
Debate

The Regional Coordination of Strikes and the Challenge for Union Reform in Vietnam**Do Quynh Chi**

ABSTRACT

Since the launch of the economic reform (Doi Moi) policy in the early 1990s, the union system of Vietnam has seen little change: the Vietnam General Confederation of Labour (VGCL) retains its monopoly, its political affiliation to and reliance on the Communist Party, while at the workplace, the VGCL-affiliated enterprise unions are too dependent on the management to represent workers' rights and interests. 'Collective bargaining by riots' has become the only way for rank-and-file workers to improve their working conditions. This article draws on more than a decade of research to show that informal organization of workers in some companies has grown to such an extent that the de facto leaders initiate bargaining with the employers and, when negotiations fail, they organize strikes. These strikes are usually settled in favour of the workers, causing a change in wage levels and leading to spontaneous 'copycat' strikes in neighbouring companies. This informal coordination of strikes across workplaces not only aims at achieving economic goals such as wage rises but has recently been used to express workers' discontent with government policy. The nature of the strike waves has shifted gradually from economic to political; together with external pressure, this has pushed the top leadership of Vietnam to initiate serious trade union reform.

INTRODUCTION

Since the launch of its Doi Moi (economic reform) policy in 1986, Vietnam has moved from a highly regulated and authoritarian system of employment relations towards a more market-oriented political economy (McCargo, 2004; McCormick, 1998). Since the early 1990s, there has been a growing number of informal industrial actions, particularly wildcat strikes. While

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these strike waves were symptomatic of significant changes taking place in the Vietnamese economy (greater foreign direct investment and export orientation), they were also reflective of significant changes to Vietnam's labour relations (*ibid.*). Analyses of this trend towards strikes and of how the strikes were settled thus provide important insights into the nature and direction of changes in the labour relations institutions, especially the trade unions.

Before Doi Moi, the legitimacy of Vietnamese trade unions — collectively known as the Vietnam General Confederation of Labour (VGCL) — depended on their alliance with the ruling Communist Party at the national and sub-national level, and with management in the state-owned enterprises — the only form of enterprises at that time. However, in the last decade, the legitimacy of the formal trade unions has been seriously challenged by informal worker activism. While rank-and-file workers had only a limited degree of representation by the formal trade unions at firm level, they were able to take advantage of labour market conditions and adopt the strategy described by Hobsbawm as 'collective bargaining by riot' (Hobsbawm, 1964: 7). Amid changes to the Labour Code, which to some extent facilitated workers' ability to strike, workers staged increasingly large-scale and organized collective actions. This not only highlighted their *de facto* status as an industrial relations actor, independent of the VGCL, but it also challenged longstanding links between trade unions and the Communist Party.

Studies into the wildcat strikes in Vietnam have largely adopted an institutional approach, seeing strikes as symptoms of an ineffective system of labour relations (Chan and Wang, 2005; Clarke, 2006; Clarke et al., 2007). This discussion of strikes was based upon the assumption that when formal labour relations mechanisms fail, workers will walk out to protect their rights and interests. However, as Tran (2013) rightly pointed out, workers in domestic companies are much less likely to strike than workers in the foreign-owned sector, even though their working conditions are no better. Proponents of the class consciousness and cultural identity approach tried to explain why Vietnamese workers in the foreign-owned sector were able to mobilize for collective actions while those in domestic workplaces could not (Siu and Chan, 2015; Tran, 2013). Although this approach can explain how solidarity for labour activism was built through workers' rising consciousness of class, based on their inter-connection using their various elements of cultural identity, it does not explain why the levels of organization of workers varied between different companies, nor does it explore the existence of coordination and linkages between different strikes in the same region and industry.

This article, therefore, uses a longitudinal approach to observe and analyse strikes in the foreign-owned sector of Vietnam over more than a decade, from 2004 to 2015. It focuses particularly on analysing the differences between various types of wildcat strikes based on their levels of organization and leadership as well as the involvement, if any, of the trade unions. It also examines whether there was coordination across different types of wildcat strikes in Vietnam. The fact that workers, without the involvement of the

official unions, have been able to stage not only individual strikes but waves of strikes has put pressure on the leadership of Vietnam to consider reforming the union system.

Since adopting an export-oriented policy in the 1990s, Vietnam has grown to be a major destination for foreign direct investment (FDI) into labour-intensive manufacturing industries such as garment, footwear, food processing and electronics. With three quarters of the country's strikes so far happening in the foreign-owned manufacturing companies, Vietnam provides a good case study on the evolution of the Networks of Labour Activism (NOLAs) as discussed in this Debate section, which go beyond the formal trade union structures (see especially the Introduction and the contribution of Zajack to this Debate section). The impact of FDI within a static labour regime which is slow to change has caused the rank-and-file workers in the global supply chain to resort to labour activism beyond the legislative and union structures. Such non-traditional NOLAs have created significant pressure on the government to adjust the institutional framework.

Methodology

The research material on which this article is based was collected during the author's field visits from 2004 to 2015, to Ho Chi Minh City (HCMC), Dong Nai, Binh Duong, Long An, Hai Phong, Bac Ninh and Hanoi, which are the most strike-hit cities and provinces in Vietnam (ILO, 2011). In the course of this period, I was involved in a number of research projects on labour relations in the global supply chain in the garment, footwear and fast moving consumer goods (FMCG) sectors, and a study on trends in wildcat strikes. In total, I visited 51 companies that had experienced at least one strike. In each company, I interviewed human resource (HR) managers, production managers and enterprise union officials, and conducted focus group discussions with a small group of workers identified by the management. Table 1 summarizes the number and type of interviewees at each company.

Workers participating in focus group discussions received full compensation and were not supervised by managers during the discussions. While onsite discussions were focused on employment relations at the factory and how workers network with one another, it was difficult to find out how they organized strikes. Therefore, based on the contacts of workers in the focus group discussions, I used snowball techniques to find and interview other workers of the companies offsite. Offsite interviews were normally conducted in workers' apartments or cafes nearby depending on the workers' preference. Each interview lasted for one hour or more. As wildcat strikes are a sensitive issue, it took a while to gain the confidence of the workers and, through them, to meet with some of the organizers of wildcat strikes. The identity of all workers interviewed, either onsite or offsite, is kept confidential.

Table 1. Attributes of Interviewees

Industry	Location	No. of companies visited	Interviewees		
			Managers	Unionists	Workers (onsite and offsite)
Garment	HCMC, Hai Phong, Bac Ninh, Binh Duong	28	58	28	162
Footwear	Long An, Binh Duong, Dong Nai, HCMC	11	27	13	61
Electronics	Hanoi, Bac Ninh, Binh Duong	5	14	5	34
Automobile	Ha Noi, Bac Ninh, Hai Phong	2	4	3	10
Fast moving consumer goods (FMCG)	HCMC, Binh Duong, Dong Nai, Hanoi	5	18	7	27
Total		51	121	56	294

For the purpose of this research, a few companies that have strong informal labour organizations were visited repeatedly over 10 years, usually after they had experienced new strikes. The key informants from these companies, including union officials and leaders of strikes, were interviewed more than once. Some unionists and strike leaders kept constant contact with the author; based on this, I was able to conduct follow-up interviews. Although this research method enabled me to gain an in-depth understanding of how rank-and-file workers coordinate and organize wildcat strikes, the limited sample of interviewees does not allow for a comprehensive description of all types of strikes and strike organization: for that, a large-scale survey would be needed.

In-depth interviews were also conducted with district strike mediators, local labour and union officials, labour reporters, representatives of business associations and national policy makers. In total, 16 such stakeholders were interviewed. The study also analyses the internal strike statistics and reports collected from district and provincial labour administrations and unions.

The methodology used for this research allowed me to observe the organization of strikes in different regions and different types of enterprises over a period of more than 10 years. This long-term observation and documentation of strikes enable us to see any patterns of strike organization that might emerge, as well as any linkages among different types of strikes.

INDUSTRIAL RELATIONS AFTER DOI MOI AND STRIKE TRENDS IN VIETNAM

As part of its economic reform policy, Vietnam opened its doors for FDI and allowed for the growth of the domestic private sector in parallel with

the gradual privatization of state-owned enterprises (SOEs). In 2013, SOEs accounted for the largest share of wage employment (29.2 per cent), followed by domestic privately-owned enterprises (POEs) at 22.6 per cent, agriculture and forestry (21.8 per cent) and household or individual enterprises (16 per cent). The foreign-invested enterprises (FIEs) accounted for only 9.8 per cent of wage employment but contributed 60 per cent of the national export value (GSO, 2014). The collective enterprise sector played a negligible role in wage employment. By 2015, the whole economy comprised around 300,000 enterprises, 90 per cent of which were small and medium sized, employing under 300 employees (VCCI, 2015).

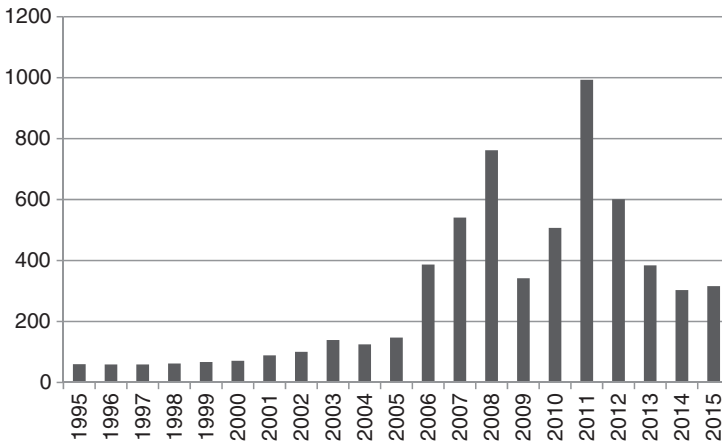
In Vietnam, Article 174 of Decree No 29/SL, dated 12 March 1947, stipulated that: 'Workers have the rights to freedom of assembly and strike. A subsequent decree shall define the scope of exercise of these rights as well as modes of conciliation and arbitration'. However, the subsequent decree never appeared and the right to strike was not realized until 1995, when the new Labour Code provided for legal strikes under the leadership of the VGCL, following a laborious process.

The VGCL is one of the socio-political organizations within the Party-controlled 'Fatherland's Front'.¹ The historical background of the VGCL and its longstanding alliance with the ruling party grant it a special position in the political regime. The VGCL chairman has a seat in the powerful Central Party Committee, and each of the key union officials at national and local level is given a Party position. The national union reports directly to the Central Party Secretariat (*Ban Bi thu*) and submits its major plans and strategies to the Party leaders for approval before they are publicized (Clarke et al., 2007). In terms of personnel, at both national and local levels, the Party has the final say in the appointment of key union personnel. For instance, the appointment of provincial and district union personnel must be approved by the provincial and district Party organization committee. In 2015, the VGCL's total membership was 8.5 million and the unionization rate in the non-state sector was 33 per cent (World Bank, 2015).

Despite legal changes in the early 1990s following the launch of Doi Moi, the labour relations practices of SOEs remain largely unchanged. Collective bargaining, handling of grievances and settlement of labour disputes have been adopted by SOEs merely as formalities, without having any practical impact on labour-management relationships (Do, 2011). The trade unions in the SOEs still focus on the traditional role of the unions in the socialist system: providing all kinds of welfare benefits (sports competitions, holiday arrangements, etc.) and contributing to output and productivity drives in the company. In the FIEs and POEs, it is estimated that

1. Vietnam Fatherland's Front is an umbrella group of pro-government 'mass movements' in Vietnam; it has close links to the Communist Party of Vietnam and the Vietnamese government. It is an amalgamation of many smaller groups, including the VGCL, Youth League, Women's Union, Peasants' Union and Veterans' Union, among others.

Figure 1. Incidence of Strikes, 1995–2015



Source: Author's calculation based on VGCL strike statistics (unpublished).

over 60 per cent of the unions are dominated by high-ranking managers. These unions therefore operate as an 'extended arm' of the management, in the interests of the company, and provide the stamp of legitimacy for management decisions. This lack of proper worker representation by the unions contributes to the denial of workers' rights to negotiate with management on employment terms and conditions. Workers are not consulted about collective agreements, which mainly replicate the minimum requirements set down by law. Wages of the rank-and-file workers are set by management, mostly at the minimum wage level so as to keep their labour costs low.

As a direct result of their distrust of the Party-controlled unions and the lack of any alternative representation, the workers — especially those employed in global supply chains — have increasingly resorted to 'collective bargaining by riots' (Hobsbawm, 1964: 7), or wildcat strikes, to fight for higher wages and better working conditions. In fact, none of over 5,000 strikes which have taken place since 1995 has followed the prescribed legal procedures.² The first decade after the promulgation of the 1995 Labour Code saw an average of 100 (wildcat) strikes per year.³ The figure has steadily risen since 2005, reaching a peak of almost 800 strikes in 2008. The number dropped in 2009, due to the impacts of the global economic crisis, but increased again in 2010, and reached a new record of 978 in 2011 (see Figure 1). While the export-oriented manufacturing industry has been the growth engine of the Vietnamese economy since Doi Moi, it has also been

2. For analysis of the right to strike in Vietnam, see Clarke (2006) and Clarke et al. (2007).

3. Since strikes in Vietnam never follow the legal procedures, they can all be classed as wildcat strikes.

most exposed to industrial unrest, including wildcat strikes, labour shortages and high attrition rates. Among the export industries, the garment and textile sectors have been most strike-prone, with 34 per cent of strikes occurring within the textile and garment industry (ILO, 2011). In terms of location, over 80 per cent of strikes have occurred in HCMC, Binh Duong and Dong Nai, the three most industrialized provinces in the South of Vietnam. However, there are signs that strikes are also spreading to the central (Da Nang) and northern provinces (Hai Phong, Hai Duong, Ha Noi).

Some 70 per cent of all strikes have occurred in unionized companies (*ibid.*). This fact itself indicates that enterprise unions have been ineffective in representing workers in negotiations with employers. In terms of enterprise ownership, 80 per cent of strikes have occurred in enterprises with foreign investment, and less than 1 per cent have occurred in state-owned companies. This can be partially explained by the growth of FDI in export-oriented manufacturing industries since 2000, and the privatization of state-owned companies. Among the FIEs, Taiwanese and Korean companies account for 70 per cent of all strikes. Between 2001 and 2011, demands for wage increases accounted for 31.5 per cent of strike demands while other wage-related demands such as bonuses, allowances, benefits and shift meals accounted for a further 20 per cent of strike demands (*ibid.*). Wildcat strikes have been an effective weapon for workers to improve their working conditions, with 92 per cent of reported strikes ending with all demands being met by the employers (*ibid.*).

EXPLAINING WILDCAT STRIKES IN VIETNAM

The Institutional Approach

The institutional framework established by the Labour Code and Trade Union Law after the launch of Doi Moi hinged around the central role of VGCL-affiliated unions at the workplace in representing workers in collective bargaining, consultations with employers, handling of grievances, and organization of strikes (Clarke et al., 2007). However, as many scholars have argued, while the VGCL remains politically affiliated to the Vietnam Communist Party (VCP) at regional and national levels, the enterprise unions are weak and too dependent on employers to be able to represent workers in safeguarding the basic labour rights granted to them (Clarke et al., 2007; Do and van den Broek, 2013). The formal mechanisms for labour–management interactions at the workplace, including grievance handling, enterprise conciliation committees and provincial tripartite arbitration councils, have been largely ineffective. For instance, only one or two strike cases per year are reported to the tripartite arbitration council in HCMC, when the actual number of strikes is much higher. When formal institutions fail, workers have no other choice but to take their own action, without the unions' participation, in

order to pressure employers to raise their wages and improve their working conditions.

Like Vietnam, China has also been faced with the failure of its formal labour relations institutions, and the emergence of wildcat strikes. Yet, while the Chinese authorities react aggressively to unconstitutional strikes, their Vietnam counterparts take a more sympathetic approach to labour strikes (Siu and Chan, 2015). In one of the first studies on industrial relations in Vietnam, Beresford (1997) stated that the local authorities tended to prioritize foreign investment, which was why they were likely to avoid interfering in disputes between workers and employers in FIEs. Studies by Chan and Wang (2005) and Clarke (2006), however, proved that local authorities often took the workers' side in spontaneous strikes. Local authority representatives would collect workers' demands, and negotiate with the employers on behalf of the workers. Other scholars have offered different explanations for the soft approach by Vietnamese local authorities to wildcat strikes. Benedict Kerkvliet (2010) compared current strikes to those which occurred in the south of Vietnam before 1975. He argued that the government was moderate in settling the later strikes because they had a purely economic basis, unlike the politically motivated strikes in the south before 1975.

The institutionalist approach, however, fails to explain why workers in some enterprises (mostly foreign owned) went on strike, while those in domestic companies refrained from staging collective actions. Moreover, the institutional approach is not able to analyse how workers — operating outside of legal procedures and without trade union support — were capable of staging strikes which involved thousands of people. The assumption that, when institutional arrangements are ineffective, workers will go on (wildcat) strikes seems hasty and simplistic. Finally, the institutional approach does not answer the question of why wildcat strikes are often contagious, with a strike happening in one company leading to 'copy-cat' strikes in neighbouring companies.

The Class Consciousness and Cultural Identity Approach

The second common approach to explaining strikes in Vietnam (and China) is through the notion that class and cultural identity can have a profound influence on labour resistance (Burawoy, 1979). In discussing informal labour activism in Shenzhen, China, Chan (2011) found that class consciousness among workers, especially migrant workers, has increased based on their common provinces of origin and their mutual identity as 'working class'. In a similar approach, Tran (2013) explored the extent to which Vietnamese workers used their cultural identity to connect with each other both inside and outside the factory and found that, in moments of crisis, mutual cultural identity enables labour mobilization and class consciousness among workers.

The class consciousness approach explains how workers were able (or not able, in some cases) to mobilize for collective actions. However, with a focus on case studies, the scholars who adopt this approach tend to overlook the overall trends and patterns of collective labour activism across enterprises and industries, particularly the question of whether some strikes were better organized than others and if there were any linkages among the strikes that happened in the same region and around similar demands.⁴

The Role of Internal Workplace Politics

On the question of why strikes tend to happen more often in foreign-owned companies than in domestic SOEs, despite the fact that wages and working conditions are similar, Suhong Chae (2011) argued that the political structure and processes within the factory regime play a crucial role. In particular, the Vietnamese middle management can either act as an effective mechanism to defuse potential labour conflicts or can increase the probability of collective actions depending on how they are integrated into the internal political structure of the companies by the foreign employers. The importance of internal workplace politics is echoed by Do (2011) and Tran (2013) in discussing labour relations in SOEs. Entangled in a complicated network of familial relationships among managers and workers which was built in the command economy era, workers in SOEs were unable to stage strikes despite their degrading working conditions. Rather, the SOE workers used other types of labour resistance such as absenteeism, mass petitions and go-slows to show their discontent with management.

The analysis of strikes through internal workplace politics helps explain why strikes happened or did not happen and, as such, it tends to regard all strikes as identical. In fact, strikes differ in terms of how they are organized, whether or not there is a strong leadership behind the strike organization and whether the unions are involved in the strikes (Anner and Liu, 2016). This article makes use of the institutional, cultural identity and internal workplace politics approaches in analysing how strikes are organized in Vietnam and then observes the trends of strikes and coordination among strikes over the period 2004 to 2015. The longitudinal approach requires long-term observations and study of the same groups of companies in the same regions that experienced repetitive strikes over a long period of time. The longitudinal analysis will address the question of whether or not there is any coordination or linkage between (wildcat) strikes in Vietnam and whether there are differences in the way strikes are organized in different workplaces.

4. Siu and Chan (2015) and Tran (2007) discuss the waves of minimum-wage strikes in the southern provinces of Vietnam and point out the 'contagion' of strikes from one company to others, but they do not establish any linkages between these strikes.

STRIKE ORGANIZATION AND COORDINATION

Clarke and Pringle (2009) found that most strikes in both China and Vietnam are organized by informal leaders who tend to be experienced workers or even supervisors. In Vietnam, particularly, covert collaboration between the informal leaders and the official trade union leaders were found in quite a few cases (Anner and Liu, 2016; Clarke and Pringle, 2009); the official union leaders can exploit threats of unofficial action to negotiate with management. My own study reaffirmed these findings, and also showed that in some companies, the informal organization and leadership of workers existed not only during strikes but even after the collective actions. The informal leaders usually attempted to negotiate with the employers by sending petitions and threatening to strike. If the employers turned down the petitions or the two parties failed to reach agreement on new wage rates, the workers would walk out. Two typical cases of companies with a strong informal labour movement are described below.

Case 1: Japanese Electronics Company, Hanoi

The Japanese Electronics Company (referred to hereafter as 'JE') was established in 2003 in one of the biggest industrial zones in Hanoi. The company employed 3,200 workers, 80 per cent of whom were migrants from neighbouring provinces. The average age of the workers was only 21 years old and 95 per cent were female. The migrant workers lived in rented apartments built by local inhabitants in two villages surrounding the industrial zone. There were 120 Japanese managers and technicians at the company, occupying all the managerial positions at departmental level and above. The Japanese management practised an authoritarian approach to labour relations, making all decisions without consulting the lower-level Vietnamese managers and workers.

The first strike took place in 2004 and showed strong organization. First, the workers drafted a petition in Japanese, calling for a wage increase of 30 per cent and threatening to strike in three days if the employer refused to consider their demand. Interviews with the workers and Vietnamese managers revealed that the collective action was organized by a group of team leaders, supported by some Vietnamese managers and engineers who helped draft the petition in Japanese. When the Japanese management did not reply to the petition, all the Vietnamese rank-and-file workers and office clerks walked out for 24 hours. After the strike, a wage increase of 7 per cent was agreed.

The second strike occurred in 2008. In that year, the inflation rate peaked at 19 per cent, while JE only agreed to raise wages by 16 per cent. The group of team leaders held discussions over the phone about organizing collective action to demand a higher wage increase. During a night shift, the team

leaders passed around a sample petition for workers to copy. In total, 1,200 hand-written petitions were submitted to the Japanese management the next morning, demanding a wage rise of at least 19 per cent if a strike was to be avoided. The management refused to accept the workers' demand and a strike followed, lasting for three days. The result was a wage increase of 20 per cent.

There were two more strikes at JE, in late 2008 and in 2011, organized by the same group of team leaders. According to the interviewed workers, the Japanese management have tried many ways to find out the identity of these strike leaders but have failed due to the workers' protection. The management of JE admitted that they had to improve communications with workers and be careful in the future because they knew that strikes would result if the workers were unhappy.

Case 2: Taiwanese Footwear Company, Long An

The Taiwanese Footwear Company (referred to hereafter as 'TF') is the biggest company in the province, employing over 22,000 workers in 2010, among whom 82 per cent were women and 30 per cent were migrants. Like the Japanese managers of JE, the Taiwanese management had an authoritarian approach, giving workers no chance to voice any grievances. The company union was headed by the Vietnamese HR manager.⁵

In 2003, over 5,000 workers took part in a go-slow lasting for five days. The go-slow was led by a group of experienced workers in the cutting section. The workers demanded a wage rise of 10 per cent and the freedom to choose their own union leaders. The workers even contacted Nike, the biggest buyer of TF, to put pressure on the Taiwanese management. TF finally accepted all the workers' demands. A union election was organized and one of the leaders of the strike, a cutter, was elected the union chairman.

In 2008, Vietnam experienced a double-digit inflation rate. Workers talked to their team leaders and union officials to demand a wage increase. The union chairman collected the workers' opinions through the team leaders and proposed to hold negotiations with the Taiwanese management in order to avoid a strike, but the latter refused. The union chairman secretly encouraged the team leaders and workers to walk out while he contacted the district-level union to inform them about the strike, and prepared for strike settlement. The strike lasted for two days and the company accepted workers' demands for a wage increase of 15 per cent.

Two further strikes in 2011 and 2015 followed the same pattern: the union chairman received petitions from workers and tried to negotiate with the

5. Vietnamese law does not prohibit managers from joining the union or leading company unions.

management but failed; he signalled to the workers to go on strike and then negotiated with the management to settle the strikes.

Coordination among Strikes

Employers in the same industrial zones or industrial clusters often coordinate with one another informally, for example paying similar wage rates in order to avoid competition. This practice is most common among East Asian employers such as Japanese, Korean and Taiwanese companies. A union official of Ho Chi Minh City Industrial Zone Union said:

The directors of companies in the same industrial zone meet every month to discuss many issues including the wages and allowances paid to employees, especially the rank-and-file workers. They would generally agree on a similar level of salaries paid to the workers in the industrial zone to prevent wage competition among member companies which may lead to strikes and loss of workers.⁶

My study found that coordination among employers was practised by Japanese electronics employers in industrial zones in Hanoi, Bac Ninh and Hai Phong; by Korean garment companies in Binh Duong and Hai Phong; Taiwanese wood producers in Dong Nai; and Taiwanese footwear manufacturers in Ho Chi Minh City, Binh Duong, Dong Nai and Long An. The level of coordination and commitment of the employers to these informal groups varies: it is strongest among the Japanese companies, as one employer will need to consult and get the consent of all other members of the group before adjusting the basic wages of workers; Korean and Taiwanese employers normally inform other companies in their groups informally before making basic wage adjustments.

The companies with strong informal labour organization and leadership were often the first in the industrial zone or in the province to experience strikes. When the strikes ended, usually with victory for the workers, the wage rates in these companies became higher than those in neighbouring companies, disrupting the balance of wages in the region. Consequently, the workers in the neighbouring companies would quickly walk out to demand the same level of wage increase.

The 2008 strike at JE, for instance, which ended with a 20 per cent increase in basic salary, resulted in strikes in 13 other companies in the same industrial zone. Workers of these companies demanded the same 20 per cent rise in the basic salary. The 2008 strike at TF also led to six more strikes in the province. The organization and leadership of these 'copy-cat' strikes, however, were not as clear and developed as the leading strikes. Typically, a call for strike action would be posted on the toilet walls or strike leaflets distributed among

6. Interview, union official, Ho Chi Minh City Industrial Zone Union, 16 June 2013.

workers just a few days before the strike happened. The workers would not attempt to negotiate with the employers prior to the strike.

Aware of the influence of leading strikes on surrounding companies, the union organizations in the most strike-prone provinces tried a new initiative to minimize strikes. When the leading strikes ended, the provincial union officials would inform the unions of neighbouring companies about the new wage rates and advise them to initiate negotiations with their employers to prevent strikes. In other words, the provincial union organizations have promoted the application of pattern bargaining. The participation of the provincial union organizations in the negotiation process at the enterprise level has not only helped the enterprise unions to improve their negotiation capacity, as a result of having more relevant information, but has also prevented the occurrence of strikes in many cases.

LABOUR ACTIVISM, UNION REFORM AND THE TPP

Before Vietnam signed the Trans-Pacific Partnership (TPP) in late 2015, the country's leadership was divided about how to handle the challenge from informal labour activism. On the one hand, the strike-prone provinces and some government officials believed that informal labour activism was a symptom of the official unions not fulfilling their role of representing workers, implying that the union system should be reformed. In his closing remark at a meeting on 17 August 2006 with ministers and leaders of the most strike-hit provinces, the Prime Minister stated clearly the need for the VGCL to strengthen its representation at workplaces:

The VGCL should promptly propose appropriate measures to improve the quality and effectiveness of enterprise unions. Also, it is important for the union organization to provide training and appoint more professional union officers to industrial-processing zones, strengthen the education of labour law and coordinate with other agencies to settle collective labour disputes in enterprises, especially the foreign-owned ones.⁷

On the other hand, however, other senior Party leaders perceived the rise of informal labour activism as a direct threat to the representation monopoly of the VGCL and felt that it showed the Party's weakness. In the words of then-President Truong Tan Sang:

For a long time we were more interested in economic growth than developing political organizations at enterprises This is not only the union's responsibility. All the political systems have to get involved to urgently find out breakthrough measures so that we ourselves will lead strikes or we do not strike but resolve disputes through negotiation so as to prevent other forces from taking advantage of workers. (*Lao Dong*, 2008)

7. Government Office Document No. 134/TB-VPCP dated 29 August 2006: see <http://timhieuphapluat.vn/van-ban-chuyen-nganh/thong-bao-134-tb-vpcp-ket-luan-cua-thu-tuong-chinh-phu-nguyen-tan-dung-tai-buoi-lam-viec-voi-lanh-dao-cua-thanh-pho-ho-chi-minh-do-van-phong-chinh-phu.aspx>

In other words, it is the responsibility of the whole political system, not just the union, to address labour activism. The most important measure to achieve this is to extend Party membership among the workers.⁸

Wave of Strikes against the New Social Security Law

While the party state remains divided about the direction of industrial relations reform, there has been a new wave of strikes in Vietnam in recent years. In April 2015, over 140,000 workers in the south of the country were involved in strikes against a government policy on social security. The strike wave happened in the same way as the strikes described above: the leading strike, involving 90,000 workers, started in Pouyuen, a Taiwanese footwear company in Ho Chi Minh City, after the workers were informed that, effective on 1 January 2016, policy changes would mean that they could not withdraw their pensions when they wanted, but would have to wait until their retirement age (BBC News, 2015). Pouyuen is the biggest factory in the country; it has strong informal labour organization and had experienced many strikes in the past. The new policy apparently conflicted with the interests of migrant workers who worked in industrial zones for a few years before returning to their home villages. In line with the development of a strike wave discussed above, the strike at Pouyuen quickly provoked strikes at other industrial zones in Ho Chi Minh City, Long An and other neighbouring provinces; the strikes only ended after the Prime Minister had promised to discuss the revised policy at the National Assembly. The strikes over the social security law show that workers are using (wildcat) strikes as their major and most effective tool not only to fight for better employment conditions but also to influence government policies that affect their well-being.

Union Reform: External Pressure and Internal Demand

The wave of strikes against the social security law has further aggravated tensions in the labour relations system — tensions which start at the grassroots level and have led to divisions among the top leadership. Labour unrest, together with prolonged economic recession in Vietnam since 2008, and the aggression of China in the South China Sea, have encouraged Vietnam to sign the TPP, including a ‘consistency plan’ (or side letter): a bilateral agreement signed with the USA on the development of industrial relations.⁹

8. As per Central Party Committee Resolution No. 20: see <https://thuvienphapluat.vn/van-ban/Linh-vuc-khac/Nghi-quyet-20-NQ-TW-tiep-tuc-xay-dung-giai-cap-cong-nhan-Viet-Nam-138294.aspx>

9. For the text of the VN-US Consistency Plan, see: <https://ustr.gov/sites/default/files/TPP-Final-Text-Labour-US-VN-Plan-for-Enhancement-of-Trade-and-Labor-Relations.pdf>

The most important commitments made by Vietnam in the consistency plan include the commitment to allow independent unions to be established at enterprise, industry and regional levels, that do not have to affiliate with the VGCL but can register with a ‘competent government body’. These unions will receive their share of union dues and union tax as regulated by law. Managers are prohibited from leading enterprise unions. The upper-level unions are not allowed to represent unorganized workers unless the latter make a written request. Vietnam’s compliance with the commitments in the TPP will be monitored by a Labour Expert Committee comprising an independent expert appointed by the USA, another expert appointed by Vietnam and an ILO expert. Violations may result in postponement of tariff reductions on Vietnamese exports to the USA.

In January 2017, newly elected US President Donald Trump withdrew the USA from the TPP, which possibly marked the end of the partnership. However, the Politburo — the highest leadership of the Vietnam Communist Party — issued Resolution 06 in January 2017, just a few days before President Trump’s decision, to recognize ‘worker organizations’ (or independent unions) along with the VGCL (Politburo, 2017). This suggests that the decision to recognize independent unions is not due to external pressure (from TPP and the USA) but rather the result of internal demand for reforms to the union system.¹⁰ The VCP’s recognition of independent unions also shows the impact of non-conventional labour activism in the global supply chains in Vietnam on the institutional settings of the country.

Under the pressure of the VCP and potential competition from independent unions, the VGCL has taken the first step of submitting an official request to the Politburo to grant the national union autonomy in personnel appointment and separation from non-union tasks assigned by the Party. According to Mai Duc Chinh, Vice Chairman of VGCL: ‘if the VGCL is not given the autonomy to decide its own personnel and free the system from non-union tasks assigned to us by the local Party committees, we will lose this battle the first day the TPP comes into effect. It is like throwing us to the sea with our hands and legs tied up’.¹¹ In other words, in order to gain the confidence of workers so as to represent them in negotiations with employers, the VGCL itself must first become autonomous from the VCP.

CONCLUSION

Using a longitudinal approach to studying wildcat strikes in Vietnam, this research has found that there is (informal) coordination between strikes

10. Interview with Legal Affairs Department, Ministry of Labour, Invalids and Social Affairs, July 2016.

11. Mai Duc Chinh’s speech at the MOLISA-ILO Conference on ‘Future of Labour Relations in Vietnam’, Hanoi (2 December 2015).

in the same region. A wave of strikes is normally initiated by a leading strike which is staged by workers in companies with strong informal labour organization. The leading strikes usually occur after unsuccessful attempts by the informal leaders of the workers (usually team leaders or experienced workers), sometimes with the covert support of the official enterprise union leaders and Vietnamese managers, to negotiate for workers' interests, such as higher wages. When the leading strikes are settled in the workers' favour, workers in neighbouring companies will stage spontaneous strikes to demand similar benefits.

This informal labour activism — which has mostly been found in enterprises involved in global supply chains — and the coordination of strikes across different workplaces have put pressure on the government to reform the trade union structure. The government has revised the Labour Code and urged the VGCL to strengthen its grassroots unions. But the biggest change has been the VCP's recognition of independent unions even though the TPP has floundered. This proved that the need to reform the labour institutions and the union system had emerged from the internal demands of workers, expressed through thousands of wildcat strikes, rather than from the external pressure of trading partner countries.

It is possible that the VCP will prevent the independent unions from embracing political purposes and will find a way to 'legally' constrain independent unions. However, reforming unions may prove an irreversible trend; in the context of wider political reforms, the trade union system will probably move in a direction that allows for the involvement of labour NGOs, independent labour activists and independent enterprise unions. The VGCL will be reformed to become less bureaucratic and more accountable to its members. The VGCL executive is already looking to various international experiences, for example, in Russia and Eastern Europe, Indonesia and Singapore, to develop a strategy that will secure the leadership role of the VGCL in an evolving labour movement environment.

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