Nam

Resolution No. 27-NQ/TW dated May 21, 2018 of the Central Executive Committee of the 12th Plenum has proposed reform of wage policy for the manufacturing and business sector: “Continuing to improve monthly regional minimum wage policy; supplementing the hourly regional minimum wage to improve the coverage of minimum wages (MW) and flexibly meet the labour market needs”.

As part of the roadmap for wage policy reform, the hourly MW was mentioned during the revision of the 2012 LC, but not until now is the hourly MW clearly defined in the 2019 LC, which is newly approved by the National Assembly.

The 2019 LC has institutionalized the above Resolution 27. Paragraph 2 of Article 91 specifies the hourly MW in addition to the monthly MW; at the same time, it assigns the Government to detail, decide and announce the MW based on the National Wage Council’s recommendations.

The new MW policy fixes shortcomings in applying MW

The MW policy has also been reformed to be simpler. The current policy is the monthly regional MW, it is adjusted annually. However, it shows inadequacy as it does not protect the majority of low-income people outside the formal sector and is entangled due to significant fluctuations in the current labour market.

At present, there remains over 30% of workers working without an employment contract. Therefore, their wages are not regulated by the minimum wage policy. In other words, the current minimum wage policy neither achieves its intended purpose nor has much effect on a large number of Viet Nam’s work force.

In addition, the MW is set by month, while many unskilled and low-income jobs are paid hourly. This means that most vulnerable workers are not covered by the current MW policy.

Part-time job is a common trend. However, businesses and employees are confused; they do not know how to pay/receive wages since there is no regulation on hourly MW.

The hourly MW policy has long been adopted by most countries. In Viet Nam, at present, there is only monthly MW but no hourly MW. Meanwhile, IR takes various forms. Many businesses and establishments only need to hire employees to work a few hours per day rather than full-time. Employees also work flexibly: some hours/day at one workplace, a few hours/day at another workplace, remote work rather than going to office, etc.

More enterprises and establishments (especially SMEs) tend to hire hourly, and pay either hourly or monthly. While part-time jobs are increasing in the market, the hourly pay rate is different. Many of them wonder if it is illegal to pay hourly salary for employees because the total amount of hourly wage for the whole month is still lower than the regional MW.

Meaning of applying the hourly MW policy

- The hourly MW covers more employees, especially in the informal sector; meets the needs of employers as well as the flexible working needs of both businesses and employees.
- The hourly MW is a basis for calculating daily, weekly, monthly and other wage. Therefore, it will overcome the inadequacies when calculating hourly or weekly MW based monthly MW.
- The hourly MW is in need to calculate overtime wages. In practice, the hourly MW calculation was applied in proportion to the monthly MW.
- The hourly MW plays a key role in our country's wage reform process in the direction of implementing market principles and adhering to international standards.

Factors to be taken into account when issuing the hourly MW

In principle, minimum wages can be set for an hour of work, a week of work, a month of work – or any other time period. Belgium, Estonia, France, Luxembourg, Malaysia, Romania and Ukraine all provide both an hourly and a monthly minimum wage. By contrast, the United Kingdom and the United States only provide an hourly minimum wage and Malta only has a weekly minimum wage.

Hourly minimum wages facilitate equal treatment between full- and part-time employees, by providing additional information to workers and employers. Hourly minimum wages are especially relevant for certain categories of workers who are in a situation of partial legal coverage – they are covered by minimum wage legislation, but not by working time provisions.

Some countries have set higher hourly minimum wages for workers who work short hours. In South Africa, for example, hourly rates are higher for workers working less than 27 hours per week.

Resource: https://www.ilo.org/global/topics/wages/minimum-wages/definition/WCMS_439066/lang--en/index.htm

First of all, when enacted, it should be considered whether workers' rights and benefits as well as enterprises' benefits are affected or not.

Next, there should be forecasts of any instability or overlap with the monthly MW if the hourly MW is applied. In case of parallel application, it is necessary to take into account the motivation of both employees and enterprises to avoid distorting the meaning and incentive goals of the wage policy.

Technically, factors to be considered include: identifying objects, scope of application, adjustment mechanism; elements of the minimum wage; determination of risks when implementation, basis to apply CBA (by industry, employment contract or job stability, etc.); relationship and guarantee of employee's benefits when applying both monthly and hourly wages; and the Government's will (for example, in the Netherlands, with the goal of discouraging part-

time employees, it is required that employers must pay social security for both full-time and part-time employees).

In terms of awareness, it is necessary to clarify the concept of wages and salary when researching and promulgating the hourly MW. According to experts, salary is a fixed amount that enterprises pay to employees in a certain period regardless of working time (in countries where gross annual payment is popular). Meanwhile, the wage paid to employees is the salary calculated per hour/week/month, etc.) which is much relevant to calculating the hourly MW.

Finally, it is necessary to take into account Viet Nam's conditions and circumstances in order for the hourly MW policy to operate effectively, promoting the role of wages in socio-economic development in Viet Nam.

In summary, the hourly MW policy has been issued and applied effectively not only to improve the lives of employees but also to create motivation to improve productivity and quality of work. This is also a step in the roadmap to institutionalize wage reform for employees in the enterprise sector. It demonstrates Viet Nam's efforts to better adhere to market principles and gradually approach international standards. This facilitates the effective implementation of the new generation trade agreements that have been signed and actively contributes to the country's sustainable socio-economic development.

Newly enacted policies regarding labour, industrial relations and wages coming into force in 2019

1. Labour dispatch

Implementing paragraph 3 of Article 54 of the LC on licensing labour dispatch activities, the deposit and list of permitted jobs, the Government issued Decree No. 29/2019/ND-CP on March 20, 2019 (substituting Decrees No. 55/2013/ND-CP and No. 73/2014/ND-CP and implementing Circulars). The changes include:

- *Purpose of labour dispatch*

Temporarily responding to a sudden increase in employment demand over a given period of time; replacing employees during maternity leave, work accidents, occupational diseases or those who are fulfilling citizen obligations; meeting the demand of highly technical and professional employees. The labour dispatch shall be carried out for the listed jobs and must ensure the true purpose.

- *Conditions for an enterprise to be granted a license*

To simplify administrative procedures and lessen business conditions, Decree No. 29/2019/ND-CP has reduced (from 4 conditions prescribed in Decree 55/2013/ND-CP) to 2 conditions for licensing, including: (i) VND 2 billion has been deposited; (ii) the legal representative of the enterprise satisfies the following conditions: no criminal record; has worked in the field of labour supply or labour dispatch for 3 years or more within the 05 consecutive years before applying for a permit.

- *Time limit for the license*

The license's term increases to a maximum of 60 months with

unlimited number of extensions (the previous regulation was 36 months and 02 times of 24-month extension).

- *Authority to issue licenses*

Decree No. 29/2019/ND-CP decentralizes this authority to provincial-level People's Committees (instead of the Minister of Labour, Invalids and Social Affairs to grant, re-grant, extend or withdraw the license based on an evaluation by the provincial Department of Labour, Invalids and Social Affairs - DOLISA).

- *Procedures for issuance, re-issuance, extension and revocation of the license*

Decree No. 29/2019/ND-CP simplifies the procedures, whereby an enterprise submits only one set of documents to the DOLISA; DOLISA then verifies the authenticity of the document and submits it to the Chairman of the provincial People's Committee for a license. Consideration time is within 27 working days upon the submission of the application (33 days shortened compared to that of Decree No. 55/2013/ND-CP).

- *List of permitted jobs*

Decree No. 29/2019/ND-CP additionally regulates 03 jobs, including: management, operation, maintenance and service on board ships; management, supervision, operation, repair, maintenance and service on oil and gas rigs; aircraft pilot and servicing/maintenance, repair of aircraft and aircraft equipment /flight manoeuvre, flight operator/flight monitor.

- *Deposit for labour dispatch*

When an enterprise makes a

business deposit for labour dispatch (VND 2 billion) at the bank, the bank must be responsible for blockade the entire deposit amount and not allow the enterprise to withdraw the deposit without a written approval from the Chairperson of the provincial People's Committee (from the Minister of Labour, Invalids and Social Affairs as stipulated by Decree 55/2013/ND-CP).

Deposits are used to pay wages, benefits, social insurance, health insurance, unemployment insurance, work accident insurance, occupational disease or compensation for dispatched employees in case the sending enterprise breaches the employment contract or causes damage to the employee due to failing to ensure the lawful rights and interests of the dispatched employee.

- *Validity of Decree No. 29/2019 / ND-CP: from May 5, 2019.*

2. Cost of wages and labour in the price, unit price of public products and services funded by the state budget

- *Wages and labour cost*

Wages and labour cost in price, unit price of public products and services are calculated according to the working day's work norm (under economic and technical norms, work norms, cost norms) issued by Ministries, industries and provincial-level People's Committees.

- *Wages for direct, professional, administrative, and service workers*

Wages for direct, professional, administrative, and service workers

are determined on the basis of the coefficient of wage steps and allowance of the worker providing public products and services multiply with the base salary set by the Government and the increasing adjustment coefficient by each region. The wage coefficient and allowances for each work category are specified. The increasing adjustment coefficient for each region is decided by ministries, industries and localities but shall not exceed the coefficient of 1.2 for regions I, 0.9 for region II, 0.7 for region III and 0.5 for region IV. Areas in regions I, II, III and IV are in accordance with the regional minimum wage set by the Government from time to time.

- *Wages of enterprise managers*

Wages of enterprise managers (including: Chairman of the Board of Directors/Board of Members/the Company; members of the Board of Directors/Board of Members; Head of Supervisory Board; surveyor; the general director or director; Deputy General Director or Deputy Director; Chief accountant) are determined based on basic salary according to corporation and general corporation.

- *For special public products and services*

For special public products and services that the wages need to be determined higher than the general framework to match market wages, the ministries, industries and provincial-level People's Committees shall determine specific levels in agreement with the Ministry of Labour, Invalids and Social Affairs prior to decision to ensure a common balance.

(Circular No. 17/2019/TT-BLĐTBXH dated November 6, 2019).



List of promulgated documents on labour, IR and wages coming into effect in 2019

Decree No. 29/2019/ND-CP dated March 20, 2019 of the Government detailing the implementation of paragraph 3, Article 54 of the Labour Code regarding licensing of labour dispatch, deposit and list of jobs permitted for labour dispatch.

Decree No. 90/2019/ND-CP dated November 15, 2019 of the Government stipulating the regional minimum wage for employees working under employment contracts.

Circular No. 17/2019/TT-BLĐTBXH dated November 6, 2019 of the Ministry of Labour, Invalids and Social Affairs guiding the determination of wages and labour costs in prices, unit prices of public products and services using state budget implemented by enterprises.

Circular No. 18/2019/TT-BLĐTBXH dated November 8, 2019 of the Ministry of Labour, Invalids and Social Affairs guiding the implementation of wages, training and competition financial support, social insurance, unemployment insurance, work accident insurance, occupational diseases, sickness and maternity leave, work accidents for coaches and athletes during the time of concentrated training and competition.

Circular No. 34/2019/TT-BLĐTBXH dated December 30, 2019 of the Ministry of Labour, Invalids and Social Affairs guiding the management of labour, wages, remuneration and bonuses for the SME Development Support Fund.

Situation of labour dispute resolution by mediator and labour arbitration council in some provinces and cities

	HCMC	Hanoi	Dong Nai	Bac Ninh
Labour mediator (number)	113	114	39	20
Number of individual labour disputes requested for mediation	3.300 ⁽²⁰¹⁴⁻²⁰¹⁸⁾ 135 ^(6 months of 2019)	247 ⁽²⁰⁰⁸⁻²⁰¹⁸⁾ 25 ^(10 months 2019)	689 ^(10 months of 2019)	8 ⁽²⁰¹⁴⁻²⁰¹⁸⁾
- Rate of successful mediation (%)	Approx. 47	> 50%	59	87.5
- Rate of unsuccessful mediation (%)	24: both parties join; 23.9: one party absent, forcing the mediator to record the unsuccessful mediation; The rest: enterprises move to other places, two parties reach an agreement themselves or withdraw the letter requesting mediation, etc.	> 50%	41	12.5
Collective labour disputes settlement (cases)	382 ⁽²⁰¹³⁻²⁰¹⁸⁾ 13 ^(10 months of 2019) (the mediator – member of interagency taskforce settling wildcat strikes – makes a proposal for self-negotiation)		57 ^(01/1/2018 - 31/10/2019)	- No collective labour dispute was mediated, all became wildcat strikes; - Mediators play an ambiguous role in settling strikes.
Labour Arbitration Council				
Collective labour disputes settlement	No receipt of interest-based CLD request	No receipt of request from either party	No activity in practice	No receipt of interest-based CLD request
LAC's operation	- Observing IR situation - Organizing seminars to exchange experience and skills for mediators and members of LAC (under the framework of the City's IR Master Plan)	- Collaborating, integrating and organizing the education and dissemination of labour law; - Advising on the operation of the mediators; - Collaborating on the support of strike settlement.		

Introducing legal regulation to 2,500 employees using technology

Under the IR Project's framework, for the first time, the ILO, the MOLISA in collaboration with Dong Nai DOLISA's inspectors organized a competition to understand labour laws based on technology app. The purpose is to help employees as well as employers enhance their understanding of labour laws for better compliance. Through the competition, labour inspectors can partially reduce their workload, and further improve their consultation and guidance function.

The competition was piloted at San Lim Furniture Co., Ltd., attracting 20 out of 35 divisions of the company. Accordingly, 2,500 phone numbers of workers participating in the competition receive and answer questions on the phone message. The most correct and fastest participant is determined by the switchboard.

Preparatory work for the competition was carried out by the ILO project team, together with labour inspectors and San Lim's staff. The group communicated through banners, posters and loudspeakers. The team worked together to complete the manual, test the system, fix the errors and also regularly update the situation to capture the frustration of the workers.

This approach is applied for the first time, therefore,



some initial difficulties are unavoidable. For example, employees do not provide phone numbers or provide wrong or duplicate numbers because some couples share the same number. A message has to be sent to the 2,500 different subscribers at the same time with 6 different mobile networks that workers use, hence, there is a certain delay, thereby affecting the response speed, etc. However, thanks to the enthusiastic support of the focal point officials as well as the personnel staff at San Lim Company, all problems and employees' questions are promptly reflected to the Organizing Committee for solutions.

After 4 exciting weeks, the Organizing Committee has awarded 59 daily prizes, 24 weekly prizes (including 20 individual prizes and 4 team prizes), 5 final prizes (including 2 individual prizes and 3 team prizes). The wood industry is a relatively hard and heavy industry, many workers do not want to waste their time for lunch; as a result, they are not enthusiastic to participate. Although the rate of participants is not high, the competition spread over many divisions and the organizers have high expectations for the spread and number of participants in the upcoming programs.



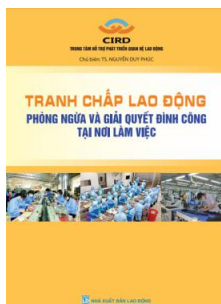
50 FAQs REGARDING LABOUR, IR AND WAGES

The book summarizes and selects the 50 most common issues that businesses often encounter in the implementation of labour laws, IR and wages



PREVENTION AND SETTLEMENT OF STRIKES AT THE WORKPLACE

The publication provides in-depth analysis of the forming mechanism, levels of labour disputes and strikes, and suggestions for enterprises to build a system for preventing and resolving labour disputes and strikes



FULFILLING INTERNATIONAL IR COMMITMENTS

The book gives readers a comprehensive view of Viet Nam's IR in its international integration process, in particular the implementation of international commitments in CPTPP and EVFTA



And some other publications regarding labour, IR and wages

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