



Evaluation Summaries

Support of Industrial Relations and Labour Code Reform in Viet Nam

Quick Facts

Countries: Viet Nam

Final Evaluation: 12 June to 2 August 2011

Mode of Evaluation: independent

Technical Area: Industrial Relations

Evaluation Management: ROAP

Evaluation Team: Mr. Benedicto Bitonio and Ms. Nguyen Thi Bich Tam

Project Start: 12 June 2011

Project End: 2 August 2011

Project Code: VIE/09/03/OUF

Donor: 2,178,920 USD

Keywords: industrial relations, labour legislation

Background & Context

Summary of the project purpose, logic and structure

The Project supports the reform of Vietnam's industrial relations (IR) system to enable it to respond to the challenges of transition from a centrally planned economy to a socialist market economy. It seeks to set up a market-supporting legal framework to address the dramatic increase in wildcat strikes, the lack of capacity of trade unions to represent rank and file workers, the absence of well-established collective bargaining practices and the lack of effective IR services. The long-term objective of the Project is a "sound industrial relations established through improved representational capacity of the

social partners based on democratic principles, improved social dialogue process, and industrial relations support services which are used and effective, and an updated legal framework for minimum labour standards providing workers income security and employers operational flexibility."

Present situation of project

The Project was originally planned to be completed in two years starting from August 2009. However, Project completion has been reset to December 2011. A number of activities and outputs included in the Working Plan and Activity Timetable has been completed. Others are in the process of completion. By October 2011, the social partners and project owners expect to submit to the National Assembly two of the Project's major outputs, the completed proposed amendments to the Trade Union Law (TUL) and the provisions of the Labour Code on union representation and collective bargaining.

Purpose, scope and clients of the evaluation

The primary purpose of the evaluation is to assess the validity and relevance of the Project's logical framework, and whether the Project has been implemented in accordance with this framework. It covers activities implemented and their corresponding outputs and outcomes from August 2009 to June 2011.

The Evaluation Report has six main parts. Part I covers the context, framework and

methodology of the evaluation. Part II includes key findings in relation to specific questions raised in the Project evaluation terms of reference (TORs). Part III includes key findings on the status of implementation of activities and attainment of targeted outputs. Part IV identifies constraints and challenges. Part V summarizes key lessons learned, makes conclusions and proposes recommendations moving forward.

The primary clients of the evaluation are the Donor (“One UN Fund”), the ILO Regional Office for Asia Pacific in Bangkok, the ILO Country Office for Vietnam, and the Decent Work and Social Dialogue Teams for South East Asia and DIALOGUE. Secondary clients are other units within the ILO that may indirectly benefit from the knowledge generated by the evaluation. Also considered as clients are the Project partners (also referred to as implementing parties or project owners), namely the Ministry of Labour, Invalids and Social Affairs (MoLISA), the Social Affairs Committee (SAC) and the Legal Committee of the National Assembly (NA), the Vietnam Chamber of Commerce and Industry (VCCI), the Vietnamese General Confederation of Labour (VGCL) and the Vietnam Cooperatives Alliance (VCA).

Methodology of evaluation

As required by the purpose and objectives of the evaluation TOR, the evaluation methodology consisted of the following:

- Conduct of a desk review of documents like the Project Document, the Working Plan and Activity Timetable, the Mid-Term Progress Report, and the reports and papers prepared by the project owners.
- Carrying out of a field mission consisting of interviews with key informants from the Project partners. The informants included high-level officers and representatives from MoLISA, the Center for Industrial Relations Development (CIRD), and the NA thru the SAC for the Government: the

VGCL, the Danang Provincial Federation of Labour, the Binh Duong Provincial Federation of Labour, and the Binh Duong Industrial Zones Union for workers; and the VCCI thru its Bureau of Employers’ Activities, VCCI Ho Chi Minh City, and VCA for employers.

- Initial presentation of the evaluation findings before the Project partners, followed by a debriefing session with the ILO Hanoi Project Office.
- Preparation of a preliminary Report which was circulated to the Project partners. Comments and feedback on the preliminary Report were taken as inputs in finalizing this Report.

In the preparation of the Report, the evaluation team found useful the statistical data on union membership and collective bargaining agreements included in the Project’s output documents and relevant labour market data sourced from *Labour and Social Trends Viet Nam 2009/2010*.

Main Findings & Conclusions

- The Project logic is well-conceptualized, is sensitive to the needs, problems and requirements of the social partners, and is relevant and necessary in modernizing Vietnam’s IR system. The Project also supports the country’s broader development goals, is consistent with the United Nations Development Assistance Framework (UNDAF), and reinforces the previous and ongoing interventions of the ILO in Vietnam. It also seeks to operationalize the ILO core principles of democratic participation, inclusiveness of representation, social dialogue, tripartism and consensus-building.
- The Project has a broad, comprehensive and ambitious scope that is fully supported and owned by the Project partners and other IR stakeholders.
- The Project is systematically designed and organized. It has a Working Plan and Activity Timetable with clear objectives and

outputs to be attained within specified timelines and by specified parties. It is susceptible of measurement, monitoring and evaluation.

- Management arrangements for and Donor support to the Project, in terms of financial resources and provision of expert technical advice and other forms of assistance, are deemed adequate.
- Management capacity of the Project partners, the national level counterparts and focal persons is also deemed adequate.
- The Project Office ensured open and effective communication and immediate feedback between and among the ILO and the Project partners. Technical inputs were made available when needed. Funds were allocated and disbursed in a timely and accountable manner.
- Based on the Working Plan and Activity Timetable, the Project partners have generally completed the primary and second level outputs within timelines and approved budgets, and in accordance with the parameters of the individual TORs for specific activities. But since the Labour Code amendments have not yet been completed, the realization of the desired outcome to have, by the end of the Project, a revised TUL and Labour Code approved by the NA has been set back.
- Based on completed outputs, the performance of the Project is mixed. Primary or first level outputs, and some second level outputs, were completed on time. Major final outputs, particularly the final proposed revisions to the Labour Code, are behind schedule. It is highly unlikely that the Project will fully attain all its major final outputs, and consequently its three intermediate objectives, within the duration of the Project.
- One of the objectives of the Project – to strengthen representational capacity at the grassroots and make effective collective bargaining widespread – will not be achieved within the duration of the Project.

- Factors intrinsic and extrinsic to the Project contributed to the setting back of timelines.
- The conduct of the researches, surveys and studies – which were packaged as special projects – were necessary to ensure that the Project’s major final outputs are technically supported. Future similar activities should become regular activities of MoLISA and the social partners, for which they will need to be properly capacitated and equipped.
- Specific outcome and impact indicators are still lacking and need to be developed. In formulating these indicators, emphasis will have to be made on measuring the inclusiveness of the reforms on the labour force as a whole, and in particular on the impact of interventions on women.
- The process observed in formulating the Project Document and in crafting the implementation mechanics of the Project through the Working Plan and Activity Timetable can be documented as a good practice. Other activities, once completed, also have the potentials of being considered as such.
- An element of uncertainty exists with respect to the outcome of the revisions of the TUL and the Labour Code. On the other hand, there is a need for a definite plan to sustain the reform process beyond the duration of the Project.

Recommendations & Lessons Learned

Main recommendations and follow-up

The Project objectives remain valid and attainable. Toward this end, the following are recommended for the evaluation clients and Project partners to consider:

- Continue to support and enhance the labour law revision process, particularly in terms of technical assistance on identified contentious issues. Ensure harmonization of all completed proposals for labour law amendments.

- Continue support to and extend the base of capacity building activities to complement the reforms.
- Review and where necessary, recalibrate the Working Plan and Activity Timetable. To improve Project efficiency and focus, determine which activities need to be continued, discontinued or started.
- Institutionalize a tripartite performance monitoring for the Project. Shift measurement of progress from output-based to outcome-based system. Through a tripartite process, fine tune output indicators and devise outcome and impact indicators.
- Through a tripartite process, devise a post-Project long-term Master Plan to complete and sustain the reforms.

Important lessons learned

At this stage of implementation, the Project offers a number of experiences and lessons to learn from. In addition to what can be inferred from the earlier parts of this Report, the following can be emphasized.

First, the Project partners' effective involvement and participation in the full Project cycle from conceptualization to implementation have created among themselves a sense of common ownership, goodwill and confidence. This has helped the Project gain legitimacy and momentum, and has placed it in a considerably more favorable position to attain its objectives.

Second, capacity building at individual and institutional levels, whether through information sharing, trainings, seminars, workshops or actual participation in consultative processes, is indispensable in getting Project partners to engage meaningfully in the process of reforms. A continuing program to build capacity at national and provincial, industry, zone and enterprise levels can lead to a greater

understanding of the reforms and can facilitate their implementation.

Third, social dialogue and tripartism remain to be effective mechanisms to mediate differences and to open avenues for consensus. In the Project, the incentive for Project partners to participate in social dialogue and tripartism appears to have been the opportunity to present their positions and have these considered as critical inputs to the reform process.

Fourth, no change process starts from a blank table. Particularly in Vietnam, pre-existing conditions internal and external to the IR system will affect the pace, quality and depth of reforms. In this regard, Project partners must remain both patient and realistic in their efforts to attain defined goals and objectives. Change agents should also remain sensitive to the nuances of Vietnam's history and culture in order to win and sustain political support.

Fifth, efficient management, planning, organization and coordination are indispensable in bringing about outputs and results. The Project embarked to complete many activities within a very short period of time. But dispersing and decentralizing the accountability for certain activities and outputs enabled the Project to maximize outputs and to optimize the contributions of internal experts.