

Wages in Viet-Nam

At its request the Government of Viet-Nam recently received technical assistance on wage matters from a member of the International Labour Office staff. Advance research in the United Nations Secretariat and the I.L.O. in Geneva, and in both Paris and Saigon made it clear that there is a marked lack of up-to-date and detailed documentation on the economic and social situation in Viet-Nam. The present study of wages—written with the help of official documents supplied by the Secretariat of State for Labour—may therefore make a useful and original contribution to knowledge of the subject; it also throws light incidentally on industrial relations, collective bargaining, the settlement of labour disputes and, generally, on conditions of life and work in Viet-Nam.

THE WAGE SYSTEM

IN 1952 a Labour Code came into force in Viet-Nam and a year later a Labour Code for Agricultural Undertakings was promulgated. It is on these two fundamental statutes, together with accessory provisions, that wage law in Viet-Nam is based.

The Minimum Wage

Article 14 of the Constitution of 1956 provides that “ whoever works is entitled to a fair remuneration such as will enable him and his family to live a life consistent with human dignity ”. In his Message to Parliament submitting this text for its approval the President of the Republic brought the right to work and the right to equitable payment together in a single terse statement when he said : “ Citizens are entitled . . . to employment at a fair wage.”

The worker's family responsibilities are taken into account by adding family allowances to his personal wage, the cost being distributed among industrial and commercial employers, who are required to affiliate to existing adjustment funds. The allowances (15 per cent. for the wife, 6 per cent. for each of the first five dependent children, 3 per cent. for each of the others) are calculated in each region on the basis of flat rates representing six specific

wage classes. In the case of recruited agricultural workers (discussed below), the family allowance consists of rations of rice for the wife and children.¹

The Guaranteed Minimum Wage.

The Labour Code², which applies to industrial, mining and commercial undertakings and to the liberal professions, but not to domestic employment or agricultural workers unless expressly provided, regulates the guaranteed minimum wage. Section 107 of the Code states: "Whatever his trade or calling, a worker must receive in exchange for his work a wage not less than the guaranteed minimum wage." This minimum wage is defined as "the remuneration below which the worker would have to suffer privations incompatible with human dignity" (section 108); it must be fixed "without distinction of occupation or employment" and "may vary from one of the three administrative regions of Viet-Nam to another and also within one region according to the territorial subdivisions and the economic, climatic or other characteristics that influence living conditions" (section 109).

Although the Labour Code gives no other criterion, the guaranteed minimum wage is in fact based on a minimum living budget established by the competent regional labour advisory board. According to section 110 of the Code each such board—

...shall fix, at least once a year, the guaranteed minimum wage rates applicable in each of the territorial subdivisions falling within the region. The rates fixed by the board shall be monthly rates; the daily rates shall be 1/25th thereof. The proposals of the board shall be confirmed by order of the regional governor. Where the board fails to meet or fails to agree upon precise proposals, the guaranteed minimum wage rates shall be fixed by order of the Minister of Labour on the recommendation of the regional governor.³

The composition of a regional labour advisory board is governed by section 312 of the Code. With the regional inspector of labour and social security as chairman, it has the following members:

¹ Ordinance No. 2 respecting family allowances, dated 20 January 1953, section 9; and Labour Code for agricultural undertakings (Ordinance No. 26 of 26 June 1953), section 61.

² Ordinance No. 15 of 8 July 1952, supplemented and amended by Ordinances Nos. 9 and 10 of 8 February 1955, Ordinance No. 27 of 30 April 1956 and Ordinance No. 57 of 24 Oct. 1956. Cf. *I.L.O. Legislative Series*, 1956 (V.N. 1 A, B and C).

³ The regions ceased to be administrative units, and their budgetary autonomy was abolished, under Ordinance No. 17 of 24 December 1955, section 2 of which provided: "Regional prefects will represent the Government, each one in respect of a group of provinces or municipalities to be determined by decree."

one representative respectively of the regional services reporting to the Minister of Health, the Minister for Social Action, the Minister of National Economy, the Minister of Planning and Reconstruction and the Minister of Finance; six employers' representatives; and six workers' representatives. The members are

TABLE I. STANDARD BUDGET FOR AN UNMARRIED WORKER
IN SAIGON-CHOLON, 1956

Item	Quantity	Cost	Total per year
		Piastres	Piastres
<i>Food and fuel (daily ration) :</i>			
Rice	750 g.	4.90	
Meat or fish	100 g.	5.00	
Vegetables	100 g.	2.00	
Condiments (salt, nước mắm, fat, sugar)	25 g.	4.80	
Fruit	50 g.	2.00	
Coal or firewood	1 kg.	1.80	
			7,482.50
<i>Clothing and toilet articles (annual) :</i>			
Everyday clothing	3	330	
" Best " clothing	1	250	
Underwear	2	30	
Clogs	4	32	
Sandals	1	120	
Haircuts	12	180	
Towels	4	40	
Tooth brushes	3	24	
Dentifrice (tubes)	6	36	
Soap (cakes)	15	255	
			1,297
<i>Housing, etc. (annual) :</i>			
Rent of hut		2,400	
Bed or mat		150	
Other furniture		125	
Kitchen utensils		180	
Water		800	
Lighting		216	
			3,871
<i>Sundries (annual) :</i>			
Medical expenses		600	
Transport		600	
Trade union contribution		60	
			1,260
Total			13,910.50

Standard budget per calendar day : $\frac{13,910.50}{365} = 38.11$ piastres.

Corresponding guaranteed minimum wage per working day :

$$\frac{13,910.50}{300} = 46.36 \text{ piastres.}$$

appointed by order of the regional representative of the government on the recommendation of the Ministers concerned or the occupational or provincial organisations of employers and workers, as the case may be.

In 1956 the board for Saigon-Cholon estimated the minimum living budget at 38.11 piastres per calendar day, giving a guaranteed minimum wage of 46.36 piastres per working day (table I).

The National Council for Money and Credit¹, which is composed of the President of the Republic as Chairman, the Vice-President, the Secretaries of State for Finance, National Economy and the President's Department, and the Governor of the National Bank, and is responsible for studying financial and economic matters, considered that this amount was too high and would lead to a rise in prices, which would in turn disturb the balance of the national economy. The Council therefore reduced it to 41 piastres, and this is the amount fixed by the relevant order for a male labourer in Saigon-Cholon.

The Minimum Wage in Agricultural Undertakings.

The wage provisions of Ordinance No. 26 of 26 June 1953² respecting the recruitment of workers for agricultural undertakings and the employment of workers so recruited apply only to workers classified as "recruited"—i.e. "any paid manual worker who freely consents to be employed in an agricultural undertaking, by a contract in writing, for a period of not less than one year".

(a) Compulsory Wages in Kind.

Whereas the employer is not obliged to provide all food unless otherwise stipulated in the contract of employment, a recruited worker is entitled to certain precisely laid-down, free allowances, which amount to a sort of minimum wage in kind.

The first of these is a daily ration of 800 grammes of uncooked rice for the worker and, "as a family allowance", rations for his wife and children which vary according to the number and age of the latter (section 61). The recruited worker is also entitled to a decent, healthy dwelling; a piece of land nearby which can be cultivated as a garden; water (at least 10 litres of drinking water per head per day); medical care and medicaments for himself and the members of his family living on the farm or plantation.

¹ Established by Ordinance No. 44 of 24 June 1955 and reorganised by the decree of 11 July 1957; see *Bulletin économique de la Banque nationale du Viet-Nam*, Folio II (2), 31 July 1957.

² *Journal officiel du Viet-Nam*, 24 July 1953, No. 39, p. 1580.

In addition to these allowances, which are provided by the employer, the approved recruiting agent is required to provide the worker and the members of his family accompanying him with prepared meals (in accordance with prescribed standards) and accommodation, free of charge, from the time of arrival at the meeting place where the contract is to be signed until arrival at the place of employment. Once the contract has been signed he must also provide him with a blanket, a set of working clothes, a latanier-leaf raincoat, a local-type hat and a pair of sandals. To this equipment the employer is required to add a mosquito net.

(b) *The Basic Minimum Wage.*

According to section 51 of the Labour Code for Agricultural Undertakings—

At least once a year, and more frequently if changes in the statistical index of the cost of living justify such action, the following shall be compulsorily fixed, either by collective agreement or by general employment regulations or, failing these, by order of the Minister of Labour :

- (1) the basic minimum wage per legal working day ;
- (2) the rates of re-engagement and seniority bonus.

Collective agreements and regulations or orders thus appear as alternative means of bringing about the compulsory periodical determination.

The basic minimum wage is “guaranteed” to the recruited worker, not only in the usual sense of the term—i.e. that he cannot be paid at a lower rate—but also in the further sense that he has what amounts to guaranteed employment at that wage, since under section 55 of the Code the employer must provide him with “a minimum of 24 days’ paid work” a month.

The Normal Wage

In Viet-Nam the normal wage is fixed by any of the three usual methods—agreement, regulation, and conciliation and arbitration. In some cases the rules for agriculture follow the general scheme, in others special rules apply.

Wage Fixing by Agreement.

Terms and conditions of employment are normally settled by individual agreement or, exceptionally, by works agreements (not mentioned by the Labour Code and concluded on the initiative of the labour inspectors or the persons directly concerned).¹

¹ For example following a strike in the establishments of the Standard Vacuum Oil Company the agreement was concluded on 20 November 1956 providing principally for higher wages.

Although no collective agreements have yet been concluded, the procedure has been attracting much attention and its use has been envisaged, particularly in banks, where preparatory studies have been made, and in plantations. More will be said of this later.

The general scheme, laid down in Chapter V of the Labour Code, applies also to agricultural undertakings. It provides for three types of agreements, as follows :

(a) Ordinary agreements may be entered into by representatives of one or more workers' organisations, on the one hand, and representatives of one or more employers' organisations or one or more employers personally, on the other (section 70).

(b) Industry agreements¹ have to be negotiated in joint committees, convened by the Minister of Labour (in the case of a national agreement) or the prefect-general (in the case of a regional agreement) at the request of a representative organisation of employers or workers. The joint committee is appointed by order of the Minister or prefect-general, after consultation with the national or regional labour advisory board², and must consist of an equal number of representatives of the employers' and workers' organisations for the industry concerned.³

(c) Lastly, collective agreements may be extended so as to apply to all employers and workers in the occupations concerned within their territorial scope. A regional agreement may be extended by order of the prefect-general after consultation with the regional labour advisory board, and a national agreement by order of the Minister of Labour after consultation with the National Labour Advisory Board (section 85). Before making an extension order the competent authority must publish in the official gazette a notice giving the employers' and workers' organisations and any interested persons at least 15 days in which to communicate their observations. The extension order ceases to have effect if the contracting parties jointly denounce, revise or amend the agreement. It may be annulled if the signatory organisation considered to be most representative denounces it or if the agreement clearly no longer corresponds to the situation in the industry concerned in the part of the territory in question.

An agreement which has been extended by order in this way partakes of the character of a public regulation. This is partially true of all collective agreements, since they are subject to official

¹ Neither the Viet-Nam Labour Code nor the French provisions on collective agreements from which the Code draws its inspiration give any definition of the term industry (*branche d'activité*). However, not much difficulty is usually encountered in its practical interpretation.

² The Board is composed of the Inspector-General of Labour and Social Security as Chairman, representatives of the Ministers of Health, Social Action, National Economy, Planning and Reconstruction, and Finance, and three representatives of the employers and three of the workers for each administrative region.

³ The list of these organisations is drawn up annually by order of the Minister of Labour on the basis, in particular, of membership, amount, regularity and period of contributions, the age of the organisation and the nature and scope of its activities.

approval and are not applicable even between the contracting parties until this is given. Public regulation is thus required to give effect to collective agreements and to extend their scope; in this way it supplements the procedure of collective bargaining. It may also replace collective bargaining if necessary.

Wage Fixing by Regulation.

Wage fixing by regulation is intended to be a supplementary type of action used only pending or failing conclusion of a collective agreement. It may take the form of either general employment regulations or wage orders.

(a) General Employment Regulations.

In agriculture as elsewhere, if there is no representative workers' organisation and therefore a collective agreement cannot be concluded, conditions of work may be determined by "general employment regulations" applicable to the branch concerned (section 94). These are drawn up after discussion between the employers or their representatives and the labour inspector as representative of the workers. For this purpose a meeting of employers in the branch of industry, commerce, mining or agriculture for the whole of Viet-Nam or one of its regions is convened by the labour inspector (section 98).

By way of illustration, general employment regulations, drawn up by the Indo-China Rubber Planters' Association and the Inspector General of Labour and dated 5 January 1955, fixed the basic minimum daily wage at the following rates: 15.5 piastres for an unskilled woman worker or juvenile (14-18 years); 20.5 piastres for an unskilled male worker, and for a woman or juvenile if equal work is done; 26 piastres for a "skilled"¹ rubber tapper, irrespective of age and sex.

The same regulations lay down scales of re-engagement and seniority bonuses, and also reproduce the provisions of the Code regarding allowances in kind, savings, and the number of days' paid work guaranteed. The regulations may be revised at the request of either party "when economic conditions justify this".

(b) Wage Orders.

Pending conclusion of a collective agreement, the competent authority may issue a wage order for a particular occupation, based on any relevant collective agreements that may exist (section 79). In two other cases such an order must obligatorily be issued.

¹ Here, and throughout the present article, the word "skilled" is used to include the partly and semi-skilled, in contrast to the unskilled.

First, under the general system, if a joint committee convened to conclude a collective agreement in a given industry fails to do so, the competent authority, after consultation with the appropriate advisory labour board, must issue an order provisionally prescribing minimum wages and conditions of employment (section 78).

Secondly, in agriculture the basic minimum wage and the re-engagement and seniority bonuses must be periodically fixed by order if no collective agreement has been concluded and no general employment regulations have been drawn up.

In practice the basic minimum wage now in force in the plantations was fixed by a composite procedure. On 19 October 1955 a joint committee composed of ten representatives of the workers and five representatives of the employers, with the Inspector General of Labour and Social Security as Chairman, met to revise the provisions of the general regulations regarding wages and certain other conditions. After a month of discussion, an order of the Secretary of State for Labour dated 17 November 1955, "having regard to the report of the committee of employers' and workers' representatives, meeting under the chairmanship of the Inspector General of Labour and Social Security", fixed rates of 24.5 piastres for women and juveniles, 30 piastres for unskilled male workers and 37 piastres for skilled workers. The allowances in kind and the various bonus rates remained unchanged.

Wage Fixing by Conciliation and Arbitration.

Wage clauses are the most important provisions of contracts, regulations, etc., governing conditions of employment; they are also the most frequent cause of labour disputes arising out of these instruments. The decisions which settle such economic disputes generally lay down new and higher rates of wages; they thus constitute a particular method of fixing remuneration.

Conciliation and arbitration are compulsory on the parties to a collective dispute, whether in agriculture or elsewhere, but the procedure and the underlying principles differ in the two cases. Under the general scheme conciliation and arbitration provide what amounts to a sliding scale for the adjustment of wages to changes in the cost of living, whereas in agriculture they play only a subsidiary role in this respect, for as we have seen the Labour Code for Agricultural Undertakings itself provides for such adjustment at least once a year.¹

The proportion of disputes terminated under the general scheme by conciliation, with the aid of the competent labour inspector, during 1957 shows the success of this first stage in the

¹ See above, p. 469.

disputes procedure. Study of the conciliation reports regarding wage disputes indicates that the claims put forward by the workers, even if otherwise well-founded, were often poorly substantiated, frequently alleging a rise in the cost of living although at that particular time living costs were steady or had even decreased slightly in accordance with the Government's policy of stabilisation. In other words, reference to higher living costs, which had been justified in previous years, had been inserted automatically. The employers refuted this argument, and also pointed to their own difficulties—shortage and expense of raw materials, fall in output, taxation, controlled prices, unfair competition by Chinese handicraftsmen. In the end the parties agreed on certain wage adjustments in the form of either an increase in the cost-of-living allowance or other benefits that improved the workers' position, such as the provision of essential consumer goods at cost price.

If conciliation fails, the dispute is subject to arbitration, either (in agriculture) by the regional labour inspector or (under the general scheme) by a council established in each of the three administrative regions and composed of a magistrate (as chairman), assisted by two arbitrators, one of whom is chosen by each of the parties. Only a few arbitration awards have been issued, owing no doubt to the success of the conciliation procedure. The arguments are similar to those adduced at the conciliation stage—on the one side, increase in the price of consumer goods and, on the other, price control, official stabilisation policy, business depression and the threatening level of deficit in the accounts of undertakings.

The Relationship between Prices and Wages

While, as we have seen, the provisions relating to wage fixing by conciliation and arbitration under the general scheme lead in practice to the establishment of a sliding scale, the guaranteed minimum wage and the basic minimum wage are also attached to some extent to the cost of living. This relationship between prices and wages will now be considered more closely.

Wages Fixed by Conciliation and Arbitration.

Section 306 of the Labour Code provides that—

Conciliation and arbitration procedure shall apply particularly in the case of an appreciable variation in the cost of living, in the settlement of disputes arising from the consequences of such variation and relating to the revision of wage clauses in collective agreements, supplementary orders or general regulations.

The arbitration council shall adjust wages as necessary to the variation noted, and also family allowances, unless proof is given that such an adjustment is incompatible with the economic conditions in the branch of economic activity for which the demand for adjustment has been made.

In the latter case the wages shall be fixed by the arbitration council at the level compatible with the possibilities of the branch of economic activity for which the demand for adjustment has been made.

Application of this article is intended to set up a parallel between the movement of prices on the one hand and that of wages and family allowances on the other ; but only if two conditions are fulfilled. First of all, the variation in the cost of living must be " appreciable " ; secondly, the adjustment of wages to this variation must be compatible with economic conditions in the branch concerned. In fact, provision is made for a sliding scale, but its application is neither automatic nor necessarily proportionate. The arbitration council has to determine whether there is an appreciable variation and whether incompatibility has been proved ; this responsibility carries with it, in fact, a powerful influence over any movement of the wages in question.

Guaranteed Minimum Wage Rates.

The link with prices recurs, to a smaller extent, in the case of the guaranteed minimum wage, which is fixed for each region in the light of the economic and other elements that together determine conditions of life. Since this wage is based in practice on a " worker's budget " it varies with the cost of living. However, the relationship is neither constant nor regular, as may be seen from table VIII below.

The Basic Minimum Wage.

The Labour Code for Agricultural Undertakings provides, it will be remembered, for the establishment of a basic minimum wage at least once a year, and more frequently if changes in the statistical index of the cost of living justify such action.

This provision contains only the principle of a sliding scale ; in the case of a price movement, there must be a movement of wages in the same direction, but there is nothing to indicate that it must be proportionate. The size of the price variation which will justify an adjustment of wages and the difference between the old and the new wage rates remain within the discretion of the parties concerned or the competent authorities.

Compulsory Wages in Kind.

The wages in kind which recruiting agents and employers must provide under the Labour Code for Agricultural Undertakings cover the worker's essential needs as regards food, housing, clothing and medical care. In so doing, they also protect the worker, to a great extent at least, against price increases and save him from the

grave loss of real earnings which he would inevitably suffer (even with a strictly automatic and proportionate sliding-scale system) during the time-lag between the rise in the cost of living, its statistical measurement and the corresponding improvement in his wage.¹

* * *

In fact, workers have preferred to seek from their own undertakings either an increase in nominal wages justified by the rise in the cost of living but not statistically related to it, or the provision of essential consumer goods at wholesale price or at cost. Accordingly, recourse has not been had to the sliding scale, and since the issue of the Code there has been no more than a general similarity in trend between the rise in prices and the more rapid rise in wages (table II).

WAGE TRENDS

Detailed records of pre-war wages based on regular surveys are available, as well as uninterrupted series since 1949. The *Bulletin économique de l'Indochine*, which published the results of the surveys, did not appear from 1942 to 1945, and the surveys themselves were not resumed until 1948 ; but this gap in the information does not make it impossible to explore the background of the present situation. Recent developments are known thanks to the half-yearly surveys of the National Statistical Institute, published in its monthly bulletin ; these give average wages for each category of workers in the main towns of the three regions. However, these statistics are not sufficient, for the year 1949, with which they begin, cannot be regarded as a satisfactory year of reference. The wage market in general was extremely disturbed at that time by prevailing economic conditions and it is necessary to refer to the pre-war figures.

Before studying the movement of wages, it will be as well to draw attention to the considerable difference in economic importance between the provinces and the capital. The great majority of industrial and commercial undertakings are concentrated in the twin cities of Saigon-Cholon. This urban area, long the most populous in Indo-China, had 600,000 inhabitants before the Second World War, and according to the most recent estimates this figure has more than doubled in the interval. There are two reasons for this : the attraction of the city and capital, which tends to cause

¹ See the section on adjustment of wages to changes in the cost of living in *Problems of Wage Policy in Asian Countries*, Studies and Reports, New Series, No. 43 (Geneva, I.L.O., 1956), pp. 126-127.

desertion of the country districts and the provinces ; and the flow of refugees from the neighbourhood and the North during the fighting and the armistice.

The Capital

Real Wages.

In so far as living costs before and since the Second World War can be compared with sufficient accuracy, statistical data show that real wages, although above those of the immediate post-war years, are still very much below the levels of 1931, a period which was the subject of detailed study.¹

Differentials for the Main Categories of Workers.

In 1931 a skilled worker earned twice as much as a male labourer, three times as much as a female labourer. Today he earns only 50 per cent. more than the one and under twice as much as the other. It is particularly the wages of unskilled labourers which have come closer together : women, who earned three-fifths as much as men in 1931, now earn over five-sixths as much—i.e. on

TABLE II. PRICE AND WAGE INDICES, SAIGON-CHOLON, 1949-57
(December 1949=100)

Year and month	Prices ¹	Female labourers		Male labourers		Skilled workers	
		Nominal wages	Real wages	Nominal wages	Real wages	Nominal wages	Real wages
1949 : Dec.	100	100	100	100	100	100	100
1950 : June	103	106	103	107	104	132	128
1951 : June	117	125	107	111	95	155	132
Dec.	128	156	122	133	104	165	129
1952 : Dec.	153	165	108	148	97	187	122
1953 : June	189	186	98	166	88	217	115
Dec.	204	245	120	206	101	253	124
1954 : Dec.	210	278	132	243	116	333	159
1955 : June	217	306	141	249	115	351	162
Dec.	246	362	147	310	126	394	160
1956 : June	258	386	150	328	127	404	157
Dec.	232	438	189	364	157	406	175
1957 : June	245	447	182	393	160	413	169
Dec.	235	—	—	—	—	—	—

¹ General consumer goods index, working class.

¹ *Labour Problems in Indo-China*, Studies and Reports, Series B, No. 26 (Geneva, I.L.O., 1938).

the principle of equal pay for equal work the sex differential has been reduced. Since 1949 the price index has more than doubled (table II), whereas the wages of male labourers have nearly quadrupled and those of skilled workers and female labourers have more than quadrupled.

TABLE III. AVERAGE DAILY WAGES OF SKILLED WORKERS
BY INDUSTRY, SAIGON-CHOLON, 1949-56¹

(In piastres)

Industry	Dec. 1949	June 1950	Dec. 1951	Dec. 1952	Dec. 1953	Dec. 1955	Dec. 1956
Water and electricity (distribution)	21.4	23.2	30.4	33.8	45.00	76.57	75.85
Metal production and metal trades	26.5	31.5	40.5	42.0	52.85	92.34	79.60
Building and public works	—	23.6	44.8	46.0	52.42	63.77	89.55
Food and fats industries	26.5	28.4	32.6	36.0	49.09	72.79	92.27
Commerce and transport	30.0	34.9	39.9	48.0	66.04	96.48	85.75
Other	—	—	—	38.5	62.44	83.37	103.92

¹ There are no statistics for December 1954.

The general trend in wages by industry revealed in table III is somewhat difficult to detect; on the whole, however, the movement is an upward one—moderate until December 1952, then rapid—except for a reversal in December 1955 in three industries: commerce and transport, metal production and metal trades, and water and electricity.

The Provinces

In the provinces only the more recent movements are known. Figures for average wages by main classes of workers go back to July 1953 for Hué-Tourane, and to December 1954 for Dalat-Banmethuôt (table IV). They can therefore only be studied in respect of a brief period, with the reservations this usually entails. In addition the statistics for Hué-Tourane, at least the most recent, relate to a very small number of workers. Further reservations are called for because in each case the figures combine data for two neighbouring provinces—Thua-Thien and Quang-Nam in the Hué-Tourane region, Dong-Nai-Thuong and Darlac in Dalat-Banmethuôt. The averages thus obtained may conceal big disparities, representing pronounced differences in the real situation. Nevertheless, they reflect the general tendency.

TABLE IV. AVERAGE DAILY WAGES, BY CLASSES OF WORKERS, IN
CITIES AND TOWNS
(In piastres)

	June 1953	Dec. 1953	June 1954	Dec. 1954	June 1955	Dec. 1955	June 1956	Dec. 1956	June 1957	Dec. 1957
<i>Saigon-Cholon :</i>										
Labourers, fem.	21.00	27.64	29.06	31.38	34.60	40.88	43.65	49.49	50.56	51.68
Labourers, male	25.50	31.75	34.45	37.45	38.30	47.80	50.50	56.05	58.56	63.39
Skilled workers	47.80	55.64	64.41	73.21	77.31	86.69	88.90	89.39	91.45	99.22
<i>Huê-Tourane :</i>										
Labourers, fem.	26.98	32.77	42.90	43.15	45.84	46.43	47.00	47.70	48.26	—
Labourers, male	28.83	36.53	44.28	44.53	49.27	49.84	50.20	51.70	53.74	—
Skilled workers	57.91	71.15	78.52	87.75	89.96	90.85	91.25	92.07	93.94	—
<i>Dalat-Banmethuôt :</i>										
Labourers, fem.	—	—	—	36.01	36.28	44.16	—	47.50	—	48.36
Labourers, male	—	—	—	50.36	50.97	56.76	—	61.10	62.05	—
Skilled workers	—	—	—	105.59	106.32	119.40	—	123.06	124.12	—

Note : As no statistics were available for average daily wages in the regions of Huê-Tourane and Dalat-Banmethuôt for the period preceding June 1953, those available for Saigon-Cholon have not been reproduced in the table. They show that the upward movement of wages started several years ago : the daily wages of skilled workers increased from 22 piastres in December 1949 to 29.1 in June 1950, 34.1 in June 1951, 36.3 in December 1951, 41.2 in December 1952.

As in the capital, nominal wages have increased considerably, but the rate of increase and the level reached vary greatly from one region and class of workers to another. It is not possible, with the available figures, to make detailed comparisons for this period between capital and provinces, between classes of workers or between wages and cost of living. However, geographical comparison appears to reveal an unusual situation : average wages are on the whole greater in the provinces than in the capital, or were so until recently. The highest provincial averages are those of the southern plateaux ; all are on the increase and have tended in recent years to move closer together.

In the plantations average wages by classes of workers are available since 1953 (table V). Their movement breaks down clearly into two periods : until December 1954, a clear upward movement, more rapid in the higher-paid classes than in the lower ; since that date, a sluggish continuation, slowest where the rise had been most rapid before. Thus the wages of skilled workers have remained almost unchanged in the last few years, while those of tappers and female labourers have continued to move to some extent. In the case of male labourers the change in pace lagged a year behind that of the other classes ; their upward movement did not slow down until after December 1955.

TABLE V. AVERAGE DAILY WAGES OF MAIN CATEGORIES OF WORKERS
IN RUBBER PLANTATIONS, 1953-56¹*(In piastres)*

Year and month	Labourers		Tappers	Skilled Workers
	Female	Male		
1953 : Dec. . . .	22.35	24.85	32.70	49.10
1954 : Dec. . . .	31.50	32.66	45.62	83.48
1955 : Dec. . . .	34.29	40.54	48.50	85.04
1956 : June . . .	34.70	41.15	48.90	85.08
Dec. . . .	34.74	42.44	48.90	86.14

¹ Average daily wages include (apart from the basic wage) allowances in kind and New-Year bonuses, but not family and other cash allowances or overtime pay. Eleven firms and companies with 21 plantations and 14,947 workers are covered.

The Present Wage Structure

The information on past trends summarised above is confirmed and completed by a study of the present occupational and geographical structure of wages, so far as can be determined from the latest reliable statistical inquiries. The most important source of such figures is the detailed survey carried out by the Department of Labour in July 1957.

Occupational Structure.

(a) Classification by Industries and Categories of Workers.

Table VI, compiled from the results of the 1957 survey, shows that at Saigon-Cholon the ratio between the wages of labourers and skilled workers, which ranges around 1 to 2.5, may vary from parity to 1 to 5.

But, although wage differentials between categories of workers still exist, they are wiped out in some cases by discrepancies between the wage levels of different industries. Thus at Saigon ordinary labourers in the printing industry earn more than many grade 1 operatives—in the food, electricity and gas, public transport, weaving, footwear, furniture, automobile (transport and repair), and rubber industries. In other words big wage variations—absolute and relative—are to be found within given categories of workers ; and the grade differential varies from one industry to another (in printing it is wide between the labourer and the assistant operative, narrower between the latter and the skilled worker, grade 1).

TABLE VI. PREVAILING DAILY WAGE RATES (EXCLUDING ALLOWANCES) IN THE PRIVATE SECTOR,
SAIGON-CHOLON, BY INDUSTRY AND CATEGORY, JULY 1957

(In piastres)

Type of undertaking	Labourers				Assistant operatives	Skilled workers			
	General		Specialised			Grade 1	Grade 2	Grade 3	Grade 4
	Men	Women	Men	Women					
Automobiles (transport and repair) . .	41-50	36.10-41	52.80-83.60	—	42.80-63.30	56.80-73.70	83.60-93.33	100.90-118.30	119.60
Public works	43-73	40.40-46	56	48-52	48-52	60-68	75-90	98-105	110-150
Hotels, dance-halls	41-56	—	57-60	—	—	72-82.50	86-99.66	110-116	—
Food, ice, aerated drinks ; rice mills, distilleries	61-70	52.40-60	65-92.80	58-64.80	62.50-101	69-81.40	95-100.70	114-123	134.20-144.20
Rubber manufacturing industry . . .	44-80	40-58	—	—	—	56.20-82	96.16-126	—	—
Tobacco	63.35-77.25	49.90-61.90	71.50-89.25	53.50-66	—	82.30-101.65	95-114.20	107.80-137.30	—
Electricity and gas	56.40-68	—	—	—	—	66-79.20	85.20-111.60	121.20-162	—
Cinema	41-50	—	—	37-50	37.71	63.33-80	86.66-90	100-116.66	—
Pottery	41-50	36.10-46	50-70	—	45.55	50-100	—	—	—
Printing	69.27-73.53	—	—	—	91.62-94.81	95-184	—	—	—
Banks and wholesale commerce . . .	80	58	—	—	—	—	—	—	—
Weaving	41-60.60	—	—	—	—	60-70	87.70-124	—	—
Footwear manufacture	45-55	—	70-80	38-50	—	59.80-68.20	70-76.70	77-100	105.10-215.70
Furniture	42	—	—	—	—	60	80	—	—

Such overlapping is practically general throughout the country. In the provinces, although restricted by the volume of information available, findings are generally much the same as in the capital; this proceeds from the wage tables of the 1957 survey, to which reference has already been made.

(b) *Variations within Certain Occupations.*

The general figures agree with those arising from a study of the same wage categories in certain occupations.

The banks provide an excellent example of the variety of undertakings and conditions of employment to be found in Viet-Nam. They belong to four different national groups—Vietnamese, French, Chinese and British. Comparison of salaries shows very clearly the divergencies not only between groups (which is hardly surprising in view of the nationality difference) but also between banks in the same group. Both employers and employees are aware of and regret such variations, which affect salary scales and allowances, both in kind (housing, transport, etc.) and in cash (including New-Year, seniority, language and balance-sheet bonuses; various forms of profit sharing; allowance for performance of special services or functions or in case of mission, transfer, etc.; overtime pay; and part refund of the cost of sickness).

The plantations, particularly rubber, offer another example. In 1957 rubber made up 58 per cent. of Viet-Nam's total exports. In 1956 it was 70,000 tons, 80 per cent. of which came from the five big French undertakings, which have been grouped in the Rubber Planters' Association since 1917. The total area planted by these companies in 1957 was 63,000 hectares and they employed 31,000 workers. The smaller plantations, namely those with under 500 hectares (nearly all belonging to Vietnamese planters and having their own association) had a total area of 24,400 hectares and had planted 7,400 of these.

Conditions of employment appear to vary widely with the size of the undertaking and to be better in the larger ones.¹ According to information provided by the Confederation of Viet-Nam Workers' Unions (C.S.T.V.), they are very much the same throughout the French undertakings, wages being at least equal to—if not higher than—the above-mentioned basic minimum rates fixed by Order of 17 November 1955. Apart from the compulsory allowances in kind enumerated by the Code and already discussed above many workers receive other benefits—an allowance of rice, free

¹ There is often a correlation between level of wages and size of undertaking; see, for example, M. MÉRAUD: "Les salaires français suivant la taille de l'établissement", in *Etudes et conjoncture* (Paris), Mar. 1958.

transport, community services (library, hospital, school, church). In the same way—still according to the C.S.T.V.—conditions are similar as between Vietnamese plantations: wages are below basic minimum; there are no allowances in kind; free transport and welfare services, hospitals, maternity homes and schools are less common and less complete. Table VII summarises the situation in a few definite cases. It is based on information supplied by the Confederation of Viet-Nam Workers' Unions, no information supplied by employers being available.

TABLE VII. WAGES AND SUNDRY ALLOWANCES
IN PLANTATIONS, 1958

	Société indochinoise de plantations d'hévéas	Châu-an-Phée and Bô-Mua plantations	Suối-Chùa plantation
<i>Numbers employed . . .</i>	1,000	150 and 300 respectively	70
<i>Wages (daily) :</i>			
Tappers, permanent :			
{ Morning (tapping)	24 piastres + 500 g. of rice	50 piastres	23 piastres piece-rates
{ Evening (various jobs)	13 piastres + 300 g. of rice		
Labourers, temporary :			
Men	30 piastres + 500 g. of rice	piece rates	piece rates
Women and juveniles	24 piastres + 800 g. of rice		
" Corporals "	40-60 piastres + 800 g. of rice	50 piastres	50 piastres
Foremen	100 piastres + 800 g. of rice	—	—
Supervisors	130 piastres	—	—
Drivers and workshop operatives	40-80 piastres	—	—
<i>Family allowances (daily) :</i>			
Children of labourers and " corporals " . .	under 12 years, 200 gr. of rice ; over 12 years, 600 gr. of rice	—	—
Supervisor :			
Wife	100 piastres	—	—
Child	90 piastres	—	—
<i>Community services . .</i>	Hospital, mater- nity, five-class primary school	—	—

Geographical Structure.

According to the manpower survey carried out at the Department of Labour with the guidance of an I.L.O. expert ¹, there are 31,400 undertakings in Saigon-Cholon employing an aggregate of 184,600 persons; 29,322 of the undertakings have less than ten employees each. The first results of the survey in the provinces indicate a comparable working force of 145,400 persons. This gives a national total of 330,000 persons employed in non-agricultural undertakings, over half of them in the capital.²

Examination of the most recent wage rates shows that they vary widely from one region to another. In general, wages are higher on the southern plateaux than in Saigon-Cholon; and skilled workers earn more in the provinces than in the capital. The highest wage rates in each class of workers are found in Dalat-Banmethuôt, the difference being particularly great among skilled workers. Caution is required in any attempt to explain this latter point, for the available statistics give an average for two provinces where it is quite probable that wages differ widely. In particular they may be considerably higher at Dalat, a holiday resort for prosperous families, thus raising the average and giving a false impression of the general situation. However, the more general finding that provincial wages are higher remains valid. The difference is so great that in a certain period the average wages of skilled workers were greater even on the plantations than in Saigon (July 1954 to end of 1955). It is not a question of rural wages being higher than urban wages (wage rates on the plantations are always lower, for each class of workers, than in the provincial towns) but simply that higher rates prevail in the provinces than in the capital—the chief economic centre of the country, as stated above. This is a somewhat paradoxical situation but it seems to be growing less marked: in 1957 the nominal wages of labourers of the two sexes in Saigon-Cholon caught and passed those in the provinces, except Dalat-Banmethuôt, where men's wages remained slightly higher. The trend towards equalisation which was already evident in preceding years is thus continuing.

Wages and Prices

A worker's remuneration can only be appreciated in relation to the cost of what he consumes by comparing it with a budget

¹ The provisional results of this inquiry have been published in *Journal d'Extrême-Orient*, 28 Feb. 1958, and *Bulletin économique de la Banque nationale du Viet-Nam*, Folio XII (1), 15 Mar. 1958.

² *Bulletin économique de la Banque nationale du Viet-Nam*, Folio XII (2), 15 Dec. 1958.

of his daily requirements. Such a comparison will be made below, first for effective average wages and then for the legal minimum wage.

Effective Average Wages.

Saigon has a standard budget for an unmarried worker, which was adopted in 1956 by the Regional Labour Advisory Board on the basis of a table (table I above) prepared by the Inspector General of Public Health. It amounts to 38.11 piastres per calendar day (of which 20.5 go on food) and corresponds to a minimum wage of 46.36 piastres per working day or 1,160 piastres a month. The average wages of male labourers in 1956 were considerably above these last figures (50.50 piastres in June and 56.05 in December—see table IV). From this it may be deduced that at least the great majority of workers received wages which enabled them to live decently. This conclusion holds good, however, only for the workers covered by the survey, i.e. a number of employees in establishments, not including the generally lower-paid classes such as domestic servants, who are particularly numerous in Saigon. Nevertheless the various large allowances in kind which domestic servants receive make their position better than that of many employees in establishments.¹

These conclusions appear satisfactory. However, examination of wage rates in detail, by occupation or by branch of the economy, shows that many labourers receive less than the minimum living budget. This proceeds, for instance, from the statement of current wages drawn up following the Department of Labour Survey of July 1957 (table VI).

Many ordinary labourers in the following industries, etc., have wages below the minimum budget: automobiles (transport and repair), public works, hotels and dance halls, rubber manufacture, cinemas, pottery, weaving, footwear and furniture.

Among workers paid by the month this position is less common; messengers in the automobile (transport and repair) industry, hotels, dance halls and cinemas seem practically the only class where rates are below the monthly living budget of 1,160 piastres.

As for the provinces, from food budgets prepared by the labour inspection services for the regions of Dalat (town and country), Pleiku and Banmethuôt it is possible, by analogy with the budget drawn up for Saigon-Cholon (table I), and assuming the same

¹ The monthly wages of domestic servants in Saigon-Cholon at various dates were as follows (without food): June 1956-Feb. 1957, 800 to 1,200 piastres; Mar. 1957, 800 to 1,500 piastres; Apr. 1957-Jan. 1958, 1,000 to 1,500 piastres. During the three periods the wages of cooks (also without food) remained unchanged at 1,500-2,000 piastres.

ratio between expenditure on food and total expenditure ($38.11 : 20.5 = 1.86$), to calculate the standard budget per working day for the three regions, with the following results :

(1) In the town of Dalat, the minimum living budget is 48.25 piastres a day or 1,206 a month ; this is above the wages only of a labourer in the food trade (cafés) and a cinema usher.

(2) In the province of Đông-Nai-Thuong, of which Dalat is the capital, the corresponding budget is 37.90 piastres a day or 948 a month ; this is below all the wages reported.

(3) In the province of Pleiku, the corresponding budget is 36.43 piastres a day or 911 a month, which is considerably below all the wages reported.

(4) In the province of Darlac (capital Banmethuôt) the corresponding budget is 47.68 piastres a day or 1,192 a month ; all labourers except in public works earn less than this figure, as do assistant operatives in the automobile (transport and repair), food and printing industries.

For Hué, as no food budget was calculated the consumer price index (table IX) can be used instead. This was 337 in July 1957 as against 240 at Saigon-Cholon. The minimum living budget would thus be $\frac{46.36 \times 337}{240} = 65.10$ piastres a day or 1,627 a month. This is above the wage rates of all labourers and most assistant operatives.

Lastly, in the rubber plantations of the southern provinces, where the cost-of-living indices (which seem to decrease with the latitude) are among the lowest in the country, it may be confidently assumed that the average wage of a male labourer is amply sufficient for the corresponding budget. In 1956, as stated above, this wage was around 42 piastres, including the daily rice ration—valued at about 4 piastres—and various other allowances in kind—estimated at 3 piastres (table V). The plantation workers covered by the survey may therefore be regarded as decently paid ; however, only 13 plantations employing a little over 15,000 workers actually replied to the questionnaire of the National Statistical Institute, whereas the total working force of the plantations is estimated at 51,500, including 38,500 in rubber.

Legal Minimum Wages.

The comparison made in table VIII between the minimum living budgets and legal minimum wages at Saigon and various provincial towns shows the existing disparity, not only between the two rates themselves but also between the respective rates in the

different regions. On the whole it must be noted that the minimum wage is inferior to the amount of the corresponding living budget both in the capital and in the main provincial towns, which account together for the great majority of employees of the industrial and commercial undertakings to which the guaranteed minimum wage applies.

TABLE VIII. MINIMUM WAGES, STANDARD BUDGETS AND PRICE INDICES ¹

(Wages and budgets in piastres per working day)

Provinces or chief towns	Standard budget (unmarried worker) 1956 ²	General price index (without rent) June 1958 ³	Guaranteed minimum wage ⁴		
			Men	Women	Juveniles
Saigon	46.36	223	41	36.10	31.60
<i>Southern Region :</i>					
Tay-Ninh		215	38.95	34.29	30.02
Gia-Dinh and Vung-Tau			41.00	36.10	31.60
Binh-Tuy			42.00	33.60	25.20
Rach-Gia		189	34.85	30.68	26.86
Cần-Tho		202	34.85	30.68	26.86
My-Tho		187	36.90	32.49	28.00
Kiên-Hoa and Kiên-Tuong			34.85	30.68	26.80
<i>Central Region, coast :</i>					
Quang-Tri and Quang-Nam			47.00	37.60	28.20
Thua-Thiên			51.80	41.44	31.08
Huế	65.10	320	51.80	41.44	31.08
Dà-Nang			49.70	39.76	29.82
Quang-Ngai, Binh-Dinh, Phu-Yên			40.00	32.00	24.00
Khanh-Hoà			45.00	36.00	27.00
Nhà-Trang		275			
Ninh-Thuan			44.00	35.20	26.40
Binh-Thuan			42.00	33.60	25.20
<i>Central Region, hills :</i>					
Dalat town	48.25	284	45.00	38.57	32.15
Province of Đông-Nai-Thuong	37.90		44.60	38.23	31.86
Banmethuôt	47.68	274			
Province of Darlac Kontum			45.00	38.57	32.15
Pleiku	36.43		46.50	39.86	33.20
			46.50	39.86	33.20

¹ Basic minimum wages for rubber plantations of the southern region were fixed as follows by an order dated 17 November 1955 : 37 piastres for tappers ; 30 piastres for adult male labourers ; 24.5 piastres for female and juvenile labourers. The allowances in kind, estimated at a total value of 7 piastres a day, are additional to the above. ² See text. ³ See table IX. ⁴ Guaranteed minimum wages were fixed as follows : Saigon and southern region, by order of 29 November 1956 ; central region (coast), by order of 31 December 1956 ; central region (hills), by order of 20 December 1957. See table of rates in *Bulletin économique de la Banque nationale du Viet-Nam*, Folio XII (5) and (6), 15 Aug. 1958.

Present Level of Real Wages.

A precise comparison of real wages in the various regions is not practicable, but figures published by the United States Operations Mission to Viet-Nam, based on the prices reported by its personnel, indicate that the general index of working-class living costs, without rent, is considerably higher in the provinces than in the capital (table IX); the corresponding regional food budgets discussed above show smaller deviations from that for Saigon, sometimes in the same direction and sometimes in the opposite one: those for Banmethuôt and Dalat-town are higher, while those for Dalat-rural and Pleiku are lower.

In many places, however, the fall in prices has now raised the working-class standard of life. For more than two years prices of working-class consumer goods in Saigon have remained more or less stable, as is clear from the index figure (table II). From July 1956 until at least the beginning of 1958 the same stability is found in the principal commercial centres, or even some decrease, though this was followed in many cases by a rise after the middle of the year, as shown in table IX.

In the circumstances the Government has realised the inherent difficulties of combining a high level of employment on the one hand with a stable price level and currency on the other, and of doing this in an expanding economy where—just because it is expanding—investment must be high and must come to a large extent from the savings of firms and companies or from foreign aid. Furthermore, as in all underdeveloped countries with a relatively rapid increase in population, this increase exerts a long-term pressure on prices as a whole.

At the same time the favourable effects on real wages of the recent fall in prices have often served, in some official circles and among employers, as a circumstantial argument against the raising of wage rates at this time—an argument which has reinforced the more general grounds, related to the structure of foreign trade and the national income, for opposing a higher level of working-class incomes.

In fact, as neither the exact number of employed persons, nor the national wage bill or labour income, are as yet known in Viet-Nam, it is hardly possible to attempt an evaluation—even using certain estimates and hypotheses—of the relationship between wages and the national income, or to compare Viet-Nam in this regard with neighbouring countries where similar conditions prevail. The work done by the National Bank, the Department of Labour and the Directorate for Planning will no doubt enable these matters to be better known and so make it possible to

TABLE IX. GENERAL INDEX OF WORKING-CLASS CONSUMER PRICES
(EXCLUDING RENT)

(Saigon prices in 1949=100)

Month	Saigon	Huế	Nhà-Trang	Ban-methuôt	Dalat	Bien-Hoa	Rach-Gia	Tay-Ninh	My-tho	Cần-Tho
1956 :										
July . . .	257	414	321	—	293	258	—	260	226	200
Aug. . . .	262	426	312	—	289	266	—	265	254	193
Sep. . . .	260	429	318	—	288	255	—	266	245	194
Oct. . . .	243	415	314	—	287	249	—	254	242	182
Nov. . . .	238	439	321	—	298	233	—	239	233	173
Dec. . . .	224	407	315	—	291	222	—	241	222	182
1957 :										
Jan. . . .	225	417	353	295	293	232	—	231	233	211
Feb. . . .	231	393	323	286	286	230	—	229	197	217
Mar. . . .	226	386	308	290	307	216	—	227	205	218
Apr. . . .	229	400	302	289	311	225	—	216	204	201
May	235	388	303	291	309	226	—	219	204	205
June	238	354	311	291	309	230	—	217	210	207
July	240	337	341	291	309	235	—	229	214	232
Aug. . . .	239	341	329	290	315	236	—	230	214	195
Sep. . . .	235	336	329	292	321	227	—	228	213	210
Oct. . . .	228	339	315	292	291	229	198	228	210	210
Nov. . . .	222	340	300	295	291	217	192	228	210	210
Dec. . . .	227	339	300	275	292	221	192	224	209	208
1958 :										
Jan. . . .	225	337	289	283	292	—	199	222	202	205
Feb. . . .	226	339	284	293	291	—	201	226	201	203
Mar. . . .	219	337	266	289	288	—	197	212	193	203
Apr. . . .	219	331	265	285	288	—	200	214	194	196
May	221	321	264	279	284	—	176	218	190	200
June	223	322	275	274	284	—	189	215	187	202
July	225	314	287	300	288	—	215	229	193	218
Aug. . . .	—	315	296	319	293	—	210	232	199	222
Sep. . . .	233	312	300	316	292	—	194	239	192	213
Oct. . . .	229	—	304	—	292	—	194	228	192	210
Nov. . . .	229	—	—	—	—	—	—	—	—	—

Source : Monthly Statistical Bulletin, United States Operations Mission to Viet-Nam, in *Bulletin économique de la Banque du Viet Nam*, Folio XII (3), 31 Dec. 1958. For Huế, revised figures since July 1957. To calculate the index, co-efficients taken from a study of family budgets in Saigon were applied to the other towns, for which comparable studies were not available.

conceive a model economy for the Republic of Viet-Nam; the wages policy which the Government intends to apply as a factor in its policy of economic and social development could then be determined in the light of that knowledge and of that conception.