



International Labour Organization

iTrack

Evaluation

# ILO EVALUATION

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**This evaluation has been conducted according to ILO's evaluation policies and procedures. It has not been professionally edited, but has undergone quality control by the ILO Evaluation Office**

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## **Abbreviations and Acronyms**

CIRD	Centre for Industrial Relations Development
DIRWA	Department of Industrial Relations and Wages
DOLISA	Department of Labour, Invalids, and Social Affairs
ESDC	Employment and Social Development Canada
ILO	International Labour Organisation
LDRS	Labour Dispute Resolution System
MOLISA	Ministry of Labour, Invalids, and Social Affairs
NIRC	National Industrial Relations Commission
NIRS	New Industrial Relations System
SMA	State Management Agencies/Labour Administrative authorities
VCCI	Viet Nam Chamber of Commerce and Industry
VGCL	Viet Nam General Confederation of Labour
WRO	Worker Representative Organization

## **1. Introduction about the state management agencies of labor's role**

The project “New Industrial Relations System (NIRS): Support to the state management agencies of labor's role as mediator and promoter of collective bargaining and social dialogue” is a 5-year intervention (16 March 2020 – 15 March 2025) funded by Employment and Social Development Canada (ESDC), managed by the International Labour Organisation (ILO). The project aims to respond to the needs of Vietnamese state administration of labour in effectively promoting industrial relations through tripartite mechanisms. Specific objectives of the project are as follows.

- (i) The multi-stakeholders social dialogue frequently and effectively organised through the central role of tripartite industrial relation mechanisms and institutions – Key Outcome 1;
- (ii) The standardised collective bargaining taken up more widely, genuinely and becomes an effective, common process in determining standards for working conditions based on the full recognition of workers' rights to organise and the role of labour authorities and relevant agencies as supporter and promoter – Key Outcome 2; and
- (iii) The system of labour dispute mediation and arbitration institutions is established and operated effectively to support the development of harmonious, stable and progressive industrial relations in the context of the full recognition and respect of workers' right to organise and collective bargaining the frequent and effective multi-stakeholders social dialogue to review the industrial relation developments and practices the scaled adoption of standardised collective bargaining as the main process for determining wages and working conditions based on full recognition of freedom of association and independence of the parties – Key Outcome 3.

The project owner is the Department of Industrial Relations and Wages (DIRWA), a department of Ministry of Labour, Invalids, and Social Affairs (MOLISA), with the Centre for Industrial Relations Development (CIRD), a non-administrative organisation under the DIRWA, as the main implementer of this project. The primary target group of this intervention is the Vietnamese government agencies of labour relations administration for their roles in mainstreaming and promoting social dialogue, collective bargaining and providing mediation services. Particularly, key beneficiaries include the National Industrial Relations Commission (NIRC), Viet Nam General Confederation of Labour (VGCL), the Viet Nam Chamber of Commerce and Industry (VCCI), province-level labour administration agencies (DoLISAs) in Ho Chi Minh city, Dong Nai province and Binh Duong province. In a wider lens, the project also seeks to support the government in policy making and enforcing international labour standards in Viet Nam. The other target groups are employers and workers and their organisations, the two parties engaged in industrial relations through various institutions and processes, such as collective bargaining, disputes, dispute resolution, and social dialogue.

The mid-term evaluation is commissioned by the ILO to review the project performance after over two and a half years of implementation (March 2020 – December 2022). Particularly, the evaluation team has been tasked to (i) assess project management and implementation against the OECD/DAC criteria and in line with the ILO guidelines; (ii) examine the issues of gender, tripartite relations and international labour standards; and (iii) provide recommendations to enhance learning of the ILO and key stakeholders and improved the project's approach and scope for implementation during the project's remaining period. This mid-team evaluation is conducted in accordance with the monitoring and evaluation guidelines of the ILO as well as the project donor.

## 2. Methodology

The evaluation was carried out in accordance with ILO standard policies and procedures and addressed the overall ILO evaluation criteria as defined in the ILO Policy Guidelines for results-based evaluation: principles, rationale, planning and managing for evaluations (3rd ed. 2017) and the United Nations system evaluation norms and standards as well as to the OECD/DAC Evaluation Quality Standards. The evaluation team sought to assess gender integration based on the ILO guidelines on Integrating gender equality in monitoring and evaluation of projects (2014) and the Human-Right Based Approach (HRBA). The evaluation also complied with evaluation norms and followed ethical safeguards. Besides assessing the project's progress and performance, this evaluation also considered thematic issues including tripartite relations and compliance with international standards, especially those concerning collective bargaining.

This mid-term evaluation was conducted based on the project's result framework as follows.

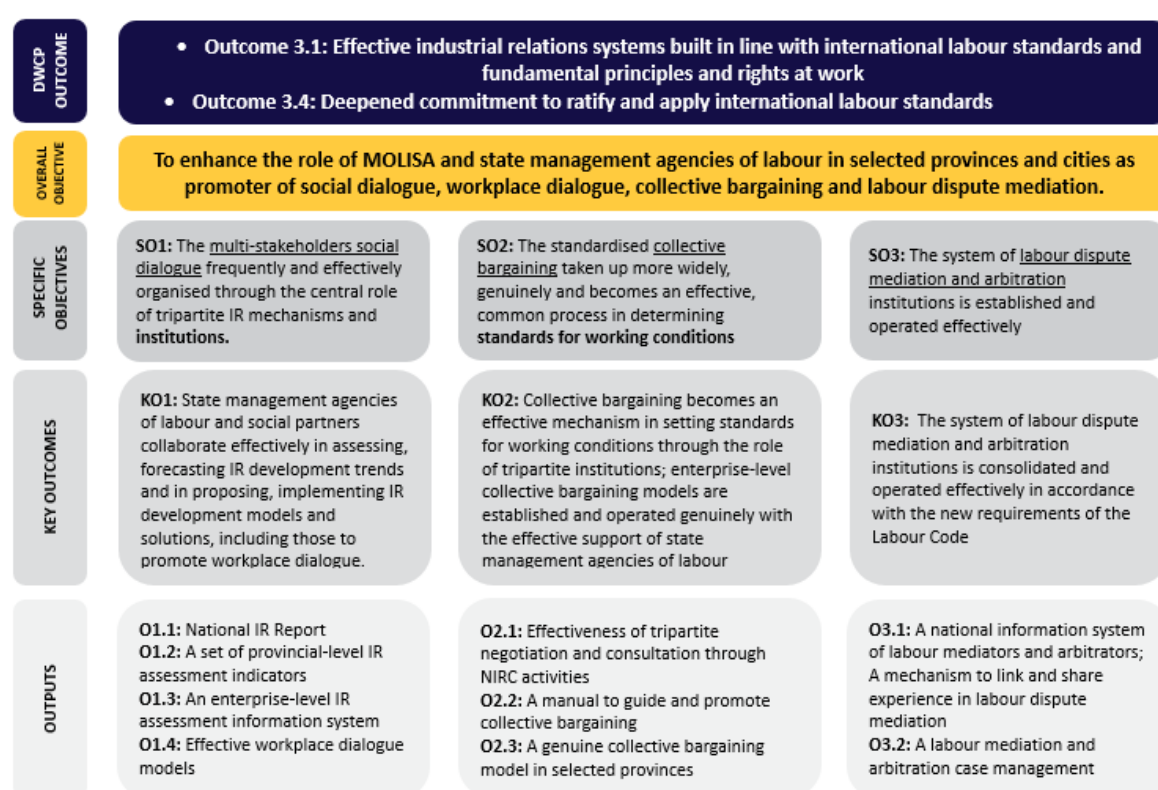


Figure 1. Project's Result Framework

Based on this framework, the evaluation team developed a detailed analytical framework to assess the project's relevance, effectiveness (in project implementation and management), efficiency, impact and sustainability, with detailed means of verification and expected involvement of different stakeholders (Appendix 1). The following research methods were employed:

**Desk review:** Review and analysis of documents related to the project, detailed in Table 1.

Table 1. Desk review materials

Category	Materials
Project Documents	<ul style="list-style-type: none"> <li>Initial Project Documents to ESDC and MOLISA</li> <li>Approved Project Document by the Minister of MOLISA</li> <li>ILO-ESDC Agreement</li> <li>Project logical framework and work plans 2020, 2021, 2022</li> </ul>
Laws and regulations of the Vietnamese Government	<ul style="list-style-type: none"> <li>The Labour Code 2019</li> <li>Directive No. 37 -CT/TW of The Central Party's Secretariat on Strengthening leadership and Direction in Building Harmonious, Stable and Progressive Industrial Relations in the New Situation</li> <li>The National Assembly's Resolution No. 80/2019/QH14 on joining Convention 98 of ILO on application of principles of right to organise and collective bargaining, and other relevant documents</li> </ul>
Periodic Annual Progress Reports	<ul style="list-style-type: none"> <li>Annual Progress Report for period March 2021 – March 2022 to ESDC</li> <li>Annual Progress Report for period March 2022 – March 2023 to ESDC</li> <li>Progress Report to DIRWA by December 2022</li> <li>Technical Progress Report (August 2022 – December 2022);</li> <li>Correspondences re: Draft NIRS Canada budget 2020 - 2022 and summary of changes in the Project Document</li> </ul>
Technical documents (produced outside of the scope of this project)	<ul style="list-style-type: none"> <li>The Manual on Declaration of 1998 and 8 Fundamental Conventions of the International Labor Organization on Fundamental Principles and Rights at Work by CIRD with the ILO support</li> <li>The Industrial Relations Report 2019 Towards Genuine collective bargaining produced under technical support from the ILO in 2019</li> </ul>
Project documentation (produced within the scope of this project activities)	<ul style="list-style-type: none"> <li>Two technical reports NIRC Technical Sub-Commission</li> <li>Notes of consultation workshop on collective bargaining Manual</li> <li>Report of the training course on collective bargaining in June 2022 in Bac Ninh province</li> <li>Report on Workshop to share experiences on some activities of the Labor Relations Commission in Hai Phong</li> <li>Report of the training course on "Salary system in electronic enterprises - Practice and participation of trade unions"</li> </ul>

### Key informant interviews

Primary data collection was implemented with a participatory approach to involve and obtain information and perspectives of all relevant stakeholders. Specifically, individual interviews were conducted with the Country Director of the ILO for Viet Nam and the ILO specialists and project staff in Ha Noi, representatives of national partners including CIRD and DIRWA (MOLISA), Viet Nam Chamber of Commerce and Industry (VCCI), Viet Nam General Confederation of Labour (VGCL), the Head Specialist of the project and representatives of the project donor (ESDC).

The interviews were semi-structured with open-ended questions following a systematic framework according to specific interview protocol for each category of informants in order to gather their opinions, perspectives and assessment of the project's performance over the first half of implementation. All interviews took place from February to April of 2023 in both online and offline settings depending on the location of the interviewer and the informants.

### **3. Main findings**

#### **3.1. Context of industrial relations in Viet Nam**

Viet Nam's Labour Code was reformed in November 2019 which has brought about the possibility for increased or stronger role of the organisations of employers and workers in industrial relations, in regulating their relationship and working conditions through industrial relations institutions and process. The revised law allows for the establishment and operation of workers organisations at enterprise level outside the VGCL system, which is expected to better promote and facilitate greater exercise of the right of freedom of association. Changes in Viet Nam's labour legislation will contribute to conforming with international labour standards and conventions and trade integration requirements. In regard to the former, Viet Nam has ratified nine out of eleven Conventions governing Fundamental Principles and Rights at Work (ILO NOMLEX 2023), namely:

- **C029** – Forced Labour Convention (1930)
- **C098** – Right to Organise and collective bargaining Convention (1949)
- **C100** – Equal Remuneration Convention (1951)
- **C105** – Abolition of Forced Labour Convention (1957)
- **C111** – Discrimination (Employment and Occupation) Convention (1958)
- **C138** – Minimum Age Convention (1973)
- **C155** – Occupational Safety and Health Convention (1981)
- **C182** – Worst Forms of Child Labour Convention (1999)
- **C187** – Promotional Framework for Occupational Safety and Health Convention (2006)

Viet Nam is currently working towards ratifying C087 – Freedom of Associations and Protection of the Right to Organise Convention. As a member of the ILO, Viet Nam has committed to adhere to all five fundamental principles and rights at work of the 1998 Declaration, as amended in 2022, which includes freedom of association and the effective recognition of the right to collective bargaining.

In the recent years, Viet Nam is increasingly participating in regional and global trade agreements, and has recently entered new generations of international free trade agreements and bilateral trade agreements such as the the United Kingdom – Viet Nam Free Trade Agreement (UKVFTA), the Comprehensive and Progressive Agreement for Trans-Pacific (CPTPP), and the European Union– Viet Nam Free Trade Agreement (EVFTA), among others (Center for WTO and International Trade, VCCI n.d.).

The ILO's Industrial Relations Report 2019 - Towards Genuine Collective Bargaining (Do, et al. 2021) presents characteristics of the labour picture in Viet Nam which, in the evaluation team's opinion, bring about both opportunities and challenges for promoting and managing industrial relations:

- (i) The size of waged labour force is increasing but the majority remains unskilled workers whose wages are close to minimum level;
- (ii) Workplace dialogue is conducted at enterprise level but rather formalistically and central issues such as wage, safety at work, etc. are not included in workplace dialogue;
- (iii) Despite the increase in the number of collective bargaining agreements, the ratio of those resulting from genuine bargaining remains low. A potential solution which was piloted by VGCL and partners since 2010 to promote effectiveness of collective bargaining is conduct multi-employer bargaining (i.e. using a sectoral approach). Such method proved to drive genuine bargaining and brought benefits to workers;
- (iv) The increase in individual labour disputes and interest-based strikes, mainly caused by wage-related issues, suggesting a lack of collective bargaining. Strikes mainly happened in Ho Chi Minh, Binh Duong and Dong Nai where industrial zones concentrated, and majorly surrounded the issues of wage and income.
- (v) The limited quantity and quality of mediators leading to ineffective dispute settlement.

Such an environment presents issues to be addressed in industrial relations, especially improving the effectiveness of tripartite mechanisms and state management agencies (SMAs) of labour.

### **3.2. Relevance**

#### *Relevance to country context*

The project was designed to support Vietnamese SMAs of labour to effectively perform the new role in facilitating and promoting industrial relations in accordance with the recent regulations, particularly the revised Labour Code 2019 and Directive 37-CT/TW dated September 3, 2019 of the Party's Secretariat on building harmonious, stable and progressive industrial relations. These changes in the regulatory framework respond to the challenges faced by industrial relations, and are, at the same time, conducive to Viet Nam's effort to meet the labour-related requirements of the new trade agreements (See Section 3.1). The establishment of DIRWA also marked the state's recognition of the significance of industrial relations, in addition to wage issues. The evaluation team has found that the project's interventions are highly relevant to this purpose. Specifically, the project is focused on enhancing the practices of social dialogue, genuine collective bargaining and dispute resolution, which are among the core pillars of industrial relations and have been reported ineffective and formalistic in Viet Nam.

In terms of Viet Nam's commitment to the international standards, the interventions of this project strongly support the implementation of the ILO Declaration 1998 and Convention No. 98, especially the protection of freedom of association and collective bargaining. Key Outcome 2 directly facilitates collective bargaining at three levels, i.e., enterprise, multi-employers, and sectoral levels. They are also relevant to Viet Nam's framework of cooperation with ILO, namely the Decent Work Country Programme 2022 – 2026 (signed in March 2023) that concerns the collaboration for promotion and ratification of International Labour Standards. The NIRS project, together with other ILO projects, is designed with a focus on strengthening the capacity of parties to better comply with international labour standards. That means the NIRS project supports Viet Nam to promote the compliance with international labour standards that it has ratified and assists the application and gathers evidence for what has not been ratified.



The engagement of strategic partners is also considered relevant. In particular, it responds well to the current needs of the National Industrial Relations Commission (NIRC). This body was initially established not based on the nature of industrial relations but to assist state management of labour to resolve labour-related issues. Later, it was realised that industrial relations must be based on a tripartite mechanism. Therefore, the NIRC needs to be transformed to become a representative body for all three parties and to become more inclusive, functional and able to deliver better advisory. The project was able to identify the key sub-Commission of NIRC that is considered the backbone for the technical advisory of the NIRC, namely the Technical Sub-Commission. This expert group functions based on a tripartite mechanism with the representation and contribution of 18 members from key stakeholders: MOLISA, VGCL, VCCI, etc. to provide technical advisory to the NIRC leadership. Therefore, improving the work of this Commission will have a fundamental outcome in the work of NIRC in promoting effective industrial relations in Viet Nam.

The engagement of VGCL and VCCI in this project is pivotally relevant because these bodies represent the employers and employees and lead the process of social dialogue and collective bargaining at all levels. VGCL is a national-level trade union organisation that represents workers in various industrial relations institutions and processes, with a range of functions from policy formulation at national level (i.e., to work with MOLISA in formulating and amending laws related to industrial relations, typically the revision of the Labour Code in 2019) to directing and instructing provincial and grassroots trade to carry out industrial relations-related activities. The grassroots trade union is a workers' representative organisation at the enterprise level that engage in industrial relation activities including: (i) dialogues and bargaining with employers; (ii) organising workers to participate in dialogue and bargaining; (iii) representing and/or supporting workers in dispute resolution, at the enterprise level and in the public mechanisms; and (iv) developing issues and agenda related to workers' needs and rights to be incorporated in the higher level (beyond individual enterprises) dialogue and bargaining.

VCCI, or more specifically the Bureau for Employer's Activities of the VCCI, represents employers in industrial relations institutions and processes. The Bureau is responsible for advising the Standing Committee of VCCI and implementing representative work to promote the development of activities relating to industrial relations in Viet Nam. Among a wide range of activities, it provides support to enterprises in implementing industrial relations-related policies and regulations, capacity development for effective IR engagement both at the enterprise level and at the local or sectoral level, representing employers' interests in various national level policy discussions and IR institutions, such as Labour Code revision, minimum wage adjustment.

Both the VCCI and VGCL are represented in the NIRC with an even ratio of members with MOLISA (5 representatives from each party). The selection of piloting locations of Ho Chi Minh city, Binh Duong and Dong Nai appears to respond to actual situations as these areas concentrate high numbers of industrial zones and have reported the most cases of strikes (see Section 3.1).

In terms of methodology to deliver this project, the selection of focused topics as well as implementation methods have been regarded as relevant to the most urgent needs of the industrial relations actors, and IR challenge of the country. Specifically, the project is focused on promoting

collective bargaining in the issue of wage and benefits which is a challenging topic that is the main reason for strikes in Viet Nam (see Section 3.1) but has generally been avoided in previous social dialogue efforts.

In short, all outcomes are highly relevant to the strategies of Viet Nam in labour affairs management in the years to come. Specifically, Key Outcome 1 has been providing significant and practical support to NIRC, which SMAs will continue in the years to come. Key Outcome 2 provides a specific focus on collective bargaining for rights of workers, hence is in line with the direction of regulatory framework development as well as priority of the society. This component facilitates a comprehensive approach to harmonise the roles and benefits of tripartite partners. This is an ambitious goal and will need a joint effort of SMAs, this project and other interventions. Key Outcome 3 touches upon a major issue in industrial relations, especially regarding the role and capacity of dispute resolution mechanism and personnel capacity. Interview with the representative of DIRWA informed that hundreds of individual dispute cases were reported, this indicates that the number of unreported cases could be much more. There is, therefore, a high demand for a system of documentation of dispute resolution for future reference, not only for mediators and other direct practitioners of the dispute resolution system, but for the labour market and industrial relations policy discussion as a whole. The development of a database of dispute case resolution contributes well to the improvement of an exhaustive labour dispute resolution system of the government.

#### *Relevance to ILO's strategy and related projects in the horizon*

The NIRS Canada project is well in line with ILO's portfolio and other country programs in Viet Nam. It fits well into the five-year tripartite cooperation programme adopted by the ILO and the Government of Viet Nam and the social partners, namely, the Decent Work Country Programme (2017-2021 and 2022-2026). Particularly, it will contribute to achieving two outcomes of priority area No.3: "Building effective labour market governance compliant with fundamental principles and rights and at work": (i) Outcome 3.1 - Effective industrial relations systems built in line with international labour standards and fundamental principles and rights at work; and (ii) Outcome 3.4 - *Deepened commitment to ratify and apply international labour standards.*

The NIRS Canada project is designed to complement a number of different projects supporting the overall goal of promoting the development of industrial relations in Viet Nam. While this set-up brings about complication in project delivery as it is influenced by the outputs/outcomes of other interventions; it does have positive implications. Particularly, it allows various projects that address different aspects and challenges of the complex matter of industrial relations to be mutually supportive to one another and contribute resources and efforts to achieve one comprehensive goal and generate better impact. The NIRS project is closely linked with the NIRS Japan project, which ended on 30 June 2022 (Promoting innovative practices of collective bargaining and social dialogue among employers', workers' organizations and government in line with the new labour code, and ratified Convention 98 and 144), the National Industrial Relations Framework (NIRF) project, an on-going project on Labour Dispute Resolution System (Developing a New Industrial Relations Framework in respect of the ILO Declaration on Fundamental Principles and Rights at Work (NIRF USDOL Project), EU Trade for Decent Work project (EU TfDW project), and Public Private

Partnership for international labour standards compliance in the electronics sector of Viet Nam project (APPLE project), etc.

For example, it is not feasible for the NIRS Canada project to improve collective bargaining in a comprehensive manner due to limited resources and scope of the work. So, it works with the APPLE project that supports pilot of social dialogue in the electronics sector, with the EU TfdW project to support the development of the manual to guide and promote collective bargaining in accordance with the new provisions of the Labour Code and ILO Convention No. 98, with the NIRS Japan project to support and promote collective bargaining and social dialogue in VGCL and VCCI's systems. Through this cooperation, the NIRS Canada project can get inputs, networks from them, and can have its products tested and piloted by other projects. The collaboration in dispute resolution is another example. A U.S. sponsored assistance to develop the National Industrial Relations Framework has supported the development of a dispute resolution system, to which Key Outcome 3 of the NIRS Canada project will contribute through enhancing information generation and management. This synergy between two projects contributes to building a dispute resolution system that can generate useful standardised information that can be used effectively for trend analysis and case referencing in dispute mediation and arbitration.

Furthermore, the NIRS Canada project is also in line with the United Nations' Sustainable Development Cooperation Framework by contributing to the Sustainable Development Goal Indicator 8.8.2: *Increase in national compliance of labour rights (freedom of association and collective bargaining) based on ILO textual sources and national legislation by sex*. More specifically, the project contributes to outputs 3.1. Reformed labour-market institutions are used to improve labour standards for all types of workers and to formalize informal employment and 4.2 National institutions and systems are enhanced to strengthen the rule of law, expand access to justice and combat discrimination with a focus on vulnerable groups and in a child-, youth- and gender-sensitive manner, in line with international human rights norms and standards of the United Nations Sustainable Development Cooperation Framework (Nguyen and Tamesis 2022).

### **3.3. Effectiveness**

The project is designed so that three outcome areas interact and mutually support one another, contributing to the effectiveness of the interventions. Key Outcome 1 aims to enhance the role of tripartite industrial relation institutions, in this case the NIRC. Key Outcome 2 strengthens collective bargaining that provides additional benefits through channelling information between workers and employers to understand the key issues and difficulties faced by the other party, and informing policy makers and NIRC about problems that require higher-level policy change. In that sense, Key Outcome 2 contributes to the effectiveness of Key Outcome 1. Information on dispute resolution (Key Outcome 3) will also be channelled into the discussion at the national level and inform NIRC about the emerging disputes, current policy challenges, etc. in order to be able to make policy recommendations that are relevant and effective in the context of changing environment and changing concerns (Key Outcome 1). This coherence in the project structure enables to reinforce the result of each Key Outcome and the project as a whole.

This Section evaluates the progress of achieving the designed Key Outcomes as of December 2022. In general, all outcomes are on track and are considered to yield the intended results by the end of the project life by stakeholders, despite a few delays in implementation. Three main causes of such

delays were mentioned. Firstly, the long period of approval process by MOLISA (1.5 years, the approval was granted on 30 September 2021) led to a prolonged inception phase of the project. During that period, the project was only able to conduct three main activities (i) Develop a project on strengthening DIRWA, (ii) Develop project document, (iii) Initial survey to prepare for developing of a labour dispute settlement system. Another cause of interruption in project implementation was the COVID-19 pandemic as the project commenced in March 2020 when the pandemic was getting serious in Viet Nam and restrictions started being enforced by the government. Besides, project delivery of outputs was affected by the progress of the formulation and dissemination of guiding decrees for the revised Labour Code 2019, particularly the Decree on the registration of workers' organisations and collective bargaining.

After the project approval was granted by MOLISA, 2022 was basically the first year of implementation and most of the planned activities (approved by the Minister of MOLISA) have been undertaken. By December 2022, all three Key Outcomes show considerable progress. Despite the concern that the Decree on workers' organisation registration and on Collective bargaining that will give effect to the relevant provisions in the revised Labour Code 2019 has not been issued yet, stakeholders indicated that this had a minor effect on implementing the project's outcomes. In fact, the project's interventions would help improve the readiness of tripartite partners to perform their roles more effectively when the Decree is released.

*Key Outcome 1: SMAs of labour and social partners collaborate effectively in assessing, forecasting industrial relation development trends and in proposing, implementing industrial relation development models and solutions, including those to promote workplace dialogue.*

The focus of this outcome area is to strengthen the effectiveness of the NIRC in assessing industrial relation development trends and proposing recommendations to promote workplace dialogue. The NIRC plays an important role within the tripartite industrial relation interactions at the national level. The main achievements over the first half of this project include (i) supporting the further reinforcement of the NIRC through convening of and providing technical assistance to the NIRC Technical Sub-Commission activities; (ii) building a functioning mechanism to develop national periodical industrial relations reports, with the first achievement being the National Industrial Relations Report 2022; and (iii) capacity building and awareness raising about social dialogue and collective bargaining.

The National Industrial Relations Report 2022 presents (i) the current industrial relation situation in Viet Nam; (2) general evaluation; and (3) recommendations that are developed by tripartite partners. This reporting mechanism is crucial to provide tripartite partners, especially NIRC and policy makers, with evidence-based situation analysis of emerging industrial relation challenges in the country and proposed responses to those challenges. The development of a well analysed report is considered essential for effective recommendation making and consistent implementation of the NIRC and tripartite partners. The National Industrial Relations Report will be periodically developed every 2 or 3 years (depending on the IR development progress) and will be submitted to the NIRC for adoption and official publication (Develop and publish a National Report on Industrial Relations is a new task of the NIRC according to the Decision of the Prime Minister on strengthening of NIRC capacity<sup>1</sup>). Furthermore, through the development of this report, NIRC was able to build a

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<sup>1</sup> Decision No. 1413/QĐ-TTg of the Prime Minister dated 18 August 2021.

network with qualified independent industrial relation experts and researchers and construct the capacity of its Technical Sub-Commission in data analysis and trend prediction in industrial relations.

Capacity building was also regarded as an effective practice under this Key Outcome. The training courses on social dialogue & collective bargaining skills (2021) were considered useful and effective because they incorporated the changes of the Labour Code 2019 and provided guidance to enterprises who had been paying limited attention to labour relations, particularly dialogue and bargaining. It was highlighted that the model of social dialogue at multi-employer level was successfully piloted. The bottom-up approach of the NIRS Canada project by promoting grassroots dialogue then scaling up to dialogue at group level and economic zone level was considered highly effective in the context of Viet Nam to enable addressing sectoral issues that cannot be resolved at enterprise level. By involving economic zone unions, the dialogue can also take advantage of their role in guiding grassroots unions.

The sets of evaluation criteria for industrial relations at province and enterprise levels, despite being at initial stage, receive great attention from MOLISA and the Party's Secretariat. The purpose of industrial relation evaluation should be to support the management and promotion of industrial relations and inform mediators to make recommendations to the enterprise. It has been stressed that industrial relation evaluation should be implemented at enterprise level and then provincial level (bottom-up approach), including consultation with local stakeholders and enterprises to gather information and piloting and guidance for enterprises to implement the criteria.

A few challenges have been reported in delivering Key Outcome 1. One relates to the current set-up of NIRC. Almost all of the decision making relies on the Chairperson, who is the Minister of MOLISA. This brings both advantages and disadvantages. It is considered reasonable that a Commission such as the NIRC is chaired by the Minister because the role requires an overall responsibility across all aspects of labour affairs. It is also beneficial that the Minister is engaged, informed and consulted directly that attracts high attendance to the matter of industrial relations. On the other hand, the work of NIRC sometimes faces difficulty in scheduling meetings and getting approval, causing delays in the work of NIRC. In principle, it is important to recognise the flexibility of NIRC's work (in topics, methodologies and meeting frequency) to respond to emerging issues. Besides, recent global political, social and economic developments (including the on-going wars and economic crises in two major markets in Western Europe and USA) largely affected production and exports, leading to labour force downsizing. This presents emerging issues that require the NIRC's research and response and need to be included in the NIRC's technical meetings.

**Progress of outputs and activities:** Overall, all outcome indicators are in progress; most of the outputs planned until the end of 2022 have been completed (see Appendix 2). A few activities/outputs were postponed with the following explanation:

- Output indicator 1.1.4: The 1st NIRC plenary meeting for advice and adoption of the NIRC Recommendations, NIRC's Orientation plan towards 2025: postponed to 2023 due to other urgent matters by the MOLISA.
- Output 1.2: The set of provincial level industrial relation evaluation criteria for) to be developed after the set of enterprise level indicators (Output 1.3)

- Output indicator 1.4.2: The CIRD proposed activities for improving quality of industrial relation communication results on the Website and Bulletins of the CIRD, respond to the new requirements of industrial relation development and communication to promote the implementation of the labour standards and labour working conditions according to the NIRC Recommendations. However, more discussion is needed, especially the issue of ownership and sustainability, therefore the meeting was organized to discuss as part of 2023's work-plan.

*Key Outcome 2: Collective bargaining becomes an effective mechanism in setting standards for working conditions through the role of tripartite institutions; enterprise-level collective bargaining models are established and operated genuinely with the effective support of SMAs of labour*

The project has engaged actively in assisting the constituents and different social partners to develop more effective and genuine collective bargaining processes. The delivery of this Key Outcome has been effective so far, especially in capacity building, development of recommendations on labour standards, and supporting studies on collective bargaining.

Capacity development has enhanced the understanding and skills of the officials of the MOLISA, selected Departments of Labour, Invalids and Social Affairs (DOLISAs), VGCL and VCCI, enterprises and workers on collective bargaining. The development and pilot of collective bargaining training manuals with the involvement of all tripartite partners was seen as an advanced step of this project to support genuine collective bargaining. It was highly valued by enterprises since they are obliged to conduct collective bargaining on these topics but lacked the skills and experience to do that effectively. In response to this, the NIRS Canada project has supported MOLISA to develop, pilot and publish the Manual on promoting collective bargaining in accordance with the new provisions of the Labour Code and ILO Convention No. 98 (supported by NIRS Canada project, the EU TfdW project and SIDA fund, in which, NIRS Canada project lead the activity). This activity is in high cohesion with other ILO's activities in supporting tripartite partners on collective bargaining manuals. Specifically, the ILO (NIRS Japan project) provided support to VCCI to develop the Manual on improvement of employers' capacity for collective bargaining as well as for conclusion and implementation of collective bargaining agreements; and to VGCL to develop the Manual on CB on wages for trade union officials. Overall, a set of three manuals are developed for all tripartite partners. Based on these manuals and training materials, the NIRS Canada project in collaboration with other ILO projects have supported the tripartite partners with pilot training in collective bargaining, followed by the finalisation and publication of these manuals. Especially, Activity 2.3 is expected to establish a core group of facilitators to provide technical support for collective bargaining in piloting. This activity will be conducted in 2023-2024. The core group members will include both mediators and labour officials of DOLISAs, trade unions, enterprises (trade union staff, human resource staff, etc.).

The promotion of genuine collective bargaining still faces some challenges. Although this project has been able to enhance the awareness of employers and workers on the significance and benefit of genuine collective bargaining. A majority of labour force in Viet Nam is composed of unskilled workers who do not yet have much experience in trade union activities and collective bargaining practices. For employers, especially small and micro enterprises, genuine collective bargaining is still neglected despite improved awareness, due to pressure for cost-saving and traditional management practices. Requirement and pressure from the brands/buyers can have positive

impact on the manufacturers/supplier, especially those who are more deeply integrated in the export through the supply chain. Furthermore, it is noteworthy that a number of large enterprises and those with foreign investment, which employ a large number of workers, have relatively low rates of participation in employer associations such as VCCI or Viet Nam Textile and Apparel Association, Small and medium-sized enterprises, etc. This fact suggests a limitation in VCCI's and NIRC's effective promotion of genuine collective bargaining to a wide range of employers and workers.

**Progress of outputs and activities:** All outcome indicators are in progress with no significant delay. Most of the outputs planned until the end of 2022 have been completed (see Appendix 2). Several activities were not conducted with the following explanation:

- Output indicator 2.1.2: In 2021, a seminar on Collective bargaining agreement database was held with the support of and inputs from resource expert arranged by the Employment and Social Development Canada (ESDC). The seminar provided technical skills on developing indicators for database development. In 2022, the planned technical seminars on the two remaining topics (CB monitoring and federal mediation and conciliation service) was postponed due to delays in other activities whose outcomes would form the basis for the planned work (for example, the development a labour mediation case management record in Key Outcome 3, the work of mediators, including the newly introduced role to support and promote development of harmonious industrial relations according to the Labour Code 2019, which is linked to the planned seminar on the topic of “federal mediation and conciliation service” to be shared by the ESDC team). The work will be picked up in 2023: the project will organize further discussions with MOLISA and ESDC for possible organizing these seminars in the most appropriated mode and time in 2023, 2024.
- Output indicator 2.1.3: The study component on collective bargaining development in Viet Nam during the COVID -19 pandemic was cancelled due to (i) the delay of issuing the Decree guiding the Labour Code 2019 regarding collective bargaining; and (ii) COVID - 19 restrictions hindering data collection. The content of this part was combined with the study in activity 1.1.1 and the pending part of the study report will be reconsidered until the issuance of the Decree on collective bargaining and the confirmation of the changes in the major topics of the study.

*Key Outcome 3. The system of labour dispute mediation and arbitration institutions is consolidated and operated effectively in accordance with the new requirements of the Labour Code*

This Outcome is designed to support the development of the Labour Dispute Resolution System (LDRS). While support to establish the basic features of the institution is provided by the NIRF USDOL Project (being piloted in Ho Chi Minh city, Dong Nai and Binh Duong), the NIRS Canada focuses on supporting the development of a mechanism and templates for collecting, processing and sharing information on dispute settlement cases (case management system and information generation system). The NIRF USDOL project focuses on the development of the institution, procedures, and capacity-building for arbitration and mediation mechanism (Strengthening/activating the established LDR system in exiting pilot provinces/city to demonstrate its results: for all mechanisms including the focal point units, mediation and arbitration and possible replication into other provinces), the NIRS Canada project focuses on information management,

from “case management system” to generating dispute related information that can be used for experience sharing among the practitioners and for policy discussion. Given NIRS Canada project’s work to support the development of the NIRC, the information generated from the dispute resolution system is to benefit the NIRC in development of national industrial relations reports and making recommendations, and the arbitration system nationwide to have reference for future dispute cases.

The digitalisation of information management and generation – based on an integrated database is deemed necessary to link existing records and data that can be accessed across provinces, and at the same time contribute to enhancing the capacity of mediators and arbitrators. However, given that the dispute resolution system is still new and in the process of establishment, the task of digitalisation and development of databases will be able to proceed when the various practices become more standardised. In the meantime, the NIRS Canada project has supported the development of a template for recording dispute settlement cases, which can, later, develop into the database. However, it relies on the development progress of the LDRS to provide information to populate the database – the number of cases that are submitted for dispute resolution remains low, with most of the institutions only recently officially established.

The database and system are expected to be the tools to help labour mediators and local labour management officials to focus their oversight on the issues of industrial relations, including the content related to industrial relations that the provisions of the law have not yet mentioned/guided. There are existing resources and systems such as National industrial relation indicator set, National Industrial Relations reports, LDRS (Mediation and arbitration), enterprise database on industrial relations or assessment tools, especially Better Work. It is recommended that when designing the output under this outcome, the project considers the existing resources and systems and puts effort in coordination with relevant projects to be complementary and contribute to a consolidated system for Viet Nam.

**Progress of outputs and activities:** There has not been much progress under this Key Outcome. Still, most of the outputs planned until the end of 2022 have been completed (see Appendix 2). One output was postponed with the following explanation:

- Output 3.2: Develop a labour mediation and arbitration case management system and pilot it in selected provinces. The pilot application of templates for the Labour Mediation and Arbitration Case Management Records is postponed to 2023 when the LDRS is being further developed (in collaboration with NIRF/USDOL project).

### **3.4. Efficiency**

**Management and reporting:** according to the Project Document and the project’s progress report by December 2022 to DIRWA, project implementation is closely coordinated between the project team and CIRD from developing the project document, master plan, annual work plan to specific activity implementation based on annual work plans approved by the leadership of MOLISA. Specific activities are proposed by CIRD or other units of DIRWA, based on which the Project Office drafts the TOR and coordinates with the proposing agency for agreement, followed by contract signing and implementation. This mechanism ensures that project activities are pragmatic and respond to the needs of state partners.



In terms of reporting, internal reporting within the ILO team is flexible. Generally, the project reports directly to the ILO Director while the Programme Unit's focal point is responsible for coordination of the technical aspects and attend to issues related to project implementation. This structure enables high efficiency in the sense that personnel are delegated to specific authorisations and the leadership is promptly informed of the progress while extending the collaboration, sharing and integration with other projects within the cluster. Reporting to SMAs follows regulations on management of Official Development Assistance in Viet Nam. Upon the request, the project team shares annual progress reports with MOLISA with the key information on technical activity implementation progress. The project has also met its reporting requirement and commitments to the donor.

However, a few concerns were raised in terms of project management. There has been feedback that the administrative procedures are complex and time consuming. It is suggested to streamline administrative procedures so that the project team can spend more time on technical aspects. On the other hand, the mechanism of communication and information sharing with partners and the donor also has much room for improvement. This project works with a challenging topic of industrial relations with ambitious objectives and complex design of outputs and activities, with many of Project's activities linked to progress made in other Projects. Project activities are implemented with involvement of different partners at different levels (apart from the Project holder, DIRWA, CIRD), some of whom may not always have a broad picture of the project's approach and goal. This may hinder the mutual understanding and support among partners, and consequently hinder their comprehensive and effective contribution to the project.

It appears that the project requires a considerable amount of coordination and reporting effort since it aims to address highly complex and challenging subject matters and works with multiple partners at different levels. While the national partners acknowledged the coordination and timely communication of the project team for work implementation, some suggestions for improvement were put forward during the discussion with the donor. Specifically, it was suggested by representatives of the donor agency that the project team engages more members to support more timely communication with the donor. At times, it would be necessary to have discussion at a more senior level such as with technical experts or management of the ILO office for overall project direction and debrief.

It has been reported that project efficiency is low in the internal processes for proposals and activity approval, leading to concerns of partners in implementing the project activities as well as their work agenda. It is understood that technical discussion and consideration between the project's partners and specialists may take more time than initially projected due to the complexity of the subject matter. However, this situation could lead to confusion of stakeholders and the donor without proper and timely communication to reach common understanding, consensus, and coordinated efforts of all parties on the way forwards.

The development of the enterprise-level industrial relation evaluation criteria systems is an example. This output was originally developed in the project design and included in the Ministry's overall action plan 2022 according to Directive 37-CT/TW and its implementation plan (Decision 416/TTg-CP). A number of technical concerns and reconsiderations were discussed between the ILO's specialists and DIRWA to a change in modality of this output to a "joint voluntary diagnostic tool" which would be more relevant and feasible in technical and contextual terms and is also in

line with the requirement of the Directive 37 and its action plan. However, this process was not communicated in a clear and timely manner.

**Involvement of experts and researchers:** DIRWA is the main body that is in charge of coordination and facilitation of this project. The ILO's role in connecting stakeholders and providing technical assistance to support project implementation and promoting the work of NIRC's Technical Sub-Commission and DIRWA is highly acknowledged.

One of the success factors that have contributed to ensuring the quality of outputs was the project's ability to mobilise expertise from pools of domestics and international experts. Despite the challenges such as mobility restrictions due to COVID-19 or the experts' availability, the project has managed to mobilise high quality experts who have extensive expertise, knowledge and experience of the subject matter in Viet Nam's context. Their involvement also helped to enhance the capacity of project staff and government officials.

Still, two main difficulties have been raised in terms of personnel management. First, it was reported that management protocols (including technical, administrative and financial procedures) within the ILO sometimes created pressure on the expert team to provide information related to every specific activity and explain how it is connected with other activities. However, it is understood that the project team is required to review project activities to assure relevance, sustainability and added value of its supports. Second, the recruitment of high-quality national experts for specific tasks was a challenge due to the limited pool of experts in this area. This shortcoming is being addressed by getting national experts to work with and learn from ILO's international experts to gradually get a hold of the work. A suggestion has been put forward to utilise the existing expertise within CIRD where applicable because CIRD is a public service institution and its staff are public employees, not civil servants. Their scope of work includes (i) research and policy advice in employment, wages and industrial relation areas; (ii) directly providing support to industrial relation mechanism (social dialogue, collective bargaining and labour dispute settlement); (iii) capacity building, particularly providing training courses in employment, wages and industrial relation areas; (iv) development and use of data and information in employment, wages and industrial relation areas. These tasks are considered relevant to the activities of the NIRS Canada project. Still, there are aspects to consider about engaging CIRD's experts in the project's activities, including governance and whether that would deplete the resource of the institution, among others.

In terms of budget implementation, the project has disbursed 90% of the budget allocated for Key Outcome 1, 42% of budget for Key Outcome 2, and 46% of budget for Key Outcome 3 – estimated based on the project's progress report by the end of 2022. In fact, it was informed to the evaluation team that the budget rate is adjusted annually according to the actual operation. The key reasons for the low rate of spending are the slow approval process of the MOLISA and impact of COVID-19 outbreaks, as explained in Section 3.3 Effectiveness. The underspending in Key Outcome 2 is because the Decree on worker's organisation and collective bargaining has not been issued yet. For Key Outcome 3, the dispute settlement system is incompletion (led by the NIRF USDOL Project); and the NIRS Canada project only supports building a database to support that system once it has been put into operation. Besides, implementation of several activities was supported by the finding of other projects to save the NIRS Canada project's funding for the following years. Still, there has been a concern whether the project's funds can be disbursed effectively and if there is a plan to

accelerate project activities and expenses. This concern is mainly due to the lack of prompt communication in terms of yearly budget implementation plan and intended actions to accelerate operation and disbursement in the remaining time of the project.

### **3.5. Impact**

At the mid-term stage, the project has achieved several initial impacts. The evaluation also looks at potential impact based on the current progress.

Under Key Outcome 1, the NIRS Canada project contributes to enhancing the capacity of SMAs in developing an industrial relation database and evidence-based national industrial relations reports. This includes the capability to conduct sound research to generate evidence, review how the industrial relation system is working for tripartite partners, predict trends in industrial relations, and propose recommendations to address emerging issues and remedies for any evidence of dysfunction. This contributes to the reinforcement and strengthening of NIRC's capacity in advising the Prime Minister on mechanisms, policies and solutions for development of industrial relations; in building a coordination mechanism between tripartite partners, relevant agencies and organizations in the development of industrial relations; in advising and recommending relevant agencies and organizations on measures to develop industrial relations, labor standards and working conditions and in developing and publishing a National Report on Industrial Relations. Potentially, the effective reporting practice will provide sound evidence for social dialogue and encourage tripartite partners' confidence and participation in this process, and consequently improve industrial relation system functioning in Viet Nam.

Another initial but quite visible impact of the NIRS Canada project under this Key Outcome is the contribution to developing a pool of national experts and researchers on industrial relations in Viet Nam. Through working with highly qualified international experts, national specialists of MOLISA, NIRC, VCCI and VGCL as well as the national experts recruited by the project have had their knowledge and skills enhanced in the subject matter. Furthermore, SMAs have become more aware of the significance of nurturing and engaging experts and researchers in policy making. For example, researchers bring in a very wide range of ideas and analysis of those ideas to improve the thickness of technical discussion and enable comparison and testing of ideas/options. This change in awareness and capacity will contribute to strengthening the role of SMAs of labour and relevant stakeholders in the field of industrial relation management.

As reflected by partners, the project has been able to approach and change awareness of employers and workers about benefits of collective bargaining, opening gates for effective and genuine collective bargaining at grassroots level. Key Outcome 2 has strengthened the institutional capacity of SMAs and social partners and stimulated the interest of enterprises to conduct collective bargaining in a more pragmatic and voluntary fashion. After the training courses on collective bargaining with selected enterprises, VCCI received requests by a number of other businesses to replicate the training in two regions: Da Nang (for enterprises in Da Nang and neighbouring provinces) and Ho Chi Minh city (for enterprises in Ho Chi Minh city and the Southeast region). These training courses bring about co-benefits for VCCI to acquire actual information of enterprises to develop more relevant capacity building activities that is regular work of VCCI. It was

recommended to introduce good practices of collective bargaining in these training activities and disseminate collective bargaining manual widely in tripartite partners' systems, especially in VCCI's network. However, the relatively low participation of large and foreign-invested enterprises in employer associations should be considered to design other channels to disseminate this outcome for higher impact.

The impact pathway of Key Outcome 3 remains to be clarified and established. At the current stage, it is not clear what would be the specific activity of the project for the short- and medium-term contribution to the development of a national practice of information collection and data management for dispute mediation and arbitration. A clear vision for a system of processing and using the collected information, in support of nation-wide coordination of industrial relation mediation and arbitration services is still being developed. The Project supports this early-stage work of establishing a clear vision. At the same time, the potential impact of this outcome will be dependent on external factors: (i) the development progress of the LDRS led by NIRE/USDOL project and the cooperation between two projects; (ii) establishment of tasks and personnel responsible for documentation of cases and organisation of information, including the maintenance of the database; and (iii) who will utilise the database, once published, and how. The impact of this outcome on improving dispute arbitration and mediation practice in Viet Nam is contingent on a range of conditions, including users' willingness and capacity, enforcing mechanism, and availability of resources to sustain the database's operation.

### **3.6. Sustainability**

In principle, all three outcomes are highly sustainable because they are aligned with national strategies and respond well to the practical and urgent needs of SMAs of labour at both national and provincial levels. Industrial relations are receiving increasing attention from stakeholders, especially in light of the recent developments of the regulatory system and socio-economic trends. Particularly, SMAs in labour have indicated their determination to continue improving social dialogue, collective bargaining and dispute resolution after the project finishes. All three key objectives are relevant in the long run and require continued efforts in the long term to constantly consolidate the system. Therefore, SMAs will further seek support to sustain them. The question lies in how these outcomes will be utilised and maintained. Generally, by working with tripartite partners and assisting them to become experts in the field, the project is securing a capable task force to continue the work after it finishes. They will also be able to transfer knowledge to others and thus create a virtuous cycle of work evolution. There have been requests by partners to document project outputs and disseminate to SMA partners for application and sharing for other officials who are not directly involved in the project, which is a way to sustain the project outcomes.

Regarding the effective functioning of NIRC, the question of sustainability lies in its governance and capacity. Specifically, the project is providing technical and financial support for the organisation of NIRC meetings and research with involvement of external experts. This contributes to enabling NIRC to identify issues of actual needs and extreme importance and discuss innovative and realistic solutions. Although it is within the mandates of NIRC to organise such events, it is not yet certain that - with NIRC's resources - it will be conducted with similar frequency, quality and effectiveness in the long run. To enhance sustainability of this outcome, the NIRS Canada project has scheduled to organise training courses on skills to develop industrial relations-related recommendations for NIRS Technical Sub-Commission members and relevant staff of DIRWA/CIRD. Besides, a concern

was raised about the matter of authority and execution of NIRC's recommendations. Recommendations, when transformed into Government policies and instructions, will be implemented. Otherwise, there is no mechanism in place to obligate tripartite partners to implement the recommendations. Whether the NIRC should be granted with more power in this sense and how is still to be discussed.

Stakeholders shared a positive perspective regarding the sustainability of collective bargaining, especially on wages and welfare. In fact, collective bargaining is in the agenda of VGCL and its trade union system at all levels. Its effectiveness and genuineness, however, depends on the strategy of employers and workers, and how they view the necessity of it. Additionally, it requires a strong pressure of markets and buyers, as well as a monitoring mechanism to motivate enterprises to pay due attention to collective bargaining.

It is uncertain whether MOLISA would sustain the third outcome. It is suggested that DIRWA/MOLISA takes the leadership in developing and operating a digital database of labour dispute mediation and arbitration that is a shared resource for tripartite actors and they can contribute to, particularly VCCI and VGCL.

#### **4. Thematic issues**

##### **Gender mainstreaming in project implementation**

There has been evidence showing that gender mainstreaming has been considered in the NIRS Canada project implementation, demonstrated in multiple discussions with stakeholders. The project sought to integrate gender consideration into project activities and methodologies. Firstly, three topics selected for the NIRC technical meeting in 2023 were 1) NIRC Orientation plan towards 2025; 2) Recommendation on the prevention and combat of sexual harassment at workplace; 3) Recommendation to employers in supporting shift meals to employees. Besides the first topic that is related to NIRC's operation, one of the two technical topics is gendered-focus. These topics were reviewed in the Technical Sub-Commission meeting held on 09 September 2022. Secondly, the training activities, such as on social dialogue & collective bargaining held in Bac Ninh (2<sup>nd</sup>-3<sup>rd</sup> June 2022) and Vinh Phuc (16-17 September 2022) had relatively equal proportions of female participation, 46% and 55% respectively. Next, the project pays a special focus on the industries of textile and garment, leather and footwear, etc., of which the majority of employees are female, and will consider gender issues (i.e., maternity, childcare, etc.) as part of collective bargaining.

In the project's Results Framework, one output indicator (Output 2.3) is gender-focused that is to establish a core group of facilitators to provide technical support for collective bargaining processes with gender sensitive response (which is not yet implemented). It would be advisable to develop more gender-related outcome and output indicators to monitor and measure the extent to which gender mainstreaming is considered in the project.

##### **Tripartite relations**

This section explores how the Project's work was able to be carried out on tripartite relations, thus contributing to the strengthening of tripartite relations.

In Viet Nam, the formulation of the legal framework for social dialogue at enterprise level started in the 1990s. A number of legal documents, including the Law on Trade Union, Ordinance on Labour

Contracts, Decree No. 18/CP providing regulations on collective bargaining agreement, and the Labour Code 1994. Only recently did the development of bipartite and tripartite relations start. (Do, et al. 2021). Tripartite partners were confused about the mechanism to make recommendations to the NIRC, resulting in delays, differences in recommendations and repeated processes. For example, tripartite partners had different reactions to the recommendation on the minimum amount for shift meal (either it is too high or too low) and thus it is difficult to reach consensus. There should be a clear mechanism for how partners conduct dialogue and bargain, how they can cooperate to monitor and ensure the quality of the meal, how frequently they should have meetings per year, etc. NIRC needs to demonstrate the agreement between the partners.

In this regard, the Project has been very strong and effective in ensuring tripartite engagement, contributing to strengthening of tripartite relations, and capacity building for tripartite constituents. Especially, the NIRC's Technical Sub-Commission, since reinforced, has been working effectively to engage representatives of tripartite constituents and make recommendations to the NIRC leadership. Still, there is space to further strengthening the effectiveness of NIRC's work. At the moment, the recommendations of NIRC are not compulsory, meaning it's not guaranteed how those recommendations are implemented effectively. It was proposed to VGCL to develop a tripartite statement this year to issue a principle that tripartite partners have to support NIRC's recommendations with clear actions to promote the practical implementation of the Commission's recommendations. This is expected to bind tripartite partners to exert greater responsibility to implement NIRC's recommendations, thus enhancing the effectiveness of NIRC and promoting tripartite relations.

For example, when the manual for local SMAs on collective bargaining is published, VGCL and MOLISA need to issue documents to inform and provide detailed guidance, trainings to respective units at local and grassroots levels to utilise it. Similarly, the development Follow-up actions need undertaking to ensure effective implementation in genuine collective bargaining. This is financially sustainable because DOLISAs have yearly financial and human resources to disseminate laws and regulations and promote industrial relations.

### **International labour standards assessment**

According to an observation shared by the representative of VGCL, social dialogue and collective bargaining at enterprise level still needs improvement. Only when employers see the pressure, i.e., from policy, local management agencies, employees and brands/buyers, will they be motivated to conduct genuine collective bargaining. As a matter of fact, there have been a number of labour disputes and strikes, mainly related to wages. Therefore, the topic of wages and benefits (including shift meals) is a focus of social dialogue, collective bargaining issues as well as of the NIRS project which is regarded as highly important by stakeholders.

The NIRS project aims at promoting industrial relations through capacity building and raising awareness of tripartite partners. Specially, it is important to have employers understand how social dialogue and collective bargaining help to promote healthy competition among enterprises and attract investment and create an environment for co-habitation of employers and employees. It is important to make both parties see how genuine and effective social dialogue and collective bargaining will result in a win-win situation for both sides. One of the methods to promote this, as explained above, is to conduct social dialogue and collective bargaining at multi-employer and

sectoral levels. In a broader scale, the cooperation between VGCL and ILO will aim to connect trade unions of electronic enterprises and formulate a group to enable experience sharing and mutual support for effective social dialogue and collective bargaining. This is being piloted in Bac Ninh province and will be scaled to Hai Phong, Binh Duong and other locations over the next ten years.

## **5. Conclusions**

The NIRS Canada project is highly relevant to address the needs of SMAs of labour in Viet Nam to effectively perform their new role in promoting industrial relations in accordance with the recent legal regulations and conform with international commitment, especially the Declaration 1998 and Convention No. 98. The project's design is highly consistent with ILO's on-going programmes and projects within their cooperation framework with Viet Nam, enabling a mutually supportive habitat of relevant interventions in the same area of work. The selection and engagement of strategic partners is also relevant as they hold significant roles in promoting tripartite relations and distributing outcomes of this project across all levels. The design of Key Outcomes and methodology to deliver these outcomes are also relevant and well interlinked to tackle the urgent needs of partners and are not sufficiently met under other projects.

The overall progress of this project is behind schedule, mainly due to the slow process of approval by MOLISA and impact of the COVID-19 pandemic, among other challenges. However, by the end of 2022, the project has been able to deliver the majority of planned activities, most are regarded as satisfactory by stakeholders. Several unsatisfactory or delayed activities are reported, which raise the need for improved communication to promote mutual understanding, management expectation, and coordinate multi-actor efforts to address delays and/or changes during project implementation. In general, the donor and all stakeholders are supportive of this project and are positive about the results that it will deliver.

The efficiency of this project in its first half was satisfactory in terms of reporting commitment and close coordination with stakeholders. It has succeeded in applying a participatory approach by engaging social partners since the phase of project development and during implementation, which helps to ensure to deliver what is needed by partners and in the manner that they can growth capacity to sustain the outcomes in a longer term. Still, there are areas in project management that are advised to be improved, especially communication with the donor and all stakeholders in cases of delays or changes, and plans to address such circumstances, as detailed in Section 6. Recommendations.

All outcome areas are considered impactful and will likely be taken up by stakeholders after the project finishes. Initial impacts have been witnessed in (i) the change in awareness of tripartite partners towards social dialogue and genuine collective bargaining – particularly employers, and (ii) how partners are growing capacity themselves and little by little realising the importance of having experts and researchers on board to perform their mandates in promoting industrial relations effectively. Impact of Key Outcome 3 depends on the cooperation with other projects and whether MOLISA will take the lead in consolidating a standardised information system for dispute arbitration and mediation, and coordinates how different projects contribute to developing and sustaining it. To that end, effort is to be paid to have a multi-actor discussion with SMAs, other social partners, and relevant projects about the way forwards. The project has shown evidence of gender mainstreaming and contribution to the improvement in tripartite relations in Viet Nam. More

determined and coordinated efforts by all tripartite partners are required to yield significant results in this regard, especially in implementing international labour standards.

## **6. Recommendations**

Concerning project operation, key recommendations were put forward to (i) increase personnel of the project team to support liaison, coordination and communications; (ii) promote communications and include the project's leadership and senior staff in key discussions on project planning and implantation with the donor and key stakeholders – especially in the circumstances of delays and changes; (iii) streamline administrative and financial protocols and procedures so that the experts and project team can spend more time on technical aspects; and (iv) consider utilising the existing expertise within CIRD where applicable to address the lack of national experts while building CIRD's capacity in respective areas.

Communications with stakeholders has been acknowledged. Although the project's objectives are quite ambitious in wording, their outputs and activities have been specified, and with feasible indicators. So far, the project's activities have been implemented as planned to deliver expected outputs and contribute to achieving the outcomes. Representatives of the donor and VGCL recommended to further strengthen communications, especially to share the progress and results among partners to promote mutual support and scaling of the project outputs/outcomes and discuss plans to address the challenges during project implementation including delays and underspending. This will contribute to strengthening cooperation among tripartite partners and achieving the project's expected outcomes.

Considering the current progress and potential challenges in the remaining half of the project, a no cost extension may be foreseeable to ensure delivery of outputs and outcomes. In that case, the donor and partners need to be informed well in advance. Partners have also suggested conducting an end-line project evaluation to explore areas for further support to strengthen impact and sustainability of the project's outcomes.

Specific recommendations for the three Key Outcomes have also been shared. For Key Outcome 1, to improve the effectiveness of NIRC, the middle level management should be authorised to make decisions. It was also proposed that the NIRS Canada project supports a secretary team for the NIRC to facilitate work more flexibly mid-level management, such as organising events at vice- ministerial level instead of ministerial level. There should also be a mechanism in place to enforce their recommendations (see Section 4 – Tripartite relations). An effort is being made to make the development of National Industrial Relations Reports a frequent activity of NIRC. However, when a report is published, it needs to be well communicated with stakeholders, especially worker representatives who directly engage in social dialogue and collective bargaining as well as researchers at local levels. Involvement of media channels is suggested.

Regarding capacity building for tripartite partners, there is a need for more dedicated programmes focusing on development of research capacity to provide reliable evidence and suggestions of effective mechanisms for promoting industrial relations. The network of the experts and specialists on industrial relations should be enhanced. It is important that the existing experts, particularly individual members of the NIRC's Technical Sub-Commission, spend more time and effort to investigate concurrent issues more concretely with better evidence. So, support is needed to further develop the capacity of this Commission, as well as to utilise external researchers. The



channel through which research products are communicated and disseminated should also be considered as there is currently no research dedicated academic journal on industrial relations in Viet Nam.

Another important aspect to ensure the impact of capacity building to develop effective social dialogue and collective bargaining mechanism at enterprise level is to channel knowledge and promotion activities more effectively outside of the channel of employer associations. One suggestion is to involve buyers (i.e., international brands) in the mechanism to impose more pressure on businesses, especially the large firms, to conform with international labour standards. In addition, there have been requests by partners to document project outputs and disseminate to SMA partners to share with other officials who are not directly involved in the project, which is a way to out-scale and sustain the project outcomes.

For Key Outcome 3, it is important to strengthen cooperation with SMAs and relevant projects for more coordinated efforts and to motivate both local SMAs and enterprises to uptake and use the database on a sustained basis. It is therefore recommended to effectively help them understand benefits to use and update information into the system. An incentive mechanism may be considered in the beginning of application. In addition to assisting to establish a database of case studies, it is necessary to provide capacity building to different partners to use it to ensure quality data input. This activity should include customised training courses (i.e., according to scales of business or forms of industrial relation/social dialogue).

It is suggested that DIRWA/MOLISA takes the leadership in developing and operating a digital database of labour dispute mediation and arbitration that is a shared resource for tripartite actors and they can contribute to, particularly VCCI and VGCL. To make such a system sustainable, it needs to be effectively and regularly used at provincial and grassroots levels. In that sense, one of the considerations is that this project shifts its focus from building a database from scratch to supporting the out-scaling of MOLISA's system at provincial and enterprise levels. A suggested activity is to conduct a small survey with targeted users of the database to identify their needs and wants from such a system and their potential contributions to it. Furthermore, when the database is up and running, the project should organise demonstration in the piloting provinces and enterprises. A financial mechanism to sustain mediators' contribution into the database needs to be formulated in cooperation with social partners (i.e., MOLISA, VGCL, VCCI) to coordinate resources effectively.

In relation to the thematic issues examined in this evaluation, it is recommended to (i) develop more gender-related outcome and output indicators to monitor and measure the extent to which gender mainstreaming is considered in the project; (ii) support NIRC in strengthening the implementation of its recommendations; (iii) further promote the practice of social dialogue and collective bargaining at multi-employer and sectoral levels to assert more power of trade unions and worker representations towards employees, contributing to more balanced tripartite relations.

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