

# Productivity Ecosystems for Decent Work Programme in Viet Nam

## Stakeholder Workshop

15<sup>th</sup> November 2022

Hotel Pan Pacific, Hanoi, Viet Nam;

### ► Press release

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**On 15th Nov 2022, the Vietnam Chamber of Commerce and Industry and the International Labour Organization, Country Office for Vietnam, jointly organized the stakeholder workshop for the Productivity Ecosystem for Decent Work programme in Vietnam.**

The aim of the event is to introduce the Productivity Ecosystems for Decent work programme to relevant stakeholders. Productivity Ecosystems for Decent work programme aims to strengthen the key drivers of inclusive economic growth and post-pandemic recovery, namely productivity and decent work, leveraging the virtuous cycle between the two. Over the past two decades Viet Nam has achieved rapid economic development, per capita GDP increased 5 times (\$3,700 in 2021), and millions of Vietnamese were able to escape material poverty through successful early phase of industrialization. However, the productivity drivers that used to work for Viet Nam are running out of steam. Labour costs are increasing, and some provinces are experiencing labour shortages. In addition, Viet Nam's economy runs at different speeds, there are huge productivity gaps between the FDI sector, state-owned enterprises, the domestic private sector and the informal sector. The proportion of value added generated domestically of many products in Viet Nam remains low. Informal employment has fallen a little, but remains stubbornly high, especially compared to other countries at this level of income. Viet Nam needs to develop new productivity drivers, through innovation, skills development, better technology and production methods, and finding new market niches.

Achieving a virtuous cycle between productivity growth, employment creation and the promotion of decent work is required if economic growth is to lead to poverty alleviation and prosperity. To create and strengthen this virtuous cycle, the ILO proposes the Productivity Ecosystems for Decent Work Programme. The Productivity Ecosystem for Decent Work programme will improve capacity to build an eco-system for productivity enhancement, and facilitate access to value chain and trade opportunities. The new program will bring a more systemic approach to both upscale the previous experiences and to target the continued constraints on sectoral and national policy making levels.

The Productivity Ecosystem for Decent work programme is funded by the Swiss State Secretariat for Economic Affairs (SECO) and the Norwegian Agency for Development Cooperation (NORAD). The

Programme started in May 2022 with an initial six-month inception phase and will run until the end of 2025.

In the framework of the Productivity Ecosystems for Decent work programme inception phase, a sectoral selection study was completed that led to the identification of two target sectors (wood processing and equipment/machinery). In the workshop ILO tripartite partners, including VGCL, VCCI, and MOLISA, other ministries, business associations, international organizations have discussed the new driver for productivity, sharing international and Vietnamese experience. The project activities in the area of national policy advisory support were also presented, in particular, the work on employment law revision with MOLISA, and on statistical data quality improvement with GSO Viet Nam.

The Productivity Ecosystems for Decent Work programme looks forward to collaborate with relevant agencies and business support organizations to see productivity growth at enterprises, sectoral and policy making level.

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### **Werner Gruber, Head of Cooperation, Swiss Cooperation Office in Vietnam**

*Supporting productivity growth is part of Switzerland's economic development cooperation with Vietnam. It will be critical for local businesses to access supply chains and international markets, to bridge the gap between the foreign invested companies and the local SMEs and to achieve a more sustainable and inclusive economic growth.*

*In order to achieve the program objective, it requires a concerted efforts from all concerned ministries and agencies and a strong partnership between the private and public actors to creating an enabling environment for productivity improvement. In which, the inter-ministerial coordination and cooperation is critically important.*

### **HE. Ms. Hilde Solbakken, Ambassador of Norway to Vietnam**

*Full employment and decent work are an integral part of the UN sustainability agenda. Norway attaches great importance to ensure decent work promoting and protecting fundamental, universal workers' rights, particularly through the International Labour Organization (ILO).*

*The world of work is changing significantly, and all countries, sectors and workers are affected by globalisation and by technological and environmental change.*

*To avoid that the green transition and the fourth industrial revolution increase inequality, insecurity, and exclusion, we welcome this project calling for a human-centred approach to the future of work.*

### **Ms. Ingrid Christensen, Country Director ILO Vietnam**

*A human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient will only be possible if we get productivity growth back on track. However, considering the rapidly deteriorating state of our planet due to the climate crisis, depletion of natural resources and loss of biodiversity, we need new productivity growth models that help us to decarbonize our economies and move to circular growth models through a just transition.*