BETTER WORK

VIETNAM

Baseline Report: Worker Perspectives from the Factory and Beyond

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Foreword

This report is one of a series of papers presenting data from worker surveys conducted as part of a rigorous impact assessment of the Better Work programme. The data presented here were collected as the Better Work programme was starting up in Vietnam. It forms the baseline against which the impact of the Vietnam programme will be measured in future years.

Better Work strives to have a significant impact on the lives of workers, the business practices of firms, and the social, human and economic development of countries. Measuring this impact in a credible way requires special effort and particular tools. In 2007, Better Work selected a multidisciplinary team of researchers to design and implement the impact assessment framework. The team, led by Professor Drusilla Brown of Tufts University (United States), comprises six economists and statisticians, three psychologists with expertise in programme evaluation and human development, and two scholars with expertise in workplace innovation, organization and occupational safety and health.

As of May 2012, surveys were under way in Haiti, Indonesia, Jordan, Nicaragua and Vietnam. In each country, data collection is carried out in collaboration with a local research partner. The survey instruments, as well as the training for local research partners, have been developed by the team at Tufts University.

For each factory, the baseline data include findings drawn from computer-based surveys conducted with: (i) four management staff, such as the General Manager, Chief Financial Officer, Production Manager, Factory Manager, Human Resource Manager and Industrial Engineer; and (ii) 30 workers randomly selected from the factory's roster of production employees. The worker surveys are implemented using Audio Computer Assisted Self Interview (ACASI) methodology, whereby workers responded to audio-narrated questions in the local language using a minicomputer or tablet attached to earphones. The management surveys are conducted using a Computer Assisted Personal Interview (CAPI) without audio assistance. Using this innovative, highly confidential method to collect primary data, in accordance with protocols governing the surveys' proper implementation, allows workers and managers to disclose sensitive information without fear of repercussion or retaliation.

This report was written by Ross W. Jones. It presents a baseline and does not therefore demonstrate the impact of Better Work's interventions. The survey data shed an important light on workers' lives and their perception of their working conditions. They highlight some of the opportunities and challenges of working in the global garment industry. In addition to establishing a benchmark for measuring the long-term effect of the Better Work programme, the data will be used to inform the programme about any worker needs and priorities that might be addressed immediately in service delivery.

As every country in which Better Work operates has a unique institutional and cultural context, this report also presents additional desk-based research aimed at providing the background necessary to interpret the survey data effectively.

Executive Summary

Better Work, in collaboration with Tufts University, has launched a survey of workers in participating factories. The results from these surveys are presented and analysed in this report, which has three key objectives: (i) to present information on the demographic composition and identity of workers in participating Better Work Vietnam factories; (ii) to get perspectives from respondents about their day-to-day work experience; and (iii) to understand the wider developmental impact Better Work Vietnam has on working families and communities.

The survey covers a broad range of issues, including factory conditions, workplace relations, health, educational background, family circumstances and overall life satisfaction. By April 2011, 1,759 respondents from about 60 factories had participated. These initial baseline data have already produced many key insights. After introducing the report in Section 1, a demographic outline of the sample survey population is provided in Section 2, which finds it to be four-fifths female and of rural origin, with 50 per cent of respondents under the age of 25. These trends are in line with the global garment industry as a whole. Meanwhile, the figures relating to marriage and children as well as the data on household composition fit in with the prevailing trends for Vietnam, characterized by multi-generational co-habitation, a 52.3 per cent marriage rate, and an average of one or two children per family.

Section 3 presents findings from the workplace. Safety and health are a concern for many workers, in particular regarding temperature control and air quality in the factories. Some workers were not drinking water as often as they should, while headaches and dizziness proved to be the most common ailments. The results also showed average work hours to be clustered around the national legal limit and, while very little Sunday work was recorded, underscored the sensitive nature of overtime. Although error-correction during free time was not a major issue, it may be an area to monitor for backsliding. The notion of fairness emerged in the context of several workplace issues, with many workers expressing concern about low wages and the implementation of the piece-rate system at their factory. Perceived lack of fairness resulted in 88 per cent of workers reporting the existence of barriers to promotion, with 42 per cent citing the relationship with their supervisor as the main obstacle to professional advancement. Relatively few respondents reported concerns in relation to serious subjects such as verbal, physical and sexual abuse, however the analysis draws on previous research to contextualize the raw data. Findings on the provision of induction and refresher training indicate a lack of systematic training programmes in some factories.

Section 4 looks at issues affecting workers beyond the factory gates, two of the most important issues being health and education. Perceptions relating to health were generally positive, particularly the progress of children as they go from the 0–5 to 6–9 age group. Childcare was found to be provided mostly by childcare centres and extended family, although some outlying figures were flagged up for further analysis. Meanwhile, school attendance was high across the board. On the issue of personal finance, 70 per cent of workers claimed to remit wages *occasionally* or *regularly*. When asked how such remittances were spent, the most common responses represented bare essentials, such as food, clothes and debt repayments. Finally, over three-quarters of survey respondents reported being *satisfied* or *very satisfied* with their life in general.

Section 1: Introduction

The Better Work Vietnam programme, a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC), was launched in July 2009. The programme aims to improve competitiveness in the apparel industry by enhancing economic performance at the enterprise level and by improving compliance with Vietnamese labour law and the principles of the ILO Declaration on Fundamental Principles and Rights at Work and its follow up.

In addition to offering a growing range of assessment, advisory and training tools to participating factories, Better Work, driven by its mandate to facilitate continuous improvements in compliance with labour standards, is also engaged in an impact assessment with collaborators from the wider academic, business and NGO communities. The impact assessment process is designed to provide Better Work with appropriate recommendations for improving labour management practices in participating factories.

This paper is based on data collected by a team of researchers from Tufts University. The surveys conducted by Tufts cover a range of substantive themes aimed at identifying workers' perception both of their daily work lives and their lives outside the workplace. The topics covered include occupational safety and health (OSH), industrial relations, hours and contracts, through to household and family composition, health, educational background and life aspirations. The data discussed in this report are from the first round of data collection, and therefore serve as a baseline for future impact assessment research. While the project has been conducted independently of Better Work's own assessment work, the information drawn from the worker surveys will provide an important insight into workers' attitude toward their workplace and home life.

This report will present and contextualize the findings from worker surveys carried out during the Tufts University Better Work Monitoring and Evaluation Project. More specifically, it will situate the findings within the broader industrial and national context while also offering a baseline, against which subsequent impact assessments can be measured and the results compared. Baseline data collection took place between January 2010 and August 2011. The survey data were collected using the ACASI procedure, whereby workers responded to audio-narrated questions adapted to the local language, using a netbook or tablet. Random samples of 30 workers were surveyed in each participating factory. As of April 2011, 1,759 workers had been surveyed.

Within the remit of improving working conditions in line with the ILO's core standards and Vietnam's national labour laws, the impact of the program is being assessed based on measures of (i) innovations in human resource management; (ii) improvements in working conditions; (iii) factory productivity; (iv) product quality and complexity; (v) supply chain position; (vi) worker perceptions of workplace satisfaction; (vii) compensation; (viii) physical and mental occupational health; (ix) worker and family physical and mental health status and access to health care; (x) educational attainment of siblings and children; and (xi) human rights related to forced labour, human trafficking, non-discrimination, child labour, freedom of association and collective bargaining.[1]

[1] *Brown et al. (2011)*

Section 2: Demographics

This section of the report outlines the fundamental characteristics of the workforce represented in this study, beginning with a selection of key worker demographic criteria before examining the family and household characteristics of workers.

2.1 Basic demographics of the Vietnamese garment industry

The survey results depict a workforce that is 81.6 per cent female and 18.4 per cent male, which reflects Vietnam's industry average[2] and the global industry average of an 80–85 per cent female share. The global garment industry is noted for its youthful workforce.[3] This, coupled with Vietnam's comparatively low median age of 28 (compared to 36 in China[4]) means it is not surprising that half of the workers interviewed for this study were under the age of 25 – and 75 per cent under 30.

Table 1: Age of workers in factories[i]

Age range of workers in years[ii]	*Worker count*	*%*
17–20	240	13.7
21–25	658	37.5
26–30	435	24.8
31–40	336	19.1
40+	88	5.0

[i] Figures for tables in this report are rounded off to one decimal place and therefore percentages may occasionally add up to slightly above or below 100.
[ii] Age of workers as in the year 2010.

The relatively high proportion of workers from rural parts of the country, with 83.7 per cent of workers reporting to have grown up in a rural community, is another finding reflected in the wider global garment industry – this despite Vietnam's already high rural population of 71 per cent.[5] Concern has been raised by some sources that some employers characterize migrants from "the village", especially women, as more likely to be obedient in the workplace,[6] which could lead to discriminatory recruitment practices. However, the high percentage of workers reporting to be of rural origin should also be seen in the context of Vietnam's rapid urbanization and shifting notions of rural identity. Thus, younger generations may have a dual affinity to both the rural origins of their parents and the urban setting where they may, in fact, have spent most of their life. As discussed in Section 2.2, the large proportion of workers reporting to live with their parents raises questions over when exactly families made their move to the city.

As regards educational indicators, 3.4 per cent of workers reported that they still attend school. Meanwhile, Table 2 shows that 58.4 per cent of workers reported Lower, and 26.1 per cent Upper, secondary school as their highest level of formal education. This reflects Vietnam's regionally competitive levels of basic education, with a 90 per cent literacy rate and a gross enrolment rate at secondary school of 73 per cent. Meanwhile, although Vietnam in general does not compare favourably with its neighbours for tertiary educational enrolment[7] (despite a good female-to-male

[2] *United Nations Industrial Development Organization (2010). p. 722.*
[3] *Mammoun (2009) p. 35.*
[4] *Central Intelligence Agency (2011)*
[5] *World Bank (2010)*
[6] *Huong (2004)*
[7] *Trinh (2007)*

ratio at this level[8]), the low proportion of tertiary-educated respondents for this survey should be viewed from the perspective of the garment industry as a whole, which does not, broadly speaking, attract as many individuals from this group.

Table 2: Level of education among factory workers

Level of education	*Worker count*	*%*
Unknown	1	0.1
No formal education	10	0.6
Primary school	186	10.6
Lower secondary school	1,027	58.4
Upper secondary school	458	26.0
Short-term technical training	5	0.3
Long-term technical training	18	1.0
Professional secondary school	31	1.8
Junior college diploma	10	0.6
Bachelor's degree	13	0.7

Workers were also asked about the length of time they had been in their current position as well as the total length of time they had been working at their factory. The results show 72.8 per cent as having spent over a year in their current position, and a similar proportion (71.4 per cent) reporting to have worked in their factory for over a year (see Table 3). When asked to provide an exact length of time, a fifth of respondents were found to be "new", having worked fewer than six months at their factory. Only around a fifth of workers had worked more than five years at their factory, which is not surprising given that the garment industry is marked by a high turnover of staff.

Table 3: Length of workers' employment at workplace and within current role

Duration of employment	*Current position (%)*	*At factory (%)*
0–6 months	18.9	20.2
7–11 months	8.1	8.3
1–2 years	30.1	27.9
3–4 years	23.1	22.8
5–9 years	14.9	15.8
10+ years	4.7	5.1

Respondents were also asked to identify their position at work from a selection of ten typical roles. The largest number (48.9 per cent) identified themselves as sewing operators (see Table 4). It is interesting that 21.9 per cent of workers could not recognize themselves among the ten roles.

Table 4: Breakdown of workers' role within their factory

Worker's role within factory	*%*
Sewing operator	48.9
Checker	8.0
Helper	7.9
Packer	5.5

[8] *Taylor (2007)*

Cutter	3.6
Supervisor	2.6
Spreader	1.9
Quality control	1.0
Mechanic	0.1
Other	21.9

The high proportion of respondents reporting their position as "Other" could be due to misunderstanding of job titles, resulting from the different terms used from one factory to another. This "other" category could also represent those who primarily identify themselves as warehouse workers, spot cleaners, button-holers, embroiderers or washers.

2.2 Household and family composition

The findings related to household composition navigate two points in time: the date the survey questionnaire was completed, and the 12 months prior to that date. Presented in Table 5, these data are striking for the high proportion of respondents who reported that they lived with their immediate family – namely mothers, fathers and siblings. From the perspective of the migrant community working in the garment industry, it is unsurprising to see 63.1 per cent of workers reporting to live with their siblings. More interesting is that a similar percentage of respondents claimed to live with their mother and/or father. In general this is to be expected in Vietnam, which has a tradition of young people living with their parents until marriage – at which time a wife would move in with her husband's parents until they decided to have children.[9] However, in the context of a predominantly rural migrant respondent base, it is surprising. This finding merits further exploration, particularly in light of the far lower number of workers claiming to have lived with their parents for at least six of the past 12 months.

Table 5: Living situation of factory workers

Relationship of co-habitant(s) to worker	***At time of survey***		***During at least 6 of the past 12 months***	
	Worker count	*%*	*Worker count*	*%*
Mother	1,208	68.7	502	28.5
Father	1,052	59.8	399	22.7
Sibling(s)	1,109	63.1	643	36.6
Grandparent(s)	150	8.5	32	1.8
Aunts and/or uncles	90	5.1	44	2.5
Children	488	27.7	506	28.8
Spouse	549	59.7	715	77.8
Spouse's mother	147	16.0	117	12.7
Spouse's father	115	12.5	77	8.4
Friends	52	3	204	11.6
Co-workers	18	1	23	1.3

[9] *Diversicare (2009)*

Vietnam has a comparatively high rate of marriage compared to the rest of its region and the world,[10] with 45 per cent of women aged 20–24 and 77 per cent of women aged 25–29 being married.[11] The results of this survey fall in line with the national trend, with 52.3 per cent of workers reporting that they were married (compared with 46.3 per cent that had never married). Table 5 also shows that 16 per cent and 12.5 per cent of respondents reported living with a spouse's mother and/or father respectively. This is perhaps indicative of the high number of women workers and the tendency for the husband's familial home to take precedence.

A significant minority of workers had started their own family, with 26.1 per cent (459 workers) reporting to have at least one daughter and 25.8 per cent (454 workers) at least one son. However, the majority of Vietnam's young garment labour force are childless.[12] For those respondents with children, Tables 6 and 7 provide a breakdown of the number and age of their children.

Table 6: Number and age of daughters per factory worker, by percentage

Number of daughters per worker	***Age range of daughter(s)***				
	0–5 years	*6–9 years*	*10–12 years*	*13–17 years*	*18+ years*
None	35.5	70.2	85.4	86.1	90.6
1	57.3	26.4	13.5	13.7	7.6
2	6.3	3.3	0.9	0.2	1.5
3	0.9	–	–	–	0.2
4 or more	–	0.2	–	–	–

– = nil/negligible

Table 7: Number and age of sons per factory worker, by percentage

Number of sons per worker	***Age range of son(s)***				
	0–5 years	*6–9 years*	*10–12 years*	*13–17 years*	*18+ years*
None	35.9	72.0	87.4	86.3	93.0
1	59.5	26.0	11.2	13.2	5.1
2	4.0	1.8	1.1	0.4	1.3
3	0.4	0.2	0.2	–	0.7
4 or more	0.2	–	–	–	–

– = nil/negligible

That only a quarter of respondents had children can be explained partly by the fact that, as noted in Section 2.1, the garment workforce is young. It is therefore not surprising to see a preponderance of small families with young children. More mature families are likely to be bigger for two key reasons: (i) they have had a longer period of time to grow their family; and (ii) the government has run many campaigns over the past ten years to promote smaller families.

In light of the data on families, it might be expected that most garment workers would have a larger number of siblings than children. The baseline findings support this observation, with 44.1 per cent (775 workers) reporting to have at least one sister and 44.1 per cent (776 workers) at least one brother. Tables 8 and 9 provide data on the age and number of workers' siblings.

[10] *China Business Philippines (2009)*
[11] *Find the Data (2007)*
[12] *Mammoun (2009) p. 35*

Table 8: Number and age of sisters per factory worker, by percentage

Number of sisters per worker	*Age range of sister(s)*				
	0–5 years	*6–9 years*	*10–12 years*	*13–17 years*	*18+ years*
None	81.7	90.2	89.9	77.4	23.5
1	10.2	6.7	7.9	17.9	41.8
2	4.0	1.8	1.6	3.7	20.3
3	1.9	0.5	0.1	0.5	7.1
4 or more	2.2	0.7	0.3	0.4	7.4

Table 9: Number and age of brothers per factory worker, by percentage

Number of brothers per worker	*Age range of brother(s)*				
	0–5 years	*6–9 years*	*10–12 years*	*13–17 years*	*18+ years*
None	91.8	93.9	92.5	76.3	23.1
1	5.5	4.6	6.8	21.1	48.5
2	1.7	0.9	0.5	1.7	18.0
3	0.4	0.3	0.1	0.9	6.2
4 or more	0.5	0.1	–	–	4.3

– = nil/negligible

The numerical data above show that most workers had no more than one brother and/or sister. There was a tendency for brothers to be slightly older than sisters. Meanwhile, the majority of their siblings are aged over 13 – with a strong skew towards siblings aged 18 and over.

Section 3: At the workplace

This section focuses on the day-to-day issues faced by workers in the factory. It begins by briefly examining the physical conditions of the workplace, before moving onto hours, compensation, workplace systems, respect and welfare, and training. The key objective of the discussion is to develop a nuanced understanding of the respondents' work experience. This will be achieved by contextualizing the results from the baseline survey in light of previous research on the garment industry and Vietnamese culture and society. The section begins by looking at OSH, one of the most common areas of non-compliance.[13]

3.1 Occupational safety and health and factory facilities

Garment factories are full of present and potential hazards. It is therefore important that they are adequately equipped to deal with both sudden accidents, such as an injury caused by a sewing needle, and the less obvious, slower-acting effects of environmental hazards, such as exposure to heat and chemical fumes. When asked whether their factory had a health clinic, nearly all workers (99.4 per cent) said yes, while 72.6 per cent reported "free medicine" to be available at work. The treatment available at workplace clinics was reported by 69.1 per cent of respondents to be either *good* or *very good*, while 30 per cent rated it as *fair* or *poor*.

Workers were also asked which particular health services were available at their factory's clinic. These services are listed in descending order of frequency in Table 10.

Table 10: Health services available at factory clinics, as reported by workers

Type of health care available to workers	*%*
General illness	81.8
General check-up	72.3
Prenatal check-up	61.6
Headache/fatigue	57.6
Family health care	15.4
Postnatal check-up	9.5
Health education	8.5
Treatment of workplace injuries	0.6

The most notable finding is the 61.6 per cent report rate for pre-natal check-up facilities, as there is very little evidence from Better Work assessments to indicate that these kinds of check-ups are taking place in factories. Two possible explanations for the survey results might be that: (i) the "prenatal check-ups" cited by workers refer in fact to visits made to the clinic for the treatment of general illness symptoms brought on by pregnancy; and (2) as factories are legally required to allow workers to visit a specialist for pre- and postnatal check-ups, some workers might have misunderstood the survey question as asking whether they were given permission to attend such appointments. Meanwhile, the very low 0.6 per cent report rate relating to the availability of treatment for workplace injuries might be explained by workers' interpretation of minor injuries such as cuts or burns. It is understood from Better Work Vietnam's experience that many workers in Vietnam define an "injury" as a serious accident requiring a trip to a fully equipped local hospital, rather than the more rudimentary work clinic.

[13] *Better Work Vietnam (2012)*

Table 11 shows the prevalence of common physical ailments among workers.

Table 11: Type and frequency of ailments experienced by factory workers, by percentage

Ailment experienced by worker	*Frequency with which ailment experienced*			
	Never	*Occasionally*	*Often*	*Every day*
Severe fatigue	67.9	27.4	4.4	0.3
Severe headache	35.0	51.5	12.8	0.7
Severe stomach pain	70.6	21.1	7.9	0.4
Severe skin problems or rashes	88.8	8.8	2.2	0.2
Severe dizziness	58.9	34.2	6.7	0.2
Severe back ache or muscle ache	60.9	28.4	9.7	0.9
Severe hunger	84.9	11.5	3.1	0.6
Severe thirst	79.2	16.2	4.3	0.3

The findings show a generally low incidence of certain key severe symptoms, such as hunger or skin problems/rashes. However, over half of workers claimed to suffer from occasional headaches, while a third suffered from occasional dizziness. Other issues to be aware of include the 25 per cent-plus of workers who reported suffering from occasional fatigue or back or muscle ache. When viewed in isolation, the frequency reported for each ailment does not cause immediate alarm. However it is important to recognize the extent to which even mild discomfort can cause a severe challenge to effective work, while noting that some workers may suffer from two or more symptoms at once.

Table 12 presents findings on the important issue of access to drinking water at the workplace. These show that while the issue of severe thirst was reported *never to* be an issue for almost 80 per cent of workers, a clear majority of workers (57.6 per cent) reported that they only got a drink of water a couple of times per day. In light of the physical demands faced by workers in Vietnam's garment industry, including the heat and long hours, this issue should be monitored closely.

Table 12: Water-drinking habits among factory workers

Frequency with which workers drink water while at work	*%*
Hourly or more often	5.4
Every 2 hours	15.8
Every 3 or 4 hours	13.0
A couple of times per day	57.6
Only during lunch, dinner and breaks	5.5
Never	2.6
Prefer not to answer	0.1

Leading on from the basic issue of access to water, workers were given the opportunity to express their level of concern in relation to specific physical challenges associated with employment in the garment sector. As already stated, high temperatures are bound to affect thirst levels, however Table 13 indicates that temperature (high or low) was an issue of concern for only around 12.2 per cent of respondents.

Table 13: Level of concern among factory workers regarding occupational safety, by percentage

Level of concern	*Cause of concern*				
	Excessive heat or cold	*Dangerous equipment*	*Accidents or injuries*	*Dusty or polluted air*	*Bad chemical smells*
Felt concern	12.2	4.6	4.3	8.8	8.3
Discussed with co-workers	8.9	2.7	2.6	5.9	5.5
Discussed with supervisor	4.1	1.9	2.0	2.9	3.1
Discussed with trade union representative	1.3	0.3	0.6	1.3	1.1
Considered resigning	0.5	0.2	0.2	0.5	0.5
Threatened or mounted a strike	0.3	0.1	0.3	0.2	0.1

The results also show that dusty or polluted air and bad chemical smells were of concern to some 8–9 per cent of workers, while dangerous equipment and the fear of having an accident concerned fewer workers, at around 5 per cent. Table 13 underlines two clear trends: firstly, that environmental factors, such as chronic air quality (dusty/polluted air, chemical smells) or temperature-control (factory excessively hot or cold), posed a more immediate concern to workers than potential physical risks, such as dangerous equipment and accidents or injuries. Of those workers who had taken action to confront particular concerns, most preferred to begin by engaging in some sort of a dialogue, most commonly with fellow workers. Supervisors would be their second point of call, with trade union representatives coming in a distant third. There appeared to be little appetite for taking further steps such as threatening to or actually withdrawing one's labour, or resigning altogether.

The baseline survey also offers findings for several other health and well-being-related workplace indicators. The availability of a good factory canteen is one such indicator, since garment workers are understandably affected by the quality of their valuable rest and recuperation time. The results show 90.3 per cent reporting to have a canteen in their factory, and 84.5 per cent reporting the availability of free meals. Of those with access to a canteen, over two-thirds (67.8 per cent) rated their approval level as *somewhat satisfied*, while another 18 per cent claimed to be *somewhat unsatisfied*. Meanwhile, 10.7 per cent were *very satisfied* and 3.3 per cent *not satisfied at all.* When asked about the factory bathroom facilities, workers again reported general satisfaction, returning a 72.2 per cent *somewhat satisfied* rating compared to a 7 per cent *somewhat unsatisfied* rating. On a related issue, 95.9 per cent of workers reported that they had never been denied a toilet break in the past year.

The opportunity to spend time at work doing moderate exercise can help ease aches, pains and fatigue, as well as boosting morale. This survey found that only 12.7 per cent of workers were aware of the existence of sports and exercise facilities at their factory. General well-being is also enhanced by the availability of break time or after-work opportunities for learning. Among the workers surveyed, 13.4 per cent reported an awareness of "learning opportunities" at the workplace, with a negligible 0.8 per cent reporting the existence of a library there.

3.2 Hours and rest days

Workers who receive their rightful share of essential rest and recuperation tend to benefit from generally improved health and well-being and a lower likelihood of injuring themselves at work. In parallel, employers benefit from fewer sick days and increased worker productivity. Vietnam's law establishes a maximum legal work week of 48 regular hours, which would equate to an eight-hour maximum work day for the 95 per cent of respondents who reported working Monday to Saturday in the week prior to participating in this study. When asked to provide information on typical start and finish times, around 65 per cent of workers reported a Monday start time of 7.30 a.m. Meanwhile, 76.9 per cent identified their finishing time as between 4 p.m. and 6.30 p.m., with broadly similar equivalents for Friday and Saturday.

Extrapolating from these results gives a conservative estimate of at least an eight-hour day, with around three hours of "overtime" per week. A less conservative estimate points to many cases of workers doing two–three hours of overtime per day. Vietnam's labour laws dictate a maximum of 16 hours' overtime per week for garment workers[14] and while these data do not display an obvious and widespread transgression from the law, there is sufficient clustering around certain start and finish times to suggest the existence of cases that come close to or exceed the statutory limit on work time.[15]

The law also sets a minimum of four full days' rest per month, which makes work-free Sundays a bare-minimum requirement in the context of frequent six-day weeks. The results show a lower than expected number of respondents, some three per cent, claiming to have worked the Sunday in the week preceding their participation in this study. When asked how many Sundays per month they would usually work, 5.9 per cent claimed at least one. Furthermore, the prospect of working on Sundays was cited as a general concern for only 4.3 per cent of all respondents. The low headline percentages for Sunday work is an encouraging finding, however these figures need to be interpreted in the context of the garment industry as a whole, in which Sunday overtime is a sensitive issue. Due to the low legal overtime limits and specific requirements set by buyers, many workers are advised by their managers not to report Sunday overtime. However, it is broadly understood by Better Work that most factories are open on at least some Sundays. A clear contradiction exists between overtime limits set by buyers and the frequently demanding purchasing practices of these same buyers, often at short notice, which can make it difficult for factories to avoid increases in overtime.

When asked about their general attitude toward overtime, 9.6 per cent of respondents reported concern over too much overtime being expected of them. Discussing the issue with co-workers (cited by 5.7 per cent of respondents) or supervisors and managers (3.5 per cent) were more popular responses than consulting a trade union representative (1.7 per cent). Only 1.3 per cent said they would consider the more drastic option of resigning altogether over this issue. Better Work Vietnam's latest Compliance Synthesis Report states that pushing for full transparency on the issue of overtime is "one of the cornerstones of the BWV advisory process…By building trust with factory management and the union, BWV is over time making progress on this crucial issue. However, it is important to note that factories continue to have concerns about buyers' reactions to full transparency on overtime when hours exceed national allowances".[16]

[14] *Better Work Vietnam (2011a) p. 59*

[15] *The latest Better Work Vietnam assessments showed that there is a 93% non-compliance rate with regard to overtime regulations, in particular exceeding the national legal limit of 300 overtime hours per year. In addition, in 45 factories, the working time records did not accurately reflect the number of hours actually worked (Better Work Vietnam 2012).*

[16] *Better Work Vietnam (2012)*

The task of correcting errors is a further important issue related to work hours, since many workers can find themselves doing this outside regular hours. Uncovering exactly when error correction takes place can shed light on the degree of pressure workers feel to meet targets set by the management. The findings from this survey revealed that 40.5 per cent of all workers corrected their own errors during regular work hours. A much lower number, 7.8 per cent, reported correcting errors during lunch, dinner or work breaks, while 3.6 per cent reported correcting errors during overtime shifts. These results indicate that the vast majority of respondents claiming to correct their own errors were performing this task during regular or agreed overtime hours, with the caveat that around 20 per cent of these workers were using their spare time to meet targets. The incidence of what is effectively unpaid overtime may indicate the enforcement of productivity-related incentives in certain workplaces.

3.3 Wages

When asked how often they were paid, 94.3 per cent of workers replied "monthly", with 97 per cent claiming to receive a pay slip. The majority of workers, 52.9 per cent, received wages directly into their bank account, with the other 47.1 per cent receiving payment in cash. As for the pay rate, there are two main compensation systems in the garment industry: hourly pay and piece-rate pay. Table 14 shows that 70.6 per cent of workers reported that they were paid using the former, 20 per cent the latter, and another 10.4 per cent a combination of the two. In a separate question, 32.4 per cent of workers identified the existence of some sort of daily production target set for them. That only a fifth of workers claimed to be under the piece-rate system is surprising given the system's prevalence in the global garment industry. However, it is mainly sewing operators (and some cutters and others) who are paid using this system, therefore the unexpectedly low percentage of reported piece-work could be skewed by the fact that this survey consulted a cross-section of workers from all (non-management) factory positions.

Table 14: Basis of payment at factories, as reported by workers

Basis of payment	***%***
Hourly pay	70.6
Piece-rate pay	20.0
Hourly and piece-rate pay	10.3

Performance-based payment systems such as the piece-rate are on the increase in industries where output is relatively inexpensive to measure. Payment for individual performance is also "more likely to occur when a worker is young, before a great deal of specific human capital is acquired".[17] There is much debate about the merits of using a piece-rate system. On the one hand, it can arguably render progressive labour policies "ineffective and unenforceable" as cash-strapped workers "engage in self-exploitation"[18] in order to reach their targets. It is also criticized for emphasizing production volume over quality and for pushing certain workers (for example, slower workers who end up working unpaid overtime to meet targets) below the minimum wage level.[19] On the other hand, it is argued that using a piece-rate system enhances productivity by incentivizing workers to increase their output rate. There is in fact evidence to show that piece-rate workers can receive a higher monthly wage than workers paid by the hour.[20]

[17] *Lazear and Shaw (2007) pp. 91–114*
[18] *Angie (2004)*
[19] *Fair Wear Foundation (with ETI Norway) (2007)*
[20] *Chandararot and Dannet (2009)*

Bonuses and allowances, the type and frequency of which are listed in Table 15, were found to be available primarily for performance-based reasons, but also to assist with subsistence, significant personal events, and to enhance celebration during national holidays. The Tet (Vietnamese New Year) bonus was reportedly received by over 80 per cent of workers (15.8 per cent also reported the availability of free transport to their home town/village during Tet), while bonuses for punctuality and individual and team productivity were cited by around 15 per cent of workers. In addition, assessments conducted by Better Work have found that many factories pay workers allowances for food, transport and accommodation.

Table 15: Types of bonus and allowance awarded to factory workers

Type of bonus or allowance awarded	*%*
Tet (Vietnamese New Year) bonus	81.6
Rent allowance	29.4
Annual bonus	22.5
Attendance/overtime bonus	18.8
Individual productivity bonus	17.9
Food allowance	15.7
Line productivity bonus	15.1
Skill bonus	9.5
Pay bonus or allowance	5.2
Other bonus	14.1

Deductions were also reported, as illustrated in Table 16, which lists the type and frequency of deductions, the most common being social insurance contributions. Meanwhile, almost half of workers reported paying union dues. While binding commitments such as these are to be expected, the findings also revealed deductions made for punitive reasons, most commonly in relation to absence (reported by 55.7 per cent of respondents) and punctuality (36.2 per cent).

The law governing Vietnam's garment industry prohibits the punishment of workers through wage deductions,[21] making the high percentage of such deductions observed a cause for concern. However, it should be noted that some of the reported deductions could represent cases where workers had simply not received a diligence or punctuality bonus – as opposed to an actual deduction being made from the monthly wage (this practice might feel like a deduction if the bonus had been awarded in previous pay cheques).

Table 16: Basis for pay deductions, according to factory workers

Basis for pay deduction	*%*
Social insurance	63.7
Absence	55.7
Union dues	47.5
Being late for work	36.2
Food	3.6
Behaviour at work	2.2
Housing	1.7

[21] *Better Work Vietnam (2011a) p. 26*

Low productivity	0.9
Other	6.6
Do not know if deductions are made	8.2

Workers were also asked to indicate whether or not they were concerned about several common compensation-related issues (see Table 17).

Table 17: Concern among factory workers regarding pay practices, by percentage

Level of concern	***Cause of concern***							
	Low wages	*Piece-rate system*	*Size of Tet bonus*	*Explanation of piece-rate system*	*Excessive deductions*	*Broken punch clock*	*Late payment of wages*	*Amount of in-kind compen-sation*
Felt concern	17.3	14.5	9.7	7.7	7.6	5.2	5.1	3.2
Discussed with co-workers	11.6	8.6	6.6	4.7	4.3	2.6	2.8	1.8
Discussed with supervisor	4.6	5.4	2.3	3.4	2.3	2.4	2.0	1.2
Discussed with trade union representative	1.7	1.1	1.1	0.7	0.7	0.5	0.5	0.5
Considered resigning	2.2	3.0	0.9	0.7	0.7	0.2	0.2	0.2
Threatened or mounted a strike	1.5	1.9	0.4	0.6	0.5	0.2	0.6	0.2

The results show that low wages, an endemic issue for the garment industry's workforce, represent the single biggest concern among workers, with a 17.3 per cent report rate. Meanwhile, the combined rates of concern about the piece-rate method and transparency around its implementation amounted to 22.2 per cent. The fact that 30.3 per cent of workers reported that some element of their wages was determined by a piece-rate system (see Table 14) makes this figure of 22.2 per cent more pressing. It could be seen to indicate a widespread lack of worker confidence in how the piece-rate system is being applied, with three per cent of workers going as far as to consider resigning in response. Of those workers who initiated a dialogue in response to a particular issue, there was a clear preference for confiding in co-workers over supervisors and trade union representatives.

3.4 Workplace systems

In order to incentivize good work and reduce staff turnover it is imperative that workers feel there is fairness in the basic operations of their workplace. This relates to the soundness of the employer-employee contract, the functionality of the factory hierarchy, and the availability to all of merit-based opportunities for promotion.

Table 18 shows that almost half of workers reported to have a fixed-term contract of one–three years. In Vietnam, garment firms can offer a maximum of two consecutive fixed-term contracts before either taking a worker on permanently or letting them go. Better Work Vietnam's factory assessments have identified a tendency among many companies to offer two one-year fixed-term contracts rather than the longer three-year contracts.

Table 18: Types of contract on which factory workers are employed

Type of contract	*%*
No contract	1.6
Training or probationary contract	3.6
Temporary contract or one of less than one year's duration	5.0
Definite or fixed-term contract for 1–3 years	47.2
Indefinite or open-ended contract	38.8
Unknown	3.4
Prefer not to answer	0.3

In Vietnam, a temporary contract, reported by around ten per cent of workers, is understood as any contract lasting one year or less. A key concern about short contracts is the impression this makes on the employee, with the potential to reduce worker effort. It can be argued that some workers might not feel the need to exercise loyalty to an employer that might be construed as not demonstrating loyalty to its workers. Another important aspect of many workplace systems is the existence of a Collective Bargaining Agreement (CBA) to set the terms between workers (via a trade union) and managers in particular factories. The results for this survey show that 89.3 per cent of workers were aware of there being a CBA at their factory. However, in Vietnam these CBAs tend to be very basic and principally drawn up by the management.

The existence of fair and transparent opportunities for promotion can help channel the aspirations of workers for the benefit of themselves and their company. This survey found that 82.3 per cent of workers reported never having had a promotion, with only 17.2 per cent reporting they had received one promotion or more (of whom 76.2 per cent had received a single promotion). Significantly, 88.1 per cent of workers believed there to be barriers to promotion at their factory (see Table 19).

Table 19: Barriers to promotion in factories, as perceived by workers

Barrier to promotion	*%*
Relationship with supervisor	41.9
Lack of seniority	13.0
Nationality	11.9
Being a woman	11.1
Religion	9.6
Lack of opportunity	7.2
Education	3.1
Skill/ability	3.1
Age	2.3
Ethnic minority	0.4
Family responsibilities	–

– = nil/negligible

The youthful, entrepreneurial-minded generation of Vietnamese currently on the rise[22] are likely to feel a degree of frustration at any perceived artificial barriers to their promotion. For Vietnam's garment industry this means many workers will simply aspire to leave the garment industry rather

[22] *Trinh (2007)*

than to move up the ranks. That said, many respondents in this survey still felt that they were not being considered fairly for a promotion. Discrimination on the grounds of gender was a factor perceived by 11.1 per cent of this mainly female workforce. This could be linked to the influence of Confucianism on Vietnam's culture, which broadly views women as homemakers and mothers rather than as wage earners. Studies have shown that many garment workers in Vietnam find it easier to imagine a man in a managerial position than a woman.[23] These cultural generalizations should, however, be viewed in the light of two caveats emanating from observations in Vietnam's garment factories: (i) there are many cases where women hold key management positions, which is to be encouraged; and (ii) there is also clear evidence of discrimination against potential male applicants for entry-level work on the factory floor.[24] This is itself linked to gender-based stereotypes (far from exclusive to Vietnam) on the kinds of tasks deemed socially acceptable for men and women.

The most striking finding illustrated in Table 19 is that 41.9 per cent of workers cited their relationship with their supervisors as a barrier to promotion. This is significant because supervisors are the managers with whom workers have the most day-to-day contact. Supervisors also have the potential to offer workers alternative incentives from performance-based structures such as a piece-rate system. Through a process known in the Personnel Economics literature as subjective performance evaluation, "the performance of most employees is monitored by some supervisor(s) that gets a reasonably accurate, but non-verifiable, signal of how good a job that employee does".[25] Thus the dynamic of this relationship is a crucial determinant of worker motivation, since worker productivity and morale are linked to the aspiration generated by the availability of promotions.

That such a large number of workers cite a factor other than their perceived innate abilities/skills as a barrier to promotion is an area for concern. Tension between workers and supervisors is often linked to conflicting incentives at the workplace.[26] For example, a significant section of the regular workforce may not even seek to be promoted if they envision themselves returning to their home village,[27] or if they simply do not expect their employer to extend or renew their contract. When this is the case, workers may place less importance on developing a strong rapport with their supervisor(s). In addition, a perception of favouritism towards particular workers by supervisors or managers arguably reduces the effort incentive for those employees perceived to be the victims of such discrimination.[28]

3.5 Respect and welfare

The theme of fairness is touched upon throughout Section 3, be it in the discussions on OSH, hours and rest days, wages, payment system or contracts. In an effort to delve deeper into issues of fairness at the workplace, this section explores the worker-supervisor relationship as well as presenting findings from questions specifically related to respect at the workplace.

As highlighted above, the amount of day-to-day contact workers have with supervisors is acutely linked to worker (and supervisor) welfare. The survey asked workers to indicate how comfortable they felt about seeking help from supervisors as well as trade union representatives (see Table 20).

[23] *Mekong Economics (2004)*
[24] *Better Work Vietnam (2011b)*
[25] *Lazear and Oyer (2009)*
[26] *Batt (2003)*
[27] *Salinger (2006)*
[28] *MacLeod (2003) pp. 216–40.*

Table 20: Approachability of supervisors and trade union representatives, as perceived by factory workers

Level of comfort felt by workers when seeking help from relevant actor	*From supervisor (%)*	*From trade union representative (%)*
Very comfortable	76.6	73.1
Somewhat comfortable	15.5	16.0
Uncomfortable	5.7	7.6
Very uncomfortable	1.8	1.7
Prefer not to answer	0.3	0.5
Do not know	0.2	1.1

Encouragingly, 76.6 per cent of workers reported feeling *very comfortable* seeking help from their supervisor, with a similarly high rate for trade union representatives. However, when specific issues were presented to workers (such as those detailed in Tables 13 and 17), they revealed a greater reticence to contact either supervisors or trade union representatives, particularly the latter. This could indicate that workers are theoretically inclined to seek help from these actors, but that in practice – most notably over controversial issues – they prefer to confide in each other.

A crucial test of any work relationship is the handling of mistakes. As seen in Table 21, 52.4 per cent of workers reported that their supervisors corrected them with fairness and respect *all of the time*. Only around five per cent of workers stated that this *rarely* or *never* happened. However, around 40 per cent reported that fairness and respect could only be expected *most* or *some of the time*. This is arguably an area where Better Work's training and advisory services could make significant inroads.

Table 21: Fairness and respect shown to workers by supervisors in factories, as perceived by workers

Fairness and respect shown by supervisors when correcting workers	*%*
All of the time	52.4
Most of the time	26.7
Sometimes	13.7
Rarely	2.7
Never	2.4
Prefer not to answer	0.6
Do not know	1.4

Workers were also asked how they would rate their supervisor's ability to adhere to the rules of the factory (see Table 22). Again, this provides an overall positive impression of workers' attitude to their immediate bosses. However it leaves ample scope to work towards a 50 per cent *all of the time* report rate as a minimum "baseline" standard. The fact that a majority of workers think supervisors follow the rules only *most of the time* or *sometimes* suggests a need to remain focused on improving trust and cooperation between these two actors.

Table 22: Adherence to factory rules by supervisors, as perceived by factory workers

Supervisor adherence to factory rules, as perceived by workers	*%*
All of the time	37.0
Most of the time	43.1
Sometimes	18.4
Rarely	0.7
Prefer not to answer	0.3
Do not know	0.4

The degree of respect and welfare in a factory may also be indicated by the grievance procedures in place there. While a high rate of complaints is not a good sign in any workplace, it is arguably the procedure with which complaints are handled that matters most. Also of key importance is the confidante chosen by workers. A well-functioning grievance procedure allows workers to make a complaint without fear of being reprimanded. Some 8 per cent of all workers reported making a complaint at their factory during the year prior to the date they undertook this survey. Of these, 56.2 per cent reported that they were either *very* or *somewhat satisfied* with the outcome, compared to 42.4 per cent who were either *somewhat unsatisfied* or *not satisfied at all.* Table 23 indicates the preferred confidante cited by workers who made a complaint.

Table 23: Preferred confidante with whom to share complaints, as cited by factory workers

Preferred confidante of worker	*%*
Family/friends	3.8
Manager	3.4
Trade union representative	3.4
Co-workers	0.8
Suggestion box	0.6
Customer representative	0.4
Hotline	0.1
NGO representative	0.1
Corporate Social Responsibility representative	0.1
No one	–

– = nil/negligible

It is perhaps not surprisingly to see that family and friends are most likely to be told about complaints, with managers and trade union representatives close behind as the joint second choice. The relatively low report rate for confiding in co-workers could be linked to two factors: (i) workers are most likely to discuss complaints with their closest co-workers who could, therefore, be identified in the survey as friends; and (ii) workers may prefer not to discuss complaints, especially those of a sensitive nature, with co-workers, for fear of the news spreading throughout the factory.

The final aspects of respect and welfare discussed in this report are the most serious and the most sensitive. Table 24 illustrates the percentage of workers with concerns regarding verbal, physical and sexual abuse or harassment at work. Almost 10 per cent of workers expressed concern over verbal abuse, with the main response being to discuss the issue with colleagues. Some of this verbal abuse can likely be traced back to the earlier discussion on the relationship between workers and supervisors. Frustration and disagreement between these actors may be brought on by several factors, some of which have already been discussed. However, two additional factors should be

considered in relation to the more intense confrontations that take place from time to time: (i) workers and supervisors may be affected by misaligned incentives, whereby tough production targets set by the top management are made more difficult to achieve owing to a lack of pecuniary options available to supervisors with which to incentivize extra effort from workers; and (ii) many foreign-owned factories may employ supervisors with little or no knowledge of the Vietnamese language. In the noisy, busy and often hot factory setting, such language and cultural barriers can create tension and misunderstanding.

Table 24: Workers' concerns regarding sexual harassment and verbal and physical abuse in factories

Level of worker concern regarding sexual harassment and verbal and physical abuse	*Sexual harassment (%)*	*Verbal abuse (e.g. shouting, vulgar language) (%)*	*Physical abuse (e.g. striking, pushing) (%)*
Felt concern	3.1	9.6	3.4
Discussed with co-workers	1.3	6.8	1.3
Discussed with supervisor or manager	1.0	2.8	1.7
Discussed with trade union representative	0.7	1.1	1.0
Considered resigning	0.3	0.8	0.4
Threatened or mounted a strike	0.2	0.4	0.2

Both physical and sexual harassment were reported as a concern for around 3 per cent of workers. Reported sexual harassment, in particular, needs to be analysed with caution, since the definition, and understanding, of this offence varies between and even within countries. For example, previous studies have shown that most workers in Vietnam's garment industry consider verbal harassment or sexual "jokes" as acceptable, but not physical harassment.[29] Therefore, widely recognized forms of sexual harassment may sometimes be overlooked when their occurrence is perceived as something else or accepted in a particular context. Victims of sexual harassment can also respond in a variety of ways, and may not want to acknowledge the issue even in an anonymous survey such as this one. Thus, because of the sensitive nature of this subject, it is important that action be taken to design and implement advisory and training services that allow for abuses to be uncovered and dealt with in an appropriate and effective manner. Despite geographical variations in the way sexual harassment is interpreted, Better Work offers a guide to generally accepted international understandings of the term, in order to inform workers unsure about their rights of the procedure they should follow if they suspect they are a victim of this kind of abuse.[30]

The demographic data presented in Section 2 highlighted the prevalence of young, female rural-to-urban migrants in Vietnam's garment industry. These women are part of a relatively vulnerable group, and this vulnerability may be exacerbated by the challenges associated with living in an urban setting for the first time, not least given the higher likelihood of their living in crowded accommodation.[31] Other issues include frequent discrimination in the area of property rights for migrants, financial constraints linked to remittances and job insecurity. From a cultural perspective, sexual harassment may be linked indirectly to some of the conservative gender roles influenced by Confucianism discussed in Section 3.4. This arguably contributes to a situation whereby women employees, often unable to marry while they are employed owing to society's expectations of them, sometimes face discrimination for "choosing" a single life in the city over their supposed "duty" as

[29] *Mekong Economics (2004)*
[30] *Better Work (2012)*
[31] *Mammoun (2009)*

wives and mothers. The problem may be exacerbated when men and women, workers and managers, lack either a general awareness of, or desire to discuss, these issues in a frank manner.

3.6 Training

The quality and quantity of training provided by factories is a strong indicator as to the degree of investment being made in the workforce. Induction training was to be found at most factories, with 65.1 per cent of workers reporting that they had received some training during their first month at work. That said, a significant minority (34.7 per cent) reported not to have had training. Table 25 presents the types of training workers reported having received during their induction period. The fact that "basic skills" training was the only form of training reported by more than half of workers suggests a lack of uniformity in the provision of training across the sample factories.

Table 25: Induction training received by factory workers

Type of training received	*%*
Basic skills	55.1
Labour law	45.4
Work hours	45.3
Safety and health	41.8
Pay procedures	40.5
Overtime practices	38.7
Time regulation	38.7
Worker rights	38.2
CBA training	35.3
Fines	34.7
Grievance procedures	22.5
Skills upgrading	15.1

The 55.1 per cent of workers reporting to have received basic skills training seems, at first glance, to be very low. However a proportion of the non-report rate could perhaps be attributed to workers who had moved to a new factory with enough expertise to start their particular job immediately without basic training. Moreover, training on national and often internationally applied overtime regulations, labour laws and workers rights may not take place where a worker claims to have received them at their previous factory. Nevertheless, these factors should not reduce efforts to encourage factories to offer all their employees basic training at the outset of their employment. A cautious approach, whereby the re-training of some workers is viewed as an opportunity to refresh their knowledge, is preferred over one that assumes that workers are already familiar with certain training topics.

The need for every worker to receive training is particularly acute for certain subjects, such as work hours, pay procedures and safety and health. These topics may differ substantially from factory to factory, and should therefore form a founding element of any induction training programme for new workers, no matter how much previous experience they have had. The degree of progression or retrogression in this area will be monitored as the Better Work impact assessment continues.

Workers were also asked to provide details of any training they had received within the past six months. The most striking finding emerging from Table 26 is the substantially lower report rate for the equivalent topics listed in Table 25.

Table 26: Training received by factory workers within past six months

Type of training received within last six months	*%*
New skills	6.9
Safety and health	6.6
Worker rights	4.6
CBA training	3.8
New equipment	3.8
New operations	3.2
Factory procedures	2.3
Supervisory skills	1.8
Grievance procedures	1.5
Other training	2.8

The report rate of ten per cent or lower for all topics indicates that refresher training is not a regular practice in many garment factories. The wide gap between rates of induction and refresher training may be linked to the garment industry's relatively high turnover of staff, and the ensuing reluctance of managers to make successive investments in workers they might expect to employ only on a short-term basis. High staff turnover is linked to many factors, with two of the main considerations in Vietnam being: (i) workers moving to factories with better salary, conditions or benefits – an understandable situation if a particular worker does not feel secure in their employment or valued by their employer; and (ii) managers' expectation that many rural-urban migrant workers will eventually return to their home town or village to marry and start a family. The tendency for early marriage in rural areas has been strengthened by Land Law changes in the 1980s and 1990s that favour married couples with children.[32]

To summarize, it would appear that there is much room for improvement in the area of worker training. Beyond the immediate safety and health concerns of non-trained or partially trained workers, lack of training may also affect morale. For example, where higher-risk performance-based structures such as a piece-rate payment are in place[33], certain workers may feel that they have not been provided with enough training to compete on a level playing field with those workers with innate abilities or skills. As a consequence, workers can end up feeling that the workplace system is unfairly skewed against them which, as well as lowering morale, is likely to have a detrimental effect on their productivity.

[32] *Huong (2004)*
[33] *Lazear and Shaw (2007) pp. 91–114.*

Section 4: Beyond the workplace

The final part of this report presents and analyses the survey data on issues affecting workers' lives beyond the factory gates. It covers workers' perceptions of their personal and family health, aspects of their children's care and education, the extent of their financial independence and remittances, as well as indicators on the general well-being of workers. Together, the findings covered in this section will provide important insights into the developmental impact of the Better Work programme.

4.1 Personal and family health status

Regarding health, Vietnam's comparative international position is better than expected for a country at its level of development, and continues to improve at a rate competitive for its region.[34] However, despite the huge strides taken to eradicate economic poverty, a non-monetary assessment of poverty in Vietnam reveals that around one-third of all children below 16 years of age, or 7 million children, can be considered poor. A previous study by UNICEF found that "One third of children below five are stunted as a result of chronic malnutrition. More than one out of every three children is not fully immunised by the age of five. Almost half of all children do not have access to a hygienic sanitation facility in their home".[35] The study also found that 40 per cent of children living in rural areas are poor, compared with about ten per cent of children living in cities.

Survey respondents for the Better Work impact assessment were asked about the quality of their own and their family's health. In total, 65.5 per cent of workers perceived their health to be either *good* or *very good*, with 34.2 per cent saying *fair* and only 0.2 per cent *poor*. While a clear majority of healthy respondents is reassuring, a key caveat is the likelihood that the least healthy workers may not have been present at work to participate in the survey. Workers were also asked about their mother's health, with 71.2 per cent perceiving this to be either *good* or *fair*. Workers' parents scored worse than other family members, due in part to them being the oldest group in the dataset.

Table 27 details workers' perception of the quality of health of their children and siblings. The percentages are not based on all 1,759 workers who participated in the survey as a whole, but only on those who reported that they had children and/or siblings.

Table 27: Health of workers' children and siblings, as perceived by workers,* by percentage

Relation to worker	***Quality of relation's health, as perceived by workers***			
	Very good	*Good*	*Fair*	*Poor*
Daughter 0–5	27.4	44.9	28.4	1.7
Daughter 6–9	30.7	46.0	23.4	0.7
Daughter 10–12	37.9	48.5	16.7	0
Daughter 13–17	31.3	50.0	18.8	0
Daughter 18+	20.9	67.4	11.6	2.3
Son 0–5	27.8	39.9	30.9	2.4
Son 6–9	30.7	44.1	26.0	3.9
Son 10–12	26.3	50.9	21.1	1.8
Son 13–17	29.0	54.8	14.5	3.2
Son 18+	15.6	65.6	18.8	0

[34] *Adams (2005)*
[35] *UNICEF (2006)*

Relation to worker	*Quality of relation's health, as perceived by workers*			
	Very good	*Good*	*Fair*	*Poor*
Sister 0–5	23.2	33.1	43.7	0.7
Sister 6–9	32.0	38.7	32.0	0.0
Sister 10–12	31.6	34.2	38.2	0.0
Sister 13–17	23.4	40.6	38.3	1.1
Sister 18+	23.8	45.0	37.8	1.5
Brother 0–5	33.3	49.2	19.1	0.0
Brother 6–9	32.6	39.1	30.4	0.0
Brother 10–12	29.3	36.2	37.9	0.0
Brother 13–17	22.3	48.9	32.6	0.0
Brother 18+	23.6	50.6	30.8	1.3

*The highest report rate for each age category is highlighted in green for *very good* or *good* health; orange for *fair;* and red for *poor* health.

Among daughters, it is encouraging to see that the proportion of *good* and *very good* results increases during the pre-school and early schooling stages of development. The first five years of a child's life sees vital development occurring in all domains,[36] marking this period as a crucial determinant of future health. The results for sons are broadly similar, with two exceptions: (i) the sub-group aged 10–12 features a *very good* report rate that is around 12 per cent lower than that for daughters; and (2) sons are the only relative of workers not to have the highest proportion of *very good* health for any age group. The results also show that despite the low percentages, workers are clearly most concerned about sons with poor health. Workers' children showed a modest increase in *good* and *very good* health as they entered the 6–9 age range. The increase in perceived healthiness of 6–9-year-olds is a positive finding, because children within this age range in Vietnam are statistically more likely than newborns to suffer from long-term health problems and mental illness.[37]

Workers were also asked about their siblings' health. Although there was no dramatic difference between sisters and daughters in the *very good* category, the report rate for *good* health was around ten per cent lower, and there was a clear clustering around *fair* health. Younger brothers aged 0–5, on the other hand, had a notably healthier report rate than sons of the same age, with older age groups showing a small shift away from *good* towards *fair* health. Overall, and despite some exceptions, workers appear to perceive their daughters to be healthier than their sisters, but their sons to be less healthy than their brothers. While the results for sons and brothers would support the argument that parents worry more intensely about their children's health than that of their siblings, this contention is disputed by the results for daughters and sisters.

4.2 Childcare and education

As mentioned in Section 2, Vietnam has a young population. Some 14.3 per cent of the total male and 13.4 per cent of the total female population in Vietnam are under 16 years of age.[38] Despite the garment industry also having young population, many workers are choosing to start a family. Furthermore, with the increasing likelihood of both parents engaging in wage labour, arrangements

[36] *Grantham-McGregor et al and the International Child Development Steering Group (2007) pp. 60–70.*
[37] *Tuan et al. (2005)*
[38] *General Statistics Office of Vietnam (2008)*

for childcare are becoming essential. In most cases this is where the extended family, wider community and local institutions step in to support parents, and this is broadly reflected in the survey results.

Compared to many developing countries, maternal generalized trust in communities – defined as the level of trust mothers are willing to place in others – is very high in Vietnam. While Vietnam has traditionally had a tightly knit and family-oriented social structure, a strong communal element to society also exists. This structure is arguably helping the country to adapt to rapid economic development as parents place trust in friends and fellow workers for assistance with childcare.[39] As a result, the overall health and education levels of children brought up by two working parents is strongly linked to the economic circumstances of the extended family and wider community networks of trust and dependence.[40]

Survey respondents were asked to provide information on where their children lived. The results for daughters and sons from all age groups were broadly the same, with a range of roughly 50–65 per cent of children living with their parent, the worker. Of all the age groups, children aged 13–17 were most likely, at around 65 per cent, to be living with their parent. Meanwhile, some 35–45 per cent of children were reported to be living with either set of their grandparents or great-grandparents. It should be noted that there will be some overlap in these data, since many children will live with both their parents and grandparents. Vietnam's society has a strong tradition of duty to older people, whereby younger generations will often take care of their elders by bringing them into their home. The occurrence of three or four generations living in one household would not, therefore, be uncommon.[41]

The findings on children's accommodation offer only a preliminary insight into the quality of care they receive. Information was also collected on the provision of childcare during work hours, presented in Table 28.

Table 28: Childcare solutions for 0–5 year-olds adopted by factory workers during work hours, by percentage

Childcare solution adopted by worker	*Daughter 0–5 years*	*Son 0–5 years*
Factory childcare centre	3.1	2.4
Other childcare centre	44.5	43.6
Relatives	34.9	32.2
Friend/neighbour	2.4	1.0
Other	8.9	13.8
None – take care of themselves	7.9	0.1

The findings highlight the importance of the extended family, with around a third of daughters and sons within the 0–5 age range under the care of relatives. However, over 45 per cent of children were reported to be taken to a childcare centre. In a separate question, only 1.5 per cent of workers reported the existence of on-site childcare facilities at their factory, reflected in the 2–3 per cent report rate in Table 28. With regard to daughters, it is concerning to see 7.9 per cent of workers reporting that their daughters *take care of themselves*. As the youngest and hence most vulnerable group of children, this needs to be investigated further, especially in the light of the strikingly lower 0.1 per cent report rate for boys of the same age.

[39] *Tuan et al. (2005)*
[40] *Danh (2008)*
[41] *Diversicare (2009)*

Childcare data is also available for those aged 6–9 (see Table 29). The situation changes significantly owing to this group being of school age. Over 40 per cent of workers reported school as the primary childcare facility, followed by relatives at around 30 per cent.

Table 29: Childcare solutions adopted for 6–9 year-olds by factory workers during working hours, by percentage

Childcare solution adopted by worker	*Daughter 6–9 years*	*Son 6–9 years*
School	47.4	43.3
Babysitter	6.7	6.3
Relatives	37.8	29.1
Friend/neighbour	0.7	0.8
Other	8.9	14.7
None – take care of themselves	3.7	8.7

The proportion of this age group reported to look after themselves is significantly higher for boys, at 8.7 per cent, than for girls, at 3.7 per cent. As with the younger age group, these findings are cause for concern and will remain a key point of comparison for future surveys.

In order to provide a fuller picture of the situation faced by the children and siblings of workers, information on school attendance was collected for those aged 6 and above. The headline results presented in Table 30 indicate a school attendance rate approaching or surpassing 90 per cent among both daughters and sons aged 6–17.

Table 30: School attendance rate among children and siblings of factory workers, by percentage

Relation to worker	*Attendance at school, by age group*			
	6–9 years	*10–12 years*	*13–17 years*	*18+ years*
Daughters	91.1	95.5	88.9	44.2
Sons	93.0	94.7	90.3	43.8
Sisters	90.7	90.8	78.2	25.3
Brothers	76.1	89.7	70.1	25.5

The results also show a slight drop-off in attendance for all workers' relatives aged 13–17, most notably brothers. Attendance numbers drop further for those who have reached young adulthood, with around 40 per cent of children and 25 per cent of siblings reported to be attending school. It should be noted that education is only compulsory in Vietnam up to the age of 15, therefore a large drop-off is to be expected beyond that age.

In addition, workers offered a number of reasons to explain any cases of non-attendance at school concerning their children and/or siblings over the six months prior to participating in the baseline survey. While information was provided for all the age ranges introduced above, Table 31 only details the results for siblings aged 13–17 and 18 and over, owing to the very low report rate among other groups.

Table 31: Reasons for absence from school among siblings of factory workers, by percentage

Reason for absence	*Siblings by age group*			
	Sister aged 13–17	*Sister aged 18+*	*Brother aged 13–17*	*Brother aged 18+*
Illness	5.3	1.1	–	0.5
School fees / Uniforms	15.8	9.5	9.1	6.3
Distance / Transportation	13.2	7.7	16.4	5.9
Working to support family	42.1	46.5	45.5	49.3
Caring for family members	2.6	11.8	9.1	12.2
Did not want to continue with school	10.5	2.5	16.4	3.2
Working in the family enterprise	–	4.3	1.8	5.0
No time to study	2.6	2.9	–	2.9
School no longer compulsory	10.5	6.6	9.1	4.1
Other	23.7	35.4	16.4	35.4

– = nil/negligible

The clearest finding indicated by Table 31 is that older siblings are most likely to miss school in order to support their family in general. A significantly larger proportion of those aged 18 and over were reported to be caring directly for family members. Two other constraints were cited by a significant number of workers: the cost of school fees/uniforms, and the distance from school. Meanwhile, over 20 per cent of brothers and sisters aged 13–17 had missed school either because they did not want to continue, or because it was no longer compulsory.

4.3 Financial independence

Section 4.2 touched upon some of the reasons older children and young adults might forego education, with working to support the family being an option for a significant number of workers' siblings and children. A sense of duty to provide for one's family is also reflected in the findings discussed here.

The degree of financial independence enjoyed by workers has a direct effect on their ability to invest in personal and family development. A basic indicator of financial independence is the ability to afford personal and family health care fees. Vietnam's health sector is predominantly private sector-based, often resulting in high fees. As a consequence, the government has in place its own individual Social Health Insurance (SHI) programme to assist with payments for many low-income citizens. However the SHI system is struggling under the rapid rate of growth in membership, leaving much of the burden on workers whose families are not insured. Coverage limitations are especially common for those in the private sector and from rural backgrounds.[42] It is a legal requirement for all garment workers to be insured through their employer, but many are not happy with the schemes on offer and often end up paying directly to health care providers, depending on the type of treatment required.

When workers were asked whether their family had had sufficient income to cover their health care fees over the past year, 80.5 per cent said *yes*, while 17.6 per cent said *no*. Table 32 offers a breakdown of the various coping strategies employed by the workers who answered *no*.

[42] *Long (2008)*

Table 32: Coping strategies of factory workers needing to raise funds for health care

Workers' coping strategy	*%*
Health insurance covers fees	33.7
Borrowed money with no interest	32.4
Borrowed money with interest	19.1
Sold household-made products	11.0
Received an exemption	6.8
Sold assets	4.5
Stopped treatment	3.6
Free health care certificate	2.9
Other means	15.9

The table shows that a third of this group were covered by their health insurance. However, 50 per cent reported having to borrow money to cover costs, and over 15 per cent reported selling either household assets or household-made products to help pay their health care bills. While Table 32 focuses on family income as a whole, Tables 33, 34 and 35 provide an insight into the extent to which workers are financially independent from their family. Around 90 per cent of workers claimed to be fully financially independent from their family. In fact, Vietnam's garment labour force is predominantly made up of poorer women who support extended families.[43] Kinship is key to young rural women's entire migration strategy, whereby "dutiful daughters" move to the city to earn money for their parents.[44] Table 33 shows that 70 per cent of respondents send money *occasionally* or *regularly* to their family.

Table 33: Remittances to family members made by factory workers

Frequency of remittances to family members	*%*
Occasionally	46.9
Regularly	22.9
Not at all	30.1
Prefer not to answer	0.1
Do not know	0.1

Meanwhile, Table 34 indicates how much, on average, the 70 per cent of remitting workers send back to their family each year. Studies show that these kinds of remittances can play a critical role in poverty reduction in rural Vietnam.[45] The figures for annual remittances are presented alongside monthly wage data (both the average rate and for the month prior to the survey) for all workers, remitters or not.

[43] *IFC (2011)*
[44] *Huong (2004)*
[45] *Mammoun (2009)*

Table 34: Monthly wage rates among factory workers, alongside sums remitted annually

Amount (VND)	*Financial indicator*		
	Wage distribution (%) for all (1,759) workers		*Annual remittance distribution (%) (for remitting workers (1,164) only)*
	Last month	*Typical month*	
Up to 1 million	8.0	9.8	5.5
1,000,001–2,000,000	21.1	14.3	12.6
2,000,001– 3,000,000	44.7	40.8	7.5
3,000,001–4,000,000	15.2	13.3	4.5
4,000,001–5,000,000	4.2	3.3	5.3
5,000,001–10,000,000	2.7	2.6	15.5
Over 10 million	0.9	0.9	12.6
Missing/not asked	3.0	15.0	6.7

Although no information is available regarding the exact proportion of annual wages remitted by individual workers, the survey data does provide an important insight into the broad picture of remittances. As shown in Table 34, 81 per cent of workers reported to have received between 1 and 4 million Vietnamese Dong (VND) in their last pay cheque, with 68.4 per cent also claiming that their typical monthly wage lay within this range. By using the mid-point of this range, 2.5 million VND, and projecting this for a year, we can assume that a good proportion of workers would receive an annual salary of roughly 30 million VND (around US$1,500). With this ballpark figure in mind, it is easier to compare the data on annual remittances, which does not show such a strong concentration around particular values. However, 28.1 per cent of remitting workers reported giving a sum of 5 million VND or more to their family. When viewed as a whole, the figures reported by workers for remittances to their families are distributed across a wider range than the figures for their wages, which is understandable given that wages are guided by broad industry and national standards, while remittances are based on private decisions taken between workers and their families.

Workers were also asked their perception of how remittance money was spent, with the option to select as many options as appropriate in their family's case (see Table 35). Fundamentals such as food and clothing were most commonly reported, while debt repayments were also high up on the list, suggesting a prevalence of credit-dependence among many families. Other essential outgoings such as health care and education were reported by around ten per cent of workers.

Table 35: Spending of remittances, as reported by factory workers

Goods/services bought using remittances	*%*
Food	37.6
Debt repayments	37.4
Clothes	36.6
Utensils	24.3
Farm tools	21.9
Leisure	19.8
Family business	14.8
Motorbike	14.8
Health care	12.6
Weddings/ceremonies	11.8

Goods/services bought using remittances	*%*
Home-building	11.4
Education for children	10.9
Education for siblings	9.8
Travel	9.2
Luxury goods	6.5
Unknown	12.5

The data on remittances provides a baseline from which the wider developmental impact of Better Work Vietnam can be measured. Future evaluation of the developmental impact of the programme will be based partly on whether there any increase is seen in the share of remittances being spent on productive, long-term investments such as home-building and family businesses. A higher report rate for these investments might indicate that families were able to afford basic necessities and could therefore build and develop their home and community rather than simply scraping by on a month-to-month basis.

4.4 Life satisfaction

The final section of this report sheds light on several key indicators relating to the general well-being of workers, presenting information on overall life satisfaction (see Table 36) and on how respondents feel when they are at work. From a global perspective, Vietnam has a medium Human Development Index (HDI) ranking of 128 out of 187, based on measurements relating to health, education and income.[46] Meanwhile, The Happy Planet Index, which eschews economic indicators as a measure of prosperity in favour of life expectancy, life satisfaction and ecological footprint, found Vietnam to be the fifth happiest country in the world.[47] Therefore, one might argue that Vietnam is a relatively happy country, enjoying as it has a prolonged period of peace and broad-based growth in prosperity, despite the effects of rising inequality being a potential future area for concern. Vietnam's well-being is also likely to be positively linked to the strong feelings of trust in community and the concomitant tendency for Vietnamese people to share their lives and their problems with others.

Table 36: Overall life satisfaction, as rated by factory workers

Life satisfaction rating	*%*
Very satisfied	29.6
Satisfied	45.7
Somewhat satisfied	16.5
Somewhat unsatisfied	7.4
Not satisfied at all	0.6
Prefer not to answer	0.2

The baseline results show workers to be generally satisfied with their lives, with over three-quarters of respondents judging themselves to be either *satisfied* or *very satisfied*. This is undoubtedly a reassuring baseline for overall well-being, and indicates prevailing optimism in the face of the frequent challenges faced at work. Questions on more specific well-being indicators also returned broadly positive results (see Table 37).

[46] *UNDP (2011)*
[47] *New Economics Foundation (2009)*

Table 37: Level of anxiety or distress experienced by factory workers at work

Level of anxiety or distress experienced by workers	***Symptom of anxiety or distress***				
	Feeling sad	*Crying easily*	*Feeling hopeless about the future*	*Feeling restless, unable to sit still*	*Feeling fearful*
Not at all	72.6	81.9	85.1	87.7	86.8
A little of the time	19.0	13.7	11.6	10.0	10.0
Some of the time	6.4	3.9	2.2	1.8	2.3
Most of the time	1.5	0.2	0.7	0.4	0.6
All of the time	0.2	0.1	0.2	0.1	0.2
Prefer not to answer	0.2	0.2	0.2	0.2	0.2

Although there are no apparent areas for immediate concern, with four out of the five negative well-being indicators scoring a rate of non-occurrence of 80 per cent or higher, 25 per cent of workers did admit to feeling sad *a little* or *some of the time*. Furthermore, a solid minority of at least ten per cent of workers reported feeling fearful, restless or hopeless about the future *a little of the time* while at work. It is also possible that, as with the health indicators discussed in Section 3.1, workers suffering the worst cases of illness or depression may not have been present at work to participate in the survey. In addition, there is potential in the Vietnamese context for non-reporting or underreporting from individuals unwilling to admit, even in an anonymous setting, to feelings of sadness. Overall, however, these are encouraging results, especially given the very low prevalence of cases claiming to feel sad *most* or *all of the time*.

Section 5: Conclusion

This report has described, analysed and interpreted survey data collected by the Tufts University Better Work Monitoring and Evaluation Project. The findings from this report will inform Better Work Vietnam's impact assessment by offering a range of worker perspectives on working conditions and life beyond the workplace. This report has discussed the survey findings with three key objectives in mind: (i) to collect information on the demographic composition and identity of workers in participating Better Work Vietnam factories; (ii) to get perspectives from workers about their day-to-day work experience; and (iii) to understand how workers navigate life outside the workplace, and how constraints and opportunities linked to their employment impact on their families and communities.

While a broad range of issues has been discussed in this report, it is worth underlining some of the most striking results. A brief demographic summation illustrates a sample population for this survey that is 81.6 per cent female, 83.7 per cent of rural origin, 75 per cent under the age of 30, 84.4 per cent secondary school-educated, 52.3 per cent married, while more than 25 per cent have children and 68.7 per cent live with their mother. From the workplace perspective, 88 per cent of workers believe there to be barriers to promotion at their particular factory, with 42 per cent of workers citing the relationship with their supervisor as the main obstacle to advancement, as opposed to skills or the availability of promotion opportunities. Furthermore, ten per cent of workers expressed concern over verbal abuse at their factory. With regards to fixing errors, 41 per cent of all workers claim to correct their own errors, and a fifth of this subgroup report doing so during lunch, dinner or work breaks. Beyond the workplace, around 40 per cent of children aged 0–5 are reported as not living with their parent (the worker), while over 30 per cent of children in this age group are taken care of by workers' extended families during working hours. Meanwhile, over 90 per cent of workers consider themselves to be financially independent of their family, with nearly 70 per cent claiming to remit wages occasionally or regularly. When asked how remittances were spent, bare essentials such as food, clothes and debt repayments featured most prominently among the responses. Future evaluation of the developmental impact of Better Work Vietnam will be based partly on whether there is any evidence of an increased share of remittances being spent on productive, long-term investments such as home-building and family businesses. Finally, despite the numerous challenges faced by workers, over three-quarters of survey respondents reported being satisfied or very satisfied with their life.

Overall, the baseline survey advances the Better Work impact assessment in three key areas: (i) by solidifying and adding insight to the findings from Better Work assessments; (ii) by thoroughly offering a range of worker perspectives from over 60 participating factories; and (iii) by providing a baseline from which the wider developmental impact of Better Work Vietnam can be measured. Subsequent years of this project will consult as many of the same workers as possible, in order to follow the demographic trends, workplace issues and progress or backsliding on key developmental indicators and so evaluate the impact of the Better Work programme on workers' work experience and their life beyond the factory gates.

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