

**EQUALITY, LABOUR AND SOCIAL PROTECTION FOR WOMEN
AND MEN IN THE FORMAL AND INFORMAL ECONOMY IN VIET NAM:
ISSUES FOR ADVOCACY AND POLICY DEVELOPMENT**

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Equality, Labour and Social Protection for Women and Men in the Formal and Informal Economy in Viet Nam: Issues for Advocacy and Policy Development

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FOREWORD

It is widely recognized that the promotion of equality between men and women leads to a higher quality of life for all. Consensus is also growing among ILO member States at the international level that the elimination of discrimination benefits not only individual men and women but extends to the economy and society, resulting in higher economic growth, political stability and social justice for all.

The Government of Viet Nam has made a strong commitment to ensure equality of opportunity and treatment for women and men as evidenced by the ratification of the two fundamental ILO Conventions on the elimination of discrimination in employment and occupation in 1997 and in national labour legislation. Therefore, this study 'Equality, labour and social protection for women and men in the formal and informal economy in Viet Nam: Issues for advocacy and policy development' aims at promoting the application of equality principles laid down in the law and inspiring informed decision-making among policy-makers, labour and social security specialists, and advocates for the advancement of women. The Study analyses the employment and working conditions in various parts of the country, and identifies the employment and social protection needs and priorities of female and male workers and managers in different types of enterprises.

In Viet Nam, the adoption of new market economy mechanisms brings much needed income earning opportunities to the growing labour force but significant challenges exist to achieve the Government's overall objective to extend effective labour and social protection to its entire population. This is valid for workers in the formal sector of the economy, but even more so for the large number of people found in the urban and rural informal economy. In addition, women workers in all these categories face additional burdens. While considered equal before the law, women in Vietnamese society are expected to shoulder most of the household and family responsibilities besides earning income. Leadership in institutions and work places is still very much male-dominated and women are not provided with equal chances in access to and treatment in employment and social protection. Women

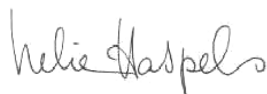
workers are also numerous in economic sectors and occupations which are in practice not covered by any labour and social protection. Affordable, quality health care for the whole family is a key priority for them, as they are usually assigned as the main care givers in their households.

The Study's findings are thought provoking, showing that the application of labour and social security legislation is a tremendous challenge. In addition, indications are that a delicate balance needs to be sought between the protection of women workers and the promotion of equality of opportunity and treatment in employment, and social security and assistance. The study's results seem to confirm ILO experience that, while it is vital to protect the biological functions of both men and women, too many special protective measures for female workers may actually lead to a whole range of additional hurdles for women workers in practice, in terms of access to productive employment and income, in career development and in ensuring social protection for themselves and their families.

The Study was carried out jointly by the Research Centre for Female Labour and Gender (RCFLG) of the Ministry of Labour, Invalids and Social Affairs (MOLISA) and the ILO. Many thanks go to the RCFLG research team and Fiona Howell who made substantive efforts in completing the work often beyond the call of duty. We also extend our appreciation to the Embassy of the Netherlands in Hanoi and the United Nations Development Programme who contributed resources for this Study at several stages.

This publication is published in Vietnamese and in English. We hope that it will stimulate debate and inform policy and programme development on viable options for the promotion of equal rights, opportunities and employment outcomes for women and men, and in terms of a balanced sharing of workload, resources and decision-making between them at work and in life.

November 2003



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SUMMARY

The Government of Viet Nam seeks to promote social and economic development for its population for the objective of a ‘prosperous people, a mighty country and a just democratic and civilized society’. Men and women are equal before the law, but challenges remain to put this principle into practice in the employment and social protection fields. The Ministry of Labour, Invalids and Social Affairs (MoLISA) and the ILO therefore carried out this study with a view to:

- highlight the employment and working conditions of women workers in different types of enterprises and in the informal economy
- assess the main needs and priorities for social security and assistance of women workers and give an overview of existing coping mechanisms
- identify main gaps in extending labour and social protection, especially social security and assistance to women workers under existing schemes
- develop policy options for discussion, advocacy and further policy development to improve women’s access to social protection in Viet Nam.

The study consisted of a desk review of published statistics and analyses of employment, labour and social protection in Viet Nam, as well as two small scale surveys among enterprises with many women workers in 2000 and informal economy workers in 2001, including interviews with all the involved groups. These included enterprise owners or managers, employees and retrenched workers in the enterprises with many women workers, and business owners, hired workers and self-employed own account workers in the informal sector. Interviews with both women and men were held to highlight possible gender differentials. Large-scale statistical surveys, most notably the Viet Nam Living Standards Survey 1997-98 were used as a reference base. A number of different methodologies were used in the studies on labour and social protection in Viet Nam including surveys, in-depth interviews and focus group discussions with male and female employers and workers in the formal and informal economies. The variety

of methodologies enabled some cross checking of information obtained from the various sources. The study's main findings and recommendations were discussed and agreed upon at a National Policy Workshop on Gender Equality in Employment and Social Protection in December 2002.

The population and labour market

In Viet Nam the population structure is characterized by a large proportion of children and young people, and a relatively low proportion of older people. Many of the elderly are women, due to the impact of war time mortality, and because women on average live six years longer than men.

In 2002, the estimate of the total labour force was 40.69 million persons. Seventy per cent of women aged between 16 to 55 participate in the labour force and women constitute 52 per cent of the total labour force. However, women make up only 40 per cent of wage employment and continue to be under-represented in higher status occupations and over-represented in lower status occupations. Forty-one per cent of wage employment is in State-Owned Enterprises (SOEs) and 50 per cent in the private sector. Formal sector jobs have offered the best level of earnings and benefits within the economy. In some of the foreign-invested labour-intensive export companies (particularly those in garments and textiles, shoes and food processing) there has been specific job creation for young women.

However, the formal sector, though it grows at 3.7 per cent per year, continues to provide less than 10 per cent of all employment in Viet Nam, and this proportion is declining. According to the World Bank (2000), 90 per cent of the urban labour forces in Viet Nam are working in the informal sector in urban areas. Women were disproportionately affected, compared to men, by the redundancies in the State and co-operatives sectors during 1990-92. About 550,000 women lost their jobs during the downsizing of State-Owned Enterprises (SOEs) compared to approximately 300,000 men. This resulted in large numbers of women leaving more secure wage and salary employment with social security coverage, to less secure household employment and jobs in the informal economy without any coverage, as people lose their entitlement if they move out of the formal sector.

With regard to income, only 23 per cent of women who work in rural and urban areas have jobs that pay wages. In paid employment women earn less

than men for the same kind of work. For example, government labour statistics (VLSS 1997-98) indicate that women's average wages amounted to 87 per cent of men's wages. The ILO 2000 survey results show that the basic wage of women workers amounted to 86 per cent of the basic wage paid to male workers and women's average total income amounted to around 89 per cent of the income of male workers. With regard to skills training, improvements are being made, but women still predominate among unskilled workers.

70-80 per cent of the women workforce now work in the informal economy in Viet Nam. In the VLSS 1997-98 report, 54.1 per cent of female workers in urban areas identified themselves as self-employed or 'homeworker', while 32.2 per cent identified themselves as employers. Data from the GSO, 1999 indicates that 53.2 per cent of female workers in Hanoi identified households as their place of work, and 62.2 per cent of female workers identified 'personal service' as their type of occupation.

The strongest growth in women's economic activity has been in small firms and micro-enterprises, in the informal economy. Most women businesses are unregistered and in many cases production activities take place in the home. In recent years home workers have increasingly been brought into manufacturing through the practice of 'contracting out' production. An ILO survey in 1995 found that 90 per cent of home-based workers were women. Home workers are a particularly vulnerable category due to their isolation and weak bargaining position.

The distribution of labour within a household has implications for the ability of women to engage in economically productive activities, and the quality of those activities. Female workers in both the formal and informal economy bear the additional responsibility of housework. Women spend on average 3 hours per day on housework compared to 12 minutes on average by men. Female workers in the informal economy spent more than 10 hours per week engaged in unpaid household work, in addition to the average 47 to 48 working hours per week in this sector.

Women form the majority or a large proportion of workers in the informal economy working in small businesses, home work, in domestic service or as migrants in sectors which are often outside the scope of labour legislation and formal social protection systems. This implies that the majority of

women workers in urban areas are less protected than men in terms of access to labour and social protection.

Social security and health

Informal economy workers largely fall outside the existing labour and social protection laws, even though they represent a large proportion of the population and the labour force. Based on the 1999 National Population Census, the MoLISA has estimated that of the 39 million workers, 9 million have labour contracts, 6 million are legally covered by the social insurance scheme but only 4.1 million workers (excluding the armed forces) are paying contributions to the social security scheme. This represents around 11 per cent of the labour force that have access to social security.

This study found that workers in the formal sector are vastly better protected than workers in the informal economy. The majority of formal economy workers have labour contracts, social security and health insurance protection. However, no surveyed informal economy workers had a labour contract, and none had a pension programme. Less than 1 per cent had any insurance and only 1.16 per cent worked with any protective equipment.¹ The only form of social protection that informal economy workers can access is medical treatment through the purchase of health cards from the Ministry of Health (MOH). According to the Labour Code, workers are able to join social security on a voluntary basis. However, in reality there are no voluntary members of the social insurance scheme due to the absence of enabling legislation and administrative support, and the costs. The new draft Social Security Act proposes the establishment of a voluntary scheme but this has not been implemented. The voluntary system must be urgently developed in order to enable workers access to the social security scheme.

For wagedworkers in small household enterprises, access to social protection is also negligible. In the absence of any suitable alternatives, workers in the informal economy prefer to keep the money they earn, and pool their household resources for any essential expenses. Poor families in the informal economy save because they need to protect themselves. However,

¹ VLSS – *Share of wage workers with contract, protective equipment, pension programme, social insurance benefits in their main job (Table 4.5.1.c)*

their capacity to save is often limited due to low incomes. Priority social security needs of the surveyed informal sector workers included: good quality health care at affordable levels, benefits to pay for funerals of family members, and protection of workers should they become unable to work.

The Government of Viet Nam has made a commitment in its National Socio-Economic Plan for 2001-2010 to extend the existing social protection systems for the entire population. The 9th Party Congress resolution stated that universal health coverage should be reached by 2010. The major operation of introducing a Social Security Law incorporating benefit restructuring and extension of coverage is under way and due for completion in July 2003.

Gender equality in labour and social protection

Legal equality between men and women is stipulated in the Constitution of Viet Nam and many government policies aim at improving the position of women in Vietnamese society and in the labour market. The Labour Code explicitly prohibits discrimination in employment with regard to recruitment, remuneration and employment, including maternity protection. A further protective measure consists of the prohibition of specific occupations and work processes considered unsuitable for women. A series of preferential measures has also been designed to stimulate enterprises to employ more women workers and enable women to better combine economic activities with family responsibilities.

With the notable exception of the difference in retirement age of men and women the principle of equal treatment in social security and social protection is upheld in principle by law. However, in practice differential treatment exists in the labour market which disadvantages women's access to employment and job promotion. These labour market disadvantages translate into corresponding differential treatment of women in the social security scheme. Long standing and new gender differences which pose constraints for women in Viet Nam include the lower average educational, occupational, and earning status of women; the 'double shift' problem where women are expected to work full time in paid employment, but also to carry out the bulk of household and family duties; the under-representation of women in senior positions; the over-representation of

women in the informal economy; and occupational health and safety risks which impact severely on women.

This study found that some of the labour and social protection policies that are intended to protect women workers or give preferential treatment to them can actually have a potentially negative effect on women, such as the right or obligation to retire earlier than men, or to take off from work to care for young children. They also reinforce traditional gender stereotypes.

The differences in obligatory retirement ages between men and women are detrimental to women in formal sector employment. VSI figures for 1999 showed that the average age of retirement for women was 51.2 years with an average 28.2 years of social insurance contribution. By comparison, the average retirement age for men was 58.1 years with 32.2 years of contribution. The average monthly pension for women is VND 262,257 compared to the overall average of VND 328,773, less than 80 per cent of the average pension for men. As the maximum retirement age is 75 per cent of average salary over the past five years, earlier retirement restricts women from being promoted to senior level positions. This impedes the full use of the capacity of human resources with work experience. It also prevents women from receiving better retirement benefits.

The 2002 amended and supplemented Labour Code which will come into force in 2003 aims to counteract some of these negative effects by stipulating that women of 55 years can receive the same retirement benefit after 25 years of contributing into this fund. This amendment aims to address the concerns of the many women workers involved in the production of goods and services, and is an indication of the efforts of the Government of Viet Nam to improve the situation of women workers. However, this amendment does not respond to the expectations of women workers involved in management and research who want to work and retire at the same age as men. From the ILO perspective this approach has two main drawbacks. Firstly, it discriminates against men who need to work 5 years longer to be eligible for the same amount of benefits. ILO experience indicates that preferential measures for the disadvantaged sex should be designed in such a way that they do not result in discrimination of the other sex. Secondly, women will still have lower retirement benefits, as they will miss the career development opportunities available to experienced staff, thereby limiting their contributory period to the retirement fund at higher contribution levels. This

will, therefore, continue to reduce their level of retirement income. Therefore, this matter should be further studied to find an ultimate solution.

The implementation of the maternity protection regulations for pregnant female workers and female workers breast-feeding their child less than 12 months old, is still inadequate. In addition, the survey among enterprises with many women workers found that female workers are discriminated against in recruitment with regard to marriage and child-bearing responsibilities by some enterprises which impose work tenures for female employees before they can be married (15 per cent of enterprises) or have children (25 per cent of enterprises) - in the majority of cases for periods of two years or longer - despite this being illegal.

The survey among enterprises with many women workers found that many preferential policies to stimulate women's employment in the formal sector do not work and may even be counterproductive, as they reinforce common beliefs that female workers are more expensive and less reliable than male workers. For example, the wages of women workers in the surveyed enterprises were found to be consistently lower than men's wages in these enterprises, even though they provided additional income to women workers where these women had been assessed as having met all the criteria to the same level as men.

Other measures which may discriminate against women in practice consist of preferential treatment because of family responsibilities. For example, the regulation that women can take paid time off to look after sick children under 12 and the regulation to provide child care facilities in factories with many women workers. In contrast, this study found that women, whether in formal or informal employment, actually take less sick leave than men.

The lack of adequate occupational safety and health provisions continues to be a matter of considerable concern in the formal sector, but even more so in the informal sector. Sixty per cent of women in enterprises with many women workers were found to work more than four hours overtime per day, as compared to 49 per cent of men. In SPUs three quarters of women and one third of men did not receive overtime pay for these working hours. In the informal sector survey all workers worked an average of 47 to 48 hours per week. The incidence of serious illnesses and accidents in the informal sector survey was high, more than found in earlier statistical surveys.

Knowledge about safe work practices and the relation between work hazards and illnesses or accidents was found to be almost totally lacking in the informal sector.

Social security for informal economy workers is almost completely lacking. Priority social security needs of the surveyed informal sector workers included: good quality health care at affordable levels, benefits to pay for funerals of family members, and protection of workers should they become unable to work.

Two key gender dimensions of social protection for informal economy workers include:

- the majority of women workers are in the informal economy
- women in the informal economy are also the caregivers and have additional burdens and fewer means to care for themselves and their families.

Recommendations

A further review of current protective and preferential measures with regard to women workers is recommended. Issues to be addressed include:

- The new provisions with regard to retirement age discriminate against men and continue to discriminate against women
- Remuneration levels for men and women should be the same by applying the principle of equal pay for work of equal value
- Recruitment procedures should be designed in such a way that they do not limit women's choices related to marriage and child bearing. More frequent inspections and enforcement of the labour law are needed to ensure employers do not engage in discriminatory practices.
- Maternity protection should be made available to all workers irrespective of whether they are employed or not, and the cost of maternity benefits should not be borne by individual employers
- Preferential or promotional measures to facilitate the combination of work with family responsibilities should be applied to all workers with benefits going to the person who carries out the actual care.

With regard to social security and health, this report recommends that expansion of coverage should take place in a formal framework and be supported by appropriate legislation. The strategy for expansion of coverage needs to address each of the following groups: the formal economy, the informal economy, the economically non-active population and poorest households.

The current Labour Code foresees gradual extension of labour and social protection to all workers with labour contracts of more than three months. However, it is expected that employers will remain hesitant to pay the current employer contribution rates of 15 per cent to the social security scheme. This means in essence that government contribution subsidies, especially for low income workers, will be needed and different forms of voluntary insurance need to be made available.

Measures to be considered are:

1. Enable formal sector workers who lose their formal sector job to keep their entitlements and continue contributing. This means that the new social security law should include a provision to allow for the portability or transferability between the different compulsory and voluntary social security schemes.
2. Establishment of suitable social security systems for the self-employed as part of the introduction of voluntary social insurance in 2003. Individual account systems are sometimes recommended. However, the ILO does not favour these as options, because they are not based on the principle of solidarity.
3. Establishment of a risk pooling social insurance-based scheme or schemes such as non-profit voluntary social insurance or mutual benefit schemes for informal economy and low income households. Structuring voluntary membership around groups or entire communes could be considered, such as mutual benefit schemes among the self-employed.
4. In the health insurance system the introduction of the capitation system would allow for the equal provision of more adequate quality care to all sectors.
5. Opportunities for combinations of micro finance and micro insurance schemes.

6. Family-based coverage should be adopted in social protection schemes in order to increase coverage, and reach individuals who would otherwise never have access to social protection, enhance the suitability of the scheme for the majority of households, and reduce risks of adverse selection, where only the sick, elderly, and others more likely to be exposed to risks, join the scheme.
7. Social security which includes access to basic medical services is vital for women as the primary health providers for the family. The costs of benefits and services related to childcare should be shared between the State, employers and workers.
8. A policy for providing ‘family benefits’ to all families (paid to the mother) can help to ensure that children receive appropriate care and education.

It is essential that the government, employers and workers' representatives recognize that social protection is an investment in, and for, people - rather than continue to view it as a cost for enterprises and a luxury that can be discarded for some categories of workers. Healthy and safe workers are assets to the enterprise they work for and for the future social and economic prosperity of the country.

The workers of Viet Nam need legislation and policy that provide equality in human resource development and a social floor in the form of labour standards, including those on social protection, that will support improvements in productivity and prosperity for all workers. The revision of the Labour Law and the policies contained in the new social services law may offer the opportunity to address these issues in the near future.

The findings contained in this report, and from the surveys conducted with formal and informal economy workers, are designed to serve as useful inputs to the development of policy and regulations for these new laws; and the implementation and administration of new forms of social protection to provide adequate coverage to more workers and their families in Viet Nam.

1. INTRODUCTION

1.1. Rationale and aims

Viet Nam is undergoing significant changes in its social fabric as it is adopting market economy mechanisms. The reform of the Labour Law and the social insurance regulations to create greater equality of treatment for men and women workers in all economic sectors is a significant challenge for Viet Nam. Of more than 39 million workers in Viet Nam, only 6 million workers are estimated to be covered by labour legislation and these workers are employed in around 250,000 enterprises². New mechanisms need to be identified to reach the large proportion of the population found in the urban informal economy and in informal rural employment where many women workers are found. As the Government of Viet Nam seeks to introduce economic restructuring and social protection measures and regulations that will ensure equality of opportunity and protection for its entire population, the ILO is committed to helping it achieve its ambitious objective.

The Government of Viet Nam has a strong commitment to gender equality and has ratified the ILO Conventions on Equal Remuneration, 1951 (No.100) and Discrimination (Employment and Occupation) 1958 (No.111), both of which are reflected in the Labour Code promulgated in 1994. Measures to reinforce the practical application of these legal provisions have been written into the National Plan of Action for the Advancement of Women in Viet Nam. In the field of promoting gender equality in social protection, priority issues in MOLISA's sectoral National Plan of Action for the Advancement of Women Workers are:

- the current differences in retirement age between men and women
- maternity protection
- the list of occupational diseases

² *ILO-MoLISA Report- National Plan of Action: The Implementation of the Labour Code (VIE/97/003) November 1999.*

- the lack of coverage of large number of workers in the agricultural sector and informal economy.

It is necessary to take into account the specific characteristics of Vietnamese women and men in employment when considering equality of treatment in social protection. This involves an assessment of their employment status, living standards, working conditions and social protection needs. The aims of this report, therefore, are to:

- highlight the employment and working conditions of women workers in different types of enterprises and in the informal economy
- assess the main needs and priorities for social security and assistance of women workers and give an overview of existing coping mechanisms
- identify main gaps in extending labour protection, especially social security and assistance to women workers under existing schemes
- develop policy options for discussion, advocacy and further policy development to improve women's access to social protection in Viet Nam.

The findings and recommendations of this study could serve as key considerations for the forthcoming adoption of the Social Security Act, commissioned to MOLISA by the National Assembly. The Ministry will implement legislation to extend coverage of social security consistent with the new Labour Code, including:

- coverage under the compulsory scheme for all workers with a labour contract of 3 months or more; and implementing a voluntary social insurance scheme for all non-compulsory covered workers.

Following implementation of these new provisions, a new social security Act will be developed for submission to the National Assembly in 2005. The provisions to be covered by the Act include the extension of personal coverage, the adequacy of benefits and financing mechanisms for social security systems. As these provisions should serve as one of the most critical bases to improve the living standards of female workers for many years to come, it is therefore opportune and necessary to ensure that their interests be well understood during this period of drafting the legislation. This report could serve to provide the technical background for understanding and raising awareness on social security issues of interest for women workers.

This study reviews the existing situation among women and men workers in Viet Nam before formulating policy options and recommending reforms to be undertaken. It is based on a desk review of published materials and reports on employment, labour and social protection in Viet Nam, as well as two small-scale studies on labour and social protection in enterprises with many women workers, and in the informal economy. The first survey was carried out in 2000 in enterprises with many women workers in the formal economy. It included interviews with managers or owners, employees and workers who had been retrenched from these enterprises (402 in total). The second study consisted of a survey and focus group discussions among business owners, employees and own account workers in the informal economy in 2001, seeking their views on their social protection needs and expectations, as well as their willingness to participate in a social security scheme (290 survey interviews and 89 persons in focus group discussions).

Interviews were carried out with around 30 per cent of male and 70 per cent of female worker respondents to highlight women's perspectives and at the same time allow for a comparison between the situation and views of men and women. In the case of enterprise owners and managers this ratio was reversed, reflecting the fact that men predominate in higher level jobs and occupations. Throughout the study, consultations with representatives and key informants from relevant government institutions, employers' and workers' organisations, mass organizations and non-government organizations and other interest groups have taken place.

This report utilizes the results from the Viet Nam Living Standards Survey 1997-98 (VLSS 97-98) as a reference base and comparison point for the small scale surveys among enterprises with many women workers and in the informal economy, which were carried out in the framework of this study. Prior ILO studies have also been used as a reference basis, notably those undertaken by the former Social Security project³, the Labour Administration project⁴ and under the social safety nets study (including preliminary reports for that exercise)⁵. The Government's national and MoLISA's sector-specific Development Plan for the Advancement of

³ *ILO Social Security Development and Training Project VIE/94/M01/NET*

⁴ *ILO Labour Administration Project VIE/97/003*

⁵ *ILO Social Safety Nets Study - Draft Report 1999*

Women and official papers by the Viet Nam Women Union (VWU) and the National Commission for the Advancement of Women (NCFAW) have also been taken into consideration. Reference has been made to available empirical studies to provide an understanding of the present situation including reports submitted to Consultative Group meetings, such as *Attacking Poverty*⁶. Additional survey data, including the GSO 1999 Population and Housing Census, and the GSO Survey on Gender Statistics in Hanoi⁷, has also been referred to show consistent, comparative or contrasting information on female and male workers in urban areas.

The Ministry of Labour, Invalids and Social Affairs (MoLISA) and the Viet Nam Social Security organization VSI, provided updated data on macro and employment indicators, and on the coverage of the social insurance scheme for Viet Nam. MoLISA's Research Centre for Female Labour (RCFLG) conducted the field surveys of formal and informal economy workers and their employers. This included developing the survey questionnaires and interviewing workers and employers from the different types of enterprises in the formal and informal economy. The focus groups discussions were conducted by Fiona Howell, ILO and staff of the RCFLG and the Department of Social Security with small groups of informal economy workers to assist in identifying their social protection needs. The survey data were analysed in SPSS by the RCFLG with assistance by Fiona Howell. Detailed reports on the outcome of the surveys are available from the RCFLG. The draft research findings and recommendations were discussed and agreed upon at a National Policy Workshop on Gender Equality in Employment and Social Protection in December 2002. The overall study and this report were designed and produced by Fiona Howell with assistance from the social security, standards and gender specialists of the ILO technical team for East Asia in Bangkok, Anne Drouin, Monica Burns, Sanchir Tugschimeg and Nelien Haspels.

Resources for the research were provided under:

- MoLISA-ILO-Embassy of the Netherlands, Hanoi Project VIE/99/M01/NET: 'Action Research and Training on Gender Equality at Work' which covered the direct costs related to the survey among enterprises with many women workers.

⁶ *World Bank and Donors, Participatory Poverty Assessments 1999-2000*

⁷ *GSO- Selected Results of Gender Statistics Survey December 1999*

- UNDP-ILO project VIE/95/035: ‘Strategic Planning for Employment Promotion, Improvement of Working Conditions and Social Protection for Women in the Context of Economic Reform’ which covered ILO consultancy services and the direct cost related to the survey and focus group discussions among workers in the informal economy.

1.2. Key terms and definitions

Definitions of the key terms related to decent work, gender equality promotion, employment in the informal economy, and social protection are given below.

Terms and definitions related to employment and gender equality

Decent Work

Refers to productive work in conditions of freedom, equality, security and human dignity. The ILO has 4 key aims: Promotion of:

- fundamental principles and rights at work
- greater employment and income
- more social protection: safe work and security
- giving voice to labour and strengthening organizations, networking and dialogue

Gender equality - or equality between women and men:

Refers to the equal rights, responsibilities, opportunities, treatment and valuation of women and men in employment and in the relation between work and life. Equality between women and men is both a human rights issue and a precondition for sustainable people-centred, social and economic development.

Gender equality is about ensuring that all persons are treated with dignity and allowed to develop their full potential, leading to a higher quality of life for all. It does not mean that women and men need to become identical. Women and men are and can be different but should have equal rights, responsibilities and opportunities. The way women and men are treated and their work is valued should not depend on whether they are born male or female. Gender equality includes:

- the same human and workers' rights
- equal value and fair distribution of:
 - responsibilities and opportunities
 - workload and decision making.

Discrimination based on gender or sex:

- Direct discrimination is generally intentional or explicit discrimination by law or in practice.
- Indirect discrimination: No explicit exclusion of one sex officially but exclusion because of preferences or stereotypes, i.e. an apparently neutral law or practice has a disproportionate negative impact on a particular group.

Reproductive Roles

Includes child bearing and rearing responsibilities and domestic tasks for the family in households which is required to guarantee the maintenance and reproduction of the labour force. It includes household duties as well as caring responsibilities for the young and the old, and is usually unpaid.

Informal economy

For the purposes of this report the 'informal economy' or the 'informal sector' has been divided into different segments:

- Owners and employers of micro-enterprises. They usually have reasonable levels of income and may employ a few workers and/or apprentices who are paid or unpaid.
- Own-account workers, including the self-employed, street vendors and transport providers. Many workers in this segment rely on another small enterprise or middle-persons for their economic survival
- Employees engaged in full-time or casual employment. Includes wage labourers working in micro-enterprises on a regular, casual or contract basis, unpaid workers, including family members, home-based workers and paid domestic workers.

Self-employed

The person who owns the business works for it. Includes independent contractors, subcontracted home workers, out-workers, owner drivers, casual employees, free-lancers and own account workers.

Home-based workers

This report uses the term ‘home-based workers’ to comprise both ‘homeworkers’ and ‘self-employed own account workers’.

Homeworkers work

- at home or at another workplace not belonging to the employer
- for pay
- upon order of a (sub)contractor
- without direct supervision by the employer.

Self-employed own account workers

- produce at or around their home
- produce for the market
- are not associated with an employer
- work at their own financial risk.

Social Protection Terms and Definitions

Social Protection

A broad concept that covers social security and other forms of support for citizens including social insurance, non-contributory social assistance schemes, mutual benefit societies, grass-root and community schemes for workers in the informal economy, as well as occupational safety and health and working conditions.

Social Safety Net (SSN)

The term ‘Social Safety Net’ has a number of possible meanings. In Viet Nam the term is used to define the range of programmes available to

those persons requiring assistance to prevent unacceptable levels of poverty or hardship. The Viet Nameese Social Guarantee Fund for Regular Relief and the Contingency Fund for Pre Harvest Starvation and Disaster Relief are programmes that form the major part of Viet Nam's Social Safety Net.

Social Security

Throughout this report, social security is understood to consist of: 'the protection which society provides for its members through a series of public measures against the economic and social distress which otherwise would be caused by the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, invalidity, old age and death; the provision of medical care; and the provision of subsidies for families with children.'⁸

Social security is defined by the ILO as the protection that society provides for its members, through a series of public measures to:

- offset the absence or substantial reduction of workers' income resulting from sickness, maternity, employment-related injury, unemployment, invalidity, old age and death
- provide workers with health care
- provide financial support to families with children.

Social insurance

The technique of pooling risks and finances in autonomous funds as the basis for statutory contributory social security schemes for health and income protection.

Social assistance

A system of income support on the principle of need, as determined by a means test, which is financed from general revenue.

⁸ *Dassanayake, H.: The need for extending social protection to poor women in the informal economy in developing countries: A gender perspective with social and cultural elements (ILO Discussion Paper, 6-8 Dec. 1999).*

Capitation

A system under which a health insurance scheme pays medical providers (hospitals, clinics and individual doctors accredited and contracted to the scheme) by fixed amounts for each person registered with a provider for the type and range of care specified in the contract. The agreed capitation amounts are paid at intervals to providers regardless of whether the registered insured persons claimed medical benefits during these periods.

Defined benefit scheme

A scheme that defines the standards of the benefits to be provided by means of a formula and determines the financial system accordingly.

Defined contribution scheme

A scheme that requires contributions to be paid into individual accounts, together with shares of investment income, from which the benefit will be paid to the individual when qualifying conditions are satisfied.

Fee-for-service

A system under which medical providers claim to the health insurance scheme for the costs of medical care of individuals and providers are paid according to agreed schedules of charges for each medical act and type of care, such as hospital accommodation.

Full funding

A social security financial system that is designed to ensure that the scheme has sufficient resources to meet all liabilities for benefits at any time.

PAYG or Pay-as-you-go system

A social security financial system under which the resources raised year by year from contributions and other sources balance the expected costs year by year. Current contributors pay for the benefits of current pensioners.

1.3. Structure of the Report

The following three chapters of this report present the socio-economic context and the legal and policy environment for women workers in Viet

Nam with emphasis on labour, social protection and equality issues. Chapter 2 provides relevant demographic, economic and employment data for Viet Nam, concentrating on the period after 1996. Chapter 3 gives an overview of legislation and policies on social protection, and the coverage of formal and informal economy workers in existing schemes. Chapter 4 provides an outline of the provisions for the promotion of equality between men and women in Viet Nam and analyses the specific constraints faced by women workers in the formal and informal economy.

Chapter 5 provides the survey results and supporting information relevant to the labour and social protection situation of workers who work or had worked in enterprises with many women workers. Chapter 6 provides the outcome of the survey results and the focus group discussions on the labour and social protection circumstances of informal economy workers. Chapter 7 summarizes the results, draws conclusions, and provides policy options. Chapter 8 lists the recommendations.

2. MAJOR TRENDS IN THE POPULATION, ECONOMY AND THE LABOUR MARKET

The major trends relevant to employment and social protection needs for women and men workers are discussed in the following paragraphs. The most recent published information has been used as a reference. However, in some instances the validity of the data is ambiguous, with different statistics and figures provided by different sources. These discrepancies are noted in the report. The key macro-economic data for Viet Nam during the period 1991-2000 is contained in Table 1 on the following page.

2.1. Demographics and urbanization

Viet Nam had a population of 76.3 million people in 1999⁹ with a population growth rate of 1.7 per cent. In 2001 the population was estimated at 78.68 million people with a population growth rate of 1.35%. Women slightly outnumber men in the total population (38.68 million men and 40 million women)¹⁰. Viet Nam experienced very high population growth rates during the 1970s and 1980s, a consequence of high fertility and birth rates, and declining mortality rates as health conditions improved and the extended period of wartime mortality came to an end. More recently the population growth rate has slowed as fertility rates have fallen from a peak of 6 births per woman to around 2.6 births. Population growth was estimated to be in excess of 2 per cent a year in 1995 and is currently estimated to be somewhere between 1.5 and 2 per cent a year.

A consequence of the high growth rate and more recent fertility fall is a distinctive population structure with very large numbers of children and young people, and a relatively low proportion of older, or even middle aged,

⁹ *Viet Nam Population census, GSO, 1999*

¹⁰ *World Bank Vietnam Development Report, 2002*

people. There is also a lower ratio of males to females in the middle aged and older groups. Much of this represents the impact of wartime mortality

The United Nations “medium variant” population projections indicate that the population will exceed 112 million by the year 2030. Despite recent reductions recorded in its population growth (down from 2.4 per cent in 1992 to 1.79 per cent in 1997 and 1.35 per cent in 2001), Viet Nam’s population is expected to reach 100 million by 2010. The Government of Viet Nam has noted the well-documented positive correlation between the shift to urban livelihoods and lifestyles and declines in population growth from other countries in the Asian region and worldwide. It also recognizes that urbanization, along with the parallel trend in the advancement of women, will be a key factor in curbing population growth¹¹. In 2001 more than 59 million people were living in rural areas, and approximately 19.5 million in urban centers. The Government of Viet Nam has projected that the urban population will rise from a little over 20 per cent at present to 45 per cent by the year 2020. This means some 30 million people will have to be absorbed in cities and towns. This forms a huge employment challenge that needs attention in order to avoid increasing levels of urban poverty¹².

The age composition of the population will have a growing impact on dependency ratios, poverty alleviation and social integration, as the number of older people will increase. The proportion of persons aged 60 years or more in the population is projected to increase to 24.8 per cent of the population after 2020. Life expectancy at the present pensionable ages of 55 (women) and 60 (men) is at least 22.9 and 15.6 years respectively, and is assumed to be over 25 and 18 years respectively for the insured population claiming early retirement at ages 50 and 55, according to the Viet Nam Population Census 1999. The life expectancy at birth is assumed to improve an additional 4 years in 2020 and 7 years in 2050 from around 68 years at present.

¹¹ *Statistical Yearbook, General Statistics office, 2002*

¹² *UNCHS Support for Provincial Cities (SPC) Project in Viet Nam INT/00/55/NET*

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Table 2: Total Fertility Rate

1999-2004	2004-2009	2009-2014	2014-2019	2019-2024
2.15	2.0	1.95	1.90	1.90

Source: ILO Actuarial Projections June 2001

Table 3: Life expectancy at birth in Viet Nam

	1999-2004	2004-2009	2009-2014	2014-2019	2019-2024
Male	65.4	66.4	67.12	68.0	68.5
Female	71.5	73.0	74.2	75.4	76.4

Source: ILO Actuarial Projections June 2001

In sum, the total population in Viet Nam has been growing rapidly (between 1.5 and 2 per cent a year), despite a sharp fall in the birth rate and in total fertility per woman. However, Viet Nam is now at the stage of demographic transition where the size of the age group 0-4 is smaller than those of the age groups immediately above this age range. This age structure means that the labour force will grow very rapidly in the period up to about the year 2010, and thereafter at a more moderate rate. The demographic trends in Viet Nam highlight the numbers of young people that will be entering the workforce in the next decade, currently more than 1.3 million per year. The existence of this rapid labour force growth means that the Vietnamese economy will have to expand very rapidly in the next decade just to absorb the size of the age groups coming onto the labour market.

2.2. The economy and employment

The follow-on effects of the Asian Regional Crisis have had a comparatively less dramatic effect on Viet Nam than on other neighbouring countries, although the high growth rates in 1995-96 slowed in 1997-99 with some recovery in 2000-2001. GDP growth declined from 9.5 per cent in 1995 to 6.7 per cent in 2000. The service sector suffered a significant decline from 11.2

per cent growth rate in 1996 to 6.1 per cent in 2001. Agricultural, forestry and fishery growth has declined from 5.9 per cent in 1995 to 4.6 per cent in 2000 and is estimated to have fallen to 2.8 per cent in 2001¹³. The industry sector has also fallen from 14.5 per cent in 1996 to 10.1 per cent in 2000¹⁴.

The annual growth of wage employment has been around 3.5 per cent per year with all of the growth coming from the formal sector. Wage employment in industry increased by 4.5 per cent per year and 7 per cent per year in the services industry. Forty-one per cent of wage employment is in State-Owned Enterprises (SOEs) and 50 per cent in the private sector¹⁵. Formal sector jobs have offered the best level of earnings and benefits within the economy. In some of the foreign-invested labour-intensive export companies (particularly those in garments and textiles, shoes and food processing) there has been specific job creation for young women.

Seventy per cent of women aged between 16 to 55 participate in the labour force and women constitute 52 per cent of the total labour force. However, women make up only 40 per cent of wage employment and continue to be under-represented in higher status occupations and over-represented in lower status occupations¹⁶. The growth in female wage employment during the period 1992-93 to 1997-98 was 10.1% for women compared to 25.6% for men. Twenty-eight per cent of female wage earners are working in the government and social services sector as compared to 19 per cent of men. Nine per cent of men work in the transport and communications sector but only 2 per cent of women.

However, a declining proportion of the labour force in Viet Nam is in formal sector employment. In the Viet Nam Living Standards Survey of 1997-98, 58 per cent of male and 65 per cent of female workers were self-employed farmers. 24 per cent of male and 15 per cent of female workers were wage employees, and of these only 20 per cent of male and 10 per cent of female workers were employed in the formal sector. 17 per cent of male and 20 per cent of female workers were self-employed in the non-farm sector, including small scale trading and household enterprises.

¹³ World Bank, *Vietnam Development Report, 2002*

¹⁴ GSO *Economic Statistics 2000, published by the GSO 2001*

¹⁵ World Bank *'Economic Monitor' Spring 2002*

¹⁶ VLSS 1997-98

According to the World Bank, 90 per cent of the urban labour force in Viet Nam are working in the informal sector in urban areas. The formal sector, though it grows at 3.7 per cent per year, continues to provide less than 10 per cent of all employment in Viet Nam¹⁷.

The structural adjustment policies pursued have contributed to the decline of the small percentage of the working population in the state sector. The Asian financial crisis led to some job losses in the formal sector of the economy, rising unemployment, and an expansion of employment in the informal economy. Women were disproportionately affected, compared to men, by the redundancies in the State and co-operatives sectors during 1990-92. About 70% of separated workers were female. More than 550,000 women lost their jobs during the downsizing of State-Owned Enterprises (SOEs) which accounted for 19.7% of all female wage employment compared to approximately 300,000 men¹⁸. This loss was greater in relative terms as employment in SOEs represented a larger share of wage employment among women. This resulted in large numbers of women leaving more secure wage and salary employment with social security coverage, to less secure household employment and jobs in the informal economy. For women, loss of employment in the State sector also resulted in loss of maternity benefits and child care provisions. Workers laid-off from State enterprises and co-operatives make up a major part of the urban poor.

Many new jobs are currently being created in the small enterprise sector. Between 1991 and 1996 the number of private enterprises, including micro and small enterprises, increased four-fold. In Viet Nam more than 80 per cent of those who work are self-employed in at least one or two jobs that they undertake during a year, with a substantial percentage employed in household based 'non-farm' enterprises. In urban areas the bulk of employment is generated within these household enterprises.

The Government of Viet Nam introduced the New Enterprise Law to encourage the development of a multi-sector economy, including the creation of more than 14,000 new enterprises in 2000, and 12,000 in the first eight

¹⁷ *"Viet Nam-Attacking Poverty", Viet Nam Development Report 2000, World Bank*

¹⁸ *The Gender Implications of Public sector downsizing: The Reform Program of Vietnam. "Martin Rama 2000"*

months of 2001. However, it is difficult to find information on the type and size of these newly created enterprises and the number of additional full-time jobs that have resulted. One estimate was of 7,000 registered private enterprises that employ fewer than 10 workers¹⁹. The definition of the private sector in Viet Nam has often included self-employed and small-scale enterprises, family businesses and household enterprises as well as ‘formal’ private sector enterprises. There is no evidence of any job growth in large or medium-scale enterprises. The number of new businesses registered since the introduction of the new enterprise law has been significant. However, there has not been any comprehensive assessment of the number of jobs created from these new enterprises, nor the adjustments for enterprises that have closed, been renamed or merged. One third of all small enterprises and light industry as well as 35 per cent of the country’s trade are concentrated in Ho Chi Minh City.

There have been two major government programmes intended to create jobs in both urban and rural areas. A Fund for Employment Generation was established in 1992 that targets women, unemployed workers, the poor and the disabled for preferential credit to start their own businesses. The National Employment Programme was established in 1998 with its primary responsibility to reduce unemployment levels in urban areas to 5 per cent, and reduce underemployment problems in rural areas by increasing active work hours up to 75 per cent, by the year 2000. However, despite some early achievements, neither of these targets was met²⁰. In addition, the Hunger Eradication and Poverty Reduction Programme (HEPR) were established in the 1990s allowing for infrastructure and enterprise development in poor communes as well as social assistance to population groups in poverty. These two programmes have now been merged.

Increasing numbers of jobs are either “informalized” within formal enterprises (e.g. workers labouring in the enterprise premises without a written contract) or outsourced and subcontracted by formal sector firms to small workshops, micro enterprises, and homeworkers within the informal economy. This is linked with an enterprise’s desire for a flexible workforce able to meet fluctuations in demand and lower labour costs, to avoid costs incurred when increasing

¹⁹ VIE/97/003 – ILO and MOLISA Labour Code Project

²⁰ Statistics on Social Safety Net in Viet Nam, MoLISA November 1999

enterprise capacity. The concern is that a growing number of these jobs in the informal economy are of a low quality placing many workers at risk of low-incomes, unemployment, hazardous working conditions and ill health.

Women now constitute 70-80 per cent of the workforce in the informal economy in Viet Nam. In the VLSS 1997-98 report, 54.1 per cent of female workers in urban areas identified themselves as self-employed or 'homeworker', while 32.2 per cent identified themselves as employers. Data from the GSO²¹ indicates that 53.2 per cent of female workers in Hanoi identified households as their place of work. 62.2 per cent of female workers identified 'personal service' as their type of occupation.

The strongest growth in women's economic activity has been in small firms and micro-enterprises, the majority of which are in the informal economy. Women are more likely to establish micro-enterprises rather than small, medium or large enterprises. Most women businesses are unregistered and in many cases production activities take place in the home. In recent years home workers have increasingly been brought into manufacturing through the practice of 'contracting out' production. Firms supply home-based producers with raw materials that homeworkers then complete, working on one or several steps of the production process. The firm collects the finished product and pays the producer on a piece-rate basis. Women take advantage of the flexible hours and convenience to balance their household activities with income generating piecework. An ILO survey²² in 1995 found that 90 per cent of home-based workers were women. Home workers are a particularly vulnerable category due to their isolation and weak bargaining position. Part-time and temporary work often engaged in by women also puts them at a disadvantage in terms of access to labour and social protection.

Women form the majority or a large proportion of workers in the informal economy working in small businesses, home work, in domestic service or as migrants in sectors which are often outside the scope of labour legislation and formal social protection systems. This implies that the majority of women workers in urban areas are less protected than men in terms of

²¹ GSO - *Selected results of Gender Statistics 1999*.

²² *'Invisible workers in Viet Nam'* ILO, 1995

access to labour and social protection. The result of the informalisation of labour is that many workers, who were formerly protected by social protection measures, are no longer protected. Women's lower earnings and irregular employment patterns undermine their capacity to participate in and benefit from contributory social insurance schemes.

Unemployment

The Government of Viet Nam has stated that 1.2 million jobs were created each year from 1996 to 1999 inclusive, and 1.3 million jobs in 2000. It is unclear from the available data as to the industry sectors in which these jobs were created or whether they were full-time and permanent positions. However, they are assumed to be private sector jobs given that State sector jobs are in decline. The total number of unemployed persons has increased since 1996: the proportion has declined from 21.7 per cent in 1996 to 18.1 per cent in 2000 for both the total population and the population residing in urban areas. During this same period urban unemployment has risen gradually from 5.8 per cent in 1996 to nearly 6.4 per cent in 2000. Employees, including apprentices and trainees without pay, comprised 21 per cent of the labour force in 1997.

Table 4: Rate of unemployed people in urban areas

Unit: %

	1996	1997	1998	1999	2000
Of working age	5.89	6.03	6.82	6.71	6.42
Female	5.40	5.52	6.54	7.36	6.26

Source: Labour and Social Affairs Publishing House: Statistics on Labour, Invalids and Social Affairs 1996-2000

As can be seen from table 4 above, the unemployment rate for women workers is lower than for men in most years except 1999. The contributing factors to a lower unemployment rate for women workers include:

- Lower retirement ages for women
- Employed category now including women working in part-time, casual and piece-rate work

- More women entering the workforce with higher education levels, therefore better opportunities for employment
- Employed category now including women working as homeworkers.
- Looking at the reasons why persons are economically inactive, Table 5 below shows that ‘housework’ prevented 23 per cent of the economically inactive population in urban areas from participating in the labour force in 2000. The category ‘housework’ has not been further defined by the source of the data, the MoLISA Publishing House. However, it is often used to encompass child rearing and caring for elderly relatives as well as managing a household. These duties are predominantly the domain of women and are unpaid. If we exclude the categories ‘in school’ and the ‘elderly’, then housework is the main reason for 63 per cent of economically inactive persons not to earn an income from employment.

Table 5: Number of economically inactive population aged 15 years and over in the last 12 months by main reason – (urban areas)

Unit: Person

	1996	1997	1998	1999	2000
Total	3,866,520	4,347,956	4,698,713	5,076,996	5,112,932
<i>Of which</i>					
Schooling	1,187,248	1,409,889	1,605,670	1,841,901	1,918,293
Housework	1,012,673	1,122,504	1,174,021	1,248,462	1,213,838
Elderly	998,125	1,204,737	1,284,407	1,378,299	1,380,146
Sickness	194,571	163,375	171,581	175,276	150,056
Handicap	473,903	447,451	463,034	433,058	450,599
Other	380,196	353,634	373,273	335,502	350,883

Source: Labour and Social Affairs Publishing House: Statistics on Labour, Invalids and Social Affairs 1996-2000

The high levels of unemployment for young people in urban areas shown in Table 6 are of considerable concern. The expected job growth in the manufacturing sector has not occurred, as firms invest in capital rather than labour.

Table 6: Rate of unemployed people in urban areas by age group

	Unit %				
	1996	1997	1998	1999	2000
Whole Country Total	5.67	5.82	6.58	6.46	6.34
15 – 24	10.53	11.18	13.41	19.38	16.81
25 – 34	6.24	5.96	7.12	5.31	5.89
35 - 44	3.74	4.05	4.46	3.18	3.29
45 - 54	2.78	3.69	3.82	2.77	3.31
55 - 59	2.30	2.42	2.99	2.43	5.49
> = 60	1.83	1.38	1.13	0.95	2.98

Source: Labour and Social Affairs Publishing House: Statistics on Labour, Invalids and Social Affairs 1996-2000

Income levels

From Table 7 below, it can be seen that those employed in small household enterprises have the fourth lowest income levels, with workers in co-operatives, Party and social organisations and government jobs earning lower monthly wages. However, workers in co-operatives also receive a productivity bonus, profit-sharing payments, or additional income for above-quota production. Government and Party employees also receive other benefits to compensate for their low salaries, including housing, education fees paid for their children, and transport costs, as well as payment of social security and health care. Small household enterprises must meet all these costs out of their wage and income.

With regard to earning income, it should be noted that only 23 per cent of women who work in rural and urban areas have jobs that pay wages²³. In addition, in Viet Nam, as in other countries, women earn less than men for the same work. In 1998 women earned an average of 86 per cent of male wages' incomes. Women working in the private sector earned 26.1% less than male workers. Women workers in SOES earned 18.5% less than male workers²⁴. Some of these differences can be explained by the difference in

²³ GSO- Selected Results of Gender Statistics Survey 12/1999

²⁴ VLSS 1997-98

qualifications and years of experience between men and women but this is not the reason in every circumstance. Women dominate employment in the service sector and earn significantly less than men partly because they work in the lower paying service jobs such as teaching and health services.

Table 7: Wages by economic sector

Unit: 1000 VND

Economic Sector	Average Wage	Average Compensation	Total –VND	Total –\$US
Government, military, police	466.53	140.09	606.62	43.33
State Enterprises	734.55	217.32	951.87	67.99
Party and Social organisation	391.69	88.18	479.87	34.28
Cooperative	248.25	21.31	269.56	19.25
Private enterprises	748.89	103.71	852.6	53.53
<i>Small household enterprises</i>	623.79	44.48	668.27	47.73
Mixed economy sector	716.07	131.04	847.11	60.51
100% foreign enterprises	982.05	204.38	1186.43	84.75
Joint ventures	795.71	172.35	968.06	69.15
Average	600.85	106.05	706.9	50.49

Source: 1997-98 VLSS Data

Skill Training

Viet Nam's skilled workers are estimated to comprise around 22 per cent of the labour force in 2000, which is a significant increase compared to the estimate of skilled labourers in 1999. In 1996, 87.7 per cent of the total labour forces were assessed as untrained, with 31.7 per cent of the urban labour force having achieved a vocational technical level.²⁵ In 1999, 13.9 per

²⁵ *Status of Labour and Employment in Viet Nam 1996, MoLISA, Page 53,*

cent of the total labour force was assessed as skilled²⁶ reflecting a higher total number of persons in the labour force but no increases in the proportion of skilled labourers.

In urban areas more than 63 per cent of the labour force is unskilled, a small percentage has had some elementary training and approximately 30 per cent are skilled. Women represent 48.5 per cent of the urban labour force and 43 per cent of the skilled workers in urban areas. The proportion of skilled female workers among all urban female workers has slowly increased from 20 per cent in 1996 to 27 per cent in 2000 but this is still below the male equivalent and needs to be addressed by industry and Government.

Table 8: Number of economically active population aged 15 years and over by sex and technological professional level (urban areas)

Unit: Person

	1996	1997	1998	1999	2000
Total	7,160,120	7,853,149	8,211,710	8,420,405	8,725,998
Female	3,510,240	3,838,659	3,998,759	4,022,375	4,240,364
Unskilled workers	4,898,449	5,323,594	5,512,442	5,548,285	5,514,086
Female	2,547,174	2,795,917	2,879,814	2,828,801	2,878,829
Workers with elementary or certificate level skills for employment and above	2,261,671	2,529,555	2,699,268	2,872,120	3,211,912
Female	963,068	1,042,742	1,118,945	1,193,574	1,361,845
<i>Of which</i>					
Skilled worker with certificate and above	1,684,030	1,842,934	2,050,544	2,238,953	2,666,743
Female	704,702	762,394	850,615	937,945	1,141,429
Percentage of Skilled workers	23%	23%	25%	26%	30%
Female	20%	20%	21%	23%	27%

Source: Labour and Social Affairs Publishing House: Statistics on Labour, Invalids and Social Affairs 1996-2000

²⁶Page 36, Status of Labour and Employment in Viet Nam 1999, MoLISA

While unemployment is a significant problem during the period of transition, the major problems in Viet Nam are those of low productivity, long working days, low income, and household poverty. This combination of factors clearly identifies the need for comprehensive employment policies that meet short-term poverty reduction and job creation needs of workers, particularly youth, as well as linking the skill development of workers, with strategies for industrial promotion and job creation for the longer-term development of the country. The Government has set a target of 40 per cent of the labour force to be skilled by 2010. Industry must invest in skill development of their workforce at a faster rate than has been achieved in the previous 5 years. The skill needs of female workers should be identified as a priority to ensure equality of access to employment opportunities and career advancement.

2.3. Poverty

Despite achieving gains in poverty reduction and slight recovery in growth rates since the 1998 Asian financial crisis, inequalities continue in Viet Nam. Specifically, the income gap between the richest and the poorest has been increasing, as well as inequalities between regions and between ethnic minority groups and the majority of the population. Poverty in Viet Nam is due less to open unemployment, than to the inability of many jobs to ensure decent levels of income. High levels of underemployment, of around 30 per cent, exist among the vast majority of rural workers²⁷. They work substantially less than full time, wish to work longer, as they are earning less than a living wage. Viet Nam needs to take direct steps to help these working poor.

Though poverty in Viet Nam is located predominantly in rural areas where 80 per cent of the population resides, poverty is also a growing phenomenon in the urban areas. The urban poor are particularly vulnerable to economic fluctuations and restructuring impacts. Informal economy households living in urban areas in a cash economy are unable to fall back on subsistence strategies available in rural households such as traditional village welfare practices, bartering and foraging. Urban migrants with temporary registration also face difficulties in accessing housing, health and education services as well as finding adequate income generating opportunities and employment.

²⁷ *Viet Nam's living standards surveys 1997-98, 1999 Population and Housing Census data and MoLISA labour surveys 1998 and 1999.*

Apart from the rather limited formal social safety net Vietnamese households rely heavily on informal social safety nets based on family, community, and other contacts. This includes support between extended family members, informal work and food assistance between neighbours, and loans from family, neighbours, and money lenders.

The most recent criteria applied by MoLISA²⁸ for the identification of the poor are:

- VND 80,000 monthly income per person for mountainous areas and islands
- VND 100,000 “ “ “ “ for rural areas
- VND 150,000 “ “ “ “ for urban areas.

These criteria are used for various purposes such as the free health care cards provided by the Government under the Hunger Eradication and Poverty Reduction programme which promotes infrastructure and enterprise development, as well as social protection to poor communes. Applying these criteria, the estimated number of ‘poor’ in Viet Nam is approximately 14 million people (in 2000), i.e. more than 17 per cent of the total population. None of the workers surveyed in this study would be categorized as ‘poor’ based on this criteria. However, an urban worker earning the average wage of VND 450,000 per month and supporting three dependents would be a poor household as they would have less than VND 150,000 per person in the household. Many surveyed workers were in this situation.

There is a very close association between poverty, health and education status in Viet Nam. Ill health, which often leads to loss of revenues and high expenditures, is one of the prominent causes of poverty. Overall, households spend much more on health care than only through the payment of user-fees. It is believed that they contribute to as much as 80 per cent of total expenditures on health. It has been estimated that around 3 million individuals are forced into poverty every year due to high medical expenses²⁹. Educating a child in secondary school costs half a poor family’s

²⁸ *MoLISA circular 1143/2000/QD-LDTBXH*

²⁹ *I.e. the so-called ‘medical poverty trap’.*

income³⁰. More than one-quarter of 650,000 child deaths in 1997 were caused by malnutrition and vitamin deficiency. This is due to a lack of buying power in poor families rather than food shortages.

Households with some form of livelihood security, such as wage or salary jobs, pensions or regular social welfare allowances, are better able to cope with sudden shocks or risks to their lives. Even when government allowances are not large (around VND 200,000 per month) the stability of a regular cash payment brings some livelihood security.

³⁰“*Viet Nam-Rising to the Challenge*” *Economic Report, Poverty Reduction and Economic Management Sector Unit. East Asia and Pacific region. World Bank. November 1998.*

3. SOCIAL PROTECTION: LEGISLATION, POLICIES AND COVERAGE

The Government of Viet Nam is in the process of expanding the existing social safety net (SSN) as part of its commitment to the National Socio-Economic Plan for 2001-2010 and Viet Nam's Comprehensive Poverty Reduction and Growth Strategy (CPRGS). *The overall goals* of the National Socio-Economic Plan 2001-2010 are:

- The population growth rate is to have dropped to 1.1 - 1.2 per cent by 2010
- To eliminate the category of hungry households, and reduce quickly the number of poor households
- To solve the employment issue in both urban and rural areas (to reduce urban unemployment rate to below 5 per cent; and increase utilized worktime in rural areas to about 80-85 per cent)
- To raise the trained labour ratio to around 40 per cent.

The CPRGS strategy will need to include measures that increase labour protection for groups at risk of marginalization especially when demand for labour falls, such as, unskilled and rural workers and people with disabilities. Labour market policies in Viet Nam need to incorporate specific measures to support the 'working poor', especially those in the informal economy and agricultural workers, many of whom are women.

The Government of Viet Nam has made a commitment in its National Socio-Economic Plan for 2001-2010 to extend the existing social protection systems for the entire population. The 9th Party Congress resolution stated that universal health coverage should be reached by 2010. The major operation of introducing a Social Security Law incorporating benefit restructuring and extension of coverage is under way and due for submission in July 2005 .

The social protection tasks of MoLISA as contained in the CPRGS include:

- Develop social safety nets for the poor and for victims of natural disasters
- Add policies on providing emergency and regular support to complete the system of State support
- Establish measures to help the poor improve their participation in the marketplace
- Establish a priority or classification system for targeting the ‘most needy’ among vulnerable groups
- Expand social protection systems and the social safety net
- Develop solutions to effectively address emergency social relief
- Expand the participation and enhance the role of domestic social organizations (e.g. mass organisations such as the Viet Nam Women’s Union and Viet Nam Youth Union) and non-governmental organizations in the process of building and implementing the social safety net.

The previous Labour Code of Viet Nam was approved by the National Assembly in June 1994 and came into force on 1 January 1995. This Labour Code was amended and supplemented in 2002, and the new or revised articles will be effective from 1 January 2003 onwards. Articles 2 and 3 of the 2002 Labour Code state that the Labour Law applies to *all workers, organizations or individuals employing workers under a labour contract in all economic sectors and all forms of ownership*. It also applies to trainees, apprentices, domestic workers, and other categories of workers, specified in the Code such as Vietnamese citizens working in enterprises with foreign investment in Viet Nam and foreign nationals, working in Vietnamese enterprises or organizations.

3.1. Social security

In 1995, the Government of Viet Nam introduced social security legislation for all establishments in the public and private sector with more than 10 workers to be compulsorily covered by social security and health insurance schemes³¹. The basis for the current social security scheme was provided for

³¹ According to the Decree 12/CP of 1995

under the Labour Code and the regulations on social security were enacted under Decree 12/CP dated 26/1/1995.

The Viet Nam Social Insurance (VSI) scheme established in 1995 provides the following benefits:

- **Retirement Pensions** are normally payable for those with at least 20 years contributory service at age 60 for men and at 55 for women, but at lower ages in arduous occupations. Pensions depend on contribution periods and earnings, with a maximum of 75 per cent of an employee's average monthly salary.
- **Work Accidents and Industrial Diseases**
- **Sickness Benefits pay 75 per cent of salary**, payable for 30 to 60 days depending on period of contribution and nature of occupation.
- **Maternity Leave Benefits** are normally paid for 4 months at 100 per cent of salary. Payment is limited to two births, a regulation which disadvantages women workers with larger families.
- **Survivors benefits**

There is limited protection against longer term illness or invalidity, and, currently, unemployment benefits are not provided.

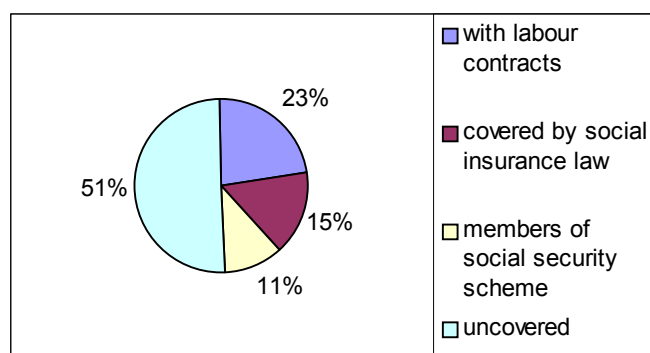
The Viet Nam Social Insurance (VSI) scheme is autonomous, i.e. the social security fund was separated from the State budget. The Viet Nam Social Security Administration (VSSA) has been made responsible for administering benefits including pensions, short-term cash benefits for sickness and maternity, employment injury benefits and occupational diseases benefits. These were formerly the joint responsibility of the Social Security Department in MoLISA and the Viet Nam General Confederation of Labour Units in State Enterprises.

Coverage

Social insurance in Viet Nam still covers a limited number of workers, around 11% the labour force. Based on the 2000 National Population Census, the MoLISA has estimated that of the 39 million workers, 9 million have labour contracts, 6 million are legally covered by the social insurance scheme but only 4.1 million workers (excluding the armed forces) are

paying contributions to the social security scheme, see Figure 1 below. The majority of the contributors are working in the state sector. The number of persons who work in non-state businesses and manufacturing enterprises including joint ventures participating in the social insurance schemes is still low, around 20 per cent of the total non-state labourers that are legally required to participate in the social security scheme.

Figure 1: Labour and social protection coverage of the labour force



The Labour and Social Security legislation was designed for workers in the formal sector, specifically workers employed in enterprises with more than 10 employees. As can be seen from Table 11 below, of the 1,837,564 workers employed in non-state enterprises in Viet Nam's cities, only 17 per cent are protected by this legislation.

Table 9: Number of workers in non-state enterprises (31.12.97)

Unit: 1,000 workers

	More than 10 Employees		Less than 10 Employees	
	Enterprises	Workers	Enterprises	Workers
Total (all cities)	6,638	319,754	626,392	1,517,810

Source: GSO Statistical Yearbook 1998

The majority of insured persons belong to the State sector with small gradual increases in membership from the non-State sector. Structural adjustment and socio-economic changes have reduced the size of the State sector, and increased the size of the group that are currently excluded from contributing to social insurance schemes. In 2000 there were 4,127,680 insured members.

The Social Security scheme is a defined benefit, a PAYG scheme. Contribution rates are 15 per cent of payroll paid by the employer and 5 per cent of basic salary paid by workers.

Table 10: Numbers of social security contributors 1995-1999

	1995	1996	1997	1998	1999
State Sector			3,078,294	3,232,704	3,227,643
Non-State Sector			84,058	122,685	351,784
Number of contributors*	2 275 978	2 821 444	3 162 352	3 228 104	3,579,427

Source: VSI Statistics 2000

*excludes Armed Forces

More men than women are members of the social security scheme, with 55 per cent male and 45 per cent female contributors. However, if we exclude those members aged over 55 (the retirement age for female workers) then the ratio is slightly closer with male members representing 52 per cent and females 48 per cent of total insured members.

Table 11: Profiles of insured social security members by sex and age

Number of VSI insured persons (active) in 2000	Total	Male		Female	
		Persons	Percentage	Persons	Percentage
<20-25	222,895	118,134	53%	104,761	47%
26-30	330,214	175,013	53%	155,201	47%
31-35	511,832	266,153	52%	245,679	48%
36-40	663,812	343,134	51%	320,678	49%
41-45	767,749	391,552	51%	376,197	49%
46-50	619,152	315,768	51%	303,384	49%
51-55	714,088	382,037	53.5%	332,051	46.5%
>55	288,938	274,491	95%	14,447	5%
	4,118,680	2,266,282	55%	1,852,398	45%

Source: VSI Statistics 2000

The intention of the Government is to extend social protection to all workers. Chapter XII of the 1994 Labour Code is the basis for the detailed provisions for the Social Insurance Decree³², including Article 140 that set out the aim of social insurance policies and envisages that compulsory and voluntary methods will be used to realize the goal of protecting all labourers and their families. Article 141 paragraph 2 stipulates that in establishments with fewer than 10 workers, the wages paid to these workers must include the social insurance contributions, to enable workers to obtain protection themselves. For example, voluntary health insurance cards may be purchased by these workers for themselves or members of their families. Workers could also choose to pay premiums to join a private insurer. A related provision in Article 148 places the responsibility on businesses engaged in agriculture, forestry, fisheries and salt production to *participate in forms of social insurance suitable to their production and employment characteristics*.

The self-employed, artists, workers in cooperatives, farmers and rural workers are, according to this article in the 1994 Labour Code, able to join the social insurance scheme on a voluntary basis. However, in reality there are very few voluntary members of the social insurance scheme due to the absence of enabling legislation and administrative support. The coverage of the VSI scheme is projected to gradually expand to cover workers outside of the public sector. Less than 20 per cent of private sector workers are paying contributions to the social security scheme. At present, out of the 3.4 million persons covered, only 200,000 come from private enterprises. This coverage is insignificant in relation to the potential group of private sector workers that should be insured, estimated at more than 4 million persons³³. In 2000 there were nearly 21,000 enterprises (accounting for 88.2 per cent out of the total number of enterprises) that employed 7.8 million workers representing about 25-26 per cent of the workforce. However, it is not known how many of these enterprises employed more than 10 workers, the legislative requirement for compulsory social insurance coverage.

³²Decree 12/CP 1995

³³Based on *Statistics on Labour –Invalids and Social Affairs in Viet Nam 1996-2000* from MOLISA, Labour and Statistics Publishing House July 2001

3.2. Social assistance

Special cash transfer programmes paid to War Veterans and Invalids, and to those families most involved in the Revolution and War of National Unification, cover 1.4 million people, or between two to three per cent of the population, involving around 5 per cent of households.

Two major Social Assistance programmes exist:

- the Social Guarantee Fund for Regular Relief, and
- the Contingency Fund for Pre Harvest Starvation and Disaster Relief.

They have limited scope and coverage, but are critical for the populations that rely on this support for their survival. Central Government funding for these two programmes amounts to around 3 per cent of social protection transfers, or about 0.3 per cent of central government spending. Total outlays from all funding sources by these two programmes, including external assistance, amounts to the equivalent of about 0.6 per cent of budget spending³⁴

Assistance is provided to a minority of poor households and to defined social priority groups for health costs, school fees and textbook costs, and in some cases remissions of property taxes. Most of this assistance comes from the Hunger Eradication and Poverty Reduction Programme (HEPR) and related programmes. Viet Nam has limited universal transfer programmes providing cash income support to orphans, severely disabled persons, elderly without any family support, as well as drug addicts and prostitutes undergoing rehabilitation in State-run centres. Most elderly people are looked after by their own families in the traditional Vietnamese manner. There is no family assistance for children, and no universal or minimum retirement pensions for the bulk of the population. However, there is state budget support for basic health and education.

3.3. Health and health insurance

Viet Nam's achievements in providing health care, during the last decade have reduced the under-five mortality rate from 55 to 48 per 1,000 live

³⁴ ILO Draft Report on Social Safety Nets for Viet Nam 1999

births. The infant mortality rate has declined to 39 per 1,000 live births. Life expectancy at birth is now 11 years higher than that of other countries with similar GDP per capita levels.³⁵

Nevertheless, women's health needs including reproductive health and family planning are still a matter of concern. Viet Nam has a high total abortion rate, at 2.5 per woman³⁶, partly due to lack of education, lack of reproductive health and family planning services, as well as a limited range of alternate forms of contraception. Problems such as maternal mortality, obstetric complications, abortion, maternal and child malnutrition, and reproductive tract infections are still at high levels, although gradually improving³⁷.

Viet Nam started to reform the health system in 1989 by replacing the universally free health care with a fee-for-service system. Other reforms have included the provision of health services by the private sector, the liberalization of the sale of drugs and other medical supplies and the introduction of health insurance. While this reform has helped to mobilize funds for the improvement and expansion of health care services, it has also reduced the ability of the poor to access health services.

The current health insurance legislation³⁸ came into effect in January 1999, and made important changes to the organizational and financial systems for health insurance, including the establishment of a central reserve fund of 5 per cent out of the contribution income. The Vietnam health insurance agency was established under the Ministry of Health. VHI administers the compulsory health insurance scheme, the voluntary health insurance scheme and the free health care card scheme, through a network of provincial and district offices. The health insurance agency is now in the process of joining the Vietnam social insurance administration in an effort to improve service delivery and increase efficiency.

The compulsory health insurance scheme (CHIS) is mainly targeting the formal sector. Coverage currently does not include military and police

³⁵ *United Nations Human Development Report for Viet Nam 2000*

³⁶

³⁷ *National Population Strategy for the period 2001-2010, Committee for Population and Family Planning 2000*

³⁸ *Decree No. 58/1998/ND-CP of August 1998*

personnel. Private sector workers engaged by enterprises with at least 10 workers are required to join the CHIS. Several state industries, such as transport, coal-mining, rubber, oil and gas companies, initially set up their own schemes with these schemes still being managed by four separate offices, which are at the same level as provincial offices in the structure of VHI. Members of the CHIS are entitled to both outpatient and inpatient treatment at all levels, although care provided below the district hospital is very limited. Contributions are 2 per cent of payroll by employers and 1 per cent of basic salary by workers. There is a 20 per cent co-payment for all members except social priority groups and pensioners. These co-payments of 20 per cent of charges were introduced as a cost containment measure to reduce utilization and stop some instances of abuse of the scheme. The introduction of user-fees is controversial as they conflict with the principle of removing financial barriers to medical care, and can cause hardship to low-income persons.

The CHIS covers contributors only and not their dependants. Insured workers were offered a significantly discounted rate to enroll their dependents, as long as all members of the family were covered (in order to minimize adverse selection). Employers were encouraged but not compelled to pay part of the family member contribution. Unfortunately, this initiative was not very successful. A serious barrier may be the fact that total social security contributions are already very high, (23 per cent of average wages including 15 and 5 per cent for social security and 2 and 1 per cent for health insurance by enterprises and individual workers respectively) which limits the scope for increasing the health insurance contribution rate. This contribution rate is impractical for implementation amongst informal economy workers.

Membership in VHI has increased slightly from 9.76 million contributors in 1998, consisting of 6.07 million compulsory members and 3.69 voluntary members to 10.47 million in 2000. The number of voluntary members has declined indicating a need to improve the services available under the voluntary system as well as conducting extensive awareness raising activities for the target groups of the voluntary scheme, in particular the self-employed and farmers. However, the majority of members are still in the State sector with only 452,920 workers in the private sector joining the compulsory scheme, around 7 per cent of membership. Compliance among the private sector workers is still very low. Enforcement is rendered difficult

by the relatively weak legal framework and by the fact that VHI does not have its own inspectors, and sanctions for non-compliance are seldom applied. The problem of underreporting of salaries might be reduced if contribution ceilings were introduced.

Table 12: National Health Insurance membership 2000

Unit: Persons

Compulsory health insurance	
People's Committee members	57,395
Commune administrative staff	113,187
Public sector workers	3,109,968
Public sector pensioners	1,583,032
Private sector workers	452,920
Private sector pensioners	0
Social-priority groups	1,152,820
<i>Total compulsory insurance members</i>	6,469,322
Voluntary health insurance	
<i>Students</i>	
Primary school	2,591,901
Secondary school	478,046
University / higher education	86,685
<i>Farmers</i>	3,407
<i>Other self-employed</i>	0
<i>Total voluntary insurance members</i>	3,160,039
Free health care cards for the poor	841,037
TOTAL HEALTH INSURANCE COVERAGE	10,470,398

Source: VHI report 2001

Viet Nam has introduced the 'Free Health Card for the Poor' (FHCP) scheme as part of its HEPR programme. The poor are given a fully subsidised health insurance card that covers a comprehensive package of services. The Government has recently allocated funds for the provision of free health insurance cards to four million poor people. Handicapped people are automatically covered under the compulsory health insurance scheme. Their contribution rate is fully subsidised by MoLISA. According to MoLISA, the present intention is to allocate 420 billion VND to the FHCP scheme; this implies that there is no intention to increase the contribution rate level, given the limited government resources available. The contribution rate level paid by government for poor people is VND 40,000. Based on the average health insurance expenditure per member per year in the compulsory scheme, the contribution rate level should be increased to at least VND 70,000, which is the current contribution rate level paid by the government for meritorious people (war martyrs who contributed to the revolution and their survivors).

It is unclear whether the poorest and most vulnerable groups have directly benefited from any increase in healthcare spending. The introduction of user fees has, however, increased household expenditures for healthcare, with the poorest bearing a disproportionate increase in expenditures for health costs. One difficulty for the FHCP scheme relates to the fact that contribution rates are presently fully paid by the provincial governments. This means that provinces that are already poor are further disadvantaged: while they have fewer resources, they need to subsidise a larger number of health insurance membership cards. Provinces may then cut the amount of the subsidy for contribution rates in order to reduce the burden on their provincial budget. The capacities of the communes, districts and provinces, with high numbers of poor people and vulnerable groups, to subsidise health costs and provide 'charity activities' is significantly restricted without a form of redistribution from wealthier provinces and/or State Budget supplementation.

Private health insurance is allowed by law. Both domestic and foreign private-for-profit insurance companies have entered the market and are currently competing with VHI. There is also competition with another state insurance company, namely Bao Viet, which is organised under the Ministry of Finance. For only 20,000 VND per year, employers can purchase full

coverage for services delivered by private health care providers. Many enterprises consider this option as better value for money.

Most insured people belong to the relatively wealthier and healthier population categories: namely salaried workers and students. Health insurance coverage is the lowest among the poorest population groups. This situation means that households with fewer health needs can access more health care and pay less for it, while many poor people – who have in general greater needs – have to pay user-fees, which represent a serious financial barrier.

In Viet Nam, the vast majority of people working in the informal economy are farmers with low earnings. This population group is the target of the Farmer Insurance Scheme (FIS). Contributions and entitlements in the FIS are based on individuals rather than households. Benefits are limited to in-patient care; there is no safety net for the payments made by the insured patient for services that are not covered.

Other categories of the self-employed in the informal economy have never been really encouraged to purchase health insurance on a voluntary basis. Despite efforts to expand the FIS, coverage of informal economy workers is minimal. Past attempts to introduce health insurance in the informal economy have been unsuccessful.

Consequently, the vast majority of people in the informal economy still have to pay user charges whenever they seek medical care. The main problems with the voluntary scheme are related to the unaffordable level of the contribution rate, the lack of trust in the scheme, the attitudes of the health care staff, the complexity of administrative procedures and risks of adverse selection and ‘moral hazard’. This means that most people in the informal economy have to pay direct user-fees whenever they seek medical care. For many of them, unexpected and high expenses have a dramatic impact and may force individuals and families to sell their assets or borrow in order to pay the costs of treatment.

The existing voluntary health insurance scheme has seen evidence of adverse selection: i.e. the high risk population (basically older people with poor health) are more likely to join the scheme as well as people joining the scheme only at the time that they need medical care. This situation undermines the financial viability of the voluntary scheme.

Health care for children under the age of 6 is theoretically free. In practice, the parents very often need to pay for the care. Schoolchildren and students in higher education can join the school health insurance scheme (SHIS) on a voluntary basis. Children above 6 who do not attend school do not have any form of support, unless they are part of poor households that benefit from some kind of assistance. The same is true for the majority of people fulfilling household duties. There are various types of coverage for people who are too old to earn an income: retired people who worked in the public sector are currently covered by health insurance; pensioners in the private sector are also covered by the compulsory scheme; some of the very poor elderly are covered through the free health card for the poor (FHCP) scheme, or may benefit from some support through another government programme or assistance from NGOs or mass organisations, such as the Viet Nam Women's Union (VWU) and the Viet Nam Fatherland Front (VFF).

At present, the health care system relies more and more on user-fees. A very large share of household total expenditures is on health. The actual expenditure needed by the poor to meet the costs for one visit to a public hospital represents 45 per cent of their non-food expenditure compared to only 4 per cent of non-food expenditure for the highest income households³⁹. Actual average expenditure per capita on health care is VND 143,720, or around \$US10, per year. The main components of household health expenditures included purchases of drugs (self-treatment), medical costs at health centres, and transport to health centres and unofficial payments to health centre staff. Costs often inhibit poor families from seeking early medical attention, which may prevent the treatment of conditions that could lead to long-term disability or death.

In 1997 commune health centres received only 7 per cent of the total public health budget.⁴⁰ They are generally considered to be understaffed and ill-equipped. Low quality service discourages people from using paid services at community health centres, thereby reducing the capacity for the commune health centres to raise revenue to provide better treatments and services.

Most adult health care, with the exception of reproductive health care, is geared towards curative services. Thirty per cent of men and 40 per cent of

³⁹*Viet Nam Health Sector Review (draft) World Bank 1999*

⁴⁰*Lien Hop Quoc Viet Nam 1999*

women aged 18 to 55 access health care services in any given month. Amongst workers that are injured or ill, women are more likely to access health care than men and three-quarters of men and women are likely to self-treat with purchases of non-prescription drugs from pharmacies. Many women do not receive adequate pre and postnatal care, resulting in maternal complications and death, which could be prevented through adequate maternity protection (only 28 per cent of pregnant women have the standard three pregnancy checkups⁴¹ and just 23 percent have a safe delivery⁴²)

There is also a shortfall in vaccination coverage for children and extensive use of self-treatment with non-prescription drugs purchased from pharmacies. Both these issues could be addressed in a suitably designed social protection scheme.

In summary, of the population of more than 78 million, only 10.5 million people (13 percent) were covered by health insurance in the year 2000. In 2000 there were approximately 6.5 million compulsory insured members, around 3.2 million voluntary insured members, and about 800,000 persons with free health care cards for the poor⁴³. A system of health insurance that ensures equal access to health services, taking into account the gender differences with regard to health risks and treatments, still needs to be developed.

3.4. Social protection in the informal economy

‘Informal economy’ is not a term that is used widely in Viet Nam. However, it is understood to refer to a segment of the labour market that has absorbed significant numbers of job seekers and unemployed workers, mostly in self-employment and in very small production units and households enterprises. On the whole these units have a number of features in common: low levels of capital, skills, access to organized markets and technology; low and unstable incomes and poor working conditions; operating without many government regulations; and outside current legislative systems of labour

⁴¹ VLSS 1998

⁴² UNICEF 2000 – Viet Nam Children and Women: A situational analysis

⁴³ VHI Statistics 2000

and social protection.⁴⁴ Many workers in the informal economy could be categorised as 'wage workers' as they are totally reliant on a single enterprise or employer for their equipment, raw materials and orders. However, employers prefer to consider them as 'self-employed' in order to avoid the requirements under labour and social protection laws.

Most of the workers in the smaller, predominantly informal, sector enterprises, own-account workers and the self-employed are excluded from the current labour law and social security scheme in Viet Nam even though, when combined, they constitute the largest segment of the urban labour force. The excluded groups include casual and part-time workers, domestic servants, home workers and the seasonal workers in industries such as construction. While informal economy workers are given a right to social and health insurance as provided for by the Labour Code⁴⁵, these rights have not been implemented through issuing regulatory or administrative provisions necessary for the establishment of a social protection system for the self-employed or small enterprises. A voluntary health insurance provision has been provided by Government, but the scheme excludes certain treatments and members are often faced with additional user fees as well as unofficial payments to receive basic health services from local public hospitals.

Private providers have become more common in Viet Nam during the last three years as domestic and foreign companies offer various forms of insurance. Private life insurance companies offer health, employment injury, survivors and retirement protection, either as lump sum payments or annuities. However the contribution rates are beyond the financial resources of the majority of workers in the informal economy.

Another problem is that wage earners who move into employment in the informal economy also lose access to social protection. There have been increasing levels of labour mobility as the industry structures in Viet Nam change. Large numbers of retrenchments have contributed to the growth of informal economy workers. Overall, the trend in both the State and private

⁴⁴ *Social Protection for workers in the informal economy: new challenges for Asia and the Pacific* Wouter van Ginneken, ILO

⁴⁵ *Articles 141(2) and 148 of Labour Code of the Socialist Republic of Viet Nam (2002).*

sectors has been to contract out services that used to be done by permanent full-time employees. A social security system can facilitate labour mobility if it provides wide coverage of different sectors of the labour market. However, the current social security system creates barriers to labour market flexibility. Workers lose entitlements to social protection if they move out of the formal sector. 86 per cent of workers who changed their employment in 1996-97 due to under-employment were wage earners. 45 per cent of workers who changed their employment due to low-incomes were wage earners, compared to 10 per cent of non-wage earners. Another reason given for labour mobility was for familial reasons. 75 per cent of the working population who changed their employment due to familial reasons are women. Of the working population who changed their employment due to personal reasons, 41 per cent are women⁴⁶. Marriage and childbirth are the two main reasons for a female worker changing her employment.

Some SOEs also found that the limited coverage of the social insurance scheme has impeded their restructuring efforts. This was the experience of HEC⁴⁷, who said that workers did not want to work for cooperatives under the administration of wards because they could not participate in social insurance schemes. A system needs to be established for transferring between compulsory and voluntary schemes to protect the interests of workers in situations where their employment is interrupted. Even if an employee wishes to cover the full contribution themselves until they find new employment, the current legislation does not allow them to do this.

Without any form of social security, workers in this sector, and their families, rely on other forms of support when they are faced with the occurrences of risks such as a sudden illness, death, or injury. Households in the informal economy are generally able to afford the costs of minor health treatments from their local wards or communes. However, when household members are seriously ill, they require health treatments only available at district or provincial level hospitals. In this situation, the household often has to mobilize assets, borrow funds, or sell their labour to pay for these treatments. Illness and injury have indirect

⁴⁶ *Labour and Human resources Information System, Viet Nam. Report of the household survey December 1997. MoLISA Labour and Social Affairs Publishing House. October 1999*

⁴⁷ *Hanoi Environment Company expressed during a seminar on discussing the issues with the current social security laws - 2001.*

costs for household members, including transport, food, medicines, and career costs, as well as the direct costs associated with the loss of income through reduced labour inputs due to illness or injury. Poor households are often forced to live with ill health because the costs of treatment are simply unaffordable or cause them to get into a debt cycle.

Disease and injury still force many people out of work for shorter or longer periods, some of them for life, reducing their productivity, earnings, opportunities and quality of life. There is a lack of awareness of the scale of work-related accidents, and their impact on productivity of the business as well as serious consequences for workers. Few workers in the informal economy have the knowledge, or understanding, of safe work practices. Existing labour laws do not address labour safety standards for workers in the informal economy.

Within the context of a comprehensive poverty reduction strategy, social protection policies need to be included. Social security schemes use social means to both prevent deprivation (promote living standards) and vulnerability to deprivation (protect against falling living standards). Viet Nam's social security laws are being redrafted to extend the coverage of different groups of workers who will then have some form of protection in their retirement, when they are sick or injured, or pregnant. The new social security laws are expected to extend coverage to a total of 9 million workers. Despite these reforms, more than 30 million rural workers in Viet Nam, the majority of them female, will have to rely on their voluntary participation in a social security scheme that they have to fund from their own limited resources.

3.5. Challenges and reforms in social protection

Under the prior ILO Social Security Project⁴⁸, major issues concerning pensions were identified and include, among others:

- the low coverage of the employed labour force and informal economy workers in Viet Nam
- the use of the pension system to ease employment redundancies in the State sector through a lowering of the normal retirement age under the pension system

⁴⁸ *Project VIE/M01/94/NET – Social Protection Training and Development in Viet Nam*

- lower retirement ages for women and low actual retirement ages from the current scheme in relation to life expectancy in Viet Nam and compared to other countries. (For example, the retirement age is 60 in Lao PDR for men and women and Lao has a lower life expectancy than Viet Nam)
- lack of inflation adjustments to maintain the real value of benefits and minimum benefit guarantees
- low compliance in the registration process and contribution collection operations, notably among enterprises of the private sector and the low priority attached to enforcement
- high unemployment which reduces the amount of contribution income to the system and causes a shorter contributory period over a worker's career and hence lower pensions.

The social security scheme does not provide an adequate level of income protection for workers in their retirement. The retirement benefits are high (75 per cent of average contributory earnings) but retired persons still have difficulties in meeting their costs of living from their pension. The overall assessment of the compulsory social security scheme in Viet Nam may be summarized as:

- insufficient income replacement protection being provided
- too few employed workers covered and paying contributions under the social security scheme
- too few old-age persons receive pensions
- too low benefits are paid and the benefits bear little relation to the past contributory and earnings history of a worker.

At the same time, the low amount of contribution income is insufficient to ensure a financially viable scheme in the long-term. This latter financial problem is expected to become more acute as the young population of Viet Nam ages.

These factors justify the principal objective of on-going reforms with the main aims of:

- extending coverage to a larger proportion of the employed labour force in Viet Nam

- providing adequate levels of benefits differentiated according to the length of the contributory service and past insurable earnings to ensure the long-term financial sustainability of the pension system.

Reforms in the new Labour Code, 2002

Both the Labour Code amended and supplemented in 2002 and the Social Security Act to be adopted in 2003 contain policies for the expansion of the scope of protection through the inclusion of more categories of employees, the introduction of voluntary insurance and the addition of the risk of unemployment. The draft Labour Code contains a number of important changes in respect of social security which will lead to appropriate revision of the draft Social Security Bill. The specific relevant articles being revised are:

- 27. New provisions on labour contracts which establish an improved basis for job Security and social security membership.
- 107. Amendments to rules on compensation for employment injuries to extend the responsibilities of employers to cases with between 5 per cent to 80 per cent loss of working capacity
- 141. Liability and eligibility for social insurance coverage is changed from employment in enterprises with 10 or more workers to the duration of the labour contract longer than three months or with an indefinite term. The principle of employers paying the contributions in the wage of ineligible workers for the purpose of voluntary membership is included.
- 145. Female pension age remains at age 55 with the additional entitlement that those with 25 years service will be entitled to pensions calculated as if they had contributed for 30 years.
- 151and166. Disputes procedures are strengthened for cases of retrenched workers, revised to include the cases of retired persons and compensation issues in regard to work-connected accidents.
- 185. Strengthening of responsibility of inspectors for monitoring and reporting on the implementation of labour laws reorganisation of the State Labour Inspection to concentrate responsibility in MoLISA and the local labour authority for labour policy, safety and health.

Social security reforms

In line with the Labour Code amended and supplemented in 2002, a significant number of reforms and new regulations are being developed to expand social protection available to workers in Viet Nam. Social security will be extended from the current provisions to include establishments with fewer than 10 employees to coverage of all employees who work under labour contracts that have a term of 3 months or more. This applies regardless of the sector or who owns the enterprise.

Maternity benefit

It is proposed to increase the duration of maternity leave depending on the woman's working conditions. Those working in the public service sector and office staff in production establishments will be entitled to 4 months leave. Those working in production establishments will be entitled to 5 months, and those engaged in heavy or hazardous work, on night shifts, or in 'hardship provinces'⁴⁹ will be entitled to 6 months. A minimum period of contribution as a condition of eligibility for the maternity benefit is to be established. It is proposed that an employee should be required to have paid contributions for at least 3 months before being eligible for the maternity benefit.

The provisions on maternity leave in the Labour Code (1994 and 2002) do not limit the number of births which qualify for maternity leave, but the current Social Security Decree restricts benefits to two children. The restriction of maternity allowance to two births has been removed⁵⁰ in the new social security regulations. This is a welcome change that allows this benefit to protect the health of mothers and their children irrespective of the number of children they have. The provision of ante-natal, confinement and post-natal medical care is most important for the well-being of female workers and their children and the development of society.

Occupational injury and disease

New Social Security regulations raise the monthly maximum benefit for work-related injury or disease from 1.6 months of the minimum wage to the equivalent of 2 months minimum wage⁵¹. It is also proposed to implement consistent

⁴⁹ Areas with a regional classification of 0.7 or higher according to Viet Nam's Laws and regulations

⁵⁰ As proposed by ILO in R.22, R.26 ad R.29. Also proposed in National seminars held under the ILO project VIE/M01/NET/94

⁵¹ The monthly minimum wage now stands at 290,000 vnd per month, or approximately US\$19

disability assessment and classification systems to reduce the gap in the level of benefit for employment injury or occupational disease and invalidity.

Retirement

Decree No. 93/1998/ND-CP introduced the system of child care credits for maternity cases so that female workers do not lose their period of contributing to the pension scheme due to being on maternity leave. This policy promotes gender equality and should remain in the new Social Security Law.

The age of retirement in the existing law is determined by sex and working conditions. Women generally have lower earnings and therefore also receive a lower pension than their male colleagues. In addition, as women in the formal sector are obliged to retire at earlier ages, they have less access to senior management positions. This means lower pension rates. Earlier retirement for women can also lead to re-employment under less favorable conditions. A new regulation has been developed entitling female workers who retire at 55 and have contributed to the scheme for at least 25 years to a retirement benefit equivalent to that of male workers who retire at 60 and have contributed to the scheme for 30 years. This provision is included in the amended Labour Code of 2002. Another reform proposes to allow female workers to retire at the same age as men for certain categories of jobs such as scientists, intellectuals and scholars, but this is still in debate. The Viet Nam Women's Union favours uniform treatment, but with the option of variable retirement ages.

Survivors' Benefit

The level of the survivors' benefit needs to be increased to more fairly reflect the level of contribution. Currently, an allowance of 0.5 of a month's wages is paid for each year of contribution, with a maximum limit equivalent to 5 months' wages. It is proposed to increase this to 1.5 months' wages for each year of contribution, with no maximum limit.

Developing a voluntary scheme for retirement benefit

The Social Security department of MoLISA is developing a new regulation for the introduction of a voluntary social insurance scheme for non-covered workers. The scope of coverage under the voluntary scheme could include:

- employees with a labour contract of less than 3 months
- Rural workers

- Self-employed
- employees of working age who are excluded from compulsory coverage
- employees who had previously been members of the compulsory scheme.

The main components of the voluntary scheme that have been proposed are:

- Benefits are Retirement pension and Burial allowance under similar conditions as compulsory contributors
- Contributions and other income paid into the Voluntary scheme will be held in a separate and independent Fund to meet all costs of benefits and administration for the voluntary scheme.
- The VSI will be responsible for the administration of the voluntary scheme.

The main limitation to this proposal is the potentially high contribution rate.

Under this scheme employees may choose between 5 to 7 levels of contribution rates. The proposed contribution rate levels are: 10,000 VND; 20,000 VND; 30,000 VND; 40,000 VND; 50,000 VND; 70,000 VND; and 100,000 VND, paid per month. To qualify for retirement benefit under the voluntary scheme, workers (male and female) must be 60 years old and have contributed to the scheme for 20 years. The benefit is to be paid as a monthly, life-long pension. The level of benefit is calculated by dividing the total contribution plus investment income by 150 months (12.5 years). The fund for the voluntary scheme will be formed with the contribution of members and income from investment of the fund. The fund will be self-managed, self-funded and government-guaranteed. VSI has responsibility for implementing this scheme.

This is a significant change providing greater social protection to many more workers in Viet Nam, and some of the reforms seek to improve the situation of female workers, in particular policy changes to maternity benefits and retirement pensions. However, increased capacity will be needed within MoLISA, VSI and VHI to implement these changes, monitor their impacts and enforce compliance in both the formal and informal economy.

4. EQUALITY BETWEEN WOMEN AND MEN IN LABOUR AND SOCIAL PROTECTION

4.1. Legislation and policies

Gender equality in labour and social protection means equality of rights, responsibilities, opportunities, treatment and valuation for everyone regardless of their sex. Viet Nam has stipulated legal equality between women and men for many years. Article 24 of the Constitution of Viet Nam states that ‘Women enjoy equality with men in all spheres of activities - political, economic, cultural, at home and in society’.

In practice women do not yet have equal access to opportunities and treatment at work and in life. Women are traditionally mainly responsible for looking after the household and care of family members, in addition to their involvement in economic activities, and they are underrepresented in decision-making and in senior positions. In addition, older women have lower levels of education, due to past discrimination in access to education, and girls and young women have fewer educational opportunities at the higher secondary and tertiary levels and are concentrated in a narrower range of skills training and jobs deemed suitable for women. Many Government policies, therefore, aim at improving the position of women in Vietnamese society.

The National Plan of Action for the Advancement of Women in Viet Nam by the Year 2000 established several aims to improve employment generation for women and to overcome such problems as ‘low competitiveness of female labour, fewer job opportunities, and the higher risk of losing jobs compared with men’. The National Plan of Action for the Advancement of Women from 2001-2005 (POA2) is a component of the National Socio-Economic Development Strategy for 2001 – 2005 and outlines the plan for implementing the first five years of the National Strategy for the Advancement of Women from 2001-2010. The overall objective is to stabilize and improve living standards, increase women’s qualifications in all fields, ensure basic conditions for women to participate

and benefit fully and equally in all aspects of political, economic, cultural and social life.

“Objective 1 is to implement women’s equal rights in the area of labour and employment to improve women’s economic status and living standards.

The actions contained in the plan that relate to social protection for women workers include:

1.1.3: MoLISA shall take appropriate actions in implementing policies for women workers, which were stated under the Labour Law. In order to ensure gender equality, MoLISA shall propose to amend and revise key policies such as recruitment, maternity leave, labour safety, vocational training, retirement and social insurance.

3.3.1: MoH (Ministry of Health) shall, in collaboration with relevant organisations, develop and implement a proposal to diversify the health insurance system and allow women working in non-state sectors and rural women to participate in the health insurance system. MoH shall, in collaboration with MoLISA, implement the health insurance policy for the poor, including poor women.”

The Labour Code of Viet Nam explicitly prohibits discrimination in employment. Every person has the right to work and the right to freely choose employment and an occupation, to learn a trade and improve their professional skills without discrimination in respect of sex, race, social class, beliefs or religion⁵². There are a number of provisions in the Labour Code that are designed to restore a balance and ensure equality of opportunity and treatment in practice. The Labour Code contains special provisions on female employment and measures for satisfactory working conditions for women, including protection of their health. In the view of MoLISA’s Department of Labour and Employment Promotion (DLEP): ‘In a market economy, female workers are one of the disadvantaged groups who need to be supported by the Government, society and community. Therefore, in the legal system, employment policies regarding female

⁵² Article 5 of the Labour Code, 2002

workers provide preferential benefits to compensate their disadvantages and help them overcome gender barriers encourage them to accomplish social tasks and the role of a mother and a wife in their family⁵³. In summary, labour protection policies in favour of female workers are as follows.

Employment and training

- employers should implement the principle of equality between men and women in recruitment, employment, remuneration and promotion
- promotion of flexible employment opportunities such as part-time and home-based work
- recruitment: preference for a woman in case of equal merit and women are included as one of the priority groups for recruitment
- incentives for enterprises with many women workers such as preferential interest rates for credit and tax reductions to provide training for reserve jobs for female workers only and improve working conditions for female workers.
- training and transfer of women in heavy and dangerous work which is harmful to child bearing and rearing to other suitable work, improvement of working conditions or reduction of working hours
- as specified in Circular 03-TTLB dated 28/1/94 which lists 49 jobs prohibited to all female workers and 32 jobs prohibited to pregnant young female workers and pregnant female workers. Additional occupations and work processes have been included since the issuance of this circular according to decisions of MoLISA and Ministry of Health. This includes most jobs in transportation.

Social security and working conditions

- difference in obligatory retirement age of 5 years between men and women. In order to mitigate the negative impact of early retirement, the 2002 Labour Code stipulates that women of 55 years, who have

⁵³ *Legal regulations relating to female workers during the economic reform process, in MoLISA-ILO Seminar Material: Better jobs and social protection for women workers in the context of renovation, Hanoi, July 2000*

contributed to the social insurance scheme for 25 years will receive the same maximum pension as men of 60 years who have contributed to the scheme for 30 years

- maternity protection including prohibition of dismissal, change to more suitable work during pregnancy, maternity leave from four to six months and time for nursing up to one year (one hour per day)
- social insurance benefits or payment of the equivalent by employers when absent from work for pre-natal check-up, family planning or miscarriage and adopting a baby
- provision of child care facilities or facilitation of access to creches or kindergartens in enterprises with many women workers
- provision of separate cloak rooms and bathrooms for women in enterprises with many women workers
- thirty minutes additional break for women during menstruation.

Several of these protective labour policies, while designed to improve employment and working conditions for female workers, may operate as a disincentive for employers to hire, train or promote women due to actual or perceived additional costs for employers. Viet Nam needs to consider whether these laws are actually restricting the choices of occupations that are available to women workers.

4.2. Gender equality at work and in social protection

Gender discrimination exists in the labour market in Viet Nam and therefore carries through to gender discrimination in the social security scheme. The social security benefits in Viet Nam's social security scheme are based on earnings, so the benefits reflect the same gender inequalities as the wage system. Women continue to receive lower remuneration for their work, their earnings are on average 14 per cent lower than men per month.⁵⁴

Every worker is entitled to basic social security⁵⁵. However, applying the principle of equal treatment in social security and social protection is not straightforward as women and men are very often not in identical

⁵⁴ VLSS 1997-98

⁵⁵ Article 9, *International Covenant of Economic, Social and Cultural Rights*

employment situations. In most respects, the formal social protection programmes incorporate the Labour Code's requirement for equality. However, there are a number of long standing and new gender differences which pose constraints for women in Viet Nam. These include the lower average educational, occupational, and earning status of women; the 'double shift' problem where women are expected to work full time in paid employment, but also to carry out the bulk of household and family duties; the under-representation of women in senior positions; the over-representation of women in the informal economy; and occupational health and safety risks which impact severely on women:

- Firstly, due to women's increased life expectancy compared to men⁵⁶, they survive longer, but on lower benefits and pensions because of their lower pay, shorter careers due to lower retirement ages and interrupted periods of work due to caring and household responsibilities.
- Of the more than 1.5 million illiterate persons aged over 15 years living in Viet Nam in 2000, nearly 1 million were female⁵⁷. More girls fail to complete primary and high school than boys. Women have less access to training than men and are more often employed as unskilled workers. These factors operate as impediments for women to be able to improve their employment opportunities and career prospects, and prolong the situation where more women are working in lower paid, unsafe and hazardous jobs, mainly in the informal economy and the agricultural sector. The sustained education, training and re-training of females is essential for equality of women in Viet Nam and for the prosperity of Viet Nam.
- The distribution of labour within a household has implications for the ability of women and men to engage in economic activities, and the productivity or quality of those activities. Women spend on average 3 hours per day on housework compared to 12 minutes on average by men⁵⁸. Female workers in the informal economy spent more than 10

⁵⁶ UNDP Human Development Report for Viet Nam 1999 - Life expectancy for women = 69.6, for men = 64.9

⁵⁷ Economically active population over 15 years by educational level national level – Total = 1,533,826 Illiterate, Female = 969,801 illiterate. Labour and Social Affairs Publishing House: Statistics on Labour, Invalids and Social Affairs 1996-2000

⁵⁸ UNDP: Paper on initial Gender Analysis of VLSS 1992-93. 1996

hours per week on unpaid household work. Studies by the Viet Nam Women's Union (VWU) also indicate that the total daily working hours of women amount to 11 to 12 hours per day while men's working hours average 7 to 8 hours per day. Women's working hours are much longer because they 'have to work, do housework and care for the children'.⁵⁹ Women in Viet Nam continue to undertake a very large share of unpaid caring work. This role prevents them from taking up or remaining in full-time employment. It also affects the type of work they can undertake and the number of years they can spend in employment. This has an adverse effect on their earnings and their personal savings.

- Flexible employment arrangements and the informal economy are growing. As mentioned earlier, nine of every 10 workers in urban areas were working in this sector in 2002 according to the World Bank⁶⁰ and it is estimated that 70 to 80 per cent of the women workforce work in the informal economy.
- Women are mainly responsible to care for family members that cannot care for themselves – the young, the old, the disabled and those who are sick or otherwise unable to work. In societies undergoing economic reform processes, existing social security or assistance programmes tend to reach fewer numbers of people, for example due to retrenchment. This negatively affects not only women in paid employment who are being retrenched but also the wives of male retrenched workers who are responsible for looking after the families' basic needs.
- For women excluded from formal, modern-sector employment and social protection, the main form of access to social security benefits is through a secure marriage to a male salary or wage earner and/or bearing and rearing children.

Viet Nam has aimed at reducing gender discrimination in social protection through policies that spread the risks evenly between all participants of the scheme, especially with regard to maternity protection. Maternity benefits are critical for enabling women and their families to maintain their standard

⁵⁹ *Gender equality issues in socio-economic policies towards female workers in Viet Nam by the VWU in MoLISA-ILO Seminar Material: Better jobs and social protection for women workers in the context of renovation, Hanoi, July 2000*

⁶⁰ "Viet Nam-Attacking poverty", *Viet Nam Development Report 2000, World Bank*

of living when the mother is unable to work⁶¹. Where the additional costs associated with maternity benefits and paid maternity leave for female workers are solely borne by enterprises, this can make female workers more expensive to hire than male counterparts. Enterprises that do not contribute to the social insurance scheme are still obliged under the Labour code to provide female workers with maternity protection. Enterprises also have to provide rest breaks for nursing mothers, leave for post-natal care, ensure pregnant workers are not working in hazardous conditions, and provide child care facilities and job security following pregnancy. The result can be a disincentive for individual employers to hire women.

The number of women working throughout their child-bearing years is rising, a fact which makes adequate maternity protection even more vital:

- Maternity leave and appropriate medical care are essential to enable a woman to retain or regain her health and to return to work. Maternity benefits are also essential to provide income replacement during her leave period for the well-being of herself, her child and her family.
- More than 90 per cent of women working in the non-state sector⁶², who become pregnant are faced with the threat of job loss, suspended earnings and increased health risks due to inadequate safeguards for their employment and their rights, which deprive them from protecting their health, ensuring their employment and providing a fair level of income to employed women before and after childbirth.
- Women who remain *employed* throughout their pregnancy (are granted maternity leave and return to work after that leave), are less likely to suffer any negative outcomes of pregnancy because of their continued access to economic resources and their greater access to pre-natal confinement and post-natal health care. The strengthening of employment rights to avoid dismissal due to pregnancy and to ensure that maternity leave does not result in discriminatory termination of employment is a fundamental element of maternity protection.

The maternity benefits, provided under the Labour Code and existing social security laws are extensive and good for the health of eligible pregnant

⁶¹ ILO Maternity Protection Convention (No3) 1919 and (No183) 2000 revised.

⁶² Population and Housing Census 1999

women, nursing women and their children. However, the provision that woman can take off time from work and be compensated for caring for sick children under 7 years⁶³ reinforces the notion that women are the main child care providers. As long as women are expected to be the only ones to take time off to care for sick family members, this will have a negative effect on their employment opportunities and career advancement in practice.

As mentioned earlier, aware that *women's child bearing role* prohibited their entitlement to a full pension, the Government recently introduced maternity credits for women in formal sector employment so that the periods when they are on maternity leave are included for the purpose of pension entitlements.

However, Viet Nam's current labour and social protection laws continue to encourage women to bear the full responsibility for *child rearing and caring responsibilities for family members*. Policies that facilitate the involvement of both parents in childcare promote equal sharing of responsibilities in families and help to equalise the costs of reproduction of society. A gender neutral entitlement to parental or careers' leave can encourage both men and women to share the responsibility of household duties and caring for young, old and other family members.

However, Viet Nam's labour laws prevent women from being employed in certain jobs, and social security legislation sets a lower retirement age for female workers. Some of the labour and social protection policies that are intended to protect women workers can actually have a potentially negative effect on women, such as the right or obligation to retire earlier than men, or to take time off from work to care for young children, because it leads to differential treatment which impedes women's access to benefits.. They also reinforce traditional gender stereotypes.

The unintended negative effects of the current social insurance system include the sex-specific pension ages, stipulated as 60 years of age for men and 55 for women in most sectors and occupations. VSI figures for 1999 showed that the average age of retirement for women was 51.2 years with an average 28.2 years of social insurance contribution. By comparison, the average retirement age for men was 58.1 years with 32.2 years of

⁶³ Article 117 Labour Code, 2002

contribution. The average monthly pension for women is 262,257 VND compared to the overall average of 328,773 VND, less than 80 per cent of the average pension for men.

For most industries, occupations and fields, this difference in retirement age is inappropriate and does not encourage the full use of the capacity of female workers who have gained work experience. The maximum pension is 75 per cent of average salary used as the basis for paying contributions in the past 5 years. Earlier retirement restricts women from being promoted to top management and leadership positions and, thus, from better retirement benefits.

According to the 1994 Labour Code and social security laws, male and female workers are required to make contributions for 30 years in order to be entitled to the maximum rate of retirement benefits. In order to counteract the discrimination resulting from the different retirement ages, the amended Labour Code of 2002 stipulates that women of 55 years can receive the same retirement benefit after 25 years of contributing into this fund. This measure seems to be attractive for women workers but there are two main drawbacks one for men and one for women:

- This measure discriminates against men who need to work 5 years longer to be eligible for the same amount of benefits.
- Women will still have lower retirement benefits, as they will miss the career development opportunities available to experienced staff, as they need to quit formal sector employment 5 years earlier than men. The lower retirement age rule for women will continue to discriminate against women in terms of their ability to contribute to their retirement fund at higher contribution levels and, therefore, reduces their level of retirement income.

There are also some qualifying conditions in Viet Nam's social security legislation that, although they make no specific reference to gender differences, in practice penalize Viet Nam's female workers. As mentioned above, the qualifications for long-term benefits, such as retirement, and those for survivors' benefits, require payment of contributions for 20 years or more, but women remain in the labour force for shorter and less continuous periods than men, due to child care and other family responsibilities. Female workers may also not qualify for benefits based on

the criterion of continuity of paying contributions without interruption, since they are more likely than men to have breaks in their employment.

There are also instances of *indirect discrimination* against women in Viet Nam's social security legislation. Indirect discrimination results from policies that, although defined without specifying gender differences, do in practice affect women and men differently because of the nature of their job, marital status or family situation:

- Many of the retrenched workers are older women who carried out 'unskilled' work. When people lose their jobs and have no access to benefits, they usually resort to informal economy activity in order to survive. Women account for larger proportions of the economic sectors that are not covered by social security policies, such as women working in domestic, part-time or occasional work or other types of work in the informal economy.
- The reality for many female workers in the informal economy is that their jobs will not be covered under the new social security law, because they do not have a labour contract, they are self-employed or sub-contractors, piece-rate workers in the informal economy, or home-based workers in small or micro-enterprises. Those lacking social protection tend to belong to the economically weaker sections of society.
- Informal economy workers not covered by social security are unable to contribute a relatively high percentage of their incomes to financing voluntary social security benefits and they may be unwilling to do so when these benefits do not meet their priority needs. Their most immediate priorities tend to include health care, in particular where structural adjustment policies have reduced access to free services.

Finally, all workers need occupational safety and health protection and training in their workplace. Many women working in the informal economy are exposed to health risks including:

- Long working hours compounded by household responsibilities
- Noise, temperature, vibration, lighting, ventilation and sanitation problems with workplaces in small enterprises or in the home
- No safety equipment provided and no training given to female workers in the safe use of machinery, tools and equipment (e.g. garment making)

- Respiratory illnesses and musculo-skeletal problems due to the nature of materials being processed (dust, fluff, glue) or working positions required to perform tasks (e.g. silk carpet-making) where suitable ergonomic furniture or tools are not available
- Exposure to hazardous substances or toxic chemicals in making products or cleaning materials (e.g. paper making or solvents)
- Repetitive strain injuries due to the recurring monotony of the work task.

The changes in the division of labour in paid and unpaid production through increased participation of women in the waged labour force and small business enterprises in Viet Nam necessitates a review of existing policies to ensure any unintended discriminatory effects are addressed. There is a clear need for improved social protection policies and programmes for women in Viet Nam and there is an opportunity to promote gender equality in the development of the new social security laws of Viet Nam. In national development terms, extending education, employment opportunities and social benefits to women is likely to reduce fertility and stabilize population growth as well as create a more competitive labour force and expand the tax base.

5. PROFILE OF WORKERS IN ENTERPRISES WITH MANY WOMEN WORKERS

5.1. Introduction

The survey of enterprises employing many female workers involved 100 enterprises working in different economic sectors and employing more than 57,760 workers. Enterprises were selected randomly within industry sector and form of ownership of the enterprises based on lists provided by the DoLISA of each province for enterprises employing many female workers. The definition of an *enterprise employing many female workers* is according to Regulation TT03ND 23, under Decree 23/CP dated 18-4-96, as follows:

- enterprises that employ more than 100 female workers, and those 100 female workers comprise more than 30 % of the total number of workers in the enterprises; or
- enterprises with between 10-100 female workers and the number of female workers comprise 50% or more of the total number of employees of the enterprise.

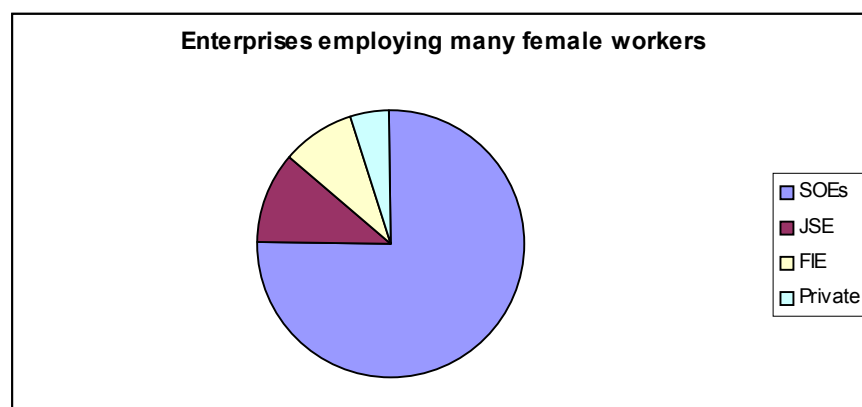
Questionnaires were received from:

- 100 business owners or senior managers of these enterprises (hereafter referred to as enterprise employers); 35 per cent were women and 65 per cent were men
- 202 employees responded to the survey; 71 per cent were women (144) and 29 per cent were men (71)
- 100 workers who had been laid off from firms with many women workers; 69 were women and 31 were men.

The vast majority of surveyed enterprises employing many female workers were State owned enterprises (73.3 per cent), followed by Joint-stock enterprises (10.82 per cent), Foreign invested enterprises (8.88 per cent), and Private enterprises (4.61 per cent). On average, each enterprise

employed 578 workers, of which 441 were female-workers or 76.32 per cent. The State owned enterprises had the largest workforce (1,841 workers on average), of which female workers made up 78.27 per cent. The small production and business units (SPUs) had the smallest number of workers, i.e. merely 6 workers per unit, of which 72.73 per cent were female workers.

Figure 2: Enterprises employing many women workers



Source: ILO/RCFLG Survey Data

Table 13: Surveyed enterprises by form of ownership

Unit: Enterprise

<i>Form of Ownership</i>	<i>Quantity</i>
State-owned enterprises (SOEs).	23
Foreign invested enterprises (FIEs).	19
Joint-stock enterprises (JSEs).	10
Co-operatives (Co-ops).	11
Private enterprises (PEs) and Limited Liability companies (Co; Ltd).	20
Small Production and business Units (SPUs).	17
Total	100

Source: ILO/RCFLG Survey Data

More than half of the surveyed enterprises engaged in the production of textiles, garment and leather, a labour intensive industry requiring many low skilled workers. Other industries covered the manufacturing of chemical products or medical instruments, food products, food processing and making paper or wood products.

Table 14: Surveyed enterprises by sector

<i>Sectors</i>	<i>(%)</i>
• Textile, garment, embroidery, leather	51
• Trading service, restaurant, hotel	3
• Processing food and foodstuff	8
• Livestock and feed for breeding	2
• Plastic and plastic household appliances	4
• Paper and paper products, processing forest products and wooden furniture	8
• Chemicals, chemical cosmetics, pharmaceutical products and medical instruments	10
• Rent and mortgage services, photocopy and stationary shops	5
• Others (Printing, video-tape production)	9

Source: ILO/RCFLG Survey Data

5.2. Training and Employment situation

The majority of respondent workers belonged to the normal working age groups of 25-39 and 40-45 years of age. Most workers have finished high school (level 3). This provides opportunities for workers to use more

advanced equipment and technology in the production process in larger enterprises. Low education workers (from level 1 and below) were found mainly in small production units employing fewer than 10 labourers (informal economy) and in co-operatives.

Less than 37 per cent of workers had qualifications of any level, with a higher proportion of men which qualifications (43 per cent) compared to women (34 per cent). The proportion of male workers with qualifications has increased compared to the number of newly recruited male workers with qualifications (36 per cent new male recruits). This seems to indicate that employers have supported male workers to improve their qualifications. However for female employees the increase was only slight, from 32 per cent of newly recruited female employees with qualifications as compared to 34 per cent of female workers with qualifications. Those workers who had graduated from college or university or were post-graduates comprised only 11.88 per cent of the survey group. The majority of tertiary graduates were in jobs in administration departments (41.66 per cent) or managers of enterprises (20.83 per cent).

The survey found that the proportion of untrained workers employed by the enterprise had reduced significantly since their recruitment, from more than 31 per cent to around 11 per cent. This shows that enterprises have provided on-the-job skills training to many of their workers. However, among the current workforce, unskilled female workers made up a far higher rate compared with male workers (female workers: 13.9 per cent; male workers: 5.2 per cent).

Enterprises considered skilled workers to be those that had been trained to do their job. The proportion of trained or experienced workers recruited was approximately 36 percent of total employees, with a higher proportion of male (43 per cent) compared to female (33 per cent). The proportion of 'skilled' workers at the time of the survey had increased to around 52 per cent of the total workforce, with a similar distribution for both male and female workers.

Female workers in SPUs with college, university or post-graduate qualifications made up the highest rate of workers, 19.09 per cent, while in co-operatives, this rate was the lowest, only 1.35 per cent. Many highly qualified workers had accepted employment in SPUs. During in-depth

interviews, it was revealed that the majority of these workers considered their current employment to be only temporary and they were also looking for jobs in the State sector or 'well known' enterprises. This is consistent with other statistics that show young academically qualified university graduates are faced with high levels of unemployment. Therefore working in SPUs provides young workers with some income and work experience while they search for better jobs.

Most enterprises recruited their workers directly from the labour market, without assistance from any employment service organization or Job Centers. Upon completion of the labour recruitment process, formal sector enterprises must submit reports to the local labour managerial body for supervision and reporting to MoLISA.

In order to ensure the quality of labour, most new workers undergo a job probation period, and most enterprises require a probation period before signing labour contracts. The most common duration of a job probation period was between one and three months. During this period, more than 50 per cent of the probationers received the equivalent of 75 per cent of the statutory salary of their job. In the public sector and the formal economy private sector (registered private enterprises) employment contracts were used and understood. Employers signed written labour contracts in the majority of cases. Most labour contracts were valid for between one and three years. In Co-ops and SPUs, 'labour commitments', or verbal agreements, were most often used rather than labour contracts. There is a correlation between workers with lower employment status and educational levels and the lack of employment contracts.

In 1999, the labour force of the surveyed enterprises rose by 7.3 per cent in general (the change was calculated based on the number of newly recruited workers less the number of laid off workers). Staff turnover rates were high, with high numbers of recruits and retrenched workers. In PEs, recruitment rates amounted to 52.14 per cent and lay-off rates up to 43.57 per cent of total staff. Private enterprises also estimated that worker lay-offs would continue to be high (25 per cent). The fewest lay-offs were expected in Foreign Invested Enterprises and Co-operatives (only 4.35 per cent and 4.44 per cent respectively). The survey data shows that female workers made up 81% of laid off workers, while they formed only 78 per cent of the workforce. During their period of work at these enterprises, the majority of workers had

been trained to do their job using a variety of training forms. Job training for workers is more frequent in SOEs compared with other types of enterprises. The main types of training consisted of the improvement and upgrading of skills. A number of workers were trained for a new job or were retrained. Where jobs are lost due to enterprise restructuring, most workers expect to be trained in a new job so that they can meet the requirements of technological changes in their enterprises. (see also the last section of this chapter)

5.3. Wages, income and expenditure

In the year 2000, the income of all workers surveyed was higher than the minimum wages stipulated by the Government. The total average income of male workers was VND 1,074,360 (around US\$69) per month and female workers' average income was VND 955,780 (around US\$62) per month or around 89 per cent of the income of male workers. See table 15. The difference in income between technical-professional workers and unskilled workers was 1.08-fold.

The survey results show that on average, female workers only receive 86 per cent of the basic wage of male workers. The basic wage component represents a slightly lower proportion of total income for female workers (71 per cent) compared to male workers (73 per cent). Male and female workers in SPUs have greater parity in basic wages compared to those working in formal sector enterprises. Female workers in co-operatives face the greatest divergence in basic wages compared to male workers, receiving only 68 per cent of the basic wage for males.

Table 15: Average income of workers in various categories of enterprise

Unit: VND 1000 per month

<i>Type of enterprise.</i>	<i>Basic wage</i>	<i>Overtime working wage</i>	<i>Others</i>	<i>Total income</i>
SOEs.				
Male	734.73	141.25	117.13	993.11
Female	617.5	104.85	138.54	860.89

<i>Type of enterprise.</i>	<i>Basic wage</i>	<i>Overtime working wage</i>	<i>Others</i>	<i>Total income</i>
FIEs.				
Male	1172.5	252.14	173.13	1597.77
Female	988.82	247.06	143.26	1379.14
JSEs				
Male	667.86	87.5	181.71	937.07
Female	624.75	96	301.50	1022.25
Co-ops				
Male	788.4	167	100	1055.4
Female	539.06	157.31	61.29	757.66
Co; Ltds.				
Male	723	85	164.8	972.8
Female	649.09	111.5	126.03	886.62
SPUs				
Male	630	150	194.75	974.75
Female	628.3	196.88	155	980.18
Total				
Male	780.6	142.56	151.2	1074.36
Female	674.11	143.09	138.58	955.78

Note: Female wages as % of male wages amount to 86.36.

Note: Female income as % of male income amounts to 88.96.

Some female workers received additional lump-sum payments from enterprises for international Women's Day and National Children's day (an average amount of 200,000 VND, around US\$13 per occasion). Female workers are entitled to receive these extra allowances according to labour laws, but not all women workers received these allowances. However, this extra allowance fails to increase the total income of female workers to the

equivalent of the basic wage of male workers in SOEs, FIEs, Co-ops and Limited Liability Companies. The combined total of the basic wage for female workers and the extra allowance paid to female workers only managed to reach 87 per cent of the equivalent for male workers.

Workers can receive additional income by working over-time. In order to receive a similar income level to male workers, female workers would need to resort to working more overtime. The average income received by female workers, after combining their basic wage and overtime payments, amounted to around 88 per cent of the combined income (basic wage and overtime payments) of male workers. However, the average of total combined income for all female workers (comprising basic wage, overtime and other allowances) is still only 89 per cent of the total combined income received by male workers. If the workers in SPUs are excluded, the total combined income of female workers is only 88 per cent of the total combined income of male workers.

Enterprise employers indicated that they have to pay additional costs for female employees according to the Labour Code, specifically maternity allowances (1 additional month of salary in addition to maternity benefits paid from the social security scheme), training for reserve jobs, additional rest breaks for biological functions, leave for caring for sick children and additional facilities in the workplace, including child care. The preferential treatments promised by the Government and stipulated in the law to help those enterprises employing many female workers to afford these costs were in practice very difficult to receive. No enterprises had been able to receive reduced interest rates for loans or tax deductions.

There was inconsistent data between enterprises as to how workers can qualify for other allowances paid by their enterprise, or why there were different amounts paid to male and female workers.

According to the survey data, the average income per year of a family was VND 19.67 million. The average family income of a male worker was VND 19.84 million per year, slightly higher than for a female worker with VND 19.59 million, equivalent to 98.74 per cent of a male worker's family. The income of VND 400,000 per month per family was the lowest level and that of VND 8,300,000 was the highest level. The difference between the highest and the lowest income was more than 20.75 times.

Table 16: Expenditure structure of workers' family

Spending Items	Male		Female		General	
	VND 1000	%	VND 1000	%	VND 1000	%
- Food	815.73	56.20	791.49	54.60	799.12	55.10
- House rent	48.47	3.34	42.44	2.93	44.36	3.06
- Clothing	81.76	5.63	98.78	6.81	93.43	6.44
- Electricity and water	92.45	6.37	88.21	6.08	89.56	6.18
- Health	40.73	2.81	48.37	3.34	45.99	3.17
- Education	231.95	15.98	235.82	16.27	234.61	16.18
- Funeral and wedding	55.86	3.85	60.75	4.19	59.20	4.08
- Social security premium	38.10	2.62	43.09	2.98	41.44	2.86
- Social contribution fees	21.16	1.46	22.77	1.57	22.26	1.53
- Transport	60.69	4.18	76.65	5.29	71.40	4.92
- Entertainment	57.49	3.96	72.04	4.97	67.14	4.63
Total	1,451.47	100,00	1,449.590	100.00	1,450.190	100.00

Source: ILO/RCFLG Survey data

Monthly average expenditure of a family is VND 1,450,000 of which 55.10 per cent is earmarked for food and 16.18 per cent for education and training. If we combine the categories of health, social security premiums, and funerals and weddings, then these costs represented more than 10 per cent of total household expenditure, 9.3 per cent for male and 10.5 for female eworkers respectively.

5.4. Working conditions

The majority of female workers (99.3 per cent) were working in jobs that are not in the list of female-prohibited jobs. The Labour Code forbids employers from discriminating against female employees and includes policies designed to protect the rights of female workers. However, in practice the regulations and laws tend to leave room for interpretation or are inadequately monitored or enforced. For example, most enterprises abide by the regulation on working 8 hours per day, but a significant number of enterprises do not include mid-shift breaks in the calculation of working time per day.

Working hours and overtime

There were many conflicting opinions expressed by surveyed workers with regard to the regulation to limit working time to 40 hours per week. Many workers, especially in SPUs (67 per cent), did not agree with a 40 hour weekly working time. The reasons given were that they receive piece rates and 40 hours is insufficient working time for them to produce enough to earn a sufficient livelihood to support themselves and their family. Other workers considered that the restricted working time lowers their earnings (22.28 per cent of the surveyed group) and they wanted to be able to work longer hours so they would be able to increase their earnings.

The survey found that the hours of working overtime exceed the number of hours defined in the Labour Code for many workers. A certain proportion of workers, including female workers, regularly work overtime in excess of the defined limits. This situation will impact adversely on the worker's health, as well as female worker's reproductive health. A majority of workers said that the regulation specifying the number of working hours for overtime is suitable. However, 60 per cent of female workers and 48.9 per cent of male workers work more than 4 hours overtime per day. This rate is the highest in SPUs (up to 75 per cent of female workers). In addition, workers in SPUs, (75 per cent of female workers and 33.33 per cent of male labour) were not entitled to overtime pay for their additional working hours. SPUs operate largely unregulated and outside the enforcement of the Labour Law, so their workers, many of them female, are excluded from labour protection.

Annual Leave

About 60 per cent of surveyed workers were entitled to annual leave in 2000; 55.56 per cent of female workers were entitled to annual leave, as compared to 67.24 per cent of the male workers. Workers in JSEs and SOEs were more likely to receive annual leave, but in SPUs, many workers were not entitled to any annual leave during 2000. The main reasons mentioned were that employers can not afford to pay annual leave for their workers, or workers personally prefer to work so that they can earn more income.

Hazards at Work

The majority of workers in all enterprises perform their jobs under normal working conditions (category III). Only a small number of workers, belonging mainly to JSEs and FIEs, had to work in heavy and hazardous working conditions (category V). However, in many SOEs, FIEs and JSEs, the work environment was hazardous and had badly affected the health of some workers. Working in heavy and hazardous conditions was still acceptable to a number of workers as they were compensated through an increase in their salary, preferential treatment for social security and a reduction of working hours in a day.

From the survey data, the most frequently occurring hazardous conditions in the working environment were noise and high temperatures. SOES and JSEs and FIEs were the enterprises with the highest reported incidence of hazards in the workplace. However, it is not certain that adequate monitoring and reporting occurs in other types of enterprises. SPUs are not governed by labour laws and therefore are not monitored for hazards in the working environment.

Table 17: Incidence of workers with jobs in hazardous conditions

Categories of harmful factors	General (%)	Male workers (%)	Female Workers (%)
Noise	8	8.8	7.6
High temperatures	6.5	7.0	6.3
Humidity	1	1.8	0
Adverse, odorous air	0.9	1.8	0
Toxic chemicals	2.5	7.0	0.7

Source: RCFLG/ILO Survey

Noise and high temperatures were the most commonly reported hazards in SOEs, FIEs and JSEs by both male and female workers. Next highest reported were high humidity, toxic chemicals and adverse/odorous air, with between 12- 23% of workers reporting these workplace hazards in SOEs, JSEs and FIEs.

Table 18: Supply of labour protective apparatus for workers

Supply of Labour protection apparatus	Male workers (%)	Female workers (%)
1. Sufficient supply	73.7	62.6
2. Insufficient supply	5.3	8.3
3. No supply	3.5	9
4. No labour protection required	17.5	20.1

Source: ILO/RCFLG Survey data

Most workers in every enterprise had been trained in labour safety and hygiene. Workers in JSEs and SOEs received the most training. However, there were still about 5 per cent of workers who had not been trained. With regard to informing workers on work place hazards, 5.40 per cent of men and 11.30 per cent of women worked in workplaces without necessary signs and signals on labour safety and occupational health. State owned enterprises and FIEs abided by the regulation on posting signboards warning about labour safety. However, in Co-ops and SPUs, the researchers found no signboards in evidence.

Labour accidents and occupational diseases

According to the Labour Protection Bureau (LPB) of MoLISA, between 1990 and 1996 there were on average 218 fatal job-site accidents each year. However, in the past 3 years (1997-1999), fatal accidents increased 41 per cent to an average of 308 cases per year. The reported figures are most likely significantly under-reported. The actual number of occupational accidents across the country could be ten times our official count, since only 10 per cent of enterprises deliver reports to local labour officials on their working conditions,” said Vu Lam Binh of the Labour Protection Bureau of

MOLISA. "If we had access to more accurate figures," he added, "the results would no doubt be shocking." MoLISA figures indicate that the main causes of occupational accidents were poor working conditions, a lack of basic safety standards, and slow action on the part of management to improve the situation. In 2000, 47 per cent of occupational accidents resulted from violations of safety standards and regulations and 12.3 per cent stemmed from the use of unsafe machinery⁶⁴.

During the year 2000, there had not been any serious labour accident in any of the surveyed enterprises. There was a single case involving a woman worker in a Foreign Invested Enterprise. She had a labour accident at the age of 35 and lost 15 per cent of her working capacity. The Health Insurance Agency compensated all medical treatment fees and the employer paid all first-aid costs. This accident was found to have been caused by a breach of the labour safety regulations by the worker.

Only a small number of workers suffered from occupational diseases. However, the incidence was higher for female workers than for male workers. The rate of female workers who became sick from an occupational diseases was the highest in Co-ops, followed by SOEs and FIEs. Co-ops (female workers: 11.76 per cent); followed by SOEs and FIEs (female workers: 9.09 per cent; male workers: over 6 per cent). When occupational diseases occurred, most workers were cured quickly and the enterprise provided financial assistance for necessary treatment. In the case of workers suffering from occupational diseases, most had been cured (female workers: 62.50 per cent and male workers: 100 per cent) and all treatment costs were compensated.

Worker's health

Most workers have had periodical medical examinations. However, the survey found that a lower proportion of female workers received medial examinations - 52.08 per cent of female workers and 62.07 per cent of male workers. There remained a significant proportion of workers who did not receive the benefits of medical examinations and more female workers than male workers did not receive such health care (female workers: 47.92 per cent; male workers: 37.93 per cent). Of particular concern are workers

⁶⁴ *Viet Nam Investment Review*, 1/24/2000

employed in FIEs, Co-ops, Limited Liability Companies and SPUs where a very high proportion of workers failed to undergo any medical examinations. Female workers in SPUs are most unlikely to receive a medical examination. In general, female workers are less likely to receive a medical examination than male workers, except for women employed in Co-ops.

Table 19: Percentage of workers not receiving periodical medical examinations by type of enterprise

Type of enterprise	Average	Male worker	Female worker
SOEs	10.17	6.67	11.36
FIEs	40.00	37.50	40.91
JSEs	6.67	0.00	12.50
Co-ops	54.55	60.00	52.94
Limited Liability Companies	76.92	73.68	78.79
SPUs	87.50	50.00	95.00
Average	45.05	37.93	47.92

Source: ILO/RCFLG Survey data

According to their own self-assessment of their health, most surveyed workers considered themselves to be in good and normal health. No workers considered themselves to be in poor health. The majority of workers deemed that they could perform their job until the retirement age stipulated by the current regulations. Only a small number of workers said they could not do their job until retirement age due to a variety of reasons. These workers wished to move to another job that would be more suitable to their health or to receive a higher income.

In summary, with regard to work hazards, the ILO/MOLISA Labour Code Project⁶⁵ also found that there was a low level of compliance with occupational safety and health provisions⁶⁶. The survey data has also

⁶⁵ VIE/97/003 – National plan of Action: Implementation of the Labour Code

⁶⁶ VIE/97/003 – National plan of Action: Implementation of the Labour Code

identified that the implementation of these regulations in enterprises is inadequate and the number of enterprises in breach of these regulations is high. The percentage of SPUs abiding by this regulation is low (only about 7 per cent). Therefore, policies are needed to correct the situation in this sector in an effort to avoid the adverse impacts to workers' health as well as to their children. Much more needs to be done to raise the awareness of employers and workers of the risks to workers' lives, health and physical capacities, as well as how occupational safety and health can generate higher labour productivity and increased profitability for an enterprise. SPUs need to be given advice as to how they can comply with the regulations with low-cost safety and health improvements.

5.5. Social security: Coverage and workers' views

Most surveyed workers participated in the compulsory social security and health insurance system, however workers in SPUs are not legally required to take part in these compulsory schemes. A small number of workers employed in Limited Liability Companies were participating in the social security and health insurance schemes. The main reason workers did not contribute to the social security scheme was due to evasion by their employers. Employers avoid paying the social security contributions for their workers, probably due to the high contribution rate to be paid by the employer (15 per cent of payroll).

Most workers considered that the current regulation concerning the social security contribution rate is appropriate, including the contribution rates by the worker, (representing 5 per cent of workers' wages), and the employer (representing 15 per cent of the total wage fund). However, there were a small number of workers who considered that either the contribution rate by employers was very high or the contribution rate by workers was high.

Most surveyed workers suggested that the retirement age should not be set at the same level for men and women. However, some workers agreed with equal ages of retirement for male and female workers. They considered that many jobs were not heavy or hazardous and, therefore, suitable for both men and women, and argued that there is no requirement for a difference in retirement ages between men and women. Some workers considered equal retirement ages to be part of achieving gender equality between men and

women. Equal retirement ages would be in the interests of female workers, who would then be allowed to continue in employment on an equal basis to their male counterparts.

A significant number of workers proposed that the invalidity scheme in the social security system should be 'restored'. An invalidity benefit was available prior to the introduction of the social insurance scheme in 1995. However, there were concerns about the administration of the invalidity benefit as it was seen as being used by employers as a means to reduce their workforce, and by workers as a means to receive a payment from the State while continuing to work and earn an income elsewhere. Especially workers employed in FIEs and JSEs wanted an invalidity benefit re-introduced into the social security scheme. While there may have been administration problems with the previous invalidity benefit, it is still an important risk that should be included in any comprehensive system of social protection.

Among the female workers participating in the social security system, many received their entitlements from the scheme. However, there were a number of female workers who took their maternity leave for only 2 or 3 months, and they resumed work voluntarily before the expiry of their maternity leave. The main reasons were that they feared losing their job as well as wanting to earn more. (See further in 5.7)

Many workers, both men and women, proposed that female workers should be entitled to receive a maternity allowance in all instances of maternity (more than the current restriction for only two children). Most workers agreed that an unemployment scheme should be included in the social insurance scheme to protect workers in the case of losing their job. As mentioned in chapter 3, the new social security law proposes to include unemployment benefits for members of the new compulsory social security scheme.

The majority of workers wished to continue participating in the social security scheme (both health and social insurance) through their formal enterprise even if they have already quit the enterprise. The reason for this is that the workers can qualify for their retirement pension by meeting the requirements of 20 years or more of contributions to the

social insurance scheme. Most workers want to complete 30 years of contributions to the social security scheme so they can receive the maximum rate for a pension.

5.6. Trade union membership and labour disputes

Article 153(1) of the Labour Law states that the provincial trade union has to set up a provisional enterprise union within 6 months of a new enterprises being established if there is no union already in operation within that time. The majority of surveyed workers were members of a trade union. The proportion of workers who were members of a trade union was very high in FIEs and JSEs, but only moderate in SPUs. The main reason for not participating in a trade union was because trade unions do not have a presence in all enterprises.

VGCL itself has stated that over 90 per cent of private enterprises and over 50 per cent of foreign enterprises do not have an enterprise trade union⁶⁷. According to VGCL between 1.98 per cent to 4.4 per cent of workers in the private sector had joined the union. This is a very low figure given the total of more than 2.5 million workers in this sector.

The VGCL does not have branches in many enterprises. Although all enterprises employing more than five persons are required to allow the establishment of unions, statistics show that just 50 percent of operating foreign-invested enterprises (FIEs) and 30 per cent of private firms across the country abide by this law.⁶⁸

Common complaints by workers about enterprises are their non-observation of the right of workers to receive pay for holidays, leave for sickness, leave for maternity or family member sickness. Other concerns are insufficient labour protection and health insurance, insufficient planning for retirement and loss of employment.

The number of reported labour disputes in the survey was minor and mainly in FIEs, which is consistent with national findings. During the period between January 1995 and September 1999 more than 52 per cent of strikes

⁶⁷ VGCL "Report on 3 years of implementation of the Labour Law" 1999

⁶⁸ Viet Nam Investment Review, 1/30/2000

were in Foreign-Invested Enterprises⁶⁹. From the survey data, most labour disputes were individual disputes. This situation is also consistent with national data. In the three year period from July 1996 to June 1999, 500 cases were considered by the Labour Court regarding employment conditions or wrongful dismissal. The majority of individual labour dispute cases in the survey data relate to payment of low salaries. The process to be followed for settling individual labour disputes relies on reconciliation between the employer and the worker.

5.7. Policies, practices and preferences concerning women workers

Protection of women's biological roles

Workers, who are in the seventh month of pregnancy are entitled to protective measures such as no overtime, no night work, no extensive travel and transfer to a lighter job. These regulations were followed best in the SOEs where they applied in around 9 of every 10 cases. However, for all enterprises, this was only valid for at most three-quarters of the eligible cases.

As stipulated in the law, pregnant workers are entitled to leave for a pregnancy test and when they have a miscarriage; in such cases they are also entitled to social security allowances. However, the number of enterprises adhering strictly to this regulation was 79.79 per cent. Likewise, only 76.60 per cent of the surveyed enterprises applied the family planning leave for female workers to which they are entitled under the law.

In respect of maternity leave, only 81.91 per cent of female workers had been entitled to maternity leave with a duration in accordance with regulations, i.e. from 4 to 6 months. However, 18% of female workers enjoyed maternity leave for a duration of only 2 or 3 months, and they resumed work voluntarily before the expiry of their maternity leave. The reason was that they feared losing their job as well as wanting to earn more. Among all types of enterprise, JSEs best implemented these regulations (100 per cent), followed by SOEs (96.67 per cent) and LLCs (93.75 per cent). As SPUs are not obliged to take part in the social security system, no information was available on maternity leave in these enterprises.

⁶⁹MoLISA report as part of the Labour Code project (VIE/97/003) National Plan of Action

The implementation of the policy towards female workers breast-feeding their children of less than 12 months old, was found to be inadequate. Even in the SOEs, where this policy is best implemented, violations existed. In FIEs, Co-ops and private sector, only around two-thirds implemented this policy and no SPUs had applied this regulation.

Among the surveyed women workers, 63.19 per cent were entitled to 30 minutes of rest per working day during their menstrual period. In SOEs, this regulation had been applied relatively strictly, but still only achieved a compliance rate of 72.73 per cent of all enterprises. Among enterprises not implementing this rest period, 15.09 per cent gave cash assistance to female workers instead for buying sanitary napkins.

Differential treatment in recruitment and job security

Several enterprises, when recruiting female workers, imposed their own regulations. These enterprises required that female workers should be working for a certain period in the enterprise before they were allowed to get married or become pregnant. This practice is against the law. The number of enterprises imposing restrictions on marriage accounted for 15.28 per cent of all enterprises with the highest level occurring in SOEs (34 per cent) and the lowest in LLCs (3 per cent). The minimum working time before being eligible to marry, stipulated by these enterprises, was as follows:

- less than 1 year: 45.45 per cent of enterprises
- from 1 to 2 years: 18.18 per cent of enterprises
- more than 2 years: 36.37 per cent of enterprises.

Likewise, more than a quarter of the surveyed enterprises (25.69 per cent) had their own regulations on child birth. According to these rules, female workers could be prevented from having children until they had worked in the enterprise for more than 4 years, comprising 2 years of employment until being allowed to be married and 2 more years after marriage before giving birth.

Many women workers were aware that these rules and practices are discriminatory but they had accepted it in order to get a job.

Preferences of and for women and men workers

Only one in five female workers indicated that they had been entitled to preference in recruitment (20.14 per cent). Almost half of them indicated that they were given preference to work in ‘appropriate’ jobs (47.22 per cent). Only 4.17% of the interviewed women indicated that they received a ‘preferential wage rate’ because they had achieved ‘all criteria that they were as good as male workers. The preferential wage rate refers to a promotion within a grade that is limited to a maximum number of workers that can be promoted within the enterprise each year. If there is a choice to be made between a male or a female worker being promoted, given they have the same qualifications, experience, and performance, then a preference is supposed to be given to the female employee.

The surveyed enterprise owners or managers reported that they had preferences for the recruitment of women workers as their enterprises operated in a sector which is considered suitable for women and where the workforce is dominated by women as a result. However, up to 42 per cent of enterprise employers considered they faced difficulties in employing many female workers as it affected productivity. Reasons mentioned were:

- child bearing and family care (38 per cent)
- implementation of preferential policies for or higher cost of women workers (38 per cent)
- low productivity of older women workers (24 per cent).

These comments reveal the extent of gender stereotyped thinking among employers who believe that female workers are less productive, or lose their skills, strength or health after 40 years of age. Some employers stated that if the firm had to implement the labour and social policies for female workers, this would increase their labour costs, resulting in higher production costs (38 per cent). However, the survey on wages (section 5.3) show that these perceptions of employers are not valid in practice.

Several enterprises also had preferential policies on the recruitment of men workers, but very few men were reported to apply for jobs in female dominated industries such as garment and textile factories. See table 20 below.

Table 20: Preferences in recruitment of women and men

Unit: per cent

Type of enterprise	Preferential policies on recruitment of women	Preferential policies on recruitment of men
SOEs	74	17
FIEs	37	16
JSEs	63	63
Co-ops	44	33
PEs/LLCs	79	11
SPUs	35	27

Absence from work and illness

Another example of a gender stereotype - that women more often take sick leave than men - proved to be incorrect in reality. Contrary to these expectations, the Viet Nam Living Standards Survey 1997-98 revealed higher incidences of absence from work by men due to illness. Women have more health care needs than men, due to their reproductive functions, pregnancy and child birth. In addition, women usually have to face the primary responsibility for birth control and associated health risks. Women also are the primary caregivers and often provide additional care in the home to compensate for reduced access to health care services. Two-thirds of persons who stop work to care for sick family members are women⁷⁰. It is therefore significant that VLSS data have shown *that women actually take less sick leave than men* apart from women in the poorest families.

The 1997-98 Viet Nam Living Standards Survey data reported women being ill for 7.0 days out of 28 reference days and unable to carry out their usual work activities for 2.2 days. Men's illnesses account for 7.4 days and they are unable to carry out their usual activities for 2.7 days. Generally among the age group of working population (18 to 55 years of age) women reported a higher incidence of illness during the 4 week period – 44 per cent had

⁷⁰ VLSS 1997-98

some form of illness compared to 35 per cent of men. Therefore women are more likely to continue working even when they are ill.

Table 21: Distribution of absences from work due to illness, by sex and income quintile⁷¹

Unit: Days

	Average	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
Female	2.55	3.12	2.45	2.50	2.43	2.24
Male	2.78	3.01	2.89	2.58	2.81	2.61

- Source: VLSS 1997-98

Certification of enterprises employing many women workers

As mentioned earlier, enterprises can receive preferences such as tax incentives and low-interest loans if they employ many women. However, only one-quarter of the surveyed enterprises had been accredited and recognized (the highest rate was found among SOE – 74 per cent – and the lowest in FIEs – 10 per cent. Of these accredited enterprises 28 per cent actually received such preferences. Reasons for not applying for the preferential status were:

- no information or lack of direction on the policy (63 per cent)
- approval pending with the authorities (11 per cent)
- preferential status unnecessary (11 per cent)
- other reasons (16 per cent).

Training for a reserve job

The Labour Code stipulates that State bodies are responsible to develop training for women to enable them to acquire skills for new jobs and facilitate employment in conditions that are suited to their physical characteristics and motherhood functions (article 110, Labour Code 2002). This regulation is usually referred to as training for a reserve job.

⁷¹ VLSS 1998

Though the training for a reserve job for female workers is defined in the Labour Code, it is very difficult for enterprises to abide by this regulation and most enterprises have not implemented it. In fact only 2.08 per cent of workers in the survey were trained for a reserve job, and most of them worked in SOEs. In some industries, it *is considered necessary for female workers to be trained for a reserve job*. For example, in the airline industry female employees are not able to be stewardesses, or air hostesses after they have reached 35 years of age. After a female worker has reached more than 40 years of age, most production industries consider they cannot continue working and be productive. It is very difficult for women to be recruited after they have reached 40 years of age. This does not appear to be a serious problem for male workers until they reach 50 or more years of age.

Many of the female workers themselves were not concerned about this issue, particularly in the textile, garment and plastics industries, where less than one quarter of the women indicated that there was a need for training for a reserve job. Employers do not provide this training as they do not have the number of jobs needed to train their large workforce of female workers. The government has not provided a list of jobs that would be suitable for female employees to be retrained in to enable them to be re-employed. Training for a reserve job may need to be considered for both male and female workers due to restructuring in industry. This issue needs to be researched carefully by policy-makers to identify appropriate solutions that are practical for industry and workers.

6. PROFILE OF WORKERS IN THE INFORMAL ECONOMY

6.1. Introduction

The survey among 290 informal economy workers aimed to collect information concerning labour and social protection needs of female workers in the informal economy in urban areas. Interviews were carried out in Hanoi, Ho Chi Minh city and Nam Dinh with:

- self-employed workers in the informal economy (70)
- hired employees working in the informal economy (180)
- business owners in the informal economy (40).

Within each of these groups, a mixture of small trading, services and production enterprises were included. The gender mix was divided approximately as 70 per cent women and 30 per cent men. The survey sample size was restricted to enable the inclusion of in-depth questions in the survey questionnaire. Information was validated through other research available within MoLISA and using the information contained in the VLSS 1997-98 and the National Population Census 1999.

Figure 3: Profile of respondents by economic sector in the focus groups

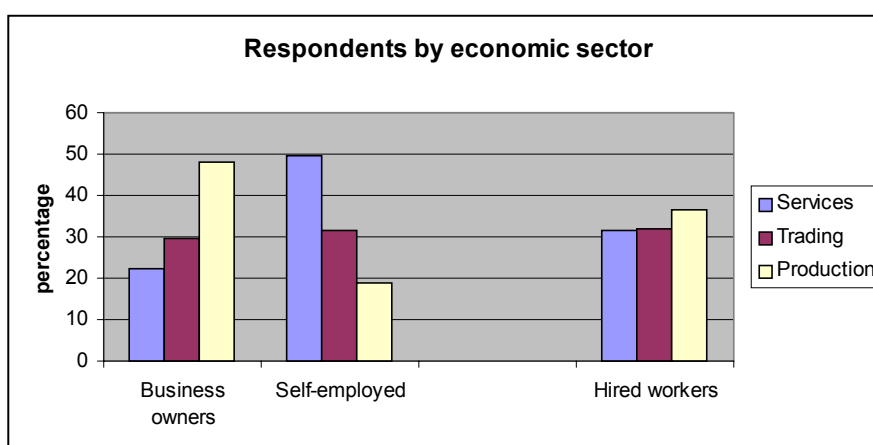


Table 22: Age distribution of respondents by category of employment (F: is this from the survey and these are %?)

Age	<24		25-35		36-45		46-55		>55	
	W	M	W	M	W	M	W	M	W	M
Business Owners	0	0	31	33	52	52	14	7.5	3.5	7.5
Self-employed	3.4	0	34	30	41	26	22	22	0	22
Hired workers	53.27	28.07	30.84	57.89	11.21	10.53	1.87	1.75	2.8	1.75

Following the initial findings from the survey, focus group discussions were conducted to provide more in-depth information about the capacity and needs of informal economy workers for social protection, in particular social insurance. These discussions were designed to provide information concerning peoples' feelings, decision-making and thinking about social protection. The main areas probed during the focus groups were:

- needs of the informal economy for social protection
- priorities for social protection
- capacities and willingness for contributing to social insurance.

The focus groups consisted of discussions with both men and women allowing for exchange of different perceptions by men and women within each group. Approximately 30 per cent of participants were male and 70 per cent female, with the exception of one group of small business owners in Hai Duong that had a higher proportion of male participants. Participants were selected based on their particular work experience – small business owners with less than 10 workers, hired workers or the self-employed. Five focus group discussions were conducted with homogenous groups of people based on their common work category to find areas of agreement and disagreement between the different actors in the informal economy. There were two group discussions each with small business owners and hired workers and one group discussion with participants who were self-employed own account workers in the informal economy.

Table 23: Focus group participants

Unit: person

Work category	Number of participants	Female	Male	Location
Small Business Owners	15	12	3	Hanoi
Small Business Owners	17	8	9	Hai Duong
Hired Workers	18	12	6	Hanoi
Hired Workers	19	16	3	Hai Duong
Self-Employed	20	13	7	Hanoi
Total	89	61 (68.54%)	28 (31.46%)	

Source: ILO/RCFLG Survey Data

Different methods were used to capture information during the focus groups. Small groups used flipcharts to capture their thoughts, suggestions, opinions and ideas about preferred forms of social protection and social insurance. Individual exercises used pre-printed formats with ‘fill-in-the-blanks’ to capture individual feelings and thoughts about their current needs and methods for providing social protection when risks occur. Open-ended questions were used in the larger group to encourage discussion among participants. Field notes and real-time transcripts (through translators) were also used to capture the discussions between participants during the open discussion.

Analysis of the data captured from these focus groups was undertaken by question, themes and work category. A descriptive model of analysis was used based on responses and the degree of support, agreement or disagreement with the proposal or question. Illustrative quotes are included that exemplify typical comments from participants. The analysis has been undertaken within focus groups by sex, as well as a comparison of data among focus groups by work category and sex.

The main themes emerging from focus groups were:

- Different levels of knowledge and understanding of social protection concepts, social insurance principles, labour laws, according to an individual's closeness to, or distance from, State and formal structures.
- Disappointing encounters with the Health system, including health insurance, was the most common experience among all participants in the focus groups. The most common risk occurring within households of focus group participants was illness.

There was common agreement on the need for social protection but a diversity of views as to the form and components of a social protection scheme, based on individual circumstances including work category, income levels, responsibilities for dependants, job stability and perceived likelihood of risks occurring. Both among and within focus groups, retirement and death, illness and injury were considered to be the greatest risks that would have the largest impacts on the income security of the workers and their families.

Capacities to participate in social insurance schemes varied according to individual income levels, job stability, and perceived likelihood of risks occurring. Income levels were the most significant contributing factor to decisions as to capacities to pay social insurance premiums, followed by job stability. The self-employed and hired workers had the lowest incomes. The self-employed had the highest perceptions of job instability, followed by hired workers.

Voluntary schemes with flexibility in risks to be covered and premiums to be paid were favoured by all focus groups. The majority of participants considered the State should be responsible for the administration of a separate social insurance scheme for informal economy workers in order to guarantee the security of funds.

6.2. Characteristics of female small household enterprises

Enterprises engaged in retail sales make up the largest share of all non-farm enterprises and women largely operate these businesses. Women-operated enterprises differ from those of men as they generally employ fewer

individuals than male-operated enterprises, due to the nature of their enterprise – trading activities at the retail level. Women’s businesses are generally of a smaller scale than men’s. Women-run enterprises are more likely to have a business license, and less likely to move location. Women running production enterprises tend to employ fewer individuals and use fewer hired workers. The VLSS and other national survey data have shown that in urban areas, approximately 60% of households derive some form of income from retail sales, food and beverage processing, textiles and garment production, furniture manufacturing and other small-scale processing and production activities.

6.3. Employment situation

Very few surveyed workers had written labour contracts. Verbal labour contracts were used for the majority of hired workers according to the survey results. Own-account workers rarely used any contracts, for example, with suppliers.

Table 24: Labour contracts in the informal economy

Unit: Percentage

	With a written labour contract	With a verbal agreement
Female	13.04	86.96
Male	15.56	84.44

Source: ILO/RCFLG Survey Data for hired Workers

Written labour contracts were rudimentary, usually only discussing remuneration amounts, either piece-rate or monthly wages for hired workers. Of those female workers with written labour contracts, 77 per cent did not include a period of employment or termination date. Service-based employment contracts specified the service to be provided and the remuneration to be paid. Some also specified times at which the service was to be provided. No business owners had contracts for more than 3 years with their workers.

From in-depth interviews, it was found that most respondents did not have a thorough understanding of the specific benefits in a social insurance scheme. They did not understand the principles of insurance-based coverage, the obligations of employers and workers, nor the benefits of joining social insurance. Consistent with the findings from the questionnaires, the majority of participants in the focus groups had very low levels of knowledge and understanding of labour and social legislation and policies in Viet Nam. Employers stated that the current labour laws did not apply to them as they employed fewer than 10 workers. The self-employed considered that they were not protected or bound by any legislation. As indicated above, the majority of the hired workers did not have written labour contracts and were unaware of any entitlements they might have apart from their wages.

Focus groups discussions revealed that the relationship between the hired worker and the employer was based on the continued success of the business. Future employment was only possible if the business was successful. Not surprisingly, hired workers revealed that they wanted to be able to get jobs in larger enterprises. The main reasons were:

- Increased job stability and security
- More job opportunities to advance and increase skill levels
- Larger enterprises operate under an official system with better working conditions and higher incomes.

6.4. Living Standards

The data for incomes and wages of workers in the informal economy is not readily available, as they are not separately identified in either the VLSS or the National Population Census. Men earn more than women on average regardless of level of education or industry sector of employment.

The monthly average wage for surveyed female workers in the urban sector was VND 533,290, or around \$US35, with average in-kind compensation valued at VND 93,020 (US\$6), a total of VND 626,310 per month.

Table 25: General information on informal economy households

	Unit	Hired workers	Self-employed	Business owners	VLSS Data 1997-98
1. Household size	Person/h-hold	3,29	4,04	4,1	4,4
2. Number of labourers/ household	Person/h-hold	2,2	2,4	2,38	N/A
3. Rate of unemployed	%	0	5	7,12	N/A
4. Rate of children (<15) leaving school	%	0	0	2.32	N/A
5. Average income of household.	1000 VND/person	1855	2735	4084	3787(a)
6. Average income per capita of household	1000 VND/person	564	677	996	754
7. Average expenditure per capita of household	1000 VND/person	359	351	679	380,5(b)

Source: ILO/RCFLG Survey Data and VLSS 1997-98 (N/A = Not Available)⁷²

The average wage for small household enterprises was 623,790 with 44,480 received as compensation, a total of VND 668,270 per month.⁷³ Female workers in the urban sector earn on average between 2,000 to less than 4,000 vnd per hour, compared to men earning between 3,000 to 6,000 vnd per hour⁷⁴, less than 67% of the average wage of male workers. The forms of compensation received within small household enterprises were predominantly food, in particular lunch - 85.26 per cent⁷⁵. A very small percentage of enterprises received an annual bonus, Tet⁷⁶ holidays, meals

⁷² equivalent to US\$42 at VND 15,000 per US\$1

⁷³ equivalent to US\$45 at VND 15,000 per US\$1

⁷⁴ NCFW Statistics on Women and Men in Vietnam, Hanoi, 2002

⁷⁵ NCFW Statistics on Women and Men in Vietnam, Hanoi, 2002

⁷⁶ Viet Nam New Year

during night shifts, or some extra allowance for difficult or hazardous conditions. Female workers with limited income from ‘earned’ income sources are supported by private social transfers, mainly through remittances from relatives. Around 18 per cent of all households received income from sales of household assets, mainly gold and jewelry; and 84 per cent of households received some support through gifts at weddings, funerals, etc.

Labour division in the family

The data from the surveys of the three groups of workers in the informal economy shows that women spent a similar amount of time at remunerated work as men. However women also have to do housework and care for family members, thus extending their working time by between 1.5 to 2.5 hours per day, or 9 to 15 hours per week. In each category of employment, female workers spent twice as much time as male workers doing housework, which is consistent with national averages in the age group from 25-64, women spend more than 700 hours per year on housework compared to less than 300 hours by men. Hired workers spent more time on household duties than both self-employed female workers and female business owners. Female hired workers spent less time on individual needs and entertainment than self-employed female workers and female business owners.

Table 26: Gender division of labour in informal economy households

Unit: Hours

	Hired workers			Self-employed			Business owners		
	Female	Male	%	Female	Male	%	Female	Male	%
1.Economic activity	8,45	8,29	102	7,6	8,1	93.8	7,98	8,94	89.2
2.Housework and taking care of the family	3,22	1,55	207	3,08	1,10	283	2,95	1,26	234
3.Individual needs	2,83	3,23	87,6	3,15	3,07	103	2,9	2,9	100
4.Entertainment	1,65	2,85	57,9	2,57	3,53	72.8	2,33	3,05	76.4
5.Sleeping	7,6	7,84	97	7,4	7,68	96.3	7,5	7,47	100.4
6.Other activities	0,25	0,24	104	0,2	0,18	111	0,29	0,38	76.3

Source: ILO/RCFLG Survey Data

Access to credit

None of the households of survey respondents required a loan to support their daily living costs. However, loans were required to meet the costs of serious injuries and illnesses requiring medical treatment in hospitals, for funerals, weddings or other large expenses. Women were more likely to receive loans from the HEPR program than any other form of borrowing institutions. Men are more likely to receive loans from Government banks, the Vietnam bank for the Poor and the Job creation program than are women⁷⁷. Some households had savings, but only 17 per cent of hired workers' households had savings, compared to 49 per cent of self-employed households and 82 per cent of business owners. Women are disadvantaged from accessing loans from formal financial institutions because of their lack of collateral. Currently, women are not legally registered as householders on Land Use certificates, which are generally used as collateral.

The VWU has extensive savings and credit programmes for women, but provides small loans only, of between US\$20-55 (between VND 300,000 to 800,000). Women entrepreneurs seeking larger sums of money cannot access them through VWU as it is not a professional credit institution, nor does it have financially trained staff. Credit unions are not operating in Viet Nam.

6.5. Working conditions

Since the introduction of the Enterprise Law in 1998 the Institute of Labour and Social Affairs of MoLISA has conducted one survey of employment in small enterprises⁷⁸.

The findings from the survey were that, generally, smaller enterprises had lower skilled workers, inferior and less technology and paid lower wages. Thirty-two per cent of the surveyed smaller enterprises paid less than VND 350,000 (US\$23) per month as wages to hired workers. 19 per cent paid between VND 350,000 and 550,000 (US\$36) per month, while 49 per cent paid more than VND 550,000 per month.

⁷⁷ *NCFAW Statistics on Women and Men in Vietnam, Hanoi, 2002*

⁷⁸ *Status of Labour and Employment 2000 MoLISA, small enterprises classified as those with less than 10 workers.*

The survey and focus group research indicated that the *average monthly wage for female hired workers was VND 506,000 (US\$33)*. The highest income was reported as VND 1,443,000, (close to US\$100) and the lowest as VND 108,000 (around US\$7) per month. Survey results indicated that the most common wage for unskilled self-employed and hired workers was between VND 15,000 and 20,000, or US\$1.00 per day on average, hired workers had the lowest income and wages. The income of female hired workers is equivalent to 40 per cent of the income of self-employed workers and 30 per cent of the income of business owners. Focus groups discussions revealed that the monthly income for female workers ranged from VND 200,000 (US\$13) to VND 1,000,000 (US\$67) per month.

The average number of work days in one month for workers in the informal economy in Hanoi was 26.7 days for women compared to 25.7 for men. The survey results identified the average working time per day of hired workers in the informal economy was 8.61 hours for 6 days per week for 11.34 months of the year. Compared to the working time of government employees in the sector of public administration, the working time in general of labourers in the informal economy is 36.6 per cent higher. Workers in small household enterprises worked an average of 48.81 hours per week with little difference between male and female workers, (men working 49.36 and women 48.95 hours). The self-employed worked an average of 47.18 hours. This data is consistent with national survey data which show that 50 per cent of household enterprises work more than 48 hours per week⁷⁹.

Focus group discussions revealed a low awareness and a relatively low incidence of serious workplace injuries. Self-employed workers considered they had low risks of employment injuries apart from the ‘xe om’ (motorbike taxi) and cyclo (bicycle taxi) drivers. Both groups of drivers were concerned about traffic accidents for themselves and their passengers.

During the focus group discussions some minor workplace injuries were identified, such as a needle from a sewing machine going into a worker’s

⁷⁹ IRD/MoLISA Labour and Human Resources Information System, Viet Nam Report of the household survey December 1997

hand. The majority of participants stated that employment injuries almost never occurred. Most injuries occurred outside the workplace, the main cause of injuries being traffic accidents.

However, participants were unaware of workplace safety issues related to ventilation, noise, adequate lighting, using chemicals, and the gradual but permanent impact of the working environment and conditions on their health and safety. There is an urgent need for research, awareness raising and training on practical low-cost solutions to unsafe working conditions and work practices in the informal economy.

6.6. Social security

Coverage and needs

Several hired workers received some form of support from their employer when there was a life cycle event such as a marriage, birth or death in their family. Male and female business owners provided these benefits. The size of the support was most often determined according to the level of success of the business.

“My workers receive gifts for weddings and funerals and a TET bonus. This can be their social protection.” (Male business owner during focus group discussion with small business owners in Hai Duong.)

A small number of hired workers received some form of social protection for employment injuries. Workers hired by business owners with previous work experience in the state sector, and those belonging to business associations were more likely to provide employment protection. Female business owners were also more likely to provide some form of social protection than male business owners.

“If a worker dies from a work accident or has to go to hospital, then the owner of the business pays for hospital fees and funeral costs if death occurs. Owners make some compensation for individual

families depending on their circumstances, for example if they have very young children”.
(Female business owner during focus group discussion with business owners in Hanoi.)

Several business owners had some form of private insurance. The majority were personal life insurance arrangements for themselves and their families. More female business owners had private insurance than male business owners. Those with private insurance considered they had a good arrangement that would help them in their old-age, and could also help their children and grandchildren.

“In my enterprise I bought insurance from Bao Viet. It is compensation for work accidents and injuries outside the house and includes maternity benefits. The cost is only VND 33,000 per worker per year. Seventy per cent of my workers are women so it is very suitable for them. They can receive 24 hour personal care at private hospitals.”
(Female business owner during Focus group discussion with business owners in Hanoi.)

The majority of informal economy workers did not participate in the social insurance scheme. None of the business owners were participating in a social insurance scheme for their workers. Most business owners stated that contributing to social insurance is not compulsory by law so they are not concerned about this issue. Other business owners did not want to join the social insurance scheme because of the instability of their business, and they included the equivalent contribution amount in the salary for their workers instead. Business owners indicated that if they were required legally to contribute to the social insurance scheme, then they would have to reduce the wages of workers to cover these additional costs.

However, 57 per cent of business owners were willing to participate in a social insurance scheme at an affordable contribution rate. Of interest is that 44 per cent of female business owners considered an affordable contribution rate to be between VND 40,000-50,000 per worker per month compared to

only 18.75 per cent of male business owners willing to contribute this amount; 44 per cent of male business owners were only willing to pay contributions of between VND 20,000-30,000 per worker per month. Hired workers indicated that they could afford to pay VND 20-30,000 per month to a social insurance scheme.

Self-employed labourers had similar reasons as business owners for not participating in a social insurance scheme, including no legal obligation to do so. Other self-employed labourers had joined VSI as they had previously worked in the formal sector and some had received a lump sum pension. For the majority of hired workers, the most common reasons were that business owners did not contribute to VSI for them, they could not pay the total contributions themselves, and they were not entitled or obliged to contribute to the scheme.

Of particular interest is the high proportion of self-employed workers (more than 66 percent) that had received a lump sum, from either their prior participation in a social security scheme or from the termination of their employment in the State sector. A smaller, but still significant number of business owners (30 per cent) had also received a lump sum. A negligible number, of hired workers (2.3 per cent) had received a lump sum payment.

Of those workers who were self-employed, 26.12 per cent had voluntary health insurance, 2.41 per cent were exempted from or partly paid for medical check-ups and treatment fees, 1.19 per cent were totally exempted from hospital fees, and 0.49 per cent were partly exempted from hospital fees. Therefore, some forms of social assistance through state subsidies are available to the households in the informal economy.

The majority (two-thirds) of participants⁸⁰ in the focus groups advised that their parents were receiving a State pension. However, participants were not aware of the type of pension, whether it was for war services or from their working time in the state sector or another kind of state pension.

⁸⁰67% of all participants among all focus groups. Self-employed and hired workers had fewer parents receiving a State pension compared to the business owners focus group.

Table 27: Informal economy participation in the social insurance scheme

Unit: Percentage

	Hired workers		Self-employed		Business owners (themselves)	
	Female	Male	Female	Male	Female	Male
Contributing to SI	4,67	1,75	10,17	26,09	10.34	7.41
Not contributing to SI	95,33	98,25	89,83	73,91	89.66	92.59
Reasons for not contributing to SI:						
1. Enterprise does not contribute	51,96	53,57	N/A	N/A	N/A	N/A
2. Already received a lump sum	2,94	1,79	73.58	58.82	26.92	32.0
3. Not compulsory or entitled to contribute	48,04	51,79	7.55	17.65	46.15	48.0
4. Other	19.61	21.43	18.87	29.41	34.62	20

Source: ILO/RCFLG Survey Data

Note: N/A = Not Applicable

None of the participants expected to receive any form of assistance from the Government, as they were not working in the State sector. The majority of participants considered it to be unequal treatment that persons working for the State could receive social security, while the other workers were excluded.

During focus group discussions, it was discovered that informal economy workers had three primary concerns regarding social security:

1. adequate yet inexpensive healthcare to treat many work-related health problems and provide health care to their family members
2. adequate benefits for the family members of deceased individuals to pay for funerals, which are essential according to cultural and religious beliefs, but can cost as much as US\$1,000
3. social insurance in order to protect workers should they become unable to work.

Awareness of social security

In general, respondents from all three categories demonstrated a very poor understanding of the social security scheme, policies and procedures as well as the management and operation of VSI. The survey and focus groups revealed that very few workers had an awareness of the labour and social protection laws and policies, less than 50 per cent on average. Among all three categories, men had greater levels of awareness of social security than women. Business owners and self-employed workers who had previously worked in the formal sector (State Owned Enterprises or Government) had the greater awareness of labour and social protection. The awareness of social security of both male and female respondents was not high. The highest proportion of those who were aware of social security was among the group of business owners (women: 58.62 per cent; and men: 70.37 per cent). The lowest proportion was among the hired workers group (women: 42.06 per cent and men 47.37 per cent). The self-employed were the group with the least contacts with formal and state structures and the lowest levels of knowledge.

Across all groups of informal economy workers, and among most categories of social security benefits, women had lower awareness levels than men. The awareness of respondents varied according to the different types of social security benefits. The pension benefit scheme is most well-known among the group of self-employed and business owners, while the group of hired workers were more aware of death benefits schemes, possible due to their employer providing some support to the worker for funerals of family members.

One single women in her mid twenties advised that she had never worked in a large enterprise and did not know anything about labour laws, health insurance or social security. She did not have a written labour contract. Her employer had only discussed her wages. She had no idea that she could purchase a health insurance card, how to apply for a card, how much to contribute or where to get treatment. (Self-employed woman in focus group discussion in Hanoi)

Table 28: Awareness of social security benefit schemes

Unit: Percentage

	Hired workers		Self-employed		Business owners	
	Female	Male	Female	Male	Female	Male
General awareness of social security	42,06	47,37	52,54	65,22	58,62	70,37
Of which: knowledge of specific social security benefits:						
Pension	0	3,7	98,5	100	88,24	100
Death Benefits	91,11	85,19	36,11	64,29	47,06	63,16
Sickness	44,44	40,74	44,44	64,29	52,94	47,37
Maternity	37,78	48,15	44,44	57,14	52,94	57,89
Employment injury and occupational disease	42,22	44,44	33,33	50,00	35,29	57,89

Source: ILO/RCFLG Survey Data

Greater levels of knowledge and understanding of social protection concepts, social insurance principles, and labour laws were evident among individuals that were:

- members of Professional Business Clubs
- members of the Viet Nam Women's Union
- previously employed in State-Owned Enterprises
- involved with local commune level authorities
- part of households with family members working in State Owned Enterprises or larger private companies.

Business Owners had the highest levels of understanding and knowledge. The majority of the business owners had been employed in State-Owned Enterprises. The youngest business owners, who had not been previously employed by the State, had some contact with other formal structures such as business associations or through family members who were working in the State sector. This group was able to access information about labour

laws, but were less aware of the concepts and principles of social protection and social insurance. More men than women business owners had prior work experience in the State sector.

The awareness of hired workers differed according to their work experience and the work experience of other members of their households and relatives. More male hired workers had prior work experience in the State sector than female hired workers.

Men and women aged over 40 had higher levels of awareness of social insurance and health insurance due to a variety of reasons:

- school age children with health insurance
- parents in receipt of State pensions and health insurance
- funeral benefits paid by employers
- previous work experience in the formal sector.

Within the different categories of target groups, business owners were more aware of social and health insurance schemes, while hired workers were the least aware of these systems. Business owners and self-employed who had previously worked in the State sector were aware of the social security system, had often received a lump sum from the State sector and started their business with these funds.

6.7. Health

One of the major concerns and risks for women workers in the informal economy is health related. Health expenditure as a percentage of non-food expenditure is considerable. The incidence of illness among female workers varies between groups, but can still be considered a risk to their economic livelihood as well as their overall quality of life.

Approximately 30 per cent of small households' enterprises had some form of health benefits included in their job.⁸¹ None had health insurance, and a very small percentage had subsidized health consultations and treatments provided (1.98 per cent). An even smaller percentage had a subsidy for health costs (0.09 per cent). Only one business owner contributed to the health insurance

⁷⁴ ILO/RCFLG Survey Data

scheme for coverage of health benefits for their employees. However, the majority stated that their job included health benefit subsidies (97.94 per cent). There is a likelihood that workers considered they were covered for health benefits that related to medical treatments in case of work accidents.

Sick leave, illnesses and accidents

The table below shows the number of days that workers were away from work and unable to work due to illness. These survey results portray that women in the informal economy take less sick leave, on average one full day less, than men. In comparison, the VLSS 1997-98 survey findings showed that the average number of days men were ill and absent from work amounted to one half-day more on average than the number of days women were ill and absent from work ⁸².

Table 29: Days of sick leave

Unit: days

	Female	Male
Self-Employed	5.58	8.35
Business Owners	2.1	2.56
Hired Workers	5.47	5.26
Average for all categories	4.38	5.39

Source: ILO/RCFLG Survey Data

This result is in contrast to the common perception of female workers having a higher incidence of sickness than men due to health issues related to their reproductive functions when they are of child-bearing age, and a 'weaker' constitution than men which prevents them from being economically productive when they are past child-bearing age.

⁸² Table 1, Gender distribution of absences from work due to illness by income quintile, see Chapter 5 of this report Share of wage workers with health benefits in their main job Table 4.5.1.d VLSS

With regard to the occurrences of serious illnesses and accidents, a GSO report⁸³ shows that for male and female workers in Hanoi, the illness rates during the previous 12 months were 17.6 per cent for men and 20.3 per cent for women, with 70.4 per cent of men seeking treatment and 63.8 per cent of women seeking treatment. The survey results given in the table below show a higher incidence of serious illness or accident for each category of informal economy workers compared to the GSO report: More than one-quarter of the self-employed own account workers and around one-third each of the business owners and the hired workers had had a serious illness or accident. Further information is needed as to whether there are any occupational safety and health issues for informal economy workers that contribute to relatively high levels of serious illness.

Table 30: Incidence of serious illness or accident

Unit: Percentage

	Self-employed	Business owners	Hired Workers
Households affected by serious illness or accident	26.83	32.14	34.6

Source: ILO/RCFLG Survey Data

Focus group discussions revealed that serious illnesses or injuries, although relatively rare, left families with costs between VND 500,000 (US\$33) and VND 5 million⁸⁴ (US\$335) depending on treatments and length of recovery time required in hospital. For the groups of self-employed and hired workers these sudden unexpected costs had to be met initially through family savings, support from immediate family members and relatives, followed by a loan or sale of assets. Half of the business owners relied on relatives to provide funds for health treatments; 83 per cent of hired workers relied on their savings, and 66 per cent relied on relatives to provide funds for health treatments. The support received from families was also a loan that was repaid but without any interest payments.

⁸³ GSO- Selected Results of Gender Statistics Survey 12/1999

⁸⁴ Equivalent to US\$36 and US\$360 respectively

In the case of a serious illness or accident, most people go to public hospitals in spite of:

- frequent service quality problems (low motivation of staff; old; inadequate equipment in poor condition; bad hygiene conditions; lack of drugs and pharmaceuticals)
- high official and unofficial fees
- large distances to travel
- repeated ‘bad’ experiences with health staff.

A participant in the self-employed focus group in Hanoi described the service his mother received at the health centres as ‘very bad’: “My mother is badly treated and the family is very unhappy with the poor quality of service. There is a very poor attitude by the health centre staff to pensioners and people using their health card. Even though the family has to pay the hospital, the service does not improve. The relations between people is poor and hurtful for elderly people. It is terrible but all we can afford. I am very ashamed of the way this is done.”

For poorer families there is not much choice, public health care institutions are the only option for health services for self-employed and hired workers. Some business owners can afford private hospital care, where private hospitals or health centres are available⁸⁵.

A significant proportion of each surveyed category of informal economy workers has some form of health insurance. Of those groups that do have health insurance, the main coverage is for dependent children. The average number of people covered by health insurance within each family is 2 persons, in most families this represents at least one child, and often an elderly parent. 94.1 per cent of households in the surveys had some health insurance for household members and 100 per cent of children were covered by health insurance.

During focus group discussions, it was revealed that all participants with school age children had purchased health insurance for their children, as it

⁸⁵*Hanoi had more private health clinics and hospitals than Hai Duong*

was a requirement for the child to be able to attend school. Many participants in the focus groups described their experiences of purchasing voluntary health insurance for their school children. There was some amusement with the term 'voluntary' as all participants with school-aged children said that they must buy the health insurance if their children wanted to go to school.

A participant in the self-employed focus group in Hanoi described the pressure from schools and teachers to join the 'voluntary' social health insurance scheme: "Even though it is called 'voluntary' the teachers insist that the children have the health care. All the class must pay. It only costs VND 20,000 per year so it can be paid. If the child does not pay then they cannot go into the classroom."

Participants were not aware of the type of health insurance they received for their child. They did not know the name of the provider of health care. Some participants thought it was a private provider while others assumed it was through the public health insurance agency.

Monthly expenditure on health care

The GSO report⁸⁶ shows that the average spending on health care for workers in Hanoi was VND 640,000 (US\$42) for female and VND 602,000 (US\$40) for male workers during the year, or approximately VND 50,000 (US\$3) per month. The VLSS data shows that for the highest quintile (VND 3,578,150 and above, around US\$240), average health care expenditure was VND 313,000 per year, or US\$20, approximately 11 per cent of total income. The gender disparity in average expenditure was for men 284,000 (US\$19) and for women 364,000 (US\$24) p.a. This converts to approximately VND 22,000 and VND 30,000 (between US\$1.50-2.00) respectively at 1998 prices.

The results from the informal economy surveys suggest the costs for health care of the survey groups fall within the annual averages given the increases in health care costs in Viet Nam over the previous three years.

⁸⁶GSO- *Selected Results of Gender Statistics Survey 12/1999*

Table 31: Household membership of Health Insurance Scheme

Unit: Percentage

	Households with Health Insurance	Of which: Adults with Health insurance	Of which: Child with health insurance
Self-Employed	83	31.28	68.72
Business Owners	78	30	70
Hired Workers	61.87	37.20	62.78

Source: ILO/RCFLG Survey Data

Apart from dependents, both school age children and elderly parents, the majority of hired workers and self-employed did not have any health insurance for themselves or their spouse. Elderly parents of the hired workers and self-employed were often in receipt of a State pension and received a health insurance card as part of their pension entitlements. The transition to a market economy has removed the social protection normally provided by the State for all workers. Informal economy workers purchased 'voluntary' health insurance for their school children which is obligatory. These results demonstrate the level of understanding of the survey group to provide health coverage for their family members 'most at risk'. However, they did not consider the significant impact on all family members if they, as the primary income earner, were seriously ill and not covered for medical treatment.

Overwhelmingly, all groups did not consider the current compulsory health insurance scheme as value for money. There were common complaints about the poor quality of services and treatments, (consistent with VLSS results) as the category 'not practical or necessary' can be linked with 'lack of medical services' and 'services not as good as the private sector'. Business owners with higher incomes had private health coverage and were very satisfied with the treatment and service they received.

Upgrading of health services was consistently emphasized as essential by all participants in the focus groups. Upgrading included improving the quality of medical care and services, abolishing unofficial fees and under-the-table payments, being treated with respect and having the proper equipment and drugs available.

Table 32: Informal economy participation in the health care insurance scheme

Unit: Percentage

	Hired worker		Self-employed		Business owners	
	Female	Male	Female	Male	Female	Male
Contributing to Health insurance	11,21	3,51	18,64	26,09	10,34	11,11
Not contributing to Health insurance	88,79	96,49	81,36	73,91	86,21	88,89
Reasons for not contributing to HI						
1.Lack of medical services and equipment at health centres	10,53	3,64	8,33	11,76	12,00	25,00
2. Consider that HI is not helpful	43,16	43,64	35,42	58,82	72,00	58,33
3. Cannot afford to buy HI	34,74	25,45	39,58	35,29	16,00	29,17
4. Services are not as good as in private clinics	21,05	20	37,5	23,53	36,00	25
5. Other	14,74	25,45	2,08	5,88	3,85	4,17

Source: ILO/RCFLG Survey Data

7. CONCLUSIONS AND POLICY OPTIONS

7.1. Women and men working in the formal economy

Labour and social protection

The survey data reveals that even though the Government has promulgated legislation and policies to promote gender equality in employment and social protection and address discrimination towards female workers⁸⁷ with regard to recruitment, job allocation and salary, many enterprises do not comply with these regulations. Female workers in the formal sector are still lagging behind their male colleagues with respect to job security, income, skills training, occupational safety and health protection, annual leave entitlements, working for paid overtime and education levels:

- Retrenchment: Women made up 81 per cent of the laid-off workers while they formed 78 per cent of the workforce in the surveyed enterprises.
- Income: Women earned in total around 89 per cent of the income of male workers. Without overtime payments and extra allowances, this figure drops to around 86 per cent of the basic wage of male workers.
- Overtime: 60 per cent of female workers and 49 per cent of male workers work more than 4 hours overtime per day. Three-quarters of women and one-third of men were not entitled to overtime pay for these additional working hours.
- Annual leave: 56 per cent of women as compared to 67 per cent of men were entitled to annual leave.
- Labour safety provisions: 74 per cent of men and 63 per cent of women were fully supplied with labour protection and safety devices.

⁸⁷ when female workers are assessed as having met all the criteria to the same level as male workers

- Medical examinations: 52 per cent of women and 62 per cent of men had had such a health check.

Female workers in SPUs are the least protected and have no representation from the trade unions, nor are they given priority in government policy or its enforcement.

The technical-professional qualification of female workers was found to be consistently lower than that of male workers, however this gap has narrowed compared with the data of previous surveys. However, women still predominated in unskilled work: 14 per cent of women were involved in such work as compared to 5 per cent of the men.

The ILO/MoLISA Labour Code Project found that there was a low level of compliance with occupational safety and health provisions⁸⁸. The survey data confirmed that the implementation of these regulations in enterprises is inadequate and that the number of enterprises in breach of these regulations is high. The percentage of SPUs abiding by this regulation is low (only about 7 per cent).

The implementation of the maternity protection regulations for pregnant female workers and female workers breast-feeding their child less than 12 months old is still inadequate. Even in the SOEs, where this policy is best implemented, violations still exist. In FIEs, Co-ops and the private sector, only around two-thirds have implemented this policy and no SPUs have applied this regulation.

Female workers are discriminated against in recruitment with regard to marriage and child-bearing responsibilities by some enterprises which impose work tenures for female employees before they can be married or have children, despite this being illegal. The survey among enterprises with many women workers revealed that several enterprises, when recruiting female workers, impose their own regulations that restrict the time when a female worker can be eligible to marry (15 per cent of enterprises, with the highest level – one-third – in SOEs) or to give birth (25 per cent of enterprises, with the highest ratio in SOEs at 50 per cent). These enterprises

⁸⁸ VIE/97/003 – *National plan of Action: Implementation of the Labour Code*

require that women must be working for a certain period – often more than two years – in the enterprise before they can get married or become pregnant. This is in direct contravention to the Labour Law.

There is a widespread belief, not substantiated and even contradicted by evidence in the surveys carried out for this report, that women workers are more expensive and less reliable than male workers. The wages of women workers in the surveyed enterprises were found to be consistently lower than men's wages in these enterprises, even though these enterprises provided additional income to women workers where these women had been assessed as to having met all the criteria to the same level as male workers. Other concerns related to employing women workers were the costs related to maternity protection, women's absence from work due to family care, and the low productivity of older women workers. In relation to absence from work, VLSS data show that women on average take less sick leave than men.

Protection of women and promotion of equality

International labour standards related to women workers have been prompted by two concerns: the need to protect women workers from arduous conditions and to ensure that they have equality with men in opportunity and treatment at work. Two different types of protective measures exist: those aimed at protecting women's reproductive and maternal capacity; and those aimed at protecting women generally because of their sex and/or gender roles based on perceptions about their capabilities and appropriate roles in society. It is generally recognized that special measures which, explicitly or implicitly, aim at protecting the reproductive capacity of women are necessary for the achievement of true equality. However, protective measures that are not geared at safeguarding women's reproductive functions can actually harm women, because they can lead to discrimination against women in the labour market. Many of the protective policies for women workers, stipulated in the labour laws consist of preferential policies for women workers and for enterprises with many women workers. Many of these policies have been intended as 'positive action' meaning to combat the effects of past discrimination and enable women to achieve genuine equality in the labour market. Positive action measures should:

- intend to remove discrimination of the disadvantaged sex, but should not promote discrimination against the other sex
- address specific areas where the present-day results of past discrimination can be shown to impede the enjoyment of existing rights
- be temporary measures to remove the results of past discrimination. Once there is a balance the measures should be terminated.

Several of the positive action policies in the labour and social law of Viet Nam single out women who seem to need protection, not only because of their reproductive biological functions but also their social caring roles. In many instances, this may not assist women but actually impede their chances for achieving equality in the labour market. A further review on the relevance and benefits of such policies is, therefore, needed. Options for discussion are as follows:

Maternity protection

The biological functions of pregnant women and mothers with nursing babies need to be protected to ensure the reproduction of society and healthy future generations. The cost of maternity protection is often exaggerated as if women are constantly pregnant or nursing. Reality nowadays is different with women having a few babies during their life time. Nevertheless, the cost of maternity protection can be prohibitive for enterprises, if they need to shoulder the costs. This was found to have led to serious breaches in the implementation of the maternity benefits. Discriminatory recruitment procedures, forbidding women to marry or become pregnant, if they want to be selected for a job, are very serious. There is an urgent need to ensure that the costs related to maternity do not fall under the responsibility of individual employers.

Review of other protective legislation

Measures aimed at encouraging enterprises to employ many women workers are not popular among enterprises or workers alike and sometimes it is not known that such measures exist. Healthy younger women with good education and training basically do not need protection and can compete in the labour market on the basis of merit alone. Targeted preferential treatment is only needed for older unskilled women, and possibly men, who

have had insufficient opportunities for education and training in the past and have ended up in low pay, low quality and labour intensive jobs, and for other women and/or men from population groups who come from disadvantaged minority groups such as indigenous people.

Joint responsibility of men and women for family responsibilities

As long as women are mainly responsible for unpaid household duties and family care, there can be no equality in practice for women workers in the labour market. Sharing of family responsibilities between men and women is advantageous to men, many of whom only realise this as grandfathers after their retirement. For women, it means that they will not face a burn-out or become 'unproductive' in paid employment later in life.

Skill training and subsidies for unskilled workers

Viet Nam has stressed the need for better education and training to ensure that workers have the skills that are in demand in a high-wage, high-productivity economy in the longer-term.

The proposed increase in contribution rates to cover the costs of implementing an unemployment benefit into the compulsory social security scheme may assist some unskilled workers who are already working in enterprises where their employer is willing to pay into the social insurance scheme. However, it is unlikely that increasing contribution rates will encourage those employers not currently members of the social security scheme to join. The payment of an unemployment benefit in itself will not help to improve the level of skills available, nor create jobs.

There are other approaches that can be used for the shorter-term, up until the training and education systems produce a higher proportion of skilled labourers. The Government could develop labour and social protection programmes to subsidize unskilled labour.

Social security

Workers in the formal economy are covered for social security and health insurance, with the vast majority of employers participating in the compulsory schemes. Formal economy workers receive regular monthly wages and can afford to contribute 5 per cent of their salary for social security coverage, and 1 per cent of their salary for health insurance. The

formal economy workers have the advantage of complementary contributions from employers, 15 per cent of wages. However, the current compliance difficulties being experienced in the compulsory scheme, particularly in the private sector, indicate problems for ensuring coverage of private sector workers. As more SOEs are equitised there will be fewer job opportunities where access to social security and health insurance are more likely to be provided.

The social insurance scheme in Viet Nam is relatively young. The challenge is to attract more members to the scheme at reasonable rates for all workers irrespective of their wage level, to achieve a system with a sound financial base. The introduction of contribution ceilings for formal sector workers is proposed in the new draft social security law, given the existing high contribution rates, and the different pay scales within the formal economy - civil service, SOEs, Joint-venture and FDI companies, private sector and co-operatives. The contribution ceiling is usually set at the amount that covers the full earnings of 80-90 per cent of the insured members.

A contribution ceiling limits the amount of salary that is used to calculate the contribution amount. For example, the ceiling may be set at \$500 per month, therefore any salary paid in excess of \$500 would not be subject to a deduction for contributions to the social security scheme. When there is a wide variation in earnings, contribution ceilings are often considered in order to:

- place reasonable limits on the amount paid by high earners and their employers (funds which are used to cross-subsidize low-income earners' benefits)
- reduce the financial liabilities of the social security scheme for future cash benefits
- allow more scope for individual initiatives and self-reliance in social protection through supplementary schemes, private insurance or occupational pension schemes
- encourage greater levels of compliance among formal economy workers and employers.

However, contribution ceilings also limit the potential for income redistribution within the social security scheme. The ceiling would need to

be adjusted in order to maintain adequacy of the cash benefits and indexed to movements in average earnings.

7.2. Women and men working in the informal economy

Labour protection

The revisions in the 2002 Labour Code and those proposed in the new social security laws foresee the extension of labour and social protection to all workers with a labour contract of three months or more duration irrespective of the number of workers in an enterprise. The intention of these legislative changes is to provide the majority of informal economy workers with legal protection for working conditions and access to a social security scheme. The challenges to absorb so many workers will be massive. The regulations and financing arrangements to be followed for the new provisions are not yet known.

It is expected that many informal sector workers will not be covered by the new legislation in practice, as small scale employers will simply not provide contracts of more than three months duration to their workers. In addition, there are large numbers of own account workers who do not have any employer. Thus, it would seem to make sense to identify ways of extending labour protection to groups where current definitions centred on employers and employees do not apply. For example, there are employment relationships between workers and suppliers, as well as workers and companies that contract out work, which are more typical employment relations in the informal economy. A more encompassing employment relationship could assist in extending labour protection to informal economy workers. For example, subcontractors and/or suppliers to home workers could be made responsible for guaranteeing safe work conditions. Awareness raising among workers themselves, irrespective of whether they are hired workers or independent workers on low-cost but effective safe work practices, would also go a long way in preventing common work hazards in the informal and agricultural sector.

The New Enterprise Law has been effective in encouraging small enterprise creation and registration. However, it was not geared to micro enterprise development nor did it address any specific needs of women entrepreneurs.

The New Enterprise law also overlooked the need to address practical measures that need to be implemented to encourage new entrepreneurs and enterprises to be socially responsible and to protect the health and safety of their workers. All enterprise managers need to understand that productivity growth will follow from an investment in better working conditions, trained staff and adequate income and compensation for workers. Further work can be done to assist new enterprises and small businesses to implement these new ways of working.

The long working hours found in the informal economy are a matter of concern. Formal sector workers are bound by labour laws that limit normal working hours to 40 hours per week, with compensation for additional working time through overtime payments. However, workers in the informal economy are not covered by these laws. Workers in SPUs work considerably more hours without any overtime compensation. Hired workers in small household enterprises worked an average of 48.81 hours per week with very little difference between men and women (males working 49.36 and females 48.95 hours). The self-employed worked an average of 47.18 hours. This data is consistent with national survey data which showed that 50 per cent of household enterprises work more than 48 hours per week⁸⁹. Longer working hours increase the risks of illness and accidents occurring. Overtime is seen as the main mechanism to increase earnings, mainly due to inadequate wages being paid. However, the challenge is for adequate wages to be paid for the hours worked during normal working time, not to rely on overtime to supplement low wages.

Financing of health treatments for work-related injuries and illnesses can be improved. VSI currently collects contributions for work-related injuries, of which part goes to medical care. However, it is sometimes VHI that ends up paying for the medical care, because the distinction between work-related and non work-related injuries is not properly made at the level of the health care provider. The employer is responsible for the total costs related to employment injuries, including medical treatments. The allocation of financial resources for health treatments could occur at the administrative level, after the insured person has received the appropriate health treatments.

⁸⁹ IRD/MoLISA Labour and Human Resources Information System, Viet Nam Report of the household survey December 1997

With the merging of the two administrations, VSI and VHI, there is an opportunity to address such financial and administrative problems in a more adequate way⁹⁰.

Social security needs

The majority of workers in the informal economy survey and participants in the focus group discussions identified three priority needs:

1. adequate yet inexpensive healthcare to treat many work-related health problems and provide health care to their family members
2. adequate benefits for the family members of deceased individuals to pay for funerals, which are essential according to cultural and religious beliefs, but can cost as much as US\$1,000
3. social insurance in order to protect workers should they become unable to work.

Old-age

Survey respondents realised the inadequacy of their current entitlements to pensions and therefore the additional burden that would be placed on households to support their elderly relatives. Female respondents in particular recognized the necessity to plan for retirement and ensure ‘adequate’ savings would be available to them and provide a satisfactory living standard later in life. Female respondents were also concerned about the need to have some independent source of income in their old age and not have to rely solely on the generosity of their daughters-in-law⁹¹. In the event of their death during or prior to retirement, respondents were very interested that their close family members could receive some form of income support from a pension scheme via a survivors’ benefit, and immediate cash assistance for funeral costs.

⁹⁰ *A very similar problem may exist with respect to the costs of medical care related to motor vehicle accidents, which according to health insurance regulation, are not included in the benefit package. Insured persons have to pay for the costs of medical treatments due to motor vehicle accidents that did not occur on the way to or from work. In practice it is difficult to know if the health insurance or social scheme is paying for these treatments.*

⁹¹ *Comments from female workers and self-employed focus group discussions in Hai Duong.*

Illness, disability and occupational safety and health

Female respondents were also aware of the need for adequate social protection for serious illness and maternity risks. While the incidence of serious illness was low among respondents, there was a general concern about health problems occurring, as they became older. Serious diseases were identified as the main problems, (for example heart attacks, cancer, internal problems such as liver damage or appendicitis and any illness requiring surgery). For hired workers, their main concern was to be able to return to work after, for example, three months absence due to illness. Certainly the availability of income support would assist in providing income protection for the individual and their family, however job security was considered more important than income support.

Coverage against disability was not identified as a high priority for inclusion in a social security scheme. However, there was a very limited level of knowledge and understanding of occupational safety and health issues among informal economy workers. Lack of training, information and research into occupational safety and health issues in the informal economy has contributed to low levels of understanding.

Of concern is the high incidence of illness among informal economy households revealed by the ILO/RCFLG survey that could be caused or aggravated by working conditions. This may in turn lead to long-term disability for informal economy workers.

For the self-employed who become seriously ill, income support would help provide some form of income protection for their family, however their business would not survive if left unmanaged for three months during their sickness. Business owners had already joined private health insurance schemes that provided better standards of care and treatments than the public health insurance system. Business owners were also not dependent on a wage to be received as income support during the period of illness.

Maternity benefits

While maternity protection is considered a fundamental human right because of the biological role of women in society, the idea is still a new concept for the majority of informal sector workers in Viet Nam. The period of maternity leave was not well understood as protection for mother and child. Hired

workers were concerned that if they took a longer period of absence for maternity leave they might lose their job security. Income support from a maternity benefit was considered to be an advantage during the initial adjustment period and not being able to work. In practice, the average length of time taken for maternity leave was very short – only four weeks among informal economy workers on average, compared to 12 to 16 weeks available to formal economy workers under the labour laws of Viet Nam.

Self-employed respondents also recognized the value of being able to receive some form of income support but did not consider they would take maternity leave for a period of three months or more. The majority of female business owners considered themselves to be past childbearing age and therefore did not identify this benefit as a priority need.

The level of awareness of maternity protection among the participants in relation to the health and well being of the mother and child appeared to be quite low during the focus group discussions.

Financial resources for social security

Capacity for contributions to social insurance

Informal economy workers have the capacity to contribute to a social insurance scheme. However, they are unable and unwilling to contribute a relatively high proportion of their income to finance social security benefits that do not meet their priority needs – either individual needs or those of their family members.

Hired workers with contracts of three months or more and their employers will be expected to contribute to the compulsory social insurance scheme according to the new Labour Code. More than half (57 per cent) of surveyed business owners advised they would contribute to a social insurance scheme that offers adequate benefits to their workers, provides greater security to their workforce, and is affordable. For example, 44 per cent of female business owners considered VND 40-50,000 per month an affordable contribution rate, compared to only 19 per cent of male business owners willing to contribute this amount; 44 per cent of the male business owners were willing to make contributions of VND 20-30,000 per month.

The current social insurance scheme requires contribution rates of 5 per cent of basic salary or average incomes from workers and 15 per cent of total

payroll from employers. The contribution rates to be paid by employers do not meet the affordability criteria set by the business owners surveyed and this could lead to low compliance levels under the new Labour Code and planned social security laws.

Social Security Contribution rates

The low contribution rates identified by the survey group as affordable, equate to the contribution rates being paid by workers in the current scheme. However, they do not meet the average contribution rates paid in total for formal economy workers as their employers pay 15 per cent of the total contribution rate, while the worker only contributes 5 per cent.

For illustrative purposes, current contribution rates in the formal sector are as follows:

- With the average income per month in the State sector at the central level identified as VND 698,300 (US\$46)), the contribution amount of VND 104,745 (US\$7) per month is paid by the employer. Only one third of this amount is paid by the worker (around VND 35,000 (US\$2) per month). This makes a total contribution amount of VND 140,000 (US\$9) per month.
- For workers in the local government state sector the average income was VND 517,000 (US\$35) per month. The contribution rate is therefore VND 77,500 (US\$5) per month by the employer, and the worker pays VND 25,850 (US\$2). The total contribution is VND 103,400 (US\$7).
- However, the contribution rate for the social security scheme is based on the base salary not actual total income, so if the average base salary of a worker in the State sector is VND 400,000 (US\$27), the contribution rate by the employer is VND 60,000 (US\$4) and the worker contribution is VND 20,000 (US\$1.40).

According to the survey and focus groups discussions, hired workers could afford to pay VND 20-30,000 per month and there is some support from employers to make equal or slightly higher contributions. For example, 5 per cent of monthly income could be paid by the employer and 5 per cent of income paid by the worker. Equal contribution rates by workers and employers were more acceptable to the hired workers survey group. Business owners and the self-employed were expecting to have to meet the total costs of contributions by themselves.

A simple calculation of monthly pension shows that persons able to contribute only a small sum, VND 20,000 per month, for a period of 20 years would also receive a low pension benefit amount, around VND 26,000 per month, or less than US\$2.00⁹², for the next 15 years. (VND 20,000 x 12 months x 20 years of work and then divided by 15 years of retirement).

If the employer matched the contribution rate of VND 20,000, a combined contribution amount of VND 40,000 per month for 20 years, the pension benefit would amount to VND 53,000, or less than US\$4.00 per month, for an average of 15 years in retirement⁹³. Higher combined contribution rates of VND 100,000 per month paid for a period of 30 years still do not provide an adequate pension for retired workers and their families. The pension benefit⁹⁴ would still be less than the current minimum wage of VND 210,000 per month, or around US\$14.00.

Alternative means of providing social security

There is a significant risk that low income-earners within the informal economy are unable to meet the combined contribution amounts of the employer and worker on a regular basis. Based on the survey results, the respondents comprised workers that would generally be part of the highest quintile income group according to the VLSS. These workers are in urban areas where there are the highest income levels nationally. Within the survey group there were very different income levels and therefore different capacities to pay contributions to a social security scheme, which in turn requires different approaches to finance social protection systems. The survey results clearly show that business owners have the capacity to pay contributions for their workers. However, informal economy workers have limited funds at their disposal to pay contributions.

Individual account systems or Provident Funds can provide greater flexibility to the insured member to pay contributions according to their capacity and may encourage increased savings by an insured person during

⁹² Does not include any interest gained from the savings in an individual account

⁹³ Does not include any interest gained from the savings in an individual account

⁹⁴ The minimum wage as at January 2002 was VND 210,000 per month. The pension benefit amount from an individual account based on contributions of VND 100,000 per month for 30 years is approximately VND 200,000 per month, without including any interest gained from the savings in an individual account.

their working life as social protection becomes a more urgent concern for informal economy workers and their families. The fluctuation in incomes of the self-employed has often been considered a factor necessitating social security through individual accounts. However, generally, the ILO is not in favour of individual account systems because they are not based on the principle of solidarity-which means risks are spread and there is redistribution between healthy and non-healthy, rich and poor, and young and old members. In addition, the system of individual accounts would not provide adequate levels of income support for low-income workers, the majority of workers in Viet Nam's informal economy.

A **risk-pooling, social insurance-based scheme** that incorporates redistribution mechanisms would enable low-income workers to receive higher levels of benefits. While it is sometimes appropriate to charge the full combined employer-worker rate, methods of encouraging participation should be incorporated to ensure social protection through **voluntary insurance** is affordable. Some possibilities include:

- government subsidies, such as a flat-rate paid for each low-income worker who joins the voluntary scheme to supplement their contribution rate
- enforcement of Article 141 of the Labour Code requiring employers to pay the social insurance contributions in the wage of workers who are not compulsorily insured
- the introduction of a method that would average earnings for pensions purposes over the entire working life would enable voluntary contributors to pay as high as possible when they also have higher earnings knowing that these payments will be reflected in the amount of their pensions.

Based on the findings of the surveys and focus group discussions, among hired workers and the self-employed, a group-based, **non-profit voluntary social insurance scheme or a mutual benefit scheme** could offer minimum levels of protection at affordable contribution rates. Some small business owners with higher incomes have already availed themselves of individual life and health insurance sold by private companies. They pay higher contributions rates and are then able to go to better quality health care providers for treatment. Hired workers in small businesses could afford

to pay the contribution rates for their individual membership in a compulsory social health insurance or non-profit voluntary social insurance scheme, as do workers in the formal sector now contributing to the compulsory social security scheme. However, the ability of employers in the informal economy to pay contributions for their hired workers is considerably less.

In some countries, the growth of **mutual benefit schemes** among the self-employed as a form of social protection has provided greater risk-pooling and risk-sharing, as well providing more flexible benefit packages and contribution mechanisms. Micro-finance institutions could play an important role in making life insurance and eventually pensions accessible to informal economy households, where they have already built up credit and savings. Micro-finance schemes provide savings and credit for informal economy workers, and could also provide a mechanism for collecting contributions for a micro-insurance scheme. A micro-insurance scheme can provide some guarantee for loans from the micro-finance scheme to be repaid in the event that the borrower suffers from a serious illness or accident. The borrower would also have access to health care services covered by the micro-insurance scheme, enabling them to seek earlier treatments.

Alternative forms of administration could include the use of micro-finance institutions to manage the collection of contributions and payment of benefits, acting as an intermediary for a social insurance scheme. Alternatively the micro-finance institution could operate an independent social security scheme for their members and families and manage the whole system themselves, preferable according to government guidelines and with the Government continuing to have an advisory, monitoring and regulating role.

Changing jobs and social security entitlements

As found in the survey data, many informal economy workers have had previous work experience in the formal economy. Therefore contributors to the voluntary scheme may also have compulsory insurance at some stage(s) in their working lives. However, they are not able to access their contributions as they are no longer working in the formal economy.

7.3. Health

Quality health care services remain the priority requirement of formal and informal economy workers. The main reasons for not participating in health insurance were due to the poor quality of health services and treatments, and the resulting negative cost-benefit ratio. The main reason for dissatisfaction and not buying voluntary health insurance is that the level of the contribution rate is considered to be too high particularly when a co-payment is also required for the service that is received. Other reasons include a lack of trust in the scheme, and unfriendliness of staff towards insured members, which suggests that quality of care is lower for insured patients compared to cash-paying, non-insured patients. The scheme's benefits should also be made clearer. Some dissatisfaction related to the length of time members must wait to receive care (partly due to administrative procedures) has also been reported. Local medical facilities are found by all surveyed workers to be unsuitable and require considerable support from Government to improve facilities, with well trained medical staff, sufficient quantities of appropriate drugs and equipment that would provide the necessary services for the community, including insured members and their families. The health insurance scheme also requires large numbers of insured members for a sound financial basis. The larger the number of members, the more the risks are spread, which reduces the financial risk for the fund. This requires, first of all, the provision of quality health care which is a considerable concern for many members and potential members.

A capitation system for the compulsory scheme that incorporates incentives for health providers, and maintains high quality services for all health treatments covered by the social health insurance scheme, can assist in improving and maintaining the standard of services required by insured members. Capitation is also recommended to finance voluntary health insurance. This would support government initiatives to provide health care to all, including low-income families, as it could strengthen primary health care, contain costs and avoid the administration difficulties of processing claims in respect of over 10 million persons. The adoption of a capitation system for the payment of health providers could reduce the amount of unnecessary and inappropriate care delivered, and therefore also health insurance expenditures. In a capitation scheme, a standard fee is paid to a

hospital for each insured person that is registered with that hospital. This fee covers all the treatments provided to that person. The more insured persons registered with a hospital, the more funds the hospital receives from the health insurance fund. The hospital has an incentive to ensure rationalization of expenditure, while the health insurance scheme has to ensure the quality of service is maintained. It may be necessary to develop a list of services that would not be covered through capitation but would be dealt with on a case-by-case basis. The use of co-payments should, as far as possible, be avoided. Co-payments increase the costs of health treatments so that the poorer workers and their families are not able to afford proper health care.

As the survey results have shown, workers pay a large proportion of their income on health care. This explains why health care is the main priority for social security coverage. Informal economy workers indicated that they would be willing, in a large majority, to join a social security scheme, notably for health insurance, but only 30 per cent indicated they would have the financial means to meet the contributory requirements of social insurance schemes. Increasing participation in the health insurance scheme, combined with higher compliance in the private sector, might facilitate the introduction of family coverage. The current non-compliers consist of mainly two groups: the low-paid workers, many of which are young and single (for example: new factory workers, workers in small enterprises) and the high-paid workers in joint ventures, whose families are usually medium-sized rather than large. This would imply that the increase in health insurance contribution rates needed to cover dependants might well be marginal.

8. RECOMMENDATIONS

Introduction

All workers and their families need a comprehensive labour and social protection system, irrespective of where persons work, the type of job they have, and their employment circumstances. Just as there cannot be a lower level of human rights for informal economy workers, there should not be a lower level of labour and social protection rights. The Government has a responsibility to ensure there are equal rights, access and entitlements to labour and social protection for all workers and their families. Challenges exist in ensuring safe and productive work by men and women workers in the formal economy, let alone for the majority of workers in the informal economy. Especially for women workers constraints exist even in formal sector employment, and gender equality in opportunity and treatment is not yet in place. Based on the findings from the surveys and studies the following recommendations are suggested as principles and policies to be included in the reform of labour and social protection laws to meet the needs of female workers in the formal and informal economies:

8.1. Principles

A long-term plan is needed to implement a comprehensive and more integrated labour and social protection system that protects workers' health and safety, supports Viet Nam's workers and their families and promotes gender equality. The diversity of employment situations and family circumstances of informal economy workers in Vietnam has implications for designing suitable forms of labour and social protection, suggesting the need for more than one scheme.

The most important issues for the design and implementation of a labour and social protection scheme are affordability and meeting the priority needs of workers and their families. Financial and other resource considerations

must not be used to deny equality of treatment for male or female, formal or informal economy workers.

It became clear from the in-depth interviews that most respondents do not have a thorough understanding of occupational safety and health risks nor the specific benefits of participating in a social insurance scheme. They do not understand the principles of insurance-based coverage, the obligations of employers and workers, nor the benefits of joining social insurance. The limited awareness and understanding of labour and social protection among surveyed informal economy workers highlights the need for extensive and comprehensive public information and education campaigns relevant to the social protection needs and living circumstances of these workers so that they can clearly understand the benefits and conditions of the new social security laws.

Employment and social protection policies need to address the high rates of under- and unemployment affecting unskilled workers, the majority of whom are women.

Protective policies and treatment for women workers that are not strictly related to their reproductive functions should be eliminated, because such protective policies tend to limit rather than broaden women's employment opportunities.

Policies need to be developed that support arrangements to better reconcile family and occupational responsibilities, giving fathers the opportunity to play a recognized role in raising children, and unburdening women from too long working hours due to the combination of economic activities with the majority of unpaid work in the household for family maintenance and care.

Policies that clearly promote equal pay for work of equal value between women and men should be developed. First steps could include:

- development and implementation of appropriate wage-fixing mechanisms and corresponding practices based on job descriptions, irrespective whether work is done by men or women to ensure equal pay for work of equal value
- eliminate current practices where women receive salary increments after proving that they are as good as men in equivalent jobs, that still do not bring their salaries to the same level as paid to men doing similar jobs.

Eliminate horizontal and vertical sex segregation in training and the labour market by:

- discontinuing efforts to promote ‘suitable jobs’ for women including the regular revision of the list of occupations and workplaces prohibited to women
- opening opportunities for young men and women in all types of jobs
- establish positive measures to increase women’s career opportunities and job promotion in the public and private sector as there is a clear imbalance in women’s supervisory and leadership positions in all work places.

The development of an unemployment benefit programme needs to take into account the skill needs of employers and the living costs of workers and their families. Some options that could be considered are:

- the payment of income-tested benefits to the working poor so that their total income is sufficient for everyday living expenses
- through tax incentives for employers who hire unskilled labour, especially women, train them and pay social insurance contributions on their behalf
- paying an education allowance directly to workers to improve their skill levels through attendance at vocational training after working hours.

As labour mobility increases more workers will be changing jobs between the formal and informal economy. They should be able to keep social protection coverage throughout their working life, regardless of the sector of the economy they are working in. The portability, or transferability, between the different social security schemes covering the formal and informal economy should be included in policies and regulations for the new social security law. When workers have contributed to both the compulsory and voluntary schemes during different time periods, it should be possible to combine these two contribution periods where it is in their interests to do so.

The draft social security law does not include self-employed persons and farmers who are not considered to be employees. Informal economy workers with labour contracts should be covered for the compulsory social security benefits by joint contributions from employers and workers. The

new Social Security Act could include provisions that facilitate the expansion of voluntary insurance for these groups.

Voluntary insurance has been recommended by the MoLISA to be more appropriate for those informal economy workers without any labour relationship with an employer. The voluntary insurance scheme must be well designed to attract broad participation and reduce risks of adverse selection.

Minimum benefits and pensions should be linked to minimum wages and minimum contribution rates to ensure a 'social floor' that guarantees a modest form of income support that will prevent insured members from living in poverty.

Flexible payment arrangements should be developed for low-income informal economy workers to pay contribution rates. This could include paying monthly, quarterly, seasonally, or in advance, or adjusted over a year to smooth income fluctuations.

All female workers should have maternity protection, including access to health care for pregnant women and mothers, cash benefits and maternity leave during and after pregnancy, irrespective of whether they are paid or unpaid (dependant) workers

Health

Health is a universal human right. It is particularly important for women in their reproductive role and as main carers in society.

Family coverage should be considered as a minimum requirement for limiting the risks of adverse selection and covering all basic health needs. The voluntary social insurance scheme should include maternity benefits and a system of family benefits that provide adequate protection of the health of mothers and children.

Social assistance

As women are traditionally responsible for looking after the families' basic needs, many of them combine unpaid household duties and family care with paid or unpaid economic activities in the fields, at home, in work places or on the streets. If women are not educated and come from disadvantaged groups, such as low income agricultural workers, home

workers and other urban informal sector workers, they are in need of targeted social assistance programmes to overcome the poverty trap of their families. Policy options include establishing a family benefit system, a carers' benefit system and a health insurance system for the economically non-active population.

8.2. Priorities

Priority needs to be given to the implementation and enforcement of the new labour and social security laws. Both these laws need to be supported by policies that take into account the real needs of men and women at work and their responsibilities for having and raising children. SPUs need to be given advice as to how they can comply with the new labour law regulations and on low-cost safety and health improvements.

There is an urgent need for research and action to promote practical low-cost solutions to unsafe working conditions and work practices for all jobs in the informal economy. No labour legislation on safe work practices exists for informal economy workers, no assessment data is collected or available, no training needs have been identified let alone provided, and no funding is available for improving the well-being of informal economy workers. Informal economy workers are also without any form of representation and dispute resolution systems.

Better social insurance for female workers creates the possibilities for overcoming urgent income and consumption needs and survival in their households when risks prevent them from working and cause sudden unexpected expenditures. Policy makers should consider the need to develop and implement targeted positive measures for specific groups of women or men workers, who are in a disadvantaged position, such as older workers, retrenched workers, indigenous population groups, and/or young urban migrants.

Health

The results from the surveys and focus groups leads to a number of recommendations for providing health insurance to informal economy workers and their families.

Health benefits are a priority for both formal and informal economy workers and must be included as part of an integrated social insurance scheme. The low level of awareness and understanding of maternity protection in surveys and focus groups clearly points to the need for improved reproductive health services as part of the health insurance schemes and public education campaigns targeted to informal economy workers. A social security scheme for the informal economy would need to include health care, preferably on a family basis, to meet the needs of informal economy workers. Pre-paid health care insurance allows women to focus their attention on well-being rather than postponing treatment until health care is affordable. Women with health insurance can prioritize their own risks and needs.

Family-based coverage should be provided as it provides greater social protection and meets the variety of social protection needs of workers and their families in both the formal and informal economies. The health insurance scheme would probably be more attractive to the compulsory covered target group if family coverage were adopted, i.e. if coverage of family dependants was part of the compulsory scheme – with an adjusted contribution based on percentage of salary. The advantage of family coverage is that workers – many of them women, and their children will be insured. The financial cost is expected to be moderate because family size is relatively low in the formal sector, and the share of formal sector households with more than one insurance member is considerable.

However, as long as contribution rates are not subsidised, there will be little interest in voluntary or compulsory insurance⁹⁵ by low-income workers. It is crucial that the Government agrees to pay a share of the contribution rate, the remaining being paid by the insured. The share of the government subsidy should relate to the living standards of the targeted groups. It should also be periodically adjusted to reflect changes in the target group's ability to pay health insurance contribution rates.

⁹⁵ *As contribution rates in the compulsory scheme are also partly paid by the employer - which is the State in the case of public sector workers; the State could also bear the 'employer' component of contribution rates for lower income workers with greater needs.*

Family benefits

Income support is needed for families, including pregnant women and mothers, who are unable to participate in the economy due to their biological reproductive functions and social caring responsibilities. A family benefit, paid to low-income households, could be provided to help families meet the costs of education, as well as offset the economic loss to the household due to the mother being unable to participate in the workforce. The income received can help low-income households provide regular meals, access to education, improve sanitation and ensure a safer and healthier environment for children. A mechanism would need to be designed to determine eligibility for a family benefit.

The options can include:

- eligibility for benefit based on the number of younger children in a household and their mother or father staying at home to care for them
- eligibility for benefit based on older children attending school
- income tests based on minimum wages with a single cut-off point. When an income level is reached there is no more entitlement
- different benefit amounts based on income levels according to the wage and salary system determined by the government and according to the Labour Law
- eligibility based on categories of employment that have low-income levels, (for example excluding all civil servants, workers in FDI companies and Joint-venture companies), as identified in wage surveys, living standards surveys and the census
- payments depending on the ratio of the number of household members and the number of actively employed workers of a household.

Family benefits can be paid for a fixed period, such as until the youngest child reaches 6 years of age and is attending school, when the carer could then be expected to participate in the workforce. If the family benefit is intended to support the continued education of children, eligibility to the benefit could be linked to school attendance by the children and continue to university ages. All family benefits should be paid directly to the person providing the day-to-day care of the children.

Carers' benefit

Currently, there are insufficient facilities to cater to the needs of the elderly in Viet Nam with many elderly abandoned by their families, living in poverty, and suffering from severe illness.⁹⁶ This situation can be expected to deteriorate over the next 10-15 years as more families are unable to financially and physically support their elderly relatives. The need for care-workers will increase along with the 'ageing' of the population of Viet Nam through increased life expectancy.

The caring responsibilities of women can be for children, spouses, parents or other relatives. Many women provide the medical support to family members that is not available through the public health system. By providing a basic level of income support to the carer, the Government would be recognising in part the value of the unpaid work that many women undertake. Consideration should be given to provision of caretaker benefits that would ease the pressure on household resources.

The expansion of a network of child-care facilities under the social service sector would contribute immeasurably to women's ability to generate an income. The increased availability of supported or subsidized crèches would increase women's mobility and allow greater access to work opportunities outside the home.

Health insurance for economically non-active population

Family coverage – with an appropriate definition of the term 'dependants' – will need to be adopted in all schemes targeting the economically active population in order to cover all the people who are economically non-active. Children under the age of 6, elderly relatives, non-working spouses, all those persons who are dependent on the insured working person, should be covered as 'dependants'. The 'voluntary' school health insurance scheme for students should be gradually phased out, as the family coverage expands, absorbing dependent schoolchildren and students in higher education. Other school health programmes designed to prevent illness and accidents should continue with State funding.

⁹⁶ *ILO Social Assistance paper provided for MoLISA Seminar for "Strategies for the Elderly - International Year for Older People" 1999*

8.3. Practices

Labour protection

Any labour market programmes will have to compete for the limited amount of State funding allocated to social programmes, and therefore would need strong tripartite support in order for policies to be implemented well with sufficient resources.

Efforts are needed by tripartite partners and mass organisations to promote occupational safety and health in the informal economy which should be linked with extending social protection. Occupational safety and health in the home, local communities, schools and in the workplace requires continuous public education and involves all members of society. All workers must be informed of preventative measures to reduce occurrences of illness and injury, incidence of pregnancy, including free contraceptive treatments as part of health insurance services, check occupational health and safety conditions in workplaces, and encourage safety conditions in the home, training in first aid in workplaces and homes, thereby reducing repeat occurrences of risks.

Safe work practices should be put in place. Prevention is better than cure and this will restrict the risks of escalating health costs. For example:

- assisting home workers to improve occupational safety and health practices and working conditions in their home
- training formal and informal economy workers in first aid to provide emergency assistance for workplace accidents
- including free contraceptive treatments as part of health insurance services.

Social protection

Mass media and social marketing can perform a vital role in changing attitudes towards social protection from being perceived only as a cost to employers, to being seen as a right and an investment in people, helping create a healthier and safer labour force that is more productive. Irrespective of the type of social security scheme designed, a large-scale communications campaign will be essential to the successful commencement of the scheme.

Leaflets, posters, television advertising, radio, workplace discussions, business association workshops, street parades and billboards are just some of the options available. Community leaders and businesses will need to give their full and public support to the scheme, while social security staff at local level will require training before they are ready to deal with enquiries on the proposed scheme.

In the formal social insurance scheme, compliance rates in the private sector must be improved through awareness raising, incentives, and enforcement with significant penalties applied to act as a deterrent.

A proportion of insured member contributions should be used to upgrade local health facilities, including improving the medical equipment available, ensuring adequate supply of necessary basic drugs, improving the cleanliness of in-patient care and provide sanitation facilities. Greater financial efforts are needed by the Government to improve primary health care services and the public health infrastructure.

Consideration needs to be given to adjusting the proportion of the contribution rates paid by employers and workers, for example, increasing workers' contribution rates to 7 per cent and reducing employers' contribution rates to 13 per cent. Future policy changes to the tax-free income levels provide an opportunity to adjust contribution rates so that these do not negatively affect the take-home pay of workers in the formal economy. For many informal economy workers current contribution rates are still affordable. However, for low-income informal economy workers combined worker and employer contribution rates can have a considerable negative impact on the livelihood of their household, particularly where the contribution rates correspond with lower income fluctuations for the worker. The Government should therefore provide some subsidization of contribution rates to low-income informal economy workers.

For the low-income workers in the informal sector, contribution rates should be partly subsidized by Government, and the potential role of external aid should be further explored. Some of the surveyed informal economy workers had parents who were in receipt of a State pension, in which the pension amount is also linked to the minimum wage. These small regular payments helped the household to meet daily living expenses and provided some income security and stability. The Government now meets the costs of

these State pensions from the State budget. Therefore the Government could also assist the low-income self-employed, own-account and home-workers by providing a contribution subsidy to guarantee a social security floor or minimum benefit level. The Government could provide:

- a flat subsidy amount for all insured members for a fixed time period (e.g. 3 years)
- a matching contribution subsidy for low-income workers and their families
- a proportional contribution subsidy based on income levels and the number of dependents of each member
- payment of a contribution subsidy to cover dependents only, encouraging family membership.

Eligibility for the subsidy should be carefully considered so as not to discourage members from increasing their contribution rates when they are in a position to do so. The Government would expect the costs of the subsidy to be partially offset through increased levels of family health for low-income workers and their families through earlier treatment of illness. If people have access to health care they are more likely to seek medical treatment earlier, when the illness is less serious, and so recover more quickly. Over the long-term, lower health costs could be expected.

Structuring voluntary membership around groups or entire communes could be considered, such as mutual benefit schemes among the self-employed. However, all new administration initiatives, whatever form they take, should at some stage be linked to VHI/VSI to support more equal access to health care. A government subsidy for the first year of operation of a voluntary scheme could be provided at a fixed rate per insured person, gradually reducing the subsidy in subsequent years. This form of initial financial support can supplement a local scheme's own resources while leaving choices and decision-making at the local level. Government subsidies could be funded through taxes and fees such as the fees for business registration paid to local governments.

The registration of insured members and their families, the collection of contributions, the procedure for benefit claims and the payment of benefits must be designed as a transparent and simple process that is implemented at the local level with low administration costs.

Contribution rate collection efforts should concentrate on periods of cash availability, making use of existing channels such as local business associations.

The importance of well-targeted social marketing efforts should be emphasized. Communal leaders and mass organisations can play an important role in mobilizing commune members. Moreover, trust in the scheme could be enhanced if communication between communities and the VHI/VSI would be improved and if there would be more transparency and accountability.

Health

The decision to introduce contribution ceilings for the social insurance scheme should be taken jointly by MoLISA and MoH since the financial implications differ between cash and medical benefits. While contribution income could be expected to decrease without any reduction in entitlement to social protection benefits, the ceilings are also likely to result in improved compliance, as resistance by workers and employers to contributions coverage could diminish. Ceilings should have a dynamic base (e.g. be defined as a multiple of minimum or average salary) rather than being defined as a fixed amount.

The benefit package should be comprehensive: it should include both preventive and curative care, both outpatient and inpatient care, provided at the various levels of the system, including at community health services.

The provider payment mechanism could be modified so as to change health staff attitudes through appropriate financial incentives and to simplify administrative procedures. For example, capitation has been implemented in Lao PDR for the social security scheme and community-based health insurance.

Under the health care card programme, the participants voluntarily purchase a card, which entitles each household to a certain number of treatments per year. Reproductive health services, of better quality and lower cost, which offer better value for money to women workers, should be included in this health care programme.

Training should be provided to health care workers on occupational safety and health issues affecting informal economy workers.

With regard to the administration of schemes, the drafting of the social insurance and health insurance legislation should be co-ordinated in order to ensure consistency and to improve the basis for future closer collaboration, including the enforcement of the legislation. Both schemes would definitely benefit from stronger legal provisions and a closer co-operation to counter evasion and under-reporting of earnings. A closer collaboration would also considerably reduce administrative costs, as a number of functions – such as identification of the target population, registration, contribution collection and maintenance of a membership database – are common to both VHI and VSI and are currently duplicated.

In order to incorporate some positive competition to improve the quality of health care among providers, contracting private health care providers for the provision of a well-defined range of services might be envisaged. This would require the development of a strict accreditation mechanism.

The merging of the two administrations also offers the opportunity for improving and extending access to services through a greater number of district offices that could provide both social and health insurance services.

Before implementation of these recommendations, it is important to assess the financial implications for the different stakeholders. The results of such an assessment would be very useful in promoting the policy changes and in guaranteeing full support from all stakeholders prior to implementation of any new policies.

8.4. Outcome of National Policy Workshop on Gender Equality in Employment and Social Protection, December 2002

The National Policy Workshop on Gender Equality and Social Protection held in Hanoi in December 2002 brought together 51 persons (60 per cent women and 40 per cent men) from Long An, Danang, Nam Dinh and Tuyen Quang provinces, Hanoi and Ho Chi Minh City, including representatives of the National Assembly Committee of Social Affairs; the Viet Nam Women's Union (VWU); the National Committee for the Advancement of Women (NCFAW); the trade unions; management of enterprises with many women workers; provincial Labour Departments; MOLISAs Social Security Department; other MOLISA Departments; the Embassy of the Netherlands;

and the UNDP; and the workshop organizers, MOLISAs RCFLG and ILO Hanoi and Bangkok.

The aims of the Policy Workshop were: to validate the outcome of the two RCFLG-MOLISA-ILO studies among enterprises with many women workers and informal economy workers; to discuss the outcome of the gender training, carried out under the project; and to agree on the policy recommendations set out in the above-mentioned technical reports. The meeting proceeded as scheduled, with ILO presentations on the findings and recommendations of the draft technical report, and interventions by national and local level representatives in plenary. Highlights of the discussion were:

- It was agreed that there was widespread discrimination in the recruitment and employment of women, due to widespread beliefs on appropriate gender roles of women and men in Vietnamese society which are disadvantageous to women.
- Direct discrimination existed:
 - in the labour and social security laws with regard to obligatory differences in retirement ages
 - in recruitment and job security of young women. In many factories women need to agree not to marry or get pregnant during a certain period (usually around 2 years), if they want to retain their job. This practice was found to be especially widespread in State-Owned Enterprises with many women workers.
- Enterprise managers expressed their reservations with regard to the impracticality of the preferential regulations for enterprises with many women workers, i.e. the accreditation system was too cumbersome; tax exemptions did not eventuate; too much paperwork was needed from too many 'doors'. Regulations on overtime and maternity protection were difficult to enforce and too expensive. Enterprises were also forced to relocate to rural areas due to additional regulations on workstations.
- The meeting noted with concern the evidence on the recruitment practice that young women can only become employed if they promise not to marry or become pregnant, even if this type of discrimination is prohibited by law. In addition, it was mentioned that in the airline industry, air-hostesses must be young and beautiful, even if this is not needed for their job and women are dismissed if they become pregnant.

- Trade union representatives agreed to these points, in particular widespread violations with regard to overtime and piece-rate work. They indicated that rural migrants, many of whom are women, are used to very low incomes and therefore, find low-income factory work in cities attractive. Lack of representation was also a problem.
- Representatives of DOLISAs (Provincial Labour Departments) and MOLISA Departments emphasized the difficulties in extending adequate labour and social protection to women and informal economy workers; the need to harmonize different legislations; the wide-spread preference for hiring male workers; and the problems in extending existing social security provisions to the formal sector (for example, SOEs did not pay their contributions to the Social Security Fund), let alone extension of social security to the informal sector.
- While a few representatives reiterated the usual gender stereotypes (such as, women should only do work suitable to them, women need protection or older women are less productive), there seemed to be a general agreement on the policy recommendations. Several participants called for a revision of Decree 23/CP of 18 April 1996 which sets out (i) promotional measures for enterprises with women workers, (ii) flexible employment arrangements (part-time and home-based work) for women workers and (iii) rights to suitable work and training for pregnant workers.
- The NCFAW representative indicated that the report and outcome of the workshop provided guidance to the ILO tripartite constituents to proceed with practical action towards gender equality promotion in labour and social protection in line with the MOLISA Sectoral Plan of Action for the Advancement of Women (POA2).

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Annex 1

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
ASEAN	Association of South East Asian Nations
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
DOLISA	Department of Labour, Invalids and Social Affairs
FIEs	Foreign Invested Enterprises
GSO	General Statistics Office
HCMC	Ho Chi Minh City
HEPR	Hunger Eradication and Poverty Reduction Programme - encompasses access to credit and low-interest loans through the Bank for the Poor (established in 1996); free health insurance cards; and school fee exemptions or reductions for poor students.
GDP	Gross Domestic Product
GNP	Gross National product
GSO	General Statistics Office
HRD	Human resource development
ILO	International Labour Office
JSEs	Joint Stock Enterprises
JV	Joint Venture company
LLCs	Limited Liability Company
MOF	Ministry of Finance
MOH	Ministry of Health
MOLISA	Ministry of Labour, War Invalids and Social Affairs

NCFAW	National Committee For the Advancement of Women
NFE	National Fund for Employment
PE	Private Enterprises
SMEs	Small and Medium Enterprises
SOEs	State-Owned Enterprises
SPUs	Small Production Units
SSD	Social Security Department, MOLISA
UI	Unemployment Insurance
UNDP	United Nations Development Programme
VCA	Viet Nam Co-operatives Alliance
VCCI	Viet Nam Chamber of Commerce and Industry
VFF	Viet Nam Fatherland Front
VFU	Viet Nam Farmers' Union
VGCL	Viet Nam General Confederation of Labour
VHI	Viet Nam Health Insurance Agency, reporting to the Ministry of Health. Now under the management of VSI (as at January 2002)
VLSS	Viet Nam Living Standards Survey 1997-98
VND	Viet Nam Dong
VSI / VSS	Viet Nam Social Insurance Agency (also called VSS- Viet Nam Social Security). Operating as an autonomous agency with a Management Board and reporting to the Prime Minister's Office.
VWU	Viet Nam Women's Union
VYU	Viet Nam Youth Union
WHO	World Health Organization

**EQUALITY, LABOUR AND SOCIAL PROTECTION FOR WOMEN AND MEN
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PREFACE

In Viet Nam, female workers- an enormous human resource-have always played an important role in successfully achieving the strategic objectives of socio-economic development in the process of renovation. Men and women are equal before the law and in every aspect of social life (political, economic, cultural, and social). Thanks to outstanding achievements in socio-economic development and renovation, the living standards of the majority of the Vietnamese people, including women, have been improved significantly. Along with sound economic policies, the Party and the Government have of Viet Nam carried out a set of fair and advanced social policies, designed to develop human resource, and provide good conditions and opportunities for every one, including women for taking part in development. The facts of life show that Vietnamese women have steadily become more emancipated and developed their potential. Their social position has increasingly improved. Yet, in spite of these opportunities and advantages, female workers are still facing many difficulties and challenges, especially in labour, employment and social security issues in both the formal and informal economies.

Based on this need to acquire more facts and theoretical knowledge for the purpose of improving the policy in labour, employment and social security to reflect the principles of equality in society- particularly gender equality- the Ministry of Labour, War Invalids and Social Affairs assigned the Research Center for Female Labour and Gender (under the Institute of Labour Science and Social Affairs) to coordinate with the International Labour Organization (ILO) to research this issue in a number of enterprises with many women workers in both the formal and informal economies.

On the basis of a scientific approach, the use of published statistical data and two sample surveys in enterprises employing a large number of women workers, this study detected and analyzed some problems in the area of labour, employment and social security in Viet Nam from the point of view of gender equality and put forward some reasonable and applicable

proposals.

The research results have been edited and published to serve readers in and outside the Ministry of Labour, War Invalids and Social Affairs, especially the Government policy makers and Local Authorities, and the Business Managers. They also will serve as reference materials for researchers and lecturers.

With the above purposes, we hope that this study will contribute to the current discussions and that will elicit comments and suggestions from a good number of colleagues and readers.



Dr. Dam Huu Dac
Vice Minister
Ministry of Labour, Invalids and Social
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4 Trang ngang

