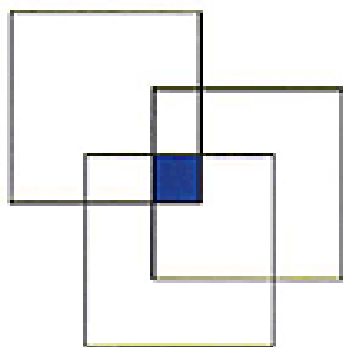




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# WORKING HOURS IN VIET NAM



**Keywords:** Working hours, industrial relations, overtime working hours, labour law

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## Introduction

- Statutory working hours has attracted attention in the course of discussion on the revision of the Labour Code
- A proposal has been put forward to reduce the current statutory weekly working hours, from 48 hour week to 44 or 40 hour week.
- Report Content
  - o provides several empirical findings on the current state of working hours
  - o presents estimates on the working hours situation, especially focusing on the distribution of workers by their actual weekly working hours.
  - o estimates are disaggregated by demographic characteristics of workers, industries and sectors or employment.

## Data set

- Labor Force Surveys (henceforth referred as to LFS) in 2013 and 2018.
- Annual LFSs provides informations on trends of employment and wages in Viet Nam among about 800.000 informants nationwide who are aged 15 and older.
- Sample size limited to wage-earning workers. The proportion of wage workers in the working people increased from 35% in 2013 to 44% in 2018.

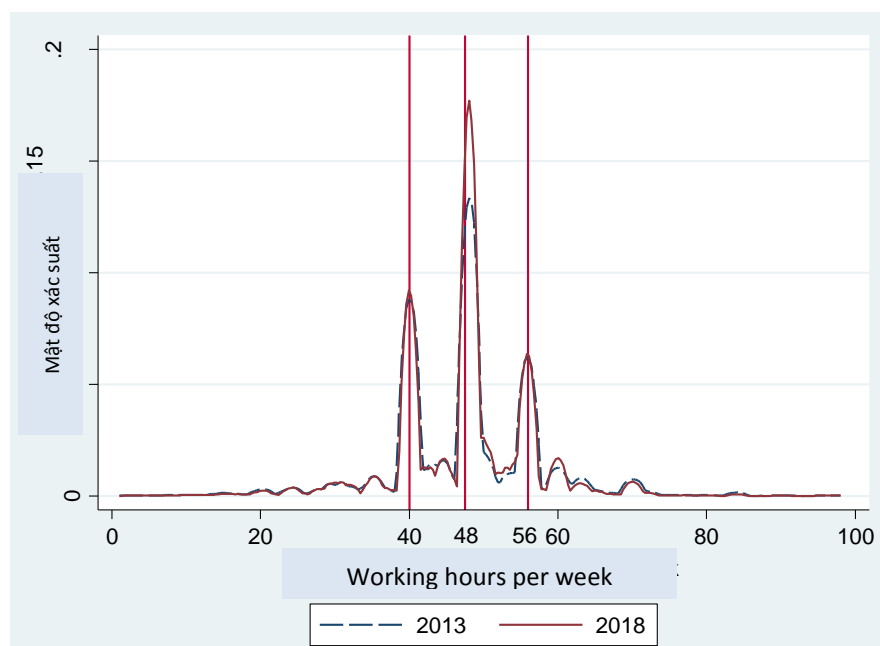
The paper was prepared by Dr. Nguyen Viet Cuong (National Economics University and Mekong Development Research Institute) and Yoon Youngmo – Senior Specialist in Industrial Relations, under support from the International Labour Organization (ILO). The research benefitted from support of the New Industrial Relations Framework, as part of the cooperation agreement between the Government of Canada and ILO.

## Empirical results on working hours

### Total number of weekly working hours

- For wage workers, the average number of working hours in a typical week has remained relatively unchanged between 2013 and 2018, with 47.5 and 47.4 hours, respectively. These working hour data are actual total hours worked per week. The distribution of workers by their working hours is also very similar in these two years (Figure 1).
- There are a large number of people working at 48 hours, then 40 and 56 hours per week. It is possible that the reported working hours may contain hours of “overtime” work.
- The peaks of 40 hours and 48 hours may indicate that actual working hours are within the statutory weekly working hours of 40 and 48. The third peak of 56 hours weekly work can be seen as including 8 hours of “overtime” work per week.

Figure 1: Working hours per week of wage-earning workers

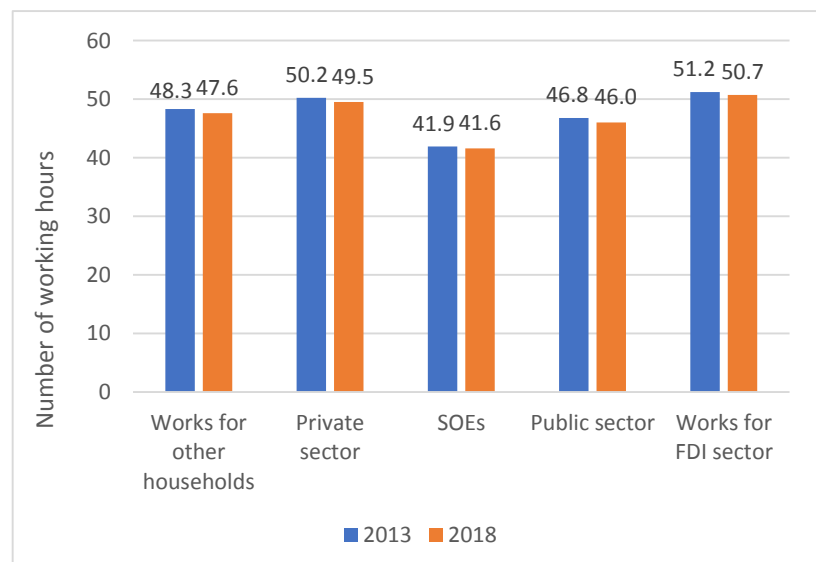


Source: Estimates from LFSs 2013 and 2018.

### Average working hours by employment sectors

- Workers in SOEs have the lowest working hours, around 42 hours per week. Workers in FDI sector have the highest number of working hours, at 51 hours.

Figure 2: The average working hours of workers by employment sectors

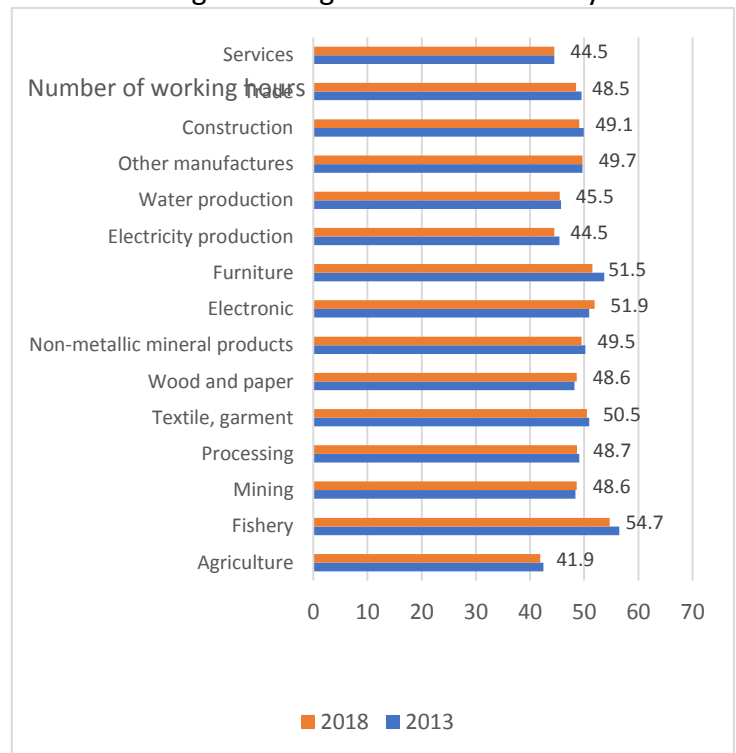


Source: Estimates from LFSs 2013 and 2018

### Average working hours of workers by industries

- Workers in the fishery sector have the highest working hours, while workers in the agricultural sector have the lowest working hours.
- Workers in industries including textile, garment, electronic production and furniture have a high working hours, above 50 hours per week. These industries include high concentration of FDI firms. Except agriculture, all the industries have the average working hours above 44 hours per week
- Tỷ trọng lao động chia theo nhóm giờ làm việc (Hình 1) và giờ làm việc theo loại hình kinh tế và ngành nghề (Hình 2 và 3) của năm 2013 và năm 2018 có nhiều điểm rất tương đồng.

Figure 3: The average working hours of workers by industries



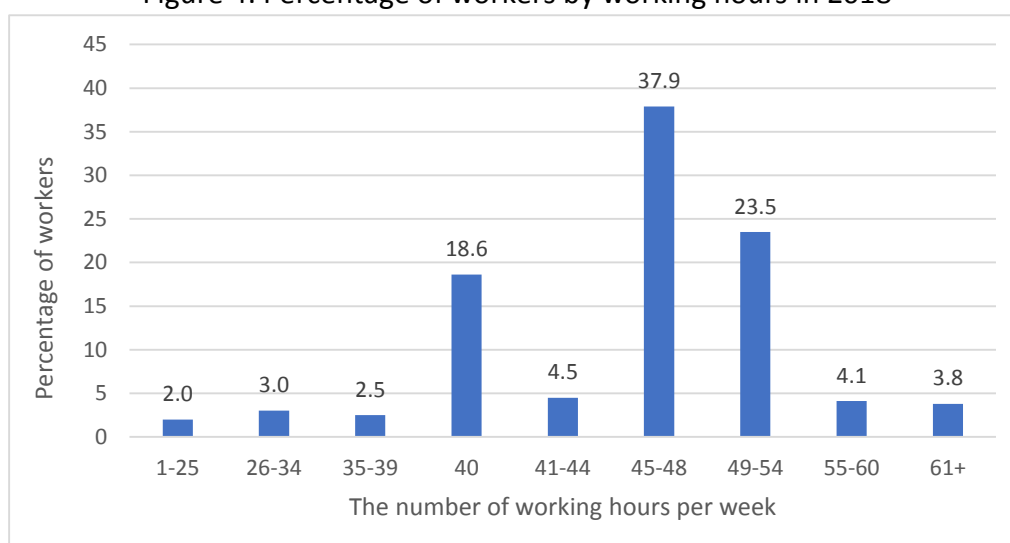
Source: Estimates from LFSs 2013 and 2018  
[the numbers at the top of the bars are for 2018]

### Percentage of workers by working hours in 2018

To estimate the number of workers working 40 hours a week, between 41 and 44 hours a week, between 45 and 48 hours a week, and more than 48 hours a week we examine the distribution of workers by their working hours per week.

There were 2% of workers who had the number of working hours from 1 to 26 in 2018. At the other end, 3.8% of workers had the number of working hours above 60. Most people have the working hours from 40 to 54 (84.5%). 18.6% of workers worked 40 hours per week, while 42.4% of workers work between 41 and 48 hours a week. If the statutory weekly working hours of 48 hours is applied, any work above 48 hours a week would be “overtime” work. Among workers who work more than 48 hours a week, 23.5% worked between 49 and 54 hours, while 7.9% of workers worked more than 54 hours a week.

Figure 4: Percentage of workers by working hours in 2018



Source: Estimates from LFS 2018.

### Proportion of workers and wages by the number of working hours per week

Table 1 presents the estimates of the proportion of workers and their wages by their number of working hours per week. It also estimates the number of workers by the number of working hours

- All wage workers

- Wage workers in private and foreign sectors

- Wage workers with contract in private and foreign sectors (excluding those without contract. Compliance with working hours regulations is assumed much stronger for workers with contracts.

Table 1. The proportion of workers and wages by the number of working hours per week

	Working hours per week									Total
	1-25	26-34	35-39	40	41-44	45-48	49-54	55-60	61+	
<b>All wage workers</b>										
Distribution of workers by working hours	2.0	3.0	2.5	18.6	4.5	37.9	23.5	4.1	3.8	100.0
Number of workers by working hours (thousand people)	469.2	714.1	590.7	4,372.8	1,048.8	8,886.0	5,525.8	970.3	887.6	23,465.3
Monthly wages of workers by their working hour level (thousand VND)	2,479.3	3,137.3	3,778.7	6,282.0	5,997.3	6,141.8	5,465.3	6,165.4	6,156.7	5,779.6
Hourly wages of workers by their working hour level (thousand VND)	30.2	23.8	24.1	36.0	31.9	29.5	23.3	23.7	20.9	28.5
<b>Wage workers in private &amp; foreign sectors</b>										
Distribution of workers by working hours	1.7	3.2	2.7	8.5	4.7	41.3	28.3	5.0	4.5	100.0
Number of workers by working hours (thousand people)	319.3	588.0	494.8	1,572.5	857.2	7,612.3	5,206.2	929.8	834.1	18,414.0
Monthly wages of workers by their working hour level (thousand VND)	2,279.5	3,023.9	3,595.8	5,478.5	5,662.9	6,018.2	5,421.3	6,147.1	6,166.3	5,574.5
Hourly wages of workers by their working hour level (thousand VND)	27.0	22.9	22.9	31.4	30.2	28.9	23.1	23.7	21.0	26.5
<b>Wage workers with contract in private &amp; foreign sectors</b>										
Distribution of workers by working hours	0.3	0.5	0.8	6.7	3.8	54.6	23.8	5.9	3.6	100.0
Number of workers by working hours (thousand people)	25.8	46.2	70.2	599.2	339.7	4,920.8	2,146.5	529.3	328.5	9,006.2
Monthly wages of workers by their working hour level (thousand VND)	4,389.8	5,781.1	5,996.8	8,074.1	8,332.3	6,602.4	6,149.3	6,755.8	7,296.8	6,676.7
Hourly wages of workers by their working hour level (thousand VND)	53.4	44.3	37.9	46.3	43.8	31.6	26.3	26.0	24.7	31.4

Source: Estimates from LFS 2018

- The total number of wage workers in 2018 was 23.5 million. Of this 18.4 million workers were employed in the private and FDI sectors, and just over 9 million workers had labor contracts. The average monthly wage of wage workers was 5.8 million VND. If we divide the monthly wages by the number of working hours per month, we can get the hourly wages at 28.5 thousand VND.

- The wages in the private and FDI sectors are lower than the average wages. It means that the public sector has higher wages than the private and FDI sectors. Workers with labor contract have higher wages - in 2018, the average monthly wages and hourly wages were 6.7 million and 31.4 thousand VND, respectively.