

Wildcat strikes: A catalyst for union reform in Vietnam?

Do Quynh Chi

VietLabour Research Center for Labour Relations, Vietnam

Di van den Broek

University of Sydney Business School, Australia

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Abstract

During the past decade, Vietnam has transitioned from a highly regulated and authoritarian system to a more market-oriented economy. During this period, Vietnam has also experienced unprecedented levels of industrial action. Informal wildcat strikes, as well as high labour turnover and absenteeism, were most apparent in foreign firms within specific provinces. This article examines the impact of wildcat strikes on reform within Vietnamese trade unions. It suggests that the strikes posed significant challenges for Vietnamese trade unions to be more democratic. However, union subordination to the Communist Party and managerially dependent enterprise unions remained a major obstacle to fundamental trade union reform.

Keywords

Rank and file, trade union reform, Vietnam, wildcat strikes

Introduction

During the past decade, Vietnam has moved away from a highly regulated and authoritarian system of employment relations, and towards a more market-oriented political economy. During this transition, there have been an unprecedented number of informal industrial actions, particularly wildcat strikes, across various provinces within Vietnam. While these strike waves were symptomatic of significant changes taking place in the Vietnamese economy (greater foreign direct investment (FDI) and export orientation), they were also reflective of fundamental change to labour relations (McCargo, 2004; McCormick, 1998). Indeed, industrial

Corresponding author:

Di van den Broek, Work and Organisational Studies, University of Sydney Business School, NSW 2006, Australia.

Email: diane.vandenbroek@sydney.edu.au

action was deeply interrelated, as institutional changes at the national and provincial levels shaped and were shaped by firm-level activities.

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

This article analyses the impact of widespread unauthorised industrial action on trade union reform in Vietnam. It argues that several years of ongoing wildcat strikes in Vietnam have resulted in some adjustment of the trade unions' approach and priorities, most notably at local levels. While various initiatives outlined later have signified steps towards reform, fundamental union reform at the leadership level remains a remote prospect. Despite the economic reform launched in 1986, unions have done little to redefine their role to represent workers, primarily because unions' political legitimacy has been secured by the protection of the Communist Party at the national and provincial levels (Chan, 2008; Chan and Nørlund, 1995; Chan and Wang, 2005). Similarly, many enterprise unions remain dependent on firm management. The article analyses these conflicting tensions within the VGCL through a multi-level analysis of the strikes at the local, district/provincial and national levels. The article proceeds by, first, outlining the research method used in the study, highlighting the macro-, meso- and micro-level approach adopted. It then provides an overview of the strike wave in Vietnam. Later sections then outline the responses of trade unions to informal worker activism and the subsequent initiatives by the VGCL. The final section concludes by investigating the challenges to trade union reform that have developed in Vietnam and the potential for change in the future.

Research methodology

This examination of informal strike action and union reform is based on a combination of documentation analysis and interview research methods. The documents collected include legislation and directives issued by the relevant agencies, public announcements and minutes of meetings, and internal reports of provincial and national governments. Documents from trade union organisations, communication between provincial governments and the central state, position letters of

business associations on industrial relations sent to the Prime Minister and other central authorities, and minutes of meetings and mission reports of International Labour Office (ILO) specialists were also referred to.

Interviews in this research were undertaken with provincial labour and union officials, and representatives of employers' organisations and business associations, mostly in Ho Chi Minh City (HCMC) and Hanoi. Also, the authors interviewed national officials from Ministry of Labour, Invalids and Social Affairs (MOLISA), Vietnam General Confederation of Labour (VGCL) and VCCI to understand their key roles and views of industrial relations institutions. A senior industrial relations expert of the ILO, who had worked with the government and social partners since 2002, was also interviewed.

Interviews of workers in this sector were chosen because manufacturing has played a pioneering role in the industrialisation strategy of Vietnam and is more exposed to global competition than other industries. In 2006, for example, the manufacturing sector accounted for 20% of gross domestic product (GDP), 50% of export value and over 80% of the total value of the industrial sector (GSO, 2006). Further, sectors that are central to economic growth tend to set the pattern of employment practices and industrial relations strategies for the wider economy (Kochan et al., 1997).

Overview of strikes in Vietnam

Changes in industrialisation strategies or specific national politics have for some time underscored much reform in Vietnam, as well as other East Asian countries (Frenkel and Harrod, 1995: 322; Kuruvilla and Venkataratnam, 1996). The economic reform launched by the Vietnamese government in 1986 was based on three key pillars: growth of the non-public sector, including indigenous private companies and foreign-owned entities; restructuring and privatisation of state-owned companies; and shifts to an export-oriented industrialisation strategy. Based on the advantages of rich natural resources and cheap labour, Vietnam achieved major economic successes: an average GDP growth rate of 8% from 1997 to 2007, with the volume of FDI increasing 10 times, from US\$2.45b in 2001 to US\$20.3b in 2007 (Beresford, 1989; Central Party Committee, 2001: 1; GSO, 2008).

Despite these economic gains, the macroeconomic institutions of Vietnam have experienced only modest changes over the last two decades, adopting a more 'gradualist' approach. For example, while there has been an increased role for provincial governments, Communist Party domination has been retained (Caufield, 2006). Similarly, despite the promulgation of new labour and union legislation, industrial relations institutions have remained largely unchanged. For example, although trade unions have gained some independence from the state, they remain dependent on management in the workplace and subordinate to the Communist Party at the national level. As such, industrial relations actors largely continue to operate as they did before the economic reform. However, what have changed are the levels of industrial unrest.

The first decade after the promulgation of the 1995 Labour Code saw an average of 100 strikes per year. As indicated later, figures for wildcat strikes have steadily risen since 2005, reaching a peak in 2008 with almost 800 strikes. They dropped in 2009 due to the impacts of the global economic crisis, but increased again in 2010, reaching a new record of 978 in 2011.

While the manufacturing industry has been the growth engine of the Vietnamese economy since *Doi Moi*, it has also been the most exposed to industrial unrest, including wildcat strikes, labour shortages and high attrition rates. Among the manufacturing industries, the garment and textile sectors have suffered most from strikes, with 30% of strikes occurring within the textile industry (ILO Industrial Relations Project, 2011). In terms of location, over 80% of strikes have also occurred in HCMC, Binh Duong and Dong Nai – the three most industrialised 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).

Another noteworthy feature of (wildcat) strikes in Vietnam is the fact that 70% of strikes occurred in unionised companies, with just under 80% of strikes occurring in enterprises with foreign investment (ILO Industrial Relations Project, 2011). This fact in itself indicates that enterprise unions have been ineffective in representing workers in negotiations with employers, which partially explains the explosion of wildcat strikes that have emerged since 2000.

This article proceeds by providing a detailed analysis of the implications of recent wildcat strikes in Vietnam for trade union reform. While the organisation of wildcat strikes at firm level has been the subject of previous studies (see e.g. Chan, 2011; Kerkvliet, 2001; Tran, 2007a), this article specifically focuses on how wildcat strikes have shaped trade union activities at the local and national levels. As such, the responses of the local-level trade unions, who dealt directly with strikes and strikers, will be discussed. This will be followed by discussion of the impact of wildcat strikes and the approaches of the local trade unions on changes in the policies and actions of the VGCL.

Responses of local trade unions to informal worker activism

Until 2006, industrial action in Vietnam generally emerged as a result of employers failing to respect workers' rights or work within the law. In many ways, there was a prevailing unitarist approach to labour-management relations (Ackers and Wilkinson, 2003), where strikes were seen to be the result of employers' violations of workers' rights rather than emerging from a fundamental conflict of interest between workers and management (VGCL, 2006). The common response by the local authorities to strikes, therefore, was to protect the workers while placing pressure on the employers to stop their violations.

However, in the period after 2004, wildcat strikes reflected a shift from 'rights-based' to 'interest-based' concerns, with the proportion of strike demands for higher wages and better working conditions exceeding demands for rights

(Clarke et al., 2007). The 2006 strike wave in HCMC, Dong Nai and Binh Duong is illustrative here (for details about the 2006 strike wave, see Tran, 2007a). In the report to the Labour Ministry and the local People's Committee right after the strike wave, the HCMC Department of Labour, Invalids and Social Affairs (DOLISA) reported that over 77% of the strikes that occurred between December 2005 and February 2006 involved interest-based demands, mostly about wages, meals and bonuses (DOLISA, 2006). Upon consideration of the reports on strikes from Dong Nai, Binh Duong and HCMC, the Minister of Labour emphasised:

Strikes not only happened in the companies that failed to respect workers' rights but also in those that complied well with the law... The workers on strikes not only asked the employers to comply with the labour legislation but also demanded for better interests such as higher wages, allowances for accommodation and travel, and birthday gifts. (MOLISA, 2007)

Once the causes of strikes were defined as emanating from conflicts between workers and employers, rather than from the latter's violations, it was apparent that traditional approaches to dispute settling needed reform.

After the strike wave in 2006, the trade union of HCMC pioneered reformist approaches to wildcat strikes. For example, instead of negotiating with employers on the workers' behalf, the district unionists encouraged enterprise unions to bargain with employers and settle the disputes themselves, while the members of the strike taskforces acted as neutral facilitators and observers of the negotiations. The chairman of HCMC's industrial zone (HEPZA) union illustrates this: 'Now we require enterprise union officers to talk to workers and negotiate with employers. We support them by monitoring the employers' compliance with what was agreed' (cited in *Nguoi Lao Dong*, 2007a).

The HCMC government urged district union leaders to take immediate action to strengthen the representational role of unions at the enterprise level, particularly those in the FDI sector. To that end, the HCMC union stressed two key measures: the first initiative promoted genuine collective bargaining in enterprises; the second was to make unions more representative of workers. Provincial unions' initiatives were positively received by national union leaders and became important themes for the revision of the Union Statute in 2008. While the 2003 Union Statute placed the function of educating workers on the party-state's advocacy at the top of the list of union responsibilities, the 2008 amendment to the Union Statute regarded the protection of workers' interests through collective bargaining, the organisation of worker congresses, the settlement of labour disputes and the organisation of collective actions as the priority tasks of primary unions in non-public enterprises (2008 Union Statute, Article 20).

Further, in the 2003 Union Statute, the mandate of district and industrial zone unions was limited to disseminating information about the party-state's advocacy, legislation and union initiatives, organising social campaigns, and monitoring

enterprises' compliance with the labour and trade union laws. The 2008 amendment substantially extended the mandate of district and industrial zone unions to 'settle labour disputes in the constituency, support enterprise unions to negotiate collective agreements, organise dialogue with employers, organise and lead strikes in accordance with the law' (2008 Union Statute, Article 26(4) and Article 27(3a)).

Albeit using different methods, these developments exemplify two major breakthroughs for Vietnamese unions. The first is that rank-and-file workers have been gradually recognised as playing a significant role in the reform of labour relations, as union leaderships begin to grasp their concerns. To that end, the VGCL has understood the need to mobilise its resources beyond the enterprise. In particular, the district unions have been given an additional mandate to provide direct support to workers and enterprise unions (Nguyen, 2008: 1–3). Also, in the party-state structure of Vietnam, full-time union officials at the district level and higher are regarded as civil servants and it was the norm for them, especially in the command economy, to work with enterprise union leaders and company managers in the workplace rather than reaching out to rank-and-file workers in their communities. Against this norm, HCMC union has encouraged its district and enterprise unions to place workers at the centre of their work by involving workers in genuine collective bargaining and strike settlement. In other words, these developments have broken two long-standing tenets or 'fences' in transforming the old socialist union approach into one that fits with the labour relations more associated with other market economies. However, as elaborated later, while various changes have been implemented to reduce the prospect of industrial action, the prevalence of informal activities (as indicated in Figure 1) has remained.

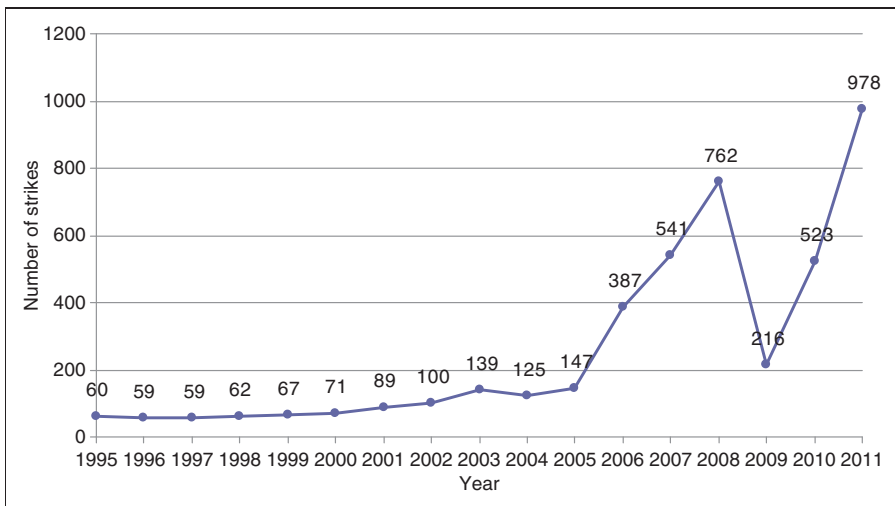


Figure 1. Number of strikes, 1995–2011.

Source: Unpublished strike statistics by VGCL, collected by the authors.

The VGCL: Between reform and political protection

Trade unions in Vietnam mirror similar structures of the government and the Communist Party. Governmental departments report directly to the People's Committees, and local trade unions are accountable to the Party Committee of the same level. Yet the People's Committees are expected to report regularly to the local Party Committee, which holds the highest power. The key personnel of the local governments, departments and socio-political branches, including the local trade unions, are subject to the selection of the Party Committee, even though later elections may be organised to officially approve the Party's choices (Kerkvliet and Marr, 2004). This also means that the district and provincial trade unions are subject to VGCL policy and the direction and coordination of the local Party Committee.

Many commentators have agreed that industrial relations change will rest largely on the ability of the VGCL to redefine its role to represent workers, and only partially on the development of a new legislative framework (Chan and Nørlund, 1995; Clarke, 2006; Tran, 2007b; Zhu and Fahey, 2000). The emergence of informal worker activism, especially since 2005, has challenged the legitimacy of the VGCL and could be seen as a catalyst to VGCL reform. However, informal worker activism did not necessarily create direct pressure on the top level of the trade union structure, as the VGCL leaders initially attributed industrial action to enterprise union weakness rather than the need for internal VGCL reform. Amid the 2005–2006 strike wave in the South, the then-VGCL chairwoman, Cu Thi Hau, stated that:

It is true that primary union leaders were not able to lead strikes but the main reason is because they are also employees who are paid by the employers. If they organised strikes, they would be dismissed by the employers . . . The Labour Code should be revised so as to provide [primary] union leaders with financial support so that they can be independent of the employers. (*VnExpress*, 2006)

The strike-prone provinces were the first to voice their criticism of weak enterprise unions as one of the major causes of workplace conflicts. In a report on the strike wave in 2006, the People's Committee of HCMC believed that enterprise unions had played a 'minimal role in protecting workers' interests', and had little capacity to mediate and represent workers (HCMC People's Committee, 2006).

Employers in strike-prone companies were also unhappy that enterprise union officials had no advance knowledge of workers' strikes, and during strikes the enterprise unionists were not able to represent workers in negotiations with employers, thus prolonging the settlement process (Interview, Deputy Director, VCCI, April 2009). According to the interviewed VCCI official, a number of foreign employers had become so disappointed with the enterprise union that they decided to bypass their own enterprise union officials to set up their own communication system with rank-and-file workers so as to identify early signs of

discontent and conflict. For instance, a Taiwanese footwear company in Dong Nai organised weekly meetings between the top Taiwanese management and the local workers to address the latter's queries directly rather than relying totally on the enterprise union leaders. In another example, the executives of a Korean garment producer in Binh Duong met with all the team leaders every Monday to address the workers' opinions and queries conveyed through the team leaders (Do, 2012).

The potential of labour activism and the ineffectiveness of enterprise unions in representing workers have therefore become a concern for the national government. In the closing remarks at a meeting on 17 August 2006 with ministers and leaders of strike-hit provinces to discuss solutions to contain strikes, the Prime Minister clearly stated the need for the VGCL to reform their organisations:

The VGCL should promptly propose appropriate measures to improve the quality and effectiveness of enterprise unions. Also, it is important for the union organisation 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. (Government Office Document No. 134/TB-VPCP, 29 August 2006)

Some senior Communist Party officials also perceived the ineffectiveness of enterprise unions in representing workers as a direct threat to the representation of the VGCL. In a tripartite conference on the role of the trade union in organising labour strikes in Hanoi, Professor Luu Van Sung, Director of the Ho Chi Minh National Political Institute – the Communist Party's major think tank – stated bluntly: 'Trade unions are responsible for protecting workers' interests. If negotiation with employers fails, the union must organise strike. If the union cannot perform this function, I am afraid that other forces will take over the task' (*Nguoi Lao Dong*, 2008b).

Consequently, in a visit to the South after the 2006 strike wave, Cu Thi Hau emphasised that protection of workers' interests must be a 'top priority... only in so doing, the trade union becomes strong and sustainable' (*Nguoi Lao Dong*, 2006). Thus, upon redefinition of the union's direction, a number of initiatives have been taken, including the extension of VGCL membership in the non-public sector, promotion of collective bargaining at the enterprise and higher levels, increased support to the primary unions, and increased lobbying for political alliances and legislative change.

Extension of union membership in the private sector

Low unionisation rates (13%) in the private sector have been identified by the VGCL as a contributing cause of wildcat strikes (VGCL, 2006). Upon the assumption that strikes are less likely to happen in unionised enterprises, the VGCL has made the spread of unions in foreign-owned and private domestic companies a priority. In 2003, the 9th National Union Congress launched the

'one-million-member campaign', the goal of which was to recruit one million new union members in five years, from 2003 to 2008. By the end of 2007, the VGCL announced that the campaign was already a great success, recruiting 1.6 million new members. However, two-thirds of this new union membership was concentrated in state corporations and civil service units, where new recruits were commonly encouraged to join the union (VGCL, 2008a).

In the private and foreign-owned sectors, however, extension of union membership was slow and difficult. The VGCL blamed employer hostility and non-cooperation as being the major obstacle to the union's organising efforts (VGCL, 2008b: 5). However, one Hanoi-based Japanese employer believed that 'it was difficult to set up a union because workers did not want to join. They said that they did not want to pay union fees without receiving any benefits from the union' (Interview, Japanese Manager JE1, 14 April 2008).

These views suggest how many workers see enterprise unions as providing inadequate representation or independence from management. They also highlight that such a bureaucratic (and closed-shop) approach may not necessarily guarantee active membership. Indeed, 'a large membership does not necessarily guarantee the strength of unions' (Interview, District Union Official U8, June 2009), and does not provide a sustainable future for Vietnamese trade unions.

The pressure of wildcat strikes underscored the need for the VGCL (and the wider trade union movement) to regain their influence and legitimacy, particularly in non-union sectors of the economy. However, it has been particularly in the private sector where most union recruitment has faltered. It is also in these areas that wildcat strikes are most prevalent. As such, the inherent weakness of enterprise unions and their enduring dependence on management will remain a persistent problem for union legitimacy in Vietnam.

Collective bargaining at enterprise level

The issue of enterprise union independence is not lost on workers. As one 20-year-old female worker stated: 'I have never attended any union congress but I know that the union must be independent of management to be able to protect workers. If they are not separated from management, they cannot help us' (Interview, Worker, December 2008). As this quote highlights, this level of awareness about union independence, particularly this lack of union independence from management, has undermined the ability of unions to secure genuine collective bargaining. While these concerns may be an increasingly important issue for Vietnamese workers, they had not been a priority for the VGCL until after the 2006 strike wave. The VGCL does not have a collective agreement or industrial relations department, and collective bargaining was only recently added to the portfolio of the Policy-Legal Affairs Department after the 10th National Union Congress. As such, the 2006 strike wave, and particularly the shift of focus from strike settlement to promoting collective bargaining by unions in strike-prone provinces, has influenced changes within the VGCL's approach.

For example, in 2007, the VGCL agreed with MOLISA to set the target of raising the coverage of collective agreements to 60% of unionised enterprises (MOLISA, 2007). After two years, the VGCL successfully increased the coverage of collective agreements so that by June 2009, 65.22% of unionised enterprises were covered by collective agreements: 96.33% in the state sector, 64.57% in the foreign-owned sector and 59.21% in the private sector (VGCL, 2009).

Despite a remarkable increase in the number of collective agreements, little progress was seen in the quality of these agreements. For example, the VGCL admitted that only 40% of collective agreements provided benefits higher than the law. However, the majority of these benefits included only allowances for transportation, sickness, weddings and funerals, which had already been provided by the employers prior to the collective agreements (VGCL, 2009: 1–3). According to the VGCL, the reason for the poor quality of collective agreements was because only half of the collective agreements were signed as a result of real negotiation, mostly in state-owned corporations, while in private enterprises, collective agreements were drafted by management without consultation with the union (VGCL, 2009: 3).

These developments further highlight that the VGCL has attempted to change internal practices by attaching more significance to genuine collective bargaining and by adopting some improved practices from provincial unions. However, overall, the VGCL's approach continues to be formalistic and bureaucratic, with more attention paid to numerical targets than to the quality of collective bargaining. As such, attempts to strengthen the capacity of enterprise unions to better equip them to represent workers in negotiations with employers may be limited.

Support for enterprise unions

The VGCL attributes enterprise unions' weakness to two important factors: one is union officers' shortage of skills and knowledge to be able to represent workers effectively; the other is their reliance on management regarding employment and salaries (VGCL, 2007). Hence, the VGCL has made a number of efforts to provide training to union officers. For example, the national union funds long-term training for professional unionists, 79% of whom work at provincial unions. But the VGCL has no regular budget allocation for the training of enterprise union officers. In fact, short training courses on collective bargaining skills, labour and union legislation, labour contracts, and dispute-settlement procedures for union leaders are usually funded by provincial budgets. Consequently, the training courses, especially for enterprise union leaders, have been provided more on an ad hoc, rather than on a regular, basis.

As discussed above, the success of HCMC union initiatives in reaching out to rank and file workers have encouraged the VGCL to extend their involvement in protecting workers at the workplace level, so as to improve the credibility of enterprise unions (Union Statute, 2008 Article 26(4) and Article 27 (3a)). In this

way, the VGCL has attempted to substitute for or overcome some of the enterprise union's weaknesses and their dependence on management. However, recent studies undertaken by the ILO in Vietnam indicate that the trade union system lacks the necessary (will and financial) resources to carry out such an extended mandate (Nguyen, 2010). For example, in the Japan Electronics Vietnam (JEV), management–union meetings were often opportunities for management to rubber-stamp managerial initiatives and prevent the potential of industrial action. As one union chairman noted, disagreement at these meetings is rare:

Disagreement between the union and the management is not common, because it is difficult to disagree with the management. You have to understand that apart from your position as the union chairman, you are an employee receiving salary from them. (Interview, Union Chairman, April 2008)

Similarly, scarce union resources are a barrier to reform. On average, each district union has 2.5 staff, but they will have to provide support to thousands, if not hundreds of thousands, of enterprises in their constituency. Visiting enterprise unions has already presented a financial burden for district unionists because transportation to companies in the locality is not regarded as an official budget allocation of the union (Nguyen, 2008).

The initiatives of strike-hit provinces in the South, especially Ho Chi Minh City, have offered some new opportunities for trade union reform and some steps in these directions have taken place, including some of the initiatives discussed earlier. However, in many ways, the VGCL initiatives are framed within a rigid and bureaucratic approach that has not fundamentally moderated union dependence on management patronage.

Reinforced Party–union alliance

The fact that strikes have occurred primarily in the private sector was interpreted by Party leaders as a symptom of trade unions' weakness, as well as a shortage of Party influence. In a meeting with provincial and ministerial leaders, on 19 July 2008, the standing member of the Central Party Secretariat, noted:

For a long time we have been more interested in economic growth than developing political organisations 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 to take advantage of workers. (*Nguoi Lao Dong*, 2008a)

These sentiments highlight how 'other forces', including wildcat strikes, weaken Party influence in the private and foreign-owned sectors, and threaten the Vietnam

Communist Party's legitimacy. In 2007, the Central Party Secretariat assigned the VGCL to draft the 'Resolution on the development of Vietnamese working class in the modernisation and industrialisation process'. The objective of the Resolution is to provide an overall guideline for the Party's advocacy of labour and union development (*Nguoi Lao Dong*, 2007b). The Resolution, which was approved by the Central Party Committee in early 2008, recognised the growing disparity between the working class and the ruling Communist Party, stating that 'the Party has paid attention to developing the working class but that was not sufficient nor commensurate with the role that the working class has played in the reform era' (Central Party Committee's Resolution 20, 28 January 2008: 2).

The Resolution set out five objectives for the Party apparatus, one of which is to increase the proportion of Party members and leaders originating from workers, as well as to establish Party organisations in all types of enterprises. The Resolution, as well as the other initiatives discussed earlier, reveals the intention of the VGCL and the Party to sustain and strengthen representation at the macro-level and, in particular, in the private and foreign enterprises.

The reinforced political alliance between the Party and the trade union has paradoxical implications for the reform of the labour movement. On one hand, by tightening its link with the Communist Party, the VGCL aspires to bolster its position in the political structure. As an 'extended arm' of the Party, the trade union will enjoy stronger bargaining power over the government, with regards to the determination of employment relations at the macro-level. More importantly, by recruiting members for the Party the VGCL strengthens its political legitimacy, which has become particularly crucial for the existence of the organisation as the union's legitimacy as the representative of workers has been damaged.

On the other hand, the reinforced political alliance with the Party presents a step back in the union reform effort and in the legitimacy of unions at the enterprise level. At the 1988 National Trade Union Congress, the trade union movement managed to distance itself from the Communist Party so as to 'voice their ideas independent of the Party and management' (Chan and Nørlund, 1995: 184). The union's relative autonomy from the Party was credited as an important step in redefining its role as a representative organisation (Chan and Nørlund, 1995; Zhu and Fahey, 2000). Therefore, the subsequent reinforcement of the Party-VGCL alliance may significantly hinder the union's attempt to be more independent. Moreover, the new task of recruiting Party members may create additional pressure on the already limited resources of trade unions at the intermediary and enterprise levels. District unions will have less human and financial resources to devote to their main function of representing their members' interests. The reassurance of political protection may also reduce the pressure for union reform from labour activism as the VGCL and its local branches can resort to performing Party-assigned tasks to save their legitimacy. In particular, the fact that enterprise unions carry out Party assignments will create a political milieu, which may further damage workers' confidence in the organisation.

Conclusion

As in countries all over the world, ‘workers have their own ways to express their discontent to the management’ (Viet Garment Worker Number 3, 28 June 2008). Research into the labour movements of Russia, China and Vietnam indicates that worker activism has been a significant force for trade union reforms (Clarke and Pringle, 2007). Further, Pringle (2008) argues that the major barriers to the reform of the socialist unions in China and Vietnam have been the enterprise unions’ dependence on management, and Party concern that industrial reform may increase labour unrest rather than contain it. Although the enterprise unions’ subordination to the employers remains a major obstacle for the union reform at the workplace level, this article suggests further barriers to union reform.

Most particularly, while the VGCL’s reluctance to weaken its alliance with the Communist Party may have granted them both bureaucratic and political power, it does not strengthen legitimacy by promoting genuine representation of workers and workers’ interests. This tendency shows strongly through the national union’s approach to conducting various initiatives in the last five years, including the extension of union membership in the private sector, attempts to strengthen collective bargaining at the enterprise level and increased support for enterprise unions, and a reinforcement of the party–union alliance. Although the VGCL has tried to replicate the successful provincial experiments, it has also continued to hold on to traditional bureaucratic approaches to labour relations. As such, much like ‘old wine in new bottles’, the fundamental direction of the VGCL remains largely unchanged, despite the rank-and-file pressure from below.

While disgruntled workers and subsequent industrial action might establish and develop more representational and independent worker organisations (Bai, 2011: 21), non-governmental and international bodies, such as the International Confederation of Free Trade Unions or the American Federation of Labour and Congress of Industrial Organisations, may also highlight the absence of effective trade union representation and bolster wildcat strikes within Vietnam (Bai, 2011: 29–33). However, in the context of tightening labour markets and limited alternative bargaining mechanisms, wildcat strikes will continue to be the most effective way for workers to negotiate and defend their interests. When the trade unions are not able, or refuse, to represent workers’ interests, workers will depend on more informal mechanisms to defend their interests. Indeed, this article has suggested that the rule-takers have influenced the policies of the rule-makers (Streeck and Thelen, 2005: 13) through wildcat strike action.

However, to date, the willingness of workers to fight for change has not fundamentally transformed trade union leadership at the enterprise, district and national levels. Therefore, while the VGCL’s long-term survival depends on ‘their ability to represent their members’ interests and articulate their grievances’ (Clarke, 2011: 16), they face the dual pressure of working independently of employers at the workplace, while also serving the Party’s agenda. As workers gain a deeper understanding of the importance of independent trade union structures, the tensions

between these opposing priorities will only intensify and present increasing challenges to the legitimacy of the VGCL, which will do little to reduce more informal and unauthorised action by Vietnamese workers both now and in the foreseeable future.

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Biographical notes

Dr. Do Quynh Chi has been working as a researcher, consultant and trainer of labour relations for the last 12 years. She is currently cooperating with the International Labour Office in Hanoi in various research and training activities

in support of the tripartite partners in Vietnam to reform the labour relations institutions. She also advises companies and business associations in Vietnam in developing labour relations strategies.

Diane van den Broek is a senior lecturer at University of Sydney Business School. She has published in journals including *Work, Employment and Society*; *New Technology, Work and Employment*; *Economic and Industrial Democracy*; *Policy Studies*; *Business History*, *Relations Industrielles/Industrial Relations*; *British Journal of Social Work*; the *Journal of Industrial Relations* and *Economic and Labour Relations Review*. She is convenor of the *Managing Global Migration Research Group* and teaches across a range of post graduate and under graduate areas related to human resource management as well as work and social change.