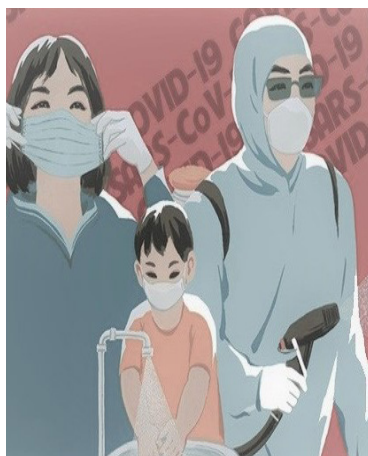


Vietnam has basically controlled COVID-19, gradually restored the momentum of rapid economic development.

However, there remains a permanent epidemic risk and new cases may be detected in the community, especially when Vietnam reopens in the near future.

Therefore, ministries, ministerial-level agencies, governmental agencies, People's Committees of provinces and centrally-run cities should continue to thoroughly grasp the dual goal policy: to be ready to prevent and fight against the pandemic and to promote socio-economic development.

(Prime Minister Nguyen Xuan Phuc, at the Government meeting in September 2020)



Dialogue between employers and workers, between the two parties and the Government plays an important role to find negotiation-based solutions on employment and wages; and helps the parties make joint efforts to surmount difficulties, quickly restore production and business, and secure jobs when Covid-19 is under control.

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COVID-19's impacts on Vietnam's industrial relations

1. Enterprises and workers are seriously affected

The COVID-19 pandemic has caused serious consequences to all areas of the socio-economic life. Vietnam as well as other countries are facing negative effects, with workers and enterprises being most affected.

Decline in the quantity and operation of enterprises

According to the General Statistics Office, the number of newly established enterprises decreased sharply, while the number of enterprises that had to suspend production and business increased. Consequently, the number of newly created jobs reduced and the number of unemployed workers escalated.

Most enterprises (85%) were adversely affected by COVID-19, especially big firms employing a large number of workers. Many businesses were forced to operate marginally or reduce production, which leads to fallen labour demand. As a result, the labour force participation rate also plummeted.

Lower employment quality and difficulties in workers' life

Up to 5 million workers suffer from difficulties due to the COVID-19 pandemic (as of April 2020). Workers with industrial relations face reduced working hours, work rotation and job loss which results in reduced income and other benefits.

Unemployment and underemployment increase while wages barely increase. This makes life challenging for workers, especially disadvantaged ones such as female workers, young workers, workers in industrial zones, etc.

2. Government action

The Prime Minister issued Directive No.11/CT-TTg dated March 4, 2020 instructing functional sectors to immediately implement measures to support businesses and workers, and to focus on performing "dual tasks" - pandemic prevention and socio-economic development.

In order for businesses to maintain production and retain workers, the

support package includes: credit, fiscal and labour policies, in which the labour policy includes: loans from the Social Policy Bank to pay wages for workers; suspending the pension and survivor insurance payment; and suspending the contribution to the trade union fund.

For workers, the Government issued a policy package of 62 trillion VND to directly support workers and those facing difficulties caused by the pandemic.

3. Collaboration between workers' and employers' organizations in response to the COVID-19 pandemic

As organizations that represent, care for and protect the rights and interests of the parties, Vietnam General Confederation of Labour (VGCL) and Vietnam Chamber of Commerce and Industry (VCCI) have strived to accompany Government in the fight against the pandemic in order to maintain production and jobs. The organizations fully understood the situation and promptly proposed to the Government solutions to remove difficulties for their members; at the same time, guided their local organizations to effectively implement the Government's support packages.

VGCL also provides direct support for workers facing difficulties who are not eligible for the Government's support package, female workers and other disadvantaged workers.

VCCI member business associations have actively mobilized domestic and abroad organizations and individuals to support materially and spiritually to share difficulties with businesses.

4. Efforts by businesses and workers at the workplace

Enterprises strive to maintain jobs and retain workers while preventing the disease at the workplace

Up to 66.8%¹ of enterprises are forced to apply temporary human resources

1. Report on survey results assessing the impact of Covid-19 epidemic on production and business activities of enterprises, May 2020 - GSO.

measures to cope with COVID-19's impacts. However, only about a quarter of enterprises are forced to lay off workers.

Most enterprises take measures such as rescheduling, applying rotating leave, unpaid leave and/or reducing wages, in the light of avoiding dismissal and trying to pay workers despite no or declined revenue.

Instead, businesses apply positive solutions to maintain production and jobs for workers meanwhile building their own development strategies for post-COVID-19 period. Notably, many take advantage of this time to organize training to improve professional qualifications and skills for workers.

Workers and grassroots trade unions (GTUs) accompany enterprises to cope with the pandemic

Along with the efforts of enterprises, workers have accompanied enterprises to overcome difficulties. They accept reduced wages and working hours. They even voluntarily take unpaid leave and commit to returning to work when the enterprise resumes its operation.

GTUs at many enterprises have actively proposed to business leaders COVID-19 prevention measures at the workplace such as: Designing partitions at the canteen, distributing face masks to workers before starting work, etc. They also proactively coordinate and support enterprises to make a list of workers facing difficulties to receive support from the Government. Many of them even seek outside sources to provide additional support for workers to reduce the burden on enterprises.

In addition, GTUs commit to minimizing meetings and proposals that are detrimental to businesses. Trade union activities focus on safety and hygiene to prevent COVID-19 infection in the workplace; at the same time, they encourage workers to show their loyalty to enterprises to overcome challenging times.

5. The impact of the COVID-19 pandemic on industrial relations

The pandemic has had both negative and positive impacts on industrial relations in Vietnam.

5.1. Collective labour disputes due to lack of information and dialogue



On the negative side, there have been numerous collective labour disputes. The reason is that due to COVID-19, employers had to reduce wages and working hours or lay off a large number of workers took these actions without informing and communicating with the workers and GTUs in advance. This causes frustration from workers.

However, when the parties try to overcome the pandemic together, it has shown positive factors in industrial relations.

5.2. More frequent social dialogue in various forms at all levels

Social dialogue is a crucial tool of industrial relations in Vietnam. During the pandemic, social dialogue was conducted widely, diversely and flexibly by social partners.

At the national level, the Prime Minister and relevant ministries and agencies regularly conduct tripartite and bipartite consultations prior to issuing government support policy packages for enterprises and workers suffering from COVID-19.

At the local level, inter-agency coordination is a frequent practice with an aim to promptly and effectively providing the Government's support packages to the right beneficiaries. Whenever a collective labour dispute arises due to COVID-19, the Inter-agency task force would be promptly established to help the parties settle the dispute. Members of the task force, under their functions and duties, would propose practical measures to support enterprises and workers.

Numerous local Federations of Labour proactively conduct dialogue with enterprise associations to remove and overcome difficulties and maintain jobs for workers.

In enterprises, the enterprise leaders consult the GTUs and workers before taking measures related to employment and worker's income in order to cope with the pandemic. In some enterprises, bipartite working groups, including representatives of the employer and the GTU, have been established to discuss and agree on the implementation of measures to prevent the pandemic at the workplace.

5.3. Enhanced position for workers in industrial relations

Efforts to retain workers as well as strengthened dialogue with workers during the pandemic show that industrial relations in Vietnam is moving in a direction where employers increasingly see the significant role of workers in the enterprises' existence and development.

Although this is an inevitable trend of innovation, growth and development in Vietnam, it is more and more evident in the existing difficult period due to COVID-19.

Most business owners are aware that workers are the most valuable property of the enterprise². During the pandemic period, many businesses are implementing the strategy of building trust and enterprises' values to retain workers³.

The Vietnam Textile and Apparel Association has declared that the workforce is one of the two core values that should be prioritized to maintain and develop businesses in the future in order to integrate deeply into the global production and supply chain.

5.4. Goodwill, harmonious and cooperative industrial relations

During the pandemic period, employment and income maintenance measures have become a common priority of all parties in industrial relations at the enterprise level. Therefore, enterprises have always been accompanied by their workers and enjoyed the proactive cooperation from GTUs. This process has created harmonious and stable industrial relations in many enterprises in difficult times.

At the national level, the National Wage Council's tripartite negotiations agreed on unchanged minimum wage for 2021 which demonstrates the sympathy and goodwill of the parties in the negotiation process.

In the coming period, when the COVID-19 development remains complicated, it is necessary to maintain harmonious and stable

2. Survey on the impact of the second COVID-19 outbreak on enterprises - Private Economic Research and Development Department, August 2020.

3. The leader of Hue Phong Company apologized for having to terminate employment contracts with their workers; Pou Yoen Vietnam was forced to dismiss over 3,000 workers but they paid much higher allowances than what is stipulated by law, and at the same time they committed to reinstating workers after the pandemic if they wish so.

The National Wage Council has agreed not to adjust the minimum wage for 2021 due to COVID-19's impact

In the context where most enterprises confront difficulties due to COVID-19, after 2 negotiation sessions on June 23 and August 6, 2020, members of the National Wage Council highly agreed that no adjustment to the minimum wage should be made for 2021, and hourly minimum wage shall not be applied. Total votes in favour were 9/13 votes. Members from the Vietnam General Confederation of Labour did not vote.

The 2021 minimum wage proposal will be submitted to the Government for consideration and approval.

industrial relations at enterprises. It helps enterprises to stabilize their production and be ready to welcome investment wave when the pandemic is over.

Besides, experts also emphasized that drafting policies for national economic development in the recovery period need to be based on consultation with tripartite partners: the Government, employers and workers, to ensure consensus and commitment in implementation. Tripartite and bipartite consultation and social dialogue should be maintained and further strengthened, especially in continuing to implement the Government's support policy packages for workers and enterprises facing difficulties by COVID-19.

“

Vietnam needs implement policy measures to stimulate the economy and save jobs while protecting workers at the workplace and ensuring continuity of businesses. Dialogue at the workplace and social dialogue among tripartite partners is a key to find solutions to our common challenges.”

(Chang-Hee Lee, Director of the International Labour Organization in Vietnam)

POLICIES TO SUPPORT ENTERPRISES AND WORKERS AFFECTED BY COVID-19

(The Government's support package of 62 trillion dong according to Resolution No.42/NQ-CP and Decision No.15/2020/QĐ-TTg)

DIRECT SUPPORT FOR WORKERS

(1) For workers whose employment contracts are suspended/who take unpaid leave

- For workers whose employment contracts are suspended or who take unpaid leave from 1 consecutive month from April 1, 2020 to June 30, 2020; provided that they were participating in the compulsory social insurance scheme before the employment contract is suspended or taking unpaid leave, and they are working in an enterprise with no revenue or no financial resources for wage payment, they shall enjoy:
- Support amount: 1,800,000 VND/person/month.
- Monthly support up to 3 months.



(2) For workers whose employment or work contracts are terminated

- For workers whose employment or work contracts (concluded before April 1, 2020) are terminated from April 1, 2020 to June 15, 2020; provided that they were participating in the compulsory social insurance scheme, ineligible for unemployment benefits, have no income or their income is below the nearpoverty line, they shall enjoy:
- Support amount: 1,000,000 VND/person/month.
- Monthly support up to 3 months.



(3) For workers who have not entered into any employment contract

- Workers who have not entered into any employment contract (self-employed) and lose their job shall enjoy:
- Support amount: 1,000,000 VND/person/month.
- Monthly support up to 3 months.



* Implementation results by September 22, 2020

- Over 12.5 million people (who are eligible to the supported) and 23,500 business households are supported.

- About 418 unemployed and underemployed had received support among the supported groups.

(According to the Ministry of Labour - Invalids and Social Affairs)

* Resolution No.42/NQ-CP and Decision No.15/2020/QĐ-TTg are to be amended to continue the support for enterprises and workers facing difficulties due to COVID-19

(The Ministry of Labour - Invalids and Social Affairs made proposal at the monthly Government Meeting in September)

- Expanding the beneficiaries of support for cases of suspending employment contract or taking unpaid leave

- To workers at self-financed educational establishments (people-founded, private or public) at preschool, kindergarten, primary school, junior high school and high school levels.

- Extending the period during which employment contract suspension or unpaid leave taking can be considered for reception of support

- From February 1, 2020 to June 2020. The support period is no more than 3 months.



SUPPORTING ENTERPRISES IN TERMS OF HUMAN RESOURCES MEASURES

Borrowing from the Bank for Social Policy to pay work stoppage wage for workers

- For enterprises with 20% or 30 workers or more who are paying compulsory social insurance but being laid off for at least 1 month; provided that they have paid at least 50% of their work stoppage wage from April 1 to June 30, 2020; confront financial difficulties, do not have enough resources and have used up the wage provision fund to pay workers on work stoppage; and have no bad debts in credit institutions;
- Zero-interest loan of not more than 50% of the regional minimum wage per person per month; up to 03 months (from April to June 2020) without collateral; to pay the remaining wage to workers;
- Pay monthly wage directly to workers.

(Instruction No.2129/HD-NHCS dated April 27, 2020 of the Bank for Social Policy)

Suspending pension and survivor insurance payment

- For enterprises which have fully paid social insurance until the end of January 2020, are affected by COVID-19, are forced to reduce 50% or more of the workforce participating in social insurance following the pandemic announcement by competent agencies;
- Payment suspension time: until the end of June 2020 (or the end of December if Covid-19 development remains complicated);
- Enterprises are allowed to postpone contributing to the pension and survivor insurance with no interest applied.

(Document No.1511/LDTBXH-BHXH dated May 4, 2020 of the Ministry of Labour - Invalids and Social Affairs)

Suspending the contribution to the trade union fund

The trade union agrees to delay trade union fund payment for enterprises affected by the Covid-19 with 50% or more of the workforce participating in compulsory social insurance that are forced to temporarily quit their jobs. This applies for the first 6 months of 2020, i.e. to June 30, 2020.

If, after this time, there is no progress in Covid-19 control and the enterprise continues to face difficulties, it shall be delayed until December 31, 2020.

(Document No.245/TLD dated March 18, 2020 of Vietnam General Confederation of Labour)

* Implementation results by September 22, 2020

- 0 (Zero) enterprise has borrowed from the Bank for Social Policy to pay work stoppage wage for workers

(According to the State Bank of Vietnam)

- 1,739 undertakings employing 164,529 workers have suspended the pension and survivor insurance payment by the end of July 2020

(According to Vietnam Social Security)

* Resolution No.42/NQ-CP and Decision No.15/2020/QĐ-TTg are to be amended to continue the support for enterprises and workers facing difficulties due to COVID-19

(The Ministry of Labour - Invalids and Social Affairs made proposal at the monthly Government Meeting in September)

- Loosening conditions and procedures for lending businesses to pay wages to workers

+ Loosening the condition of financial difficulties: Enterprises whose revenue in the first quarter of 2020 decreased by 20% or more compared to the fourth quarter of 2019 or the adjacent quarterly revenue before the time of consideration for support decreased by 20% or more over the same period in 2019.

+ Removing the procedure for reviewing loan applications by district/provincial People's Committee. Enterprises shall prepare, take full responsibility for and submit their loan applications directly to the Bank for Social Policy for approval.

+ Abolishing the conditions that the enterprise must have paid at least 50% of the stoppage wage for the workers.

+ Removing the requirement that enterprises borrow to pay the remaining wages for workers.

+ Cancelling the procedure that workers on work stoppage shall be directly disbursed every month.

+ Extending the time businesses are supported, from April to December 2020.

- Lowering the requirement for retirement and survivor insurance payment

Enterprises which are forced to reduce 50% or more of the workforce participating in social insurance following the pandemic announcement by competent agencies.





ILO instruments to support national tripartite social dialogue for an effective response to the COVID-19 pandemic and early socio-economic recovery

I- The role of social dialogue in response to socio-economic and pandemic crises

In the view of the International Labor Organization (ILO), crises cannot be resolved solely by public agencies involved in unilateral decision-making; on the contrary, actions are required based on genuine cooperation among the tripartite partners.

The involvement of social partners in designing and implementing anti-crisis measures and reforms is critical to creating the necessary balance between macroeconomic stability on one hand and job growth and protection of the most vulnerable segments of the population on the other hand.

In times of hardship and economic shocks, **dialogue has proven to be an irreplaceable tool for balanced crisis management and an important governance tool**. Dialogue can facilitate necessary adjustment and reform during times of crisis in a fair way.

During crisis, countries issue anti-crisis packages to overcome difficulties and damage caused. Protecting employment and workers' income while ensuring the sustainability of the business is always the core of support packages.

However, it is important that **anti-crisis packages are established by a tripartite and effective mechanism** to monitor crisis-related developments in the labour market and their social impacts.

National trilateral bodies, such as the Economic and Social Council and the Labour Advisory Council, can be used to identify the national policies needed to respond to the crisis and track the implementation. These bodies can also be used to learn from past crises and to implement preventive measures to better prepare for crises in the future.

*** Experience from South Korea.** In 1998, the Korea Tripartite Council (now known as the Economic and Social Development Council), was established as an advisory body under the administration of the Office of the President.

In February 1998, the Council issued a pact namely "Social Arrangements on Settlement of Economic Crisis", with 90 articles - the 1998 Social Pact. The results of the consultations led to compromise in the IMF program, thus avoiding social unrest and bad situation in Korea at that time.

The 1998 Social Pact addresses a wide range of labour, social and economic problems. It includes the following matters: workers' organizations

accepted reduced wages and loosen rules related to employment relations while employers made great efforts in job protection and recognition of workers' rights. The Pact has been expanded to include all national action and reforms programs for crisis management.

This compromise, made in the midst of deep economic crises, turned out to be a turning point for the country's economic recovery.

The tripartite dialogue at the national level has enabled South Korea to adopt a range of economic and social measures to cope with the Asian crisis as well as to maintain social stability during the serious economic downturn.

*** Lessons from Korea show that: The tripartite social dialogue institution was established in a period of crisis and showed some successes.** After the crisis, the relationships between social partners faced some difficulties and the role of tripartite institutions became less important. Nevertheless, when similar crises occur, for example the raging COVID-19 pandemic, social partners can respond based on their previous experience and use the existing institution(s) as a forum for dialogue.



II- Conventions and recommendations to promote tripartite consultation and social dialogue

Tripartite social dialogue and cooperation are fundamental values of the ILO. Almost all of the ILO's Conventions and Recommendations promote tripartite social dialogue as a mechanism to deal with a variety of problems.

"Social dialogue includes all types of negotiation, consultation and exchange of information between or among representatives of governments, workers and employers on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations only between labour and management (or trade unions and employers' organizations), with or without indirect government involvement..."

(ILO definition)

- **First of all**, effective tripartite consultation can only be done if the workers and employers' representatives exercise freedom of association. The core elements and conditions of social dialogue are specified in the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No.87), the Right to Organise and Collective Bargaining Convention, 1949 (No.98), Labour Relations (Public Service) Convention, 1978 (No.151),

Collective Bargaining Convention, 1981 (No.154), and Workers' Representatives Convention, 1971 (No.135).

- **Administration tools** also play an important role in creating an environment conducive to a healthy and well-functioning tripartite social dialogue, Labor Administration Convention, 1978 (No.150).

- **Additional guidances** can be found in the Consultation (Industrial and National Levels) Recommendation, 1960 (No.113); Workers' Representatives Recommendation, 1971 (No.143) and Resolution 202 on tripartite cooperation and social dialogue.

- **Other ILO instruments** focus on tripartite social dialogue in specific fields. Such instruments require that workers and employers' representatives shall be consulted on the following matters:

- * Developing and implementing employment policies (Convention No.122, 1964);
- * Fixing and adjusting the minimum wage in places where the minimum wage is available (Convention No.131, 1970);
- * Developing and implementing vocational and training policies and programs (Convention No.142, 1975);
- * Agenda of the ILO International Labour Conference on Tripartite Consultation (Convention No.144, 1976);
- * Developing, implementing and reviewing national policies on occupational safety, occupational health and working environment (Convention No.155, 1981);
- * Creating and applying tailor-made measures to allow those with family responsibilities wishing to enter or have entered the world of work to exercise their rights without discrimination and, to the extent possible, without conflict between work and family

responsibilities (Convention No.156, 1981); and

- * Promoting sustainable social security systems, and developing and implementing strategies to expand national social security (Recommendation No.202, 2012).

Tripartite Consultation Convention (International Labor Standards), 1976 (No.144)¹

Convention No.144, together with the Recommendation for Tripartite Consultations (Activities of the International Labour Organization), 1976 (No.152), is one of four ILO "governance conventions" introduced under the Declaration on Social Justice for a Fair Globalization (2008). This is an important tool to promote tripartite cooperation at the national level.

Convention 144 requires effective consultation between representatives of the Government, workers and employers' organizations, on five (05) specific issues, corresponding to different activity phases related to ILO standards.

Recommendation 152 also suggests other related issues that could also be the subject of consultations.

Although the focus of Convention 144 is relatively limited, in many countries, this instrument has been applied to successfully conduct social dialogue on a wide range of issues beyond those outlined in the Convention. This trend demonstrates the Convention's potential to enhance social dialogue at the national level, especially in the current period when countries are facing the COVID-19 pandemic².

1. Vietnam ratified Convention No.144 on June 9, 2008.

2. Reference paper: "National Tripartite Social Dialogue" - ILO's Guide to Improving Governance.

International experience in strengthening tripartite dialogue to effectively respond to COVID-19 pandemic

The COVID-19 pandemic has brought unprecedented changes to the world of work, and to society as a whole.

A central pillar of the ILO's policy framework for combatting the COVID-19 crisis calls for the "strengthening of social dialogue, collective bargaining and labour relations". Governments play a central role in policy-making, and many have engaged with representatives of employers' and workers' organizations through social dialogue.

In many countries, tripartite agreements, and direct government policy actions have been agreed by the social partners themselves. These can range from broad economic and social policy commitments, to negotiating agreements that impact directly on terms

and conditions of employment and work.

Besides, bipartite dialogue between employers or employers' organizations and workers' organizations to address the COVID-19 crisis have included joint responses covering entire national economies, agreements being tailored to specific industries and occupations, or negotiations in enterprises and undertakings.

The examples below illustrate how social partners from different countries and regions negotiate, bargain and call for joint action to cope with COVID-19 which ensures safe work operations, secures workers' employment and income; at the same time, helps companies to stabilise their business and operations in the post COVID-19 era.

Italy. In Italy, the government and the social partners have adopted two tripartite protocols at national level, which were transposed into Presidential Decrees.

Tripartite social dialogue opened the door for a crucial role of bipartite dialogue at both sectoral and enterprise level in drafting tailored solutions responding to the COVID-19 crisis.

Sectoral protocols were signed in almost all productive sectors (e.g. logistics and transport, construction, banking, chemical and pharmaceutical industry, energy, manufacturing, food and retail)s.

At the enterprise level the protocol helped companies and trade unions to reach agreements regarding anti-coronavirus measures to protect employees, including in those companies previously hit with spontaneous strikes or voluntary abstentions from work. Furthermore, both protocols provide for the

creation of an enterprise committee including trade union representatives at enterprise level. Company-specific protective measures have been included in enterprise level agreements of companies operating, for example, in the automotive, home appliance, electronic and garment sectors.

Tunisia. The example from Tunisia illustrate the Government's support through tripartite negotiation for enterprises and workers by securing incomes.

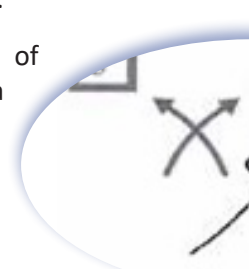
For several weeks the Tunisian economy was completely shut down with only essential services being allowed to operate due to the COVID-19 crisis. To support companies and secure incomes and employment in the private sector, the social partners UGTT and UTICA and the ministry of social affairs concluded an agreement on 14 April 2020. Following this agreement, the salaries of about 1.5 million

workers across Tunisia's private sector were paid during COVID-19-related closures in April 2020. Workers received 100 per cent of their salaries in April 2020. The government paid an exceptional aid of DT200 (ca. USD70) per worker and the remaining salary was paid by employers.

The payment of wages in April was particularly important as private-sector workers do not have access to extensive social protection in Tunisia.

Colombia. In Colombia, social dialogue between employers and trade unions in agriculture ensure measures are responsive to the realities at workplaces enabling safe work operations or allowing for a reopening of factories.

Hundreds of workers of the largest banana plantations in Urabá decided to stop working in response to what



they perceived as unsatisfactory health and safety conditions after coronavirus pandemic.

A “Bio Security Protocol” was negotiated and signed between an employer organization of banana producers and agricultural workers’ union. The agreement covers 22,000 workers in the banana plantations in Urabá and provides for OSH protocols regarding PPE, social-distancing during work hours and transport, hand washing, and cleaning and disinfection of work premises and equipment. Workers over 65 as well as and workers with pre-existing medical conditions are exempted from work for the duration of containment measures and will receive the legal minimum salary plus an 8 % supplement.

Joint union-management health and safety committees are monitoring the implementation of the protocol.

The agreement enabled a continuous banana production for national and international markets while allowing over 900 workers with vulnerable health status to stay at home and receive the benefits provided for in the agreement.

Australia, example of a negotiated agreement on flexible working hours. In Australia, the Australian Services Union (ASU), Australian Council of Trade Unions (ACTU), Australian Chamber of Commerce and Industry (ACCI) as well as the Australian Industry Group agreed on a temporary set of measures to provide support to business and employees during the pandemic, such as working time flexibility for those working from home (in terms of minimum shift and working hours), allowing staff to work more flexibly across classifications (without reductions in remuneration), and leave flexibility

including double leave on half-pay. Furthermore, employers have the capacity to close down operations while employees are on leave, or direct employees to take leave, having regard to their personal circumstances, etc.

Germany. In Germany, the collective bargaining round of the metal and electrical sector was suspended with a view to regulating the impact of the crisis for workers and companies.

A specific crisis-related package was agreed between IG Metall (metal workers’ union in Germany) and Gesamtmetall (employers’ organization in the metal working sector) in North Rhine-Westphalia on 20 March 2020 to safeguard employment.

The social partners signed a “Future in Work Agreement” (which was originally developed during the 2008 global economic crisis) and a “Solidarity Agreement 2020” complementing the earlier agreement.

The agreements include arrangements for short-time working (work sharing) and secure the net remuneration of employees at the level of around 80 per cent of which the public employment scheme (Bundesagentur für Arbeit) covers 60 per cent (67 per cent for workers with children). Full-time employee will be paid by their employer an amount of 350 euros each and other allowances.

The “Solidarity Agreement” offers opportunities for improved childcare arrangements. When daycare centers and schools are closed, parents with children up to the age of two can take eight (08) days off for child care. In 2020, employees will be given at least 5 days off for child care purpose without deduction of annual leave and wages.

Conclusion No. 77-KL/TW dated June 5, 2020 of the Politburo on the Direction to overcome COVID-19’s impact to restore and develop the country’s economy

“... Create favourable conditions for enterprises of all economic sectors to promote creativity and adaptability, take advantage of opportunities, improve competitiveness and create jobs for workers”.



Ho Chi Minh City joins hands with enterprises to support unemployed workers to overcome difficulties caused by epidemics



Pou Yuen Vietnam Co., Ltd. located in Binh Tan District, Ho Chi Minh City (currently employing more than 70,000 employees, of which over 80% are female workers) has continuously been facing decline in orders due to COVID-19 for which it is forced to terminate employment contracts with nearly 3,000 workers. In order to ensure benefits for workers who lose their jobs, it has made payments and fulfilled procedures for workers to promptly receive benefits as provided by the law. Besides, in order to recognize workers' contribution, it applies a policy of additional support for workers to partially overcome difficulties when losing their jobs. The company's efforts were supported by the workers and they agreed to terminate their employment contracts.

To join hands with businesses to solve difficulties, leaders of Ho Chi Minh City, together with the City's Federation of Labour and the Vietnam Chamber of Commerce and Industry (Ho Chi Minh City branch), held a meeting to understand the company's difficulties. The parties then discussed to find solutions and committed to supporting the company and workers who lost their jobs.

The company:

- ★ Devised a downsizing plan in accordance with Article 38.1.c of the LC (2,786 workers including 2,320 female workers).
- ★ Discussed with the GTU and obtained its consent.
- ★ Informed DOLISA of the downsizing plan.
- does not terminate employment contracts of disadvantage workers such as: workers in poverty, workers with disabilities, workers from the same family and other cases which are not allowed for termination as provided by the law.
- informs workers 45 days in advance as provided by the law (during which workers are fully paid even if they are not working).
- commits to reinstating workers once the company reopens if they wish so.
- pays allowances as provided by law; in addition to:
 - + 1 month of wage for each year of working (such working time is not counted into the time for unemployment insurance participation);
 - + annual leave payment;
 - + payment of wages, severance allowance and annual leave is made within 7 working days from the date on which the employment contract is terminated.

HCMC People's Committee:

- asks the Social Insurance Agency to prioritize handling cases for laid-off workers.
- suggests not to collect 10% personal income tax on the allowances paid by the company.
- instructs the Employment Service Centre to support laid-off workers in terms of training and job placement.

Binh Tan District Federation of Labour:

- continues to review and find solutions to support laid-off workers who are in difficult situation.

Dialogue between Hai Phong Economic Zone Trade Union and Korean Business Association to jointly respond to COVID-19 pandemic

Korean enterprises located in Hai Phong Economic Zone mainly export to Europe and the US, so when COVID-19 broke out in these countries and continents, the orders made to these enterprises have decreased by 20-80%, especially in April 2020. However, Korean businesses have tried to retain workers by arranging alternative leave or arranging for workers to take leave with 70% wages paid while awaiting tasks. Besides, businesses also strengthen measures of consultation, information exchange so that workers and enterprises can share difficulties; at the same time, encourage workers to resume working right after the situation of order making is stable.

Seeing Korean enterprises' efforts to secure jobs for workers, Hai Phong Economic Zone Trade Union has proactively proposed a dialogue with Korean Business Association to discuss effective responses to COVID-19 pandemic.

On May 7, 2020, at Trang Due Industrial Zone, a dialogue was held between Hai Phong Economic Zone Trade Union and Korean Business Association about the production - business situation as well as employment and income of workers in Korean enterprises located in the

zone during COVID-19 period. The two sides exchanged information about the damage caused by the pandemic to Korean businesses and workers and appreciated each side's goodwill and efforts to effectively respond to the COVID-19. They also discussed measures to facilitate Korean businesses to restore production and stabilize jobs for workers after Vietnam managed to contain the pandemic and the production situation in some Korean enterprises showed positive signs.

At the meeting, representatives of Korean Business Association and Hai Phong Economic Zone Trade Union discussed the proposals of each party and pledged to continue to accompany and support Korean businesses for early restoration of production - business and stabilization of employment and income for workers.

Korean Business Association,

Represented by Ko Tae Yoon - DG of Heesung Electronics Co. Ltd - President of Korean Business Association at Trang Due IZ.

Suggests that the Hai Phong Economic Zone Trade Union and competent agencies to:

- Support enterprises to develop their overtime plans to expedite the fulfilment of delayed orders due to the pandemic;
- Build trade union-managed facilities such as child care centers, schools, medical facilities in Trang Due IZ;
- Organize more activities to engage enterprises and workers.

Hai Phong Economic Zone Trade Union,

Represented by Pham Thi Hang - President.

- Appreciates COVID-19 preventive measures as well as solutions to guarantee jobs, income and benefits for workers carried out by Korean companies in Trang Due IZ.
- Commits to supporting enterprises wishing to arrange overtime work after COVID-19 (based on enterprises' proposal to the upper level trade union and relevant agencies).
- Asks the enterprises to:
 - + Evaluate the implementation of the multi-employer CBA after 1 year;
 - + Collaborate with GTUs to make statistics and provide direct support for workers who are in difficult situation;
 - + Collaborate with the grassroots trade unions to plan and implement activities in response to the Month of Workers suitable with the practical circumstance.

Strengthening cooperation and dialogue at the workplace to jointly overcome difficulties caused by the COVID-19 pandemic

During the pandemic, dialogue between workers and employers plays an even more important role. Workplace dialogue demonstrates respect and trust between the two sides, creating a solid foundation for the commitment needed to effectively respond to the pandemic.

Enterprises and workers join hands to overcome difficulties

Factory No.1 of Gia Phu Garment and Fashion Co., Ltd. employs 400 workers. Most of them are from other provinces and their life will be very challenging if the company cannot arrange work for them.

Therefore, although the company's orders are reduced by 50% due to COVID-19's impact, the company has made full use of the inventory to maintain production, ensuring employment and income for its workers.

The Board of Directors has negotiated with the workers to apply piece rate, shorten working time (30 minutes per day), and reduce income (from 6-7 million to 4 million/person/month).

The workers were very grateful to the goodwill of the company's leaders. They committed to willingly accompanying and sharing difficulties with the company. The company's GTU also mobilized 2 tons of rice and instant noodles to partly support workers in difficult times.

Work stoppage due to lack of information and dialogue

On April 20, about 600 workers of Yesum Vina Co., Ltd. (Ho Chi Minh City) stopped working after hearing the announcement that their employment contracts would be terminated from May 30. According to the representative of the company, due to COVID-19, the company has sought all remedies but still has to stop production and terminate employment contracts with its workers.

The inter-agency task force of HCMC held a dialogue with the representatives of the company, the GTU and workers. According to the conclusion of the task force, the company terminated employment contracts with its workers based on Point c, Clause 1, Article 38 of the Labour Code 2012, which is in accordance with the law.

At the dialogue, the company committed that on May 5, 2020, they would provide support to workers who face difficulties. The Trade Union of the Industrial Zones and Export Processing Zones of Ho Chi Minh City made a list of female workers who lost their jobs while being pregnant or raising children under 12 months for support and job placement purpose.

The workers, after being clearly explained by the parties, went back to work.

The parties can use a variety of workplace dialogue forms and mechanisms to reach consensus in order to effectively respond to the COVID-19, restore production and secure employment.

Set up a quick response team at the business

Right after the outbreak of COVID-19, the Board of Directors and GTU of Dinsen Vietnam Co., Ltd. (Ho Chi Minh City) coordinated to implement epidemic prevention measures to ensure the health of workers.

A quick response team comprising of members from factory chief, union officials, medical staff and security staff was established. All members were assigned with specific tasks. They regularly provided information about the pandemic on loudspeakers and posters, checked body temperature daily and distributed face masks to workers. The company also installed 10 systems of antimicrobial hand sanitizer spray and automatic hand wash; installed partitions at the

canteen and provided face shields to service staff.

Along with that, the company also strives to maintain jobs and retain workers. Although orders were cut by nearly 50%, the company was making great efforts to maintain production and stabilize jobs. To date no worker has stopped working or been laid-off. Workers' income is around 6 million VND/person/month. The above effort has received appreciation and commitment from the workers to stay and work for the company during and after the epidemic.

Strengthening bipartite cooperation at the workplace, creating consensus to realize the dual goal of "preventing COVID and maintaining production"

The textile and garment enterprises under Vinatex Corporation have applied all measures to prevent the pandemic at the workplace while actively proposing solutions to retain workers, such as: flexible schedules, reducing working hours, working from home, training workers, renewal of products, etc.

In addition, the enterprise leadership (who has built a good relationship with the trade union), actively strengthens coordination and cooperation with the GTU to communicate and mobilize workers to comply with safety and hygiene regulations at the workplace; encourage workers to share difficulties with businesses. The radio system of the trade union and the YouTube channel of the business leadership deliver consistent messages and regularly updated with new directions, solutions and initiatives of the company. The revenues and expenses related to the production of new products are announced to create the understanding and sharing of the workers' collective to the enterprises.

ESTABLISHMENT OF THE COVID-19 PREVENTION TEAM AT ENTERPRISES

The ILO encourages and guides the establishment of the COVID-19 Prevention Team (the team) to advise enterprises on how to re-operate after their shut down due to the pandemic. Such guide enables businesses to return to operations safely and peacefully with the work being well-organized.

* **Objective**

The initial objective of the team can be to gather parties to jointly develop and carry out an operation plan after the enterprise is shutdown due to the pandemic.

* **Composition and operating mechanism**

- A balanced composition of managers and workers' representatives. Where there is no trade union, workers' representatives should be nominated on a consensus basis from different units/departments/groups/divisions in the enterprise. Where there is no trade union but a labour-management committee or a safety committee at the workplace, the workers' representatives from such committees can also act as workers' representatives in the team.
- Meetings will be chaired by representatives of top/senior managers, preferably a CEO/DG.
- Decisions of the meeting should be recorded in the minutes.

* **Issues**

(1) Phasing of the reopening

- Number of workers returning to work.
- Essential activities that should be prioritized.
- Activities that are not immediately necessary and can be done later.

(2) Ensuring safety at work

- Measures to ensure occupational safety and health.
- Social distancing/limiting physical contact.
- Appropriate work arrangement.
- Identifying workers with underlying diseases who need special safety prevention measures.
- Quick support measures for workers when they get sick.
- Emergency plan for cases of detecting any workers infected with COVID-19 while the company is operating (including monitoring workers who have close contact with the infected ones, with a clear roadmap to return to essential activities and, if necessary, temporarily shut down, etc.).

(3) Promoting productivity through building effective industrial relations

- Measures to avoid (temporary) lay-off.
- Mechanism to resolve complaints quickly, transparently and fairly.
- Feasible measures to protect temporary workers, workers working under contract or unskilled workers.

(Note: The team's establishment is not intended to replace existing industrial relations mechanisms or serve as a basis for collective bargaining. These mechanisms, which are already in place, can be adjusted to carry out the expected activities of the team.).



Guaranteeing the rights and interests of workers affected by COVID-19 in industrial relations

Rights and interests of workers who stop working for quarantine as requested by the authorities

(1) In case a worker has to be quarantined at home due to close contact with a suspected person or person from an endemic area, or quarantined in a concentrated area due to suspected COVID-19 infection,

the worker is still to be paid. The payment rate is agreed upon by the two parties but must not be lower than the regional minimum wage issued by the state.

(Clause 3 Article 98 Labour Code 2012)

Social insurance: For a worker who must be quarantined without being infected with COVID-19, the time off work for quarantine is not considered as sickness leave, thus, the worker is not entitled to the sickness benefit.

(2) Where a worker has to undergo treatment at a medical facility because of COVID-19 infection

Workers being infected with COVID-19 falls under illness case. They must undergo treatment and will be paid by the social insurance agency with appropriate sickness benefit. Specifically, workers who participate in health insurance will be covered by the health insurance fund for their medical treatment costs; workers who do not participate in health insurance will be covered by the state budget. Especially, for quarantined patients, whether they are in a concentrated setting or at home with a need for

medical examination and treatment, in addition to the cost of special treatment for COVID-19, the entire remaining costs for workers holding health insurance cards will be paid by the social insurance agency.

(Clause 1 Article 4 Law on Prevention of Infectious Diseases 2007 and Article 25 Law on Social Insurance 2014)

In case the social insurance agency does not pay, the employer will be responsible for paying the work stoppage wage as agreed by the two parties but not lower than the regional minimum wage set by the Government.

(Clause 3 Article 98 LC 2012)

Rights and interests of workers when the enterprise is affected by COVID-19

(3) For workers who stop working due to an operating suspension of the enterprise (being frozen because of COVID-19 or difficult raw materials source and market which leads to insufficient work),

Wages shall be agreed upon by the two sides but not lower than the regional minimum wage set by the Government.

(Clause 3 Article 98 LC2012)

(4) For workers who have to take to another position which is different from the position stated in the employment contract

In the event of sudden difficulties such as natural disasters, fire, epidemic, etc. the employer may temporarily assign a worker to perform a work which is not prescribed in the employment contract.

The worker shall be entitled to remuneration for the new work (which may be lower than that of the previous work).

(Note: The wage for the new work shall be at least 85% of the previous wage but not less than the minimum regional wage. The assignment must not exceed 60 accumulated working days within one year unless otherwise agreed by the worker. Where temporarily assigning a worker to perform a work which is not prescribed in the employment contract, the employer shall give notice to the worker at least 3 working days in advance, which clearly indicates the duration of the temporary work, and the assigned work must be suitable for the health and sex of the worker).

(Article 31 LC2012)

(5) For enterprises reducing wages and working hours due to difficulties caused by COVID-19

Instead of assigning a worker to another position, an enterprise can negotiate with him/her to amend a number of terms in the employment

contract, including agreement on wage or working hours reduction.

(Note: The employer must notify the worker at least 3 working days in advance of the contents that need to be amended and supplemented in the employment contract). In case the two parties reach an agreement, the amendment and supplementation of the employment contract shall be carried out by signing an appendix or entering into a new employment contract. In case the two parties cannot reach any agreement, they shall continue to perform the signed employment contract, and the enterprise must still pay fully as initially agreed.

(Article 35 LC2012)

(6) Benefits for workers working from home during the COVID-19 pandemic



In implementing the regulations on social distancing to prevent COVID-19, many businesses let their workers work at home.

The law states that the employer is responsible for paying wage directly, fully and on-time (Article 96 LC2012). However, employers can apply one of the following two measures during the COVID-19 social distancing period:

1) Arranging the worker to another position which is different from that stated in the employment contract;

(Article 31 LC2012)

2) Both parties agree to amend the employment contract. Enterprises can negotiate with workers to amend the terms of the working time and wages in the employment contract in accordance with the regulations.

(Article 35 LC2012)

(7) For enterprises suspending employment contracts

If the length of work stoppage affects the ability of the enterprise to pay, even though it has tried but is no longer able to continue the employment contract, the enterprise and the worker can negotiate to "suspend the employment contract" without wages or with partial wage. In this case, the worker's written consent is required.

(Article 32 LC2012)

(8) The employment contract is terminated because the enterprise is affected by the COVID-19

In order to determine whether a worker whose employment contract is terminated because the enterprise is affected by the COVID-19 is entitled to job loss or severance allowances, it is necessary to determine the basis on which the enterprise exercises the right to unilaterally terminate employment contract?

8.1. Severance allowance

In case the employer exercises the right to unilaterally terminate the employment

contract with the worker due to being affected by COVID-19 and has exhausted all the remedies, but still forced to reduce production and its workforce (under point c clause 1 Article 38 LC2012 and point a clause 2 Article 12 Decree No.05/2015/ND-CP (Decree 05), the worker shall be entitled to a severance allowance.

(Article 48 LC2012)

(Note: The employer must notify the worker at least 45 days in advance if it is a definite term employment contract, at least 30 days if it is a fixed term employment contract, or at least 03 working days if it is a seasonal employment contract or a certain job of less than 12 months).

8.2. Job-loss allowance

When an enterprise:

(1) experiences changes in structure or technology that cannot arrange new work for workers but has to lay

off workers according to clause 1 Article 44 LC2012 and clause 1 Article 13 Decree 05; or (2) due to economic reasons, it is impossible to arrange work for workers and has to dismiss workers according to clause 2 Article 44 LC2012 and Clause 2 Article 13 Decree 05; or (3) in case of merging, consolidating, dividing or separating; cannot use all of the existing workers but has to dismiss them according to Article 45 LC2012 and Article 15 Decree 05,

the workers shall be entitled to job-loss allowance.

(Note: The working time counted to calculate the severance and job loss allowance for workers is the total actual working time for the enterprise minus the time they participated in unemployment insurance and the working time that the enterprise has paid the severance allowance).

(Article 49 LC2012).

Document No.1064/LDTBXH-QHLDTL dated March 25, 2020 of the Ministry of Labor, Invalids and Social Affairs guiding the payment for work stoppage and compensation for workers during the time of work stoppage related to COVID-19 (quote)

Departments of Labour - Invalids and Social Affairs shall instruct enterprises in their locality:

✦ Based on Article 98 of the Labour Code to consider the cases of work stoppage, whether it is the fault of the employer, worker or due to objective reasons, to determine the work stoppage wage for workers.

Accordingly, cases where the workers have to stop working due to the direct impact of the COVID-19 include: (i) the worker is a foreigner while not being able to return to the enterprise to work at the request of the competent authority; (ii) during the quarantine period at the request of the competent authority; (iii) the enterprise or part of the enterprise cannot operate because the employer or other workers of the same (part of) enterprise is/are in quarantine or has not returned to the enterprise: work stoppage wage shall be in accordance with Clause 3 Article 98 Labour Code (which is agreed upon by both parties but not lower than the regional minimum wage set by the Government).

✦ In case the enterprise faces difficulties in material resources or the market which leads to insufficient work, the employer can temporarily arrange other work which is different from that stated in the employment contract as prescribed in Article 31 of the Labour Code. If the length of work stoppage affects the enterprise's payment ability, the employer and the workers can agree to suspend the employment contract in accordance with Article 32 of the Labour Code. If the enterprise has to scale down which leads to a reduction in work positions, they must follow Article 38 or Article 44 of the Labour Code, etc.



HEADLINE DATA



Labour and industrial relations situation in the first 9 months of 2020 - Impacts by COVID-19

~ 99 thousand

Number of newly established enterprises in the first 9 months of the year (*decreasing by 3.2% compared to the same period in 2019*)

777.9 thousand

Number of newly created jobs (*decreasing by 16.3% compared to the same period in 2019*)

38.6 thousand

The enterprise suspends its business for a definite time (*increasing by 81.8% compared to the same period in 2019*)

~ 1 million

Workers who are under industrial relations lost their job
(Source: MOLISA)

6.69 million dong

Average monthly income of wage earners (*increasing by 54,000 VND compared to the same period last year, the lowest increase in the past 5 years*)

~ 73.8%

Labour force participation rate (*record low over the past 10 years*)

53.1 million

Number of workers aged 15 and over are working (*down by 1.3 million compared to the same period in 2019, the largest decrease in the past 10 years*)

3.88%

Unemployment rate of working age population in urban areas (*the highest rate in the past 10 years*)

~ 2.69%

Underemployment rate (*highest rate in the last 5 years*)

(Source: GSO)

~ 85%

Enterprises face difficulties due to COVID-19, in which:

90%, are large and medium enterprises, employ a large number of unskilled workers

30.8 million

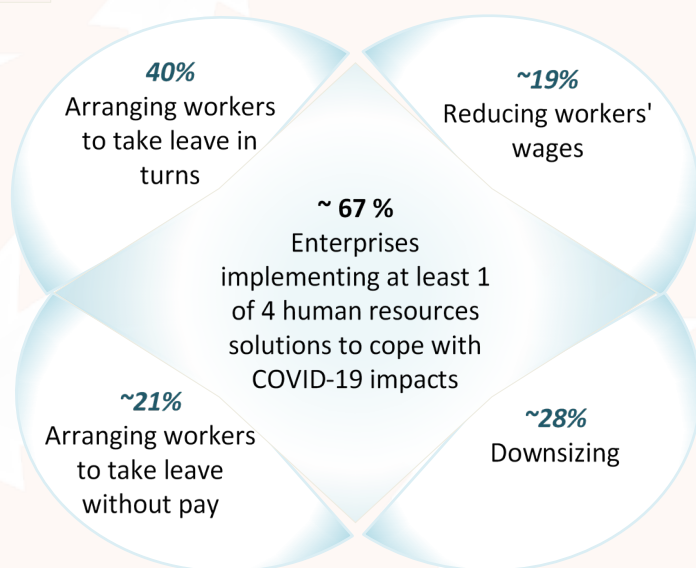
Workers aged full 15 years or older are negatively affected by the COVID-19, among whom:

28.7 million

Working workers are affected

~ 17.6 million (57.3%)

Workers whose income is reduced



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