Beyond the Crisis
The impact of the financial crisis on women in Vietnam

Aphitchaya Nguanbanchong
Oxfam GB in East Asia
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Executive summary

In Vietnam, women are over-represented in the export sector and live in deteriorating conditions due to the current global economic crisis. A growing body of evidence suggests that female workers are the hardest hit and most vulnerable. Their living conditions have become dismal due to their loss of employment; reduction in income and consumption; decline in the quality of their food, reduction in their leisure time; difficulties in paying their children’s school fees and for healthcare services; and increases in overall household burden and debt.

The objectives of this study are 1) to assess and identify the gender-differentiated impacts of the current crisis in both economic and social development aspects; 2) to study and analyse the gendered nature of the responses of the government and national institutions; and 3) to develop a set of recommendations and policy implications for the government, national institutions and donors, based on the impacts and responses.

The research provides an analysis based on the national research field survey and development of case studies, collected from a collaborative research field survey on the impacts of the economic crisis on poverty in Vietnam. The work was fully implemented by the Vietnam Academy of Social Sciences (VASS), with support from Oxfam GB, the World Bank and ActionAid, and carried out throughout 2009.

By using the collected survey information, a number of conclusions have emerged as follows:

1) Women in export-oriented manufacturing, particularly the garment and textile industries, have been the hardest hit, both economically and socially, by the crisis.

2) Female migrants have experienced a double hit with falling remittances, as their lower net income and disadvantaged socio-economic status make them even more vulnerable to social problems such as trafficking and sexual harassment; and

3) In non-agricultural sectors, women are losing jobs in the craft villages which rely significantly on export orders. Women in this sector are suffering a heavy blow, as there has been a sudden decrease in international orders.

With limited sources of official support, these crisis-affected female workers have moved from the formal to the informal sector and rely on informal sources such as job sharing arrangements among family and friends; informal credit; social networks; and community-based assistance. Although it is not possible to ensure that these informal coping mechanisms are sufficient to maintain their level of prior income, at the very least these measures provide very basic means of subsistence and ease the lives of the poor.

The global financial crisis has generated attention in policy circles and created a number of short-term measures for the Government of Vietnam. However, it is quite clear that there is no so-called ‘all-in-one solution’ to cope with the crisis. In practice, one of the main weaknesses of the short-term packages is that they ignore gender specific concerns. Moreover, the packages miss the real targets, especially in their impacts on the poor and newly poor women. A central goal at the policy level should be a shift from pro-poor policies at a macro level to those at a micro level and an increased focus on vulnerable women. Again, this research emphasises the importance of helping policy makers to formulate relevant policies to make women visible.
Policy recommendations for government

1. Create jobs for both women and men by investing in physical and social infrastructure and social reproduction;
2. Ensure that companies do not exploit the situation to further their unfair gains, or to further exploit female employees;
3. Initiate active labour market measures, for instance, targeted training and public employment schemes for women;
4. Decrease the burden of unpaid care work on women and girls. A policy such as family law would be effective in promoting gender equality and increasing women’s empowerment;
5. Expand and improve the social provisions of health, education, nutrition, water and sanitation;
6. Provide social safety nets to help mitigate the adverse effects of different shocks to household income and prevent inter-generational transmission of poverty, in particular from women to girls and also from women to older women;
7. Promote individual and household savings, since savings are necessary for the welfare of family members as a means to smooth income;
8. Strengthen women’s unions to be more active in society;
9. Promote women’s participation in the decision making process, which will lead to positive correlations between economic development and gender equality;
10. Integrate gender into government budgeting processes;
11. Ensure that existing laws are applied fairly to women workers, especially regarding rights and obligations in the garment sector.
Introduction

Overview

We are now in the midst of severe economic and social problems stemming from the 2007–2008 global financial imbalances. It is a new phenomenon arising from chronic and rising US current account and fiscal deficits. Although most economists believed that the incessant and unbridled economic activities were not sustainable, no one could predict the timing and extent of the unravelling process.

The global crisis could not have deteriorated so rapidly without the fast-rising globalization process. Its adverse consequences are threatening to become social crises in many developing countries, especially in the Asia-Pacific region. The nature and momentum of the crisis’ impact will vary widely across countries, depending on their economic structure, exposure to the international financial system as well as capability to cushion the external shocks. Some countries in the region, with extensive foreign reserves and strong fiscal positions, have less direct exposure to the financial crisis. However, the overall downturns would have a major slowing-down effect on the vulnerable poor, especially women and their children.

Poor women, especially migrant workers, are over-represented in the export sector and live in deteriorating conditions due to the current crisis. A growing body of evidence suggests that female workers are the hardest hit and most vulnerable. Their living situation is dismal due to the loss of employment, lower income and consumption, tightened savings and remittances, and other social pressures.

While the exact magnitude of the impact of the crisis on women in Vietnam is not yet clear, it is essential to conduct national research to 1) assess and identify the gender-differentiated impacts of the current crisis in both the economic and social development aspects; 2) study and analyse the gendered nature of the responses of government and national institutions; and 3) develop a set of recommendations and policy implications for the government, national institutions and donors based on impacts and responses.

In particular, this study focuses on gender dimensions of the global economic crisis in Vietnam by discussing how women are affected by the crisis and why the crisis affects men’s and women’s employment and income unequally; as well as to investigate how women who are living in poverty cope with the crisis.

Framework and methodology

There are many problems associated with the comparability and accuracy of existing statistics in terms of the economic and social impacts of the current financial crisis on women in Vietnam. To date, there are no comprehensive national surveys that address this serious gap in our knowledge. There are also problems of measurement and data collection with regards to the informal sector and/or informal work that have yet to be addressed by government statistical agencies.

Since the national data (including gender-disaggregated information) are not yet available, this research consists of qualitative analysis. It is partially based on secondary data drawing from available sources such as articles, news reports, journals and other relevant databases including 1) a secondary literature review and analyses of relevant databases; and 2) individual interviews with key regional UNDP and UNIFEM officials, Vietnamese government officials including the Ministry of Finance and Ministry of Labour, War Invalid and Social Affairs (MOLISA), and feminist economists.
This study provides an analysis based on the national research field survey on impacts of the economic crisis on poverty in Vietnam. The work has been implemented by the Vietnam Academy of Social Sciences (VASS) with support from Oxfam GB, the World Bank and ActionAid (henceforth referred to as The Rapid Impact Assessment, or RIA Survey 2009). The goal was to undertake quick assessments of poverty outcomes linked with changes in livelihoods and market access of vulnerable groups in selected communities.

This study undertakes two series of qualitative rapid assessments of the social impacts of the crisis, covering a four-month period from February to April of 2009, into the analysis.

**First round rapid assessments**

The VASS undertook this survey in February–March 2009 to assess the impacts of the economic crisis on: 1) workers in Hanoi’s ‘mobile labour market’; 2) workers and enterprises in two craft villages near Hanoi, and 3) workers and enterprises in the Thang Long Industrial park (henceforth referred to as ‘The First RIA Survey 2009’).

The assessment was based on semi-structured interviews and group discussions using Participatory Rural Appraisal (PRA) tools such as timeline, spider diagram, paired comparison and preference ranking exercises. A total of 105 respondents participated in the fieldwork and were randomly selected from the informal and formal sectors and craft villages.

**Second round quick survey**

The VASS conducted a quick qualitative survey of the impact of the global crisis on enterprises and employees in certain provinces in Vietnam in April 2009 (henceforth referred to as The Second RIA Survey 2009).

This survey were conducted in Thanh Hoa and Nghe An provinces, targeting unemployed workers and in four urban areas: Hai Phong, Ho Chi Minh, Binh Duong and Dong Nai, covering workers in both industrial zones (IZ) and export processing zones (EPZ). The same survey methods mentioned earlier were applied to this round. A total of 403 participants in 6 provinces and cities were involved, including 59 officials at various levels; 173 employees in non-official sectors; people in rural areas (including 74 jobless freelancers and workers returning home); along with 140 immigrant workers in official sectors, and managers from 31 enterprises.

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1 Vulnerable groups under this monitoring initiative also include women from (1) the poorest and most marginalized; (2) ethnic minority groups living in mountainous, remote areas; and (3) ‘new poor’ groups, including in-migrants to cities and farmers losing their land due to industrialisation and urbanisation.

2 It is important to note the limitations associated with the short assessment process since it creates a time-lag problem in the outcomes.

3 Informal sector comprised of 3 FGDs with 16 day labourers (of these, there were only 3 women), and interviews with 9 day labourers (only 6 women). In the formal sector, interviews were conducted with a representative of developers (landlords) of the Thang Long industrial park (TLIP), 4 enterprise managers in and nearby TLIP, 23 workers (18 were women), representatives of a vocational school, 2 leaders of communes and villages and 2 hostel owners. Lastly, in the craft villages, interviews were carried out with 29 craft businesses (12 companies and cooperatives and 17 small-scale household enterprises), 12 labourers (only 4 women), 6 leaders of commune, village and craft associations.
Section outline

The research chapters proceed as follows. In addition to the overview, the following section reviews related literature and provides an overview of the country’s macroeconomic performance during the crisis, along with emerging trends and gender dimensions in the labour market. Section 2 describes the situation in the labour market, employing gender perspectives. Section 3 elaborates on women in vulnerable sectors. Section 4 provides gender-differentiated impacts on various aspects such as job losses, remittances, access to financial resources, food security, spending on education, health etc. Section 5 discusses and analyses the government’s responses and synthesises the main findings of the study and discusses the policy implications. We conclude with policy recommendations and directions for future research.
1 Vietnam’s economic outlook and the current economic crisis

1.1 Macroeconomic overview

The effects of the global financial crisis have spread into Vietnam’s entire economy. Like many other Asian nations, sluggish growth and large fluctuations in economic activity have imposed high costs on the Vietnamese economy through several channels – mainly in the export sector (both goods and services, and labour), foreign direct investment, and overseas remittances.

Table 1: Vietnam’s key economic indicators

<table>
<thead>
<tr>
<th>Key economic indicators</th>
<th>2007</th>
<th>2008</th>
<th>2009e</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP, constant prices (percent)</td>
<td>8.48</td>
<td>6.18</td>
<td>4.20</td>
</tr>
<tr>
<td>GDP per capita, current prices (USD)</td>
<td>835.31</td>
<td>1,040.35</td>
<td>1,018.95</td>
</tr>
<tr>
<td>Inflation, average consumer prices (percent)</td>
<td>8.35</td>
<td>23.12</td>
<td>6.00</td>
</tr>
<tr>
<td>Export growth (percent)</td>
<td>15.20</td>
<td>10.60</td>
<td>3.00</td>
</tr>
<tr>
<td>Import growth (percent)</td>
<td>21.3</td>
<td>15.1</td>
<td>n/a</td>
</tr>
<tr>
<td>Current account balance (percent of GDP)</td>
<td>-9.83</td>
<td>-9.38</td>
<td>-4.84</td>
</tr>
<tr>
<td>FDI, newly registered capital (million USD)</td>
<td>21,347.80</td>
<td>64,011.00</td>
<td>9,000.00</td>
</tr>
<tr>
<td>FDI, implementation capital (million USD)</td>
<td>8,030.00</td>
<td>11,600.00</td>
<td>n/a</td>
</tr>
</tbody>
</table>


Economic growth

According to the General Statistics Office of Vietnam (GSO), the whole country has experienced a significant decline in GDP growth rate, export, and industrial output as a result of falling oil prices and global demand. Table 1 shows that GDP in 2008, at constant prices, only increased by 6.18 percent compared with 8.48 percent in 2007. Of 2008’s total GDP, the agriculture, forestry and fishery sectors grew by 4.07 percent; industry and construction by 6.11 percent; and service by 7.18 percent. In the first half of 2009, growth grew by 3.9 percent compared to the same period in 2008, of which the agriculture, forestry and fishing sectors rose by 1.25 percent; industry and construction by 3.48 percent; and service by 5.5 percent.

In the first half year of 2009, economic slowdown hit the industry and construction sectors, which grew at only 3.48 percent, of which manufacturing grew at only 1.09 percent, the lowest rate since 1998 and 1999. The service sector was slightly affected and grew at 5.5 percent, but hotel and restaurant fell by 0.9 percent. Compared with other countries in Asia, Vietnam has not been as adversely affected by the crisis. The expected growth rate in 2009 has been adjusted from earlier forecasts. The Government of Vietnam targets the 2009 growth rate at 5 percent and EIU increased its GDP forecast from 2.1 percent to 4.2 percent in 2009 (Bender and Rompel, 2009).
Average consumer prices
The GSO reported that average consumer prices were 28.3 percent in August 2008 compared to the same period last year, which is the highest in the last 17 years. Consumer prices remained at a high level for the whole year, at average levels of 23.12 percent. The high inflation rate was a result of sharp increases in global food and fuel prices from 2007 as well as strong domestic demand. Total retail sales of goods and services in 2008 were at current prices estimated to have risen by 31 percent against 2007’s figures. However, average consumer prices in the first half of 2009 increased by 2.68 percent against the rate in December 2008 due to the higher prices of commodity, services (especially restaurant and catering services), housing and construction materials. The inflation rate for 2009 is expected to have fallen sharply to 6 percent compared to the inflation rate in 2008.

Foreign Direct Investment (FDI)
In addition to the above indicators, in 2008, there were a total of 1,171 licensed projects with US$60.3 billion in total registered capital, representing a reduction of 24.2 percent in projects. Nevertheless, this represents a rise of 3.2 times the figure for registered capital compared to 2007. Specifically, newly registered capital increased from 21,347 in 2007 to 64,011 in 2008. However, FDI inflows were expected to have fallen sharply in 2009. According to the GSO, the level of FDI was US$88.9 billion for the first half of 2009, dropping by 77.4 percent against the same period in 2008. Examples include the fact that the country gained US$4.7 billion from 306 newly licensed projects, representing a drop of 86.7 percent in capital and 65.6 percent in number of projects. There was also US$4.2 billion worth of registered capital for projects licensed in the previous years.

Overseas remittances
Similar to FDI, overseas remittances are the key foreign exchange sources that help the country counterbalance its trade deficit and play an important role in the development of finance. According to Migration and Remittances Factbook 2008, (World Bank), workers’ remittances (credit) in Vietnam was US$4,800 million and US$5,000 million in 2007 and 2008 respectively, which approximately accounted for 7 percent of GDP. The State Bank of Vietnam reports that remittances from overseas Vietnamese and labourers this year will drop due to lower income and financial difficulties in the global financial crisis period. Overseas remittances4 in 2009 are expected to be 20 percent lower than last year, at US$5.6– $5.7 billion.

1.2 Impacts on the real sector

Exports
Vietnam has accelerated its pace toward regional and global trade integration since the country’s opening to the US market in 2001 as well as its accession to the World Trade Organisation (WTO) in 2007. The country has shifted to export-led growth, which generated a positive process of comparative advantage that stimulated the competitive export sectors. However, the volume of exports has also declined because of the current recession. Sluggish demand for exports from Vietnam is due to the slowdown in

4 The United Nations listed Vietnam among the 10 countries which received the biggest overseas remittance in 2006 and 2007.
economic growth in three key export markets, namely the United States, Europe and China; high food and fuel prices and the appreciation of the dong against the US dollar.

The growth of exports in real terms fell from 15.2 percent in 2007 to 10.6 percent in 2008. Although trade figures for 2009 are not yet available, forecasts by the EIU and GSO indicate that the volume of global trade is expected to grow only 3 percent in 2009, which will have a negative effect on Vietnam’s exports in 2009. In the first six months of 2009, there was a trade deficit of US$2.1 billion, amounting to 14.7 percent of the same period last year. The biggest market for trade deficits with Vietnam was still China in the amount of US$5 billion import surplus. The United States and EU still were markets for the export surplus of Vietnam at levels of US$3.9 billion and US$2.1 billion respectively.

**Agriculture and fishery**

Output values of agriculture and fishery in 2008 at 1994 constant prices increased by 5.4 percent and 6.7 percent respectively from 2007. In the agriculture sector, the average yield of rice accounted for 38.6 million tons, rising by 2.7 million tons or 7.5 percent, compared to 2007 due to an increase in cultivated areas and in productivity. In addition, in response to growth in domestic consumption and export opportunities, production of high-value commodities such as coffee, tea, pepper and rubber have quickly grown.5

For the fishery industry, total production in 2008 increased by 9.2 percent compared to the previous year. Of the total, farmed production, catching, and sea catching rose by 15.3 percent, 2.9 percent and 3.3 percent respectively. In the first half of 2009, catching and raising production increased only 5 percent compared to the same period last year. Of the total, the raising, catching, and sea catching rose by 2.4 percent, 7.7 percent and 8 percent respectively. Low increases in raising production were due to lower demand and less access to credit.

In the last two months of 2008 throughout the crisis, the reduction in productivity in the agriculture sector resulted in a decline in export revenue. The Vietnam Industry and Trade Information Centre (VITIC), Ministry of Industry and Trade (MOIT), reported that export revenue, in November–December 2008, decreased by 1.3 percent compared to the same period in the previous year.

**Industrial gross outputs**

According to the GSO, major industrial output6 values in 2008 at 1994 constant prices had been quite steady since June 2008 and reduced by 8.6 percent in January 2009 from December 2008, or by 4.4 percent against the same period last year, partly due to the cessation of work by enterprises during the Tet holidays. Major industrial production started to pick up in February 2009 at an estimated rise of 2.5 percent against the same period last year. In the first six months of 2009, it increased up to 4.8 percent compared to same period in 2008.

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5 The data from the GSO shows that the yield of coffee was 996.3 thousand tons, rising by 3.6 percent; rubber yielded 662.9 thousand tons, rising by 8.7 percent; tea yielded 759.8 thousand tons, rising by 7.5 percent; and pepper yielded 104.5 thousand tons, rising by 17 percent.

6 Major industrial outputs include pure coal, crude oil, natural gas, liquidized gas, processed seafood, tinned milk, sugar, sugar syrups, beer, seasoning powder, cigarettes, finished silk fabric, knitted clothing, ready-made garments, paper and paper board, chemical fertilizers, soap, cement, brick, pavement tiles, rolled steel, machine tools, diesel motors, electric motors, transformers, air-conditioners, refrigerators, washing machines, electric fans, automobiles, motorbikes, televisions, generated power, and commercial water.
However, focusing on the key export-dependent industries, Vietnam has experienced a decline in manufacturing production especially leather shoes, wood processing, seafood processing, garment, textile, and electronic assembly. Foreign garment and textile manufacturers face difficulties with market orders and prices as well as competitiveness in comparison with Chinese-made products. In the end, many firms left the business in the beginning of 2009. Being a labour-intensive industry with more than two million contract workers, there is an expectation that many workers in this sector will lose their jobs (Pham, 2009).

**Table 2: Total industrial output at 1994 constant prices**

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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>55,437</td>
<td>50,644</td>
<td>91.4</td>
<td>95.6</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VND billion</th>
<th>5 months of 2009</th>
<th>Estimate June 2009</th>
<th>Accrued 6 months 2009</th>
<th>Jun 2009 vs. June 2008 (percent)</th>
<th>6 months 2009 vs. 6 months 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>265,867.0</td>
<td>58,382.0</td>
<td>324,249.0</td>
<td>108.2</td>
<td>104.8</td>
<td></td>
</tr>
</tbody>
</table>

Source: General Statistics Office of Vietnam (GSO)

**Tourism**

The economic crisis, along with panic over H1N1 flu, has led to negative impacts on Vietnam's tourism sector. The official data from the GSO shows that the country recorded approximately 4.3 million foreign visitor arrivals in 2008, which is only a 0.6 percent increase against last year’s figures. However, this growth was comparatively slower than the 16 percent recorded in 2007 due to the global economic downturn. There were 2.6 million visitors who came for leisure purposes, rising by 1 percent; 644.8 thousand for business purposes, increasing by 25.4 percent; 509,6 thousand to visit relatives, contracted by 15.2 percent; and 267.4 thousand for other purposes, falling by 23.3 percent.

The pace of decline in the volume of tourists continues to slow in 2009. As shown in table 3, international visitors to Vietnam in the first six months decreased by 19.1 percent compared to the same period in 2008. Foreign visitors coming for tourist purposes fell by 22.1 percent; for business purposes fell by 21.9 percent; and to visit relatives rose by 1.7 percent. This sector currently generates approximately US$3 billion in revenue for the country, which accounts for 4.2 percent of the nation's GDP.
Table 3: International visitors to Vietnam, June and 6 months of 2009

<table>
<thead>
<tr>
<th>Purpose of visit</th>
<th>Estimate Jun 2009 (thousands)</th>
<th>First 6 months of 2009 (thousands)</th>
<th>June 2009 vs. May 2009 (percent)</th>
<th>June 2009 vs. same period last year (percent)</th>
<th>First 6 months of 2009 vs. same period in 2008 (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>279.2</td>
<td>1893.6</td>
<td>95.3</td>
<td>79.1</td>
<td>80.9</td>
</tr>
<tr>
<td>Tourism</td>
<td>155.7</td>
<td>1142.1</td>
<td>87.2</td>
<td>77.8</td>
<td>77.9</td>
</tr>
<tr>
<td>Business</td>
<td>61.9</td>
<td>347.3</td>
<td>99.1</td>
<td>88.9</td>
<td>78.1</td>
</tr>
<tr>
<td>Visiting relatives</td>
<td>44.9</td>
<td>280.7</td>
<td>132.4</td>
<td>105.5</td>
<td>101.7</td>
</tr>
<tr>
<td>Others</td>
<td>16.6</td>
<td>123.5</td>
<td>93.2</td>
<td>40.9</td>
<td>80.0</td>
</tr>
</tbody>
</table>

Source: General Statistics Office of Vietnam (GSO)
2 The situation in the labour market: gender perspectives

It is now clear that the current global financial crisis brought about increased economic insecurity and macroeconomic instability in Vietnam with critical consequences for trade and the country’s growth rate as well as for the real sector. It has adversely affected both formal and informal labour markets, including enterprises and workers, especially women.

Data recorded at the MOLISA\textsuperscript{7} show that there was a surplus of labour supply – 46.7 million in 2008. At least 9 million workers in the industrial and services sectors will be hardest hit. There were approximately 300,000 job cuts due to the bankruptcies of enterprises and downsizing of production. In the three main industrial zones, Danang, Hanoi and Ho Chi Minh City, 67,000 workers lost their jobs in January 2009, and losses are expected to exceed 150,000 in the Q2. However, demand for workers in these sectors dropped 10 percent compared to the average growth of 14–15 percent in 2007. Further job losses are expected in 2009.

Business failures and layoffs left thousands unemployed, and the country with a high unemployment rate. The Economist Intelligence Unit (EIU) estimated that the unemployment rate was expected to increase from 4.7 percent in 2008 to 8.6 percent in 2009. In the first half of 2009, new job creation is expected to have been 650,000 jobs, a year-on-year decline of 17 percent.

One strategy adopted by firms was to cut down on production costs by minimizing the fixed-cost portion of labour. Since they are struggling to retain (unskilled) staff, they responded by reducing the number of permanent or core workers, especially in the low-skilled groups, and retained only well-trained, multi-skilled workers who are valued for their flexibility and adaptability. Tasks that required a large proportion of low-skilled labour were subcontracted to smaller firms or to home-based workers. This is also true for limited offers, such as non-renewal of short-term contracts and for non-arrangements on probation or termination.

2.1 Export-oriented manufacturing

According to The Second RIA Survey 2009, export-oriented manufacturing including new-entry small businesses are facing difficulties as they are sequentially affected by the current crisis. In Ho Chi Minh City, there are 17 new companies in trouble, leaving 843 vacant jobs in the first quarter of 2009. A sharp decrease in orders in the first quarter of 2009 is also the major cause of the lowest economic growth in the city over the past 10 years. Business enterprises (garment and textile) pointed out that orders started to decline in November 2008, and the heaviest decrease was seen during the first 3 months of 2009. In addition, they have experienced complications with orders, or even order cancellations. For example, a garment production line, which used to produce 150 products per day, can now produce only 120 products per day. One garment company mentioned that the order from the EU is much more complicated because the processing period for such orders extends to 60 days instead of 30–35 days required by ordinary orders.

One of the aqua product companies in Ho Chi Minh City also complained that the firm can only export low value canned items such as fish and shrimp worth US$2–3 per can.

\textsuperscript{7} Thuy, Nguyen Thi Bich, ‘Review of Vietnamese Newspapers and websites for information on current economic crises and policy responses’, unpublished document.
Previously, the price was US$20–$30 per can and the total value of export products sharply decreased from US$300,000 to US$200,000 per container.

The difficulties in finding orders have led to the dismissal of thousands of people and to job seekers’ inability to find jobs. In Hai Phong, for example, unofficial figures show that there were approximately 6,000 people dismissed and 8,000 people on rotational days off. Most of the employees are in leather and footwear manufacturing in Numora Industrial Park. An estimate of 10,116 laid-off workers are in Dong Nai (including 5,166 persons who have been terminated in the first quarter of 2009) – mainly in mechanic, electronic, wood, garment and leather, and footwear enterprises. In Ho Chi Minh, a report shows that there were approximately 25,608 job cuts and 16,514 persons lacking jobs due to falling purchasing orders. They are mainly in mechanic, electronic, wood, garment, leather, footwear and construction materials manufacturing.

These industries in the big cities are facing a difficult period in terms of decreases in production without improvements in orders as compared with the same period in previous years. However, some enterprises have started to sign for new orders, resulting in increases in work shifts again in 2009. This positive signal is recorded in several leather shoe and garment and textile companies in Hai Phong, Ho Chi Minh and Dong Nai.

The picture of job creation is mixed in the big cities. The survey showed that even though there were few demands for new recruits in Hanoi and Hai Phong, a series of job advertisements have been seen, with hundreds of jobs being offered in Ho Chi Minh, Binh Duong and Dong Nai. In addition, the trend during the transition is that the firms are looking for high-skilled workers to replace low-skill ones. Therefore, jobless workers/under-employed workers still strive to find work and look around on job advertisement boards.

**Foreign-Invested Enterprises (FIEs)**

The evidence in Hanoi, Hai Phong, Ho Chi Minh, Binh Duong and Dong Nai shows that most of the FIEs, especially labor intensive ones, have been suffering from economic turmoil. There is a significant decrease in purchasing orders driving the firms to cut costs. Migrant workers have been badly affected due to reduced income and job termination.

In Ho Chi Minh City, local authorities reported that the shutting down of 71 firms left more than 10,000 workers unemployed. International enterprises, i.e. Canon and Nissei Electric, in Hanoi also announced 2,000 and 300 job cuts respectively. Many firms have decided to reduce working hours and restructured their labour forces instead of laying off employees.

According to the *First RIA Survey 2009*, some of the enterprises facing reduced sales have cut labour costs by reducing the number of employees and their employees’ working hours (i.e. the firms asked workers to take time off and paid only 70 percent of their standard wages). One of the representatives of the landlord in Thang Long industrial park (TLIP) said that 3,000 out of 50,000 workers in the TLIP have lost their jobs since late 2008 and the current demand for new workers is almost zero. However, other sources report a larger number of job losses in TLIP.

*Panasonic informed us that they cut 500 jobs in the optical disk factory in the first wave. Nissei Company encourages workers to end their contracts due to the lack of orders. 1,600 people were dismissed before Tet. Canon cut 1,200 jobs. Sumimoto cut 1,500 and 600 jobs in December 2008 and after Tet respectively.*

*The representative of the TLIP developer*

The representative of the TLIP developer indicated that the big, labour-intensive companies in TLIP, especially in the fields of assembling electronics, automobile
products and associated sub-contractors that used to employ several thousand of workers for basic jobs, have made the largest reductions in their workforce. On the other hand, some smaller and high-tech companies prefer to retain the core workforce by asking their workers to accept so-called ‘rotational days-off’ due to the high cost of re-employment and re-training of skilled workers. These companies responded to the current crisis by re-managing inventories, cleaning the factories and training existing workers. However, the firms’ solutions are already trickling down to ordinary working people.

According to the interviewed workers, the FIEs in the TLIP prefer that workers ‘voluntarily resign’ rather than becoming ‘laid off’ due to downsizing. This is because layoffs need to follow strict procedures stipulated by the Labour Code and may affect the company’s prestige. In fact, the representative of TLIP developer commented that none of the reported 3000 workers who have lost jobs in the past several months are classified as ‘layoff’ cases.

The FDI enterprises seem to follow the Labour Code in contractual arrangements. Some enterprises pay additional 1 to 2-month bonuses to workers who voluntarily resigned. Survey respondents elaborated on a simultaneous strategy to reduce the workforce, based on performance, by classifying the workers into several groups. This allowed them to find many legitimate reasons (e.g. bad health, low productivity, poor discipline, etc.) to terminate the labour contracts of the redundant workers.

Newly employed workers are most vulnerable to job losses, as the enterprises simply announce their decision not to renew the current short-term or trial labour contracts. In a number of interviews, workers reported that since late 2008, only short-term contracts (i.e. 3-6 months) were offered, which allowed firms more flexibility in reducing their workforce when necessary.

### 2.2 Gender composition of the labour market

Although Vietnam’s economy has started to show positive signs of recovery in 2009, improvements at household and individual levels, particularly among the vulnerable segments of the population, are less visible. Questions remain on whether or not the standard of living, especially among low-income women, has improved.

In the labour market, the workers’ situation is different depending on their fallback positions, such as occupation, sector, education, skill endowments, and gender. Many studies show that women are more vulnerable and disadvantaged in the workforce with lower positions, wages and benefits, and opportunities. Most studies and reports on the impacts of the global economic crisis on workers are not gender-sensitive. This section aims to highlight and support this fact by presenting gender-differentiated employment, economic activity, informal work, earnings and working hours. However, the limitation is that gender-disaggregated information and data are not available. The work presented here is drawn from the GSO Household Living Standard Survey 2006.

In Vietnam, women workers have made significant progress in terms of participation in paid work. However, occupational segregation and discrimination lead to lower positions and wages. More women are located in agriculture, trade, processing work, education, health, culture, sport and services, as shown in tables 4 and 5. These economic activities are more vulnerable to economic shocks. On the other hand, construction, electricity, water production and supply are the top jobs for men.
## Table 4: Population aged 15 years-old and over by type of employment, economic activity and sex

<table>
<thead>
<tr>
<th>Employment</th>
<th>Men %</th>
<th>Women %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-farm wage employment</td>
<td>34.2</td>
<td>22.4</td>
</tr>
<tr>
<td>Farm wage employment</td>
<td>6.0</td>
<td>3.8</td>
</tr>
<tr>
<td>Farm self-employment</td>
<td>44.3</td>
<td>51.5</td>
</tr>
<tr>
<td>Non-farm self-employment</td>
<td>15.5</td>
<td>22.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Farm</th>
<th>Men %</th>
<th>Women %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>45.1</td>
<td>53.5</td>
</tr>
<tr>
<td>Forestry</td>
<td>0.5</td>
<td>0.3</td>
</tr>
<tr>
<td>Fishery</td>
<td>4.7</td>
<td>1.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-farm</th>
<th>Men %</th>
<th>Women %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>14.0</td>
<td>14.3</td>
</tr>
<tr>
<td>Construction</td>
<td>9.7</td>
<td>0.9</td>
</tr>
<tr>
<td>Trade</td>
<td>8.7</td>
<td>13.8</td>
</tr>
<tr>
<td>Services</td>
<td>17.3</td>
<td>15.8</td>
</tr>
</tbody>
</table>

Source: GSO Household Living Standard Survey 2006

## Table 5: Population aged 15 years-old and over by economic industry

<table>
<thead>
<tr>
<th>Economic industry</th>
<th>Men %</th>
<th>Women %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry and fishery</td>
<td>50.3</td>
<td>55.3</td>
</tr>
<tr>
<td>Mining</td>
<td>1.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Processing</td>
<td>12.3</td>
<td>13.9</td>
</tr>
<tr>
<td>Electricity, water production and supply, construction</td>
<td>10.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Trade</td>
<td>8.7</td>
<td>13.8</td>
</tr>
<tr>
<td>Transport, storage, and communication</td>
<td>5.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Financial intermediation</td>
<td>0.3</td>
<td>0.4</td>
</tr>
<tr>
<td>Other services</td>
<td>2.7</td>
<td>5.8</td>
</tr>
<tr>
<td>Administration and defense</td>
<td>3.6</td>
<td>1.1</td>
</tr>
<tr>
<td>Education, health, culture, sport</td>
<td>2.9</td>
<td>5.5</td>
</tr>
<tr>
<td>Other</td>
<td>2.1</td>
<td>2.2</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: GSO Household Living Standard Survey 2006
Table 6: Population aged 15 years-old and over in self-employment

<table>
<thead>
<tr>
<th></th>
<th>Men %</th>
<th>Women %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Farm</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>68</td>
<td>67.6</td>
</tr>
<tr>
<td>Forestry</td>
<td>0.5</td>
<td>0.3</td>
</tr>
<tr>
<td>Fishery</td>
<td>5.6</td>
<td>1.9</td>
</tr>
<tr>
<td><strong>Non-farm</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>6.4</td>
<td>6.4</td>
</tr>
<tr>
<td>Construction</td>
<td>0.6</td>
<td>0.1</td>
</tr>
<tr>
<td>Trade</td>
<td>10.1</td>
<td>16.2</td>
</tr>
<tr>
<td>Services</td>
<td>8.9</td>
<td>7.5</td>
</tr>
</tbody>
</table>

*Source: GSO Household Living Standard Survey 2006*

Of the total employment, higher proportions of female workers engage in elementary occupations or self-employed work, with non-regular earnings, in the non-farm sector (table 6). Women workers dominate in informal activities due to the effects of structural adjustment, economic contraction and financial crises. Job losses and lower earnings already create higher competition in this sector, which implies huge risks for women.

Although Table 7 shows that average working hours for all farm and non-farm activities between men and women are equal, women still made less money. For the sub-sector, the data indicate that women spend more time in non-farm activities. However, the Vietnam survey and other official statistical sources do not record women’s unpaid work and care and its contribution to the economy.

Table 7: Average working hours over 7 days per person, aged 15 years-old and over, wage-employed, by sex

<table>
<thead>
<tr>
<th>Main Activity</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>39.0</td>
<td>39.0</td>
</tr>
<tr>
<td>Total farm</td>
<td>30.2</td>
<td>25.1</td>
</tr>
<tr>
<td>Agriculture</td>
<td>27.5</td>
<td>24.8</td>
</tr>
<tr>
<td>Forestry</td>
<td>34.9</td>
<td>31.0</td>
</tr>
<tr>
<td>Fishery</td>
<td>38.4</td>
<td>30.7</td>
</tr>
<tr>
<td>Total non-farm</td>
<td>40.5</td>
<td>41.3</td>
</tr>
<tr>
<td>Industry</td>
<td>42.4</td>
<td>42.4</td>
</tr>
<tr>
<td>Construction</td>
<td>36.2</td>
<td>34.8</td>
</tr>
<tr>
<td>Trade</td>
<td>44.6</td>
<td>44.2</td>
</tr>
<tr>
<td>Services</td>
<td>41.4</td>
<td>40.2</td>
</tr>
</tbody>
</table>

*Source: GSO Household Living Standard Survey 2006*
Most studies on ‘time use’ indicate that women have a higher burden than men. Most of them have to cope with competing burdens of both paid and unpaid work. The burden for women is more salient for informal workers who often cope by means of overlapping activities. Especially during the crisis, there is a tendency for these women to engage in paid home-based activities such as handcrafts in order to compensate for a shortfall in their income. As a result, women’s leisure time has been ultimately reduced. Even though women are active income earners in most households, they have less bargaining power. They face disadvantages and barriers such as lower access to credit because of their inferior fallback positions and limited financial capacity (Nguanbanchong, 2004).

Table 8: Monthly income per capita by source of income and sex of household head

<table>
<thead>
<tr>
<th>Source of income</th>
<th>Men</th>
<th>Women</th>
<th>USD</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>596,800</td>
<td>778,800</td>
<td>33.5</td>
<td>43.8</td>
<td></td>
</tr>
<tr>
<td>Salary or wage</td>
<td>191,400</td>
<td>314,100</td>
<td>10.8</td>
<td>17.6</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>144,800</td>
<td>83,200</td>
<td>8.1</td>
<td>4.7</td>
<td></td>
</tr>
<tr>
<td>Forestry</td>
<td>5,800</td>
<td>2,400</td>
<td>0.3</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Fishery</td>
<td>23,900</td>
<td>11,200</td>
<td>1.3</td>
<td>0.6</td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>35,800</td>
<td>30,900</td>
<td>2.0</td>
<td>1.7</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>4,100</td>
<td>1,100</td>
<td>0.2</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td>56,900</td>
<td>81,800</td>
<td>3.2</td>
<td>4.6</td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>38,100</td>
<td>69,100</td>
<td>2.1</td>
<td>3.9</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>95,900</td>
<td>185,100</td>
<td>5.4</td>
<td>10.4</td>
<td></td>
</tr>
</tbody>
</table>

Note: USD 1 = VND 17,800

Within the household in particular, both single and married women have become important family income earners. The household survey found that women earn more than men, especially in the trade and services sector. Thus far, they have had to carry out an overabundance of work, both at their jobs and at home. In addition, when the crisis hit the market, women are the first workers to be retrenched from these sectors. The status and visibility of women might not have been improved as much as those of men because of their lower social status.

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8 In the formal labour market, women's working patterns, their lifelong earnings, and therefore their capacity to accumulate sufficient retirement savings, are crucially compromised by interruptions to paid employment due to child-bearing, child-rearing and other familial responsibilities.
3 Beyond the crisis: women in the vulnerable sectors

3.1 Women in export-oriented manufacturing: reallocation from formal to informal work

A majority of women in Vietnam are located in the export-oriented sector, as shown in Table 9, where they face threats because of losing market share and demand for products in the face of the global financial crisis. Female workers face life difficulties in several ways: through fewer jobs, lower income and consumption, as well as unstable resources from the state for pro-women and pro-poor social welfare programmes. Temporary, casual, seasonal and contract labourers and low-skilled workers are dismissed first. They are highly vulnerable to job losses because they are not covered by social protection or unemployment insurance.

In general, the export-manufacturing sector comprises various types of workers: permanent workers with full benefits and social insurance; semi-formal workers with partial benefits; and temporary workers. This sector generates a flexible and mobile workforce that serves on a short-term basis, including sub-contractors, contracted workers, industrial outworkers or home-based workers. Because of fewer job opportunities offering high-quality employment, along with insufficient social welfare and the absence of safety nets, many Vietnamese women end up in insecure jobs with lower wages and poor working conditions. The nature of work is also flexible and shifts between formal and informal activities according to the demand for workers. Nevertheless, they are most likely to be dismissed when the economy is in trouble.

On the labour demand side, according to the ILO, the trend shows that there is higher demand for these female workers in labour-intensive manufacturing sectors such as garments and textiles. Since firms seek to maximize profits or minimize the cost of production, they manage to hire women at lower wages, and outsource to non-regular female workers who are not entitled to social insurance or benefits. Some typical production firms also require detail-oriented and neat female workers. Women’s roles in the workforce have changed and are more concentrated in the industrial production zones.

Table 9: Gender composition of selected industries at risk

<table>
<thead>
<tr>
<th>Selected industries at risk</th>
<th>Percentage share of total employed by sex</th>
<th>W/M ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Textiles and garments</td>
<td>0.28</td>
<td>0.80</td>
</tr>
<tr>
<td>Electronics</td>
<td>0.14</td>
<td>0.15</td>
</tr>
<tr>
<td>Footwear, leather products</td>
<td>0.55</td>
<td>1.00</td>
</tr>
<tr>
<td>Tourism (hotel and restaurant)</td>
<td>1.69</td>
<td>5.08</td>
</tr>
<tr>
<td>Automobile (plant and parts)</td>
<td>1.36</td>
<td>0.20</td>
</tr>
<tr>
<td>Construction</td>
<td>9.37</td>
<td>0.94</td>
</tr>
</tbody>
</table>

Source: VLSMS 2004
3.2 Women migrants

In Vietnam, most of the young and single women who have migrated from the countryside to work in the cities as factory workers or to work abroad as service providers (i.e. indentured servants) have done so because of unemployment and poverty. The labour mobilization of young rural people, both men and women, normally changes during the farming off-season.

During the crisis, according to the MOLISA, poor women lack agricultural employment, and rural poverty has pushed many workers to seek jobs in urban centres which lack adequate job opportunities. Unemployed workers are compelled to take whatever new job they can find, be it selling food on the streets, or working as a mobile day labourer. Sometimes they even provide services, such as working in restaurants, at hair salons, or at internet cafes. Only a small proportion of migrants are able to obtain formal wage employment such as cleaning public pavements, driving city buses and working in small factories.

Overseas migrants have also been touched by this crisis, and the economic benefits of migration have decreased during this difficult time. Many are returning home from Japan, Taiwan, Macau and Malaysia. In Taiwan, for example, job opportunities for overseas workers have been negatively affected, partly due to preferential employment policies to protect domestic employment. Vietnamese workers, especially women, are underemployed and laid off for a period of time. The situation is also dreadful in other receiving countries. As a consequence, their remittances back home have been affected.

3.3 Women in agriculture

In Vietnam, 55 percent of the farming population is female and 68 percent of these women are employed in the agricultural sector. They are involved in trading agricultural produce in local markets and marketing cooperatives. As mentioned earlier, the agriculture sector has suffered from the global economic recession since mid-2008 because of a decline in food and crop prices and lower productivity. The growth of agricultural production no longer enjoys favourable conditions. Limited land for cultivation and the high cost of labour and materials have led to a constant rise in agricultural production costs. This situation has delayed the adjustment of the rural economic structure and the growth of non-agricultural crafts and few rural enterprises.

To cope with the crisis, women in this sector have participated more in non-farm activities with irregular earnings, mostly through processing, production and sale of food, trade activities, wage labour and handicrafts as well as more reliance on unpaid care work.

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9 This information is based on an interview with Ms. Nguyen Thi Bich Thuy, Director of Research Center for Female Labour and Gender, Institute for Labour Science and Social Affairs (MOLISA) and the unpublished document 'Key synthesized findings from Dong Thap'.

10 This sector is economically structured into two types: agriculture and non-agriculture.
4 Gender-differentiated impacts of the global economic crisis: case study

4.1 Female workers dealing with job losses and reduced income

The consequences of losing employment affects women differently and more severely than men. The poorer the family, the more important the woman’s earnings are to the family’s subsistence, children’s health and education. Women workers are concentrated in lower paid jobs, so they tend to save less. A small pay cut or price rise can severely damage them and their dependents (UNIFEM, 2009).

According to the First RIA Survey 2009, the net income of city day labourers who were interviewed has decreased compared with last year’s income. One of the respondents, who has worked in Hanoi for several years, explained that gross daily wages in late 2008 increased by 10–20 percent compared with 2007 in response to the high costs of living. However, average working days per month were reduced by 50 percent in the same period. To illustrate, they previously worked 20 days per month in 2007, but they worked only 10 days per month in late 2008. The number of working days for civil construction was reduced by 70 percent, whereas other service jobs saw a 30 percent reduction. Their monthly savings accordingly decreased 30–50 percent in 2008. The other labourers who were interviewed mentioned that after Tet11 this year, there was no construction work available; as a result, they have insufficient income to pay for the expenses of living in the city.

Their lower net earnings, or decline in purchasing power, negatively affect personal savings or remittances to finance their family’s daily expenses, such as accommodation, utilities, food, health care, and children’s allowances. Some of them have to cut living costs by spending only on essential needs and changing their lifestyles by eating leftovers or instant noodles. Some of them even skip meals during the day. One female day worker from Phuc Tho district (former Ha Tay and now Hanoi) complains about this situation:

> Money has now lost its value. For Tet last year, the rice price was only 5–7 thousand dong per kilogram, now it is 10 thousand dong. Most difficulties appear right after Tet, with much less work... Normally, I buy meat for my children 3–4 times per month. After Tet this year, I have received much less work, thus could not buy meat. The little money that I earned is only sufficient for some oil, vegetables and some soya curds every meal.

Female day labourer from Phuc Tho district

Another interviewed woman from Nghe An who migrated to Hanoi with her husband pointed out:

> If the difficult situation after Tet this year continues for long and my husband and I can not remit enough money home, my elder girl may have to quit schooling and go to Hanoi to work as a housemaid to sustain the schooling of my two younger children.

Female worker from Nghe An

With limited sources of official support, crisis-affected workers fall back on a range of informal sources (Turk and Mason, 2009). The evidence shows that these day labourers

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11 ‘Tet’ is the first morning of the first day of the New Year. It is the Vietnamese New Year and the celebration lasts for 7 days.
are coping with the economic downturn by sharing accessible resources. The labour
mobilization of rural people from the same village, both men and women, normally live
together by pooling rent, food and even work. The evidence shows that there are job-
sharing arrangements among day labourers in Hanoi. With fewer opportunities,
unemployed labourers are compelled to take whatever offered job they can find, and
they are willing to share the work for less income (e.g. more people do a piece of the
work). They also borrow money from each other during their idle days. Even though no
one can ensure that these informal coping mechanisms are sufficient to maintain the
same level of income they previously received, at least they provide very basic means of
subsistence and ease the lives of the poor.

Social networks and community-based assistance are also contributing to the easing of
difficulties for the poor by providing job information among workers so that some of
them can do better than others in this challenging period. Some examples include the
sharing of mobile phones among workers, friends, and families. The respondents in
various group discussions explained that ‘practical’ labourers, who have either
motorbikes or mobile phones (though being second-hand and of low value), have more
opportunities for being hired by regular clients, and can quickly reach employers before
others who commute by bicycle or on foot.

4.2 Female migrants and falling remittances: further
exacerbating poverty

As previously mentioned, the current crisis is squeezing the female labour force,
especially rural migrants, into big cities such as Hanoi, Da Nang and Ho Chi Minh City.
Their lower net wages and disadvantaged socio-economic status make them even more
vulnerable to social problems such as trafficking and sexual harassment. In addition,
their families and other dependents will be at risk, especially to illness, because of a drop
in remittances. This situation forces more women to fall into the poor or near-poor
categories.

The First RIA Survey 2009 indicates that low-paid migrant workers find their own
strategies to survive, since job security has become uncertain and somewhat hopeless.
They find it hard to gain employment during the crisis and have less income. The
immediate reaction of some workers who originated from rural areas is to return home.
Estimates from provincial administrative sources suggest that 25 percent of those
migrants returned home in the first quarter of 2009. Visual evidence also provides proof
of this trend; there are fewer numbers of rental accommodations in the industrial zones
of southern Vietnam (Turk and Mason, 2009).

Others workers remain in urban areas to cope with the tightening labour market and to
seek available jobs on a temporary basis, hoping to look for more work elsewhere. Some
skilled workers finally accept supplementary, low-paid and less productive jobs, such as
garbage picking or odd jobs on the street. In some cases, they work part-time (reduced
work hours and overtime payment) and take the opportunity to return to study or to
enroll in a training course.

12 During this difficult time, the gender dimension of the division of labour is less evident,
as female day labourers are ready to do jobs which used to be reserved solely for men,
and vice versa. In fact, they normally work together in groups with both men and women,
and share equal earnings. In this case, gender-differentiated impact is not fully captured
given the limitations of the assessment.

13 A number of training centres, provided by local government around industrial parks,
have offered various courses which accommodate a new market of laid-off workers.
Trends and patterns of rural migration have changed. In a short-run dynamic, fewer people have migrated from the rural agricultural sector to the major cities because of the high costs of urban living and high pressures in the job market. Domestic migration and rural–urban linkages should be the key indicators for monitoring the social impacts of the economic crisis in the coming period.

Evidence from the five main mobile labour markets in Hanoi shows that 70 percent of day workers are married people from rural areas. They have inadequate education and lower skills development. Most of the female workers’ jobs are insecure due to some restricted and unjust conditions such as verbal contract agreements or short-term based contracts. A large number of these workers have been recently forced to become temporary employees and to be ‘on call’. The average salary for female migrants is approximately 35,000–50,000 VND per day (US$2–$2.8) for light jobs, such as cleaning, loading or unloading goods, and serving in restaurants. Women are often favoured for these jobs.

Some of them have experience in very high work intensity or work very long hours on the same job, but for the same pay. They also lack information on the extent of coverage of social protection and are excluded from security schemes such as severance payment, health benefits, or trade unions. They are basically exploited by employers who frequently violate the legal procedures for dismissal. Their earning-related jobs do not meet the fairness consideration.

The remaining 30 percent of day labourers are single youngsters (sometimes students) who might have an alternative to attend vocational training while waiting for a job. The current economic crisis makes this strategy very difficult.

Migrant workers have been suffering from double hits so far. According to the First RIA Survey 2009, there are approximately 737,500 migrant workers in industrial parks in Hanoi. They are struggling and living in poverty due to reduced wages and unemployment under the current economic crisis. In addition, sharply increased costs of living because of the peak inflation rate of nearly 23 percent in 2008 make their lives even harder. They face systemic risks of losing their jobs and double workload by working overtime. The multiple hits make them unable to have enough savings to remit home. At a lower level of income, women workers spend more than men due to family obligations and binding responsibilities, such as family expenses or family events. They try to spend less and save more by taking lower risks (partly due to their greater economic vulnerability).

The interviewed workers who were working under a system of rotating days off with only 70 percent pay affirmed that ‘We are trying our best to curb our personal expenses, but we still cannot set aside remittances to send home’. Workers who are the main income earners in their households confessed that they do not have enough money to remit home to support their siblings’ tuition. Instead of sending remittances back home, some of the workers ask for money from families or borrow from friends, or even bring rice from home to consume.

One female worker from Vinh Phuc province who has been working in TLIP for three years explained her situation:

This year, I receive a basic salary of 1,280 thousand dong, an increase from 1,120 thousand dong last year. Allowances for travel and work responsibility increased a bit. But now, it is my turn to take days off for 8 days per month with only 70 percent pay. Last year, I had overtime including weekends to earn more money so that I could save 500–600 thousand dong per month. This year, I have to pay 400 thousand dong for rent, 100 thousand for electricity and water, 300 thousand for meals each month, not to mention the costs for rice and cooking gas. I used to bring some rice from my hometown to save on food costs, but this year the rice harvest at home is poor. Now I don’t have money left for savings, nor to remit home.

Female worker from Vinh Phuc province
The interviewed workers who had just lost their jobs in the TLIP and received severance payments explained that they will try hard to find new jobs even though there are not many opportunities at this time. The final option for these workers is to return home. Only a few workers can find temporary jobs as mechanics, hairdresser's assistants, cooks, and food deliverers near the industrial park. At the very least, the pay is sufficient to cover their rent, food, and other basic daily expenses.

One female worker from Ninh Binh province was laid off from an electronic appliance company in the TLIP in November 2008 after having worked there for three months. She pointed out:

> I had worked for this electronic company for three months and received only 70 percent pay for one month. The company used to hire 6,000 workers, but now there are only 3,000 left. The company has encouraged workers to resign voluntarily. As a new worker, I was nervous to be let go. I decided to write a resignation letter instead of receiving a 2-month salary as severance payment from the company. Then, I returned home and was there since last November. I just came back here a week ago to find a job. I will try hard to find a job here, and it is impossible to return home again since there is nothing to do.

Woman worker from Ninh Binh province

Female migrants are the majority of the labour force in the industrial parks, according to Vietnam Economics Times (2009). In Hanoi, women make up nearly 60 percent of the total 737,500 workers in IPs and EPZs. However, the proportion of female workers in each factory depends on their work skills and the types of product. Some interviewed workers asserted that in electronics assembling factories, where massive job losses occur, female workers account for 80–90 percent of the total workforce. These female workers, as a result, would bear the brunt of the economic crisis.

The current recession has also affected many communities and businesses surrounding the industrial parks. Many small investors, who previously invested in hostels for rent, are now in trouble, as their rental earnings fall due to the lower numbers of tenants. For example, Vong La commune near the TLIP has developed 60 percent of its land and now business is down. Originally, this community was restructured to provide services for IP workers. There were approximately 200 villagers in the commune that had already invested their land and received compensation of VND 65 million per sao (360 m²). The hostel owners suffered economic shock due to the drop in rental demand. Most of the hostels have had to close 50–70 percent of their rooms despite offering lower rental fees. One hostel owner in Sap Mai village, Vong La commune, sadly complained:

> It was a mistake when I erected this 5-room hostel last year. It costs me 90 million dong, taken from the compensation for my 3 sao of land for expansion of the industrial park. After Tet this year, only 2 or 3 rooms have been occupied even though I reduced the monthly rental fee from 400 thousand dong last year to 350 thousand dong per room now. With the unstable monthly income of less than 1 million dong, how long will it take for me to get this amount back.

Hostel owner in Sap Mai village, Vong La commune

Not only are hostel landlords suffering, but the associated services for migrant workers are also stagnant (e.g. selling breakfast, food and groceries). The day labourers who worked in a catering company serving the TLIP workers observe that the workforce has been reduced by 30 percent since late 2008.

### 4.3 Women migrants are losing jobs in the craft villages

In non-agricultural sectors, craft villages rely significantly on export orders. Women in this sector are suffering a heavy blow as there has been a sharp decrease of international orders since late 2008. The shock has created a domino effect, passing from the trade
companies to craft businesses and then finally to craft households, input suppliers and migrant labourers. The ultimate victims are female labourers, including migrants.

Interviews with the village leaders and enterprise owners in Ha Thai lacquer and Bat Trang ceramic/porcelain villages report that the entrepreneurs received nearly 70–80 percent of craft sale revenues from exports. Sales revenue in Ha Thai dropped by 35–40 percent in 2008 compared with the same period in 2007. In Bat Trang, sales revenue (in commune records) decreased by 30 percent, from 226 billion dong in 2007 to 175 billion dong in 2008. There were no positive signs of transactions from international fairs in early 2009. The domestic demand has also weakened since 2008. As a result, market stagnation will continue until the next series of trade fairs abroad.

The First RIA Survey 2009 states that interviewed craft businesses have significantly downsized their production, and there are limited new recruits, especially migrant labourers. These workers normally respond to simple tasks in the craft chains for mass orders so that handcraft business owners prefer keeping only core skilled labourers who are able to redesign (new) product lines for the coming exhibition fairs. The head of Bat Trang ceramics/porcelain association indicates that in the boom period, 3–4 years ago, Bat Trang entrepreneurs employed nearly ten thousand migrant labourers (of which 60 percent were women) from neighboring provinces; this number has been reduced by 50–60 percent since late 2008. Similarly, the commune leader states that Ha Thai lacquer producers used to employ about 400 migrant labourers from neighboring communes, but now only a few migrant labourers have been hired following this year’s Tet. The migrant labourers in craft villages work on temporary or seasonal basis (no formal contractual agreements); therefore, they leave without severance pay.

These female migrants have responded to the crisis in different ways. Some of them have tried to reduce their spending on basic household consumption, children’s allowances on education, and health care. They have also cut down on ‘luxury’ expenses such as the erection of houses, purchase of electronic appliances and furniture, tourism etc.

The other interviewed representatives of craft businesses point out that they do not benefit from the subsidised loans from commercial banks under the government’s stimulus package. The main reasons are that their investment plan is unattractive at this difficult time, so it is not easy to obtain a special loan. It is also risky, given the informal transactions with inadequate paperwork to show to the banks. The horizontal linkages between the businesses and formal financial institutions are weak. Those interviewed from businesses agreed that the craft associations do not play a key role in helping them to cope with the current difficulties.
5 Policy responses from gender-aware perspectives

This study is an attempt to help policy makers formulate relevant policies to promote gender equality and women's empowerment in Vietnam. Policy interest in the informal labour market has intensified in recent years due to the recognition that the welfare of female labours or women migrants depends not only on the level of income/remittances in any given period, but also on the stability of their level of consumption over time. This suggests that remittances and savings provide a secure means of subsistence and smooth consumption during their working lives. Policy concerns about the welfare of female labours require knowledge about whether these women have access to available public services and the economic resources that allow consumption smoothing.

The Government of Vietnam has introduced sound macroeconomic policies, both short-term and long-term, such as renovating the financial system, introducing fiscal stimulus packages, and using expansionary monetary policies to deal with the economic slowdown and maintain growth. Given the nature of the current crisis, there is an urgent need for policy makers to address broad policies, especially fiscal and social security, that 1) indirectly affect the mobilisation of informal workers, such as a broader policy of financial market development; stable and regular employment generation; and economic growth, and 2) directly improve women workers' welfare, such as social protection systems, unemployment insurance schemes, gender budgeting systems and other related social policies (i.e. basic health care, child care, maternal health care and education).

5.1 Short-term measures: economic and fiscal stimulus packages

With regards to fiscal policy, the Government of Vietnam has released several urgent measures to prevent a sharp economic slowdown and particularly to stabilize domestic consumption as well as to create opportunities for growth and development. According to Pham (2009), the government has initiated policy responses aimed at reducing the anti-social effects of the economic recession in both the short term and long term. In April 2008, such policies, dealing with the food crisis and the inflationary period, included 1) cutting down unnecessary public expenses; 2) speeding up production and export; and 3) reducing poverty by expanding the scope of social welfare.

More emphasis is needed on both fiscal stimulus packages and long-term government social support. In the short-run, on December 14, 2008, Vice Prime Minister Mr. Nguyen Sinh Hung announced that the total stimulus package was adopted and up to US$6 billion will be spent, not only to support domestic consumption and investment, but also to reduce poverty and provide social welfare (Duyen, 2009). However, the actual size of the package was less than the proclaimed amount. On January 5, 2009, the government’s decision on the stimulus package was officially announced and amounted to US$1 billion. Even though this package is relatively small compared with those of other Asian countries, it shows Vietnam’s strong determination to keep its economy on a stable path. The focus was to assist small- and medium-sized enterprises (SMEs), where women work, to access financial capital for the next 12 months and to help them to complete

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14 During the same period of 2008, Indonesia announced that they would spend US$6.1 billion or 1.2 percent of their GDP; Philippines agreed to spend US$6.5 billion or 4.6 percent of their GDP; and Thailand granted up to US$3.3 billion or 1.2 percent of its GDP.
their projects in 2009. This was carried out immediately in February 2009. Beyond the short-term measures, on March 2009, the second released measure was announced in which US$17.6 billion will be spent on longer term development. The government has initiated various social support programmes aimed at poverty reduction, welfare improvement, education, health, employment and human rights.

Table 10 provides details of the stimulus package. The first composition is the soft loan programme, generated to help SMEs with a 4 percent interest rate discount. Eligible enterprises include those that had to decrease their total workforce by at least 30 percent and those with more than 100 employees. Loans are made by the Vietnam Bank for Investment and Development with a maximum duration of 12 months. In addition, workers of bankrupt firms can request that local governments pay their outstanding salaries (Bender and Rompel, 2009). According to the Ministry of Finance (MOF), this measure has proven effective and is a timely option as many small enterprises have overcome their difficulties and retained their businesses and boost production, in turn creating jobs. The discount rate helps borrowers to reduce lending cost by 30–40 percent and keep product prices lower by 2.5–2.6 percent.

Table 10: Fiscal stimulus packages

<table>
<thead>
<tr>
<th>Package</th>
<th>Composition</th>
<th>Date announced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal expenditure</td>
<td>4 percent interest subsidy on loans to SMEs</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>(VND 17 trillion, US$1 billion, 1.1 percent of GDP)</td>
<td>Reduction in corporate income tax for SMEs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exemption on personal income tax from Jan to Jun 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>One-time cash transfer to low-income people</td>
<td></td>
</tr>
<tr>
<td>Fiscal expenditure</td>
<td>Infrastructure projects</td>
<td>Mar 2009</td>
</tr>
<tr>
<td>(VND 300 trillion, US$17.6 billion, 21 percent of GDP)</td>
<td>Measures to support manufacturing and export sectors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Projects designed to support social security and welfare</td>
<td></td>
</tr>
</tbody>
</table>


The Government of Vietnam also issued the Decision on Tax Solutions, which involves the implementation of policies to stimulate investment and sales in order to alleviate the effects of the economic downturn and relieve hardship for enterprises. The solution was to reduce the amount of corporate income tax payable by 30 percent for the fourth quarter of 2008 on income from such activities as manufacturing fibre, weaving, dyeing and sewing, and the manufacturing of leather footwear.

For personal income tax, individuals who have earnings from business, salaries or wages paid for employees by employers (regardless of the payment date), inheritances and gifts are exempted from personal income tax from January to June 2009, according to the MOF’s guidance in the Circular No. 160/2009/TT-BTC.
Social assistance under the stimulus package also covers the provision of one-time cash transfers to the poor or near-poor, which is the first time for such unconditional transfers.¹⁵

**Critiques of the fiscal stimulus packages**

The government’s stimulus packages have authoritatively responded to foreseen economic circumstances and partly compensated for the economic and social impacts of the global economic crisis. The economic performance, supported by various stimulus programmes, seems to be resilient. Real GDP growth, for example, picked up at 4.2 percent year on year in the second quarter of 2009. However, the fiscal indicator is still negative due to the sizable financial burden.

There are concerns over the potential negative side effects of the stimulus efforts. Vietnam is now facing new questions over risks arising from its financial management and fiscal stance. It is also turning to the question of how long such efforts should be maintained given the danger of inflation. The most crucial concern is, what in the packages are aimed specifically at women?

The weakness of the short-term measures have been criticised as follows:

1. According to the EIU 2009, the loan subsidy programme has grown rapidly and has a strong impact in accelerating economic pace. However, its process is in opposition to the mechanism the government had planned. Many firms had borrowed simply to swap over existing debt instead of using the loans for their working-capital needs.

2. Rapid expansion in loans under the subsidised programmes could create a sharp increase in inflation corresponding to a rise in real estate prices (EIU, 2009).

3. There are growing concerns over its sustainability in terms of meeting financial gaps. The main risk arises from the government’s debt management and fiscal stance.

4. There is also a risk on the interest subsidy programme, since the expansion of credit will lead to an inefficient allocation of resources.

5. The stimulus package is comprehensive, but less attention has been paid to the rising unemployment and negative real wage growth. The US$1 billion economic stimulus package focuses primarily on stimulating demand and investment and raising domestic credit growth.

6. Gender-sensitive programmes have not been clearly outlined. The current plan does not stimulate gender equality. The main target is poor people in general.

The large spending on recovering the economy would decrease the government’s budget. It is likely to reduce the fiscal space of the government to be able to provide stimulus packages and social support to help vulnerable people. Emphasis should be on women who have lost their jobs and become poorer in the process (gender differentiated impacts).

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¹⁵ Bender and Rompel (2009) points that ‘In general, social assistance in Vietnam covers the provision of both cash and in-kind transfers to specific vulnerable groups and the provision of in-kind transfers to the poor in general.’ These social assistance measures in Vietnam rest on two different institutional pillars: Regular social assistance delivery to specific vulnerable groups is guided by government decrees, most importantly Decree 67/2007/ND-CP on social assistance regimes and Decree 68/2007 on the establishment of social service centres. Support to the poor, in general, is carried out under the framework of temporary programs, such as the National targeted Program on Poverty Reduction.
According to the EIU, the budget deficit this year will jump to 8.3 percent of GDP due to an increase in expenditure committed to the short-term measures and a decline in revenue in subsidy and tax-cut programmes. In addition, a series of new measures were adopted in the first quarter of 2009, creating a big concern about the increased budget deficit with unsustainable spending in the future. Evidence shows that government expenditures from the beginning of the year to July amounted to 40.2 percent of the yearly estimate. With the limited budgetary and monetary reserves, it is uncertain whether the government will be able to continue financing stimulus programmes next year.

**Table 11. National account indicators**

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP growth (percent)</td>
<td>6.2 %</td>
<td>4.2 %</td>
</tr>
<tr>
<td>Stimulus package (end of the year) (US$ billion)</td>
<td>100.0</td>
<td>1,760.0</td>
</tr>
<tr>
<td>Stimulus package (percent GDP)</td>
<td>1.1 %</td>
<td>21.0 %</td>
</tr>
<tr>
<td>Budget balance (percent GDP)</td>
<td>-4.5 %</td>
<td>-8.3 %</td>
</tr>
<tr>
<td>Current account balance (percent GDP)</td>
<td>-13.7 %</td>
<td>N/A</td>
</tr>
<tr>
<td>Foreign exchange reserves (end of the year) (US$ billion)</td>
<td>2,300.0</td>
<td>2,230.0</td>
</tr>
</tbody>
</table>

*Source: Economist Intelligence Unit (EIU)*

### 5.2 Long-term policies to ensure social security

Given the nature of the short-term measures, longer-term concerns are planned to specifically address policies on labour and employment, poverty reduction, and social-related policies which partly include gender interests.

**Policies on labour and employment**

**1. Social security system**

According to MOLISA, the Government of Vietnam agrees to allocate a budget to expand the social security system and employment benefits in order to 1) raise the minimum wage for enterprise employees and civil servants; 2) offer pensions directly to the poor; and 3) enforce laws on unemployment. However, equal treatment in social security has been debatable.

The minimum wage is a record low at VND 600,000 per month in Hanoi and Ho Chi Minh City, VND 580,000 in other big cities and VND 540,000 elsewhere, given the highest inflation rate during 2007–2008. The government has committed to provide health insurance for the poor and near-poor in accordance with adjustments to the level of minimum wages (Oxfam and ActionAid, 2008a).

According to the ILO (2009a), in Vietnam, gender inequality in the social security schemes has been publicly reverberating. In the formal labour market, spouses and children of beneficiaries are not covered by social security benefits or even the basic levels of social protection. Specifically, women are not covered by their spouse’s pension funds. Women are still disadvantaged by the social security system. It is questionable whether the national policies and/or stimulus packages are fair to women and what the changes are in the long-run. There is an urgent call for close and timely monitoring and evaluation.
2, Unemployment Insurance (UI)\textsuperscript{16}

The Government of Vietnam has recently approved a new unemployment insurance scheme, which is the key social safety net to stabilize workers’ lives and to provide training as well as employment opportunities.

According to the Government Decree 127/2008/ND-CP, the Law on Unemployment Insurance was released in January 2009 and is expected to be in effect in 2010, with the following regulations:

- Employers and employees are required to contribute the same rate of 1 percent, based on whichever is lower – the contractual salary, allowances or statutory cap which is established at 20 times the minimum salary.
- Severance payment is agreed at 60 percent of the average salary for 6 consecutive months prior to the employment termination.
- Terminated workers are entitled to UI benefits for their contribution period. They will receive 3-month benefits for 12–36 months of contribution; 6-month benefits for 36–72 months of contribution; 9-month benefits for 72–144 months of contribution; and 12-month benefits for more than 144 months of contribution.

The decree will cover everyone who lost their job and cannot find a new job for 3 to 12 months. All eligible workers must have an employment contract for at least 12 consecutive months in order to claim benefits. The MOLISA takes the key role in this insurance scheme to particularly help workers and or migrant workers in industrial parks and big cities. The ministry also requests all localities to provide reports on unemployment rates at the provincial level submitted by the second quarter of 2009.

The government has agreed to postpone employees’ contribution of 1 percent to the last 6 months of 2009. Employees who have been hit by the crisis will benefit from this UI scheme from the beginning of 2010.

\textbf{Policies on poverty reduction – people’s livelihoods}

To cope with external shock, Vietnam has initiated and reformed various social support policies at both the national and local levels to improve the livelihoods of the people. According to the GSO 2009, the government poverty reduction policies and programmes (so called ‘National Targeted Programme on Poverty Reduction’) have been initiated to ensure social security and alleviate poverty in the first six months of 2009. In 62 poor districts, each was given in advance VND 25 billion to develop projects and implement activities. Out of the 62 district poverty reduction projects, only 11 projects have been currently approved. Thirty-seven economic groups, corporations and enterprises agreed to support 57 poor districts.

One of the poverty reduction projects is to reduce the number of hungry people in the country. Food production across the country suffered because of the global food crisis. There are still food shortages in rural areas. The government has supported households that suffer from food shortages with 14.9 thousand tons of food and VND 38.9 billion, in the beginning of 2009 and added to 1,100 tons of food and VND 2.2 billion in July 2009.

A number of policy measures have had a positive impact on people’s income. The average income per month per employee in the state sector in the first 6 months of 2009 was VND 2.8 million (an increase of 12.1 percent) compared to the same period last year. In the central district, it increased to VND 3.6 million, rising by 15.1 percent, and VND 2.3 million, increased by 9.3 percent in the provincial district.

\textsuperscript{16} See Pham 2009 and Thuy 2009
5.3 Gender policy and gender law in Vietnam

Vietnam has affirmed that gender equality is one of the country’s national development objectives. Appropriate policies have been formulated to ensure the equal rights of men and women. The National Committee for Advancement of Women in Vietnam (NCFAW) plays the key role in implementing a range of interventions at both local and national levels to achieve this objective. In the past few decades, the status of women in Vietnam has improved and progress has been made in reducing the gender gap, partly due to these existing gender policies and gender law.

The government is taking important steps to approve the Gender Equality Law. According to the National Assembly of the Socialist Republic of Vietnam, the Law on Gender Equality seeks to ensure gender equality in all fields of political, economic and social life in Vietnam. The law was adopted at the 10th session of XI Legislature of the National Assembly of the Socialist Republic of Vietnam on 29 November 2006, and came into force on 1 July 2007. The Vietnamese Constitution in 1992 clearly states:

*Male and female citizens have equal rights in all fields of politics, economy, society and family. The Government creates opportunities for women to fully improve their ability and ceaselessly bring into full play their roles in the society.*

Article 63

Based on the Constitutional foundation, all women’s rights in terms of politics, civil, economy, culture and society have been institutionalised in the following: Civil Law, Labour Code, Law on People’s Health Care, Enterprise Law, Law on Science and Technology, Marriage and Family Law, Criminal Code, Criminal Procedure Law, Law on National Assembly Election, and Law on People’s Council Election, etc.

**National strategy for advancement of women in Vietnam**

The Vietnamese government and people have made great efforts to promote gender equality and empowerment. The government successfully implemented the National Strategy and Plan of Action for the Advancement of Women by 2000, 2005 and 2010. In practice, some progress on equality has been made. However, it has not been entirely uniform. Evidence shows that almost half of the targets in the Plan of Action for the Advancement of Women for the period 2001–2005 were not fully met.

MOLISA is currently developing the National Strategy and Plan for Action for the Advancement of Women by 2020 with a focus on poverty reduction and growth strategy taking into account gaps of the previous action plans. Given the difficult situation during the economic crisis, the new strategy aims to incorporate gender perspectives into the plan and clearly identifies objectives for gender equality in all fields. The main strategies aim to enhance social security systems and employment in particular.

\[17\] According to the MOLISA, the national strategies for women are related to employment, vocational training, labour, wage and salary, social insurance (compulsory, voluntary and unemployment insurance), occupational safety, benefits for national devotees, social assistance, protection and care of children, gender equality, and anti-social evils (generally addressed as labour, national devotees and social affairs).
Conclusions and policy recommendations

The Government of Vietnam has created a number of emergency plans to respond to the financial turmoil. However, it is clear that there is no all-in-one solution to cope with this crisis. In practice, one of the main weaknesses of the short-term packages previously highlighted is that they ignore gender-specific concerns. Moreover, the packages miss the real targets, especially poor women and women workers who have lost their jobs. The real issues to address at this point are how these responses reach women and how the government takes into consideration ways to incorporate gender concerns into the country’s long-term policies.

A central goal at the policy level should focus on pro-poor policies at both the macro and micro levels, as well as to focus more on vulnerable women. Again, the emphasis of this research is to highlight ways to help policy makers formulate relevant policies to make women visible.

Recommendations for government

1. In order to create jobs for both women and men, there should be investment in physical and social infrastructure and social reproduction. Moreover, we should advocate the government to create jobs not only in male-oriented sectors (such as the construction and infrastructure sectors), but also in sectors where women can find employment, such as in the care economy (services, commerce, etc.).

2. Appropriate government agencies should ensure that companies do not exploit the situation to further their unfair gains, or to further exploit female employees.

3. Active labour market measures should be initiated, for instance targeted training and public employment schemes for women.

4. The burden of unpaid care work on women and girls should be reduced. A gender-blind policy that ignores the invisible work performed by and the household burden placed on women should be abandoned. A policy, such as family law, that directly enhances the status of women, both within the household and society, would be effective in promoting gender equality and increasing women’s empowerment.

5. The social provisions of health, education, nutrition, water and sanitation should be expanded and improved.

6. Social safety nets should be provided to help mitigate the adverse effects of different shocks on household income and prevent inter-generational transmission of poverty, in particular from women to girls as well as from women to older women.

7. Individual and household savings should be promoted since savings are necessary for the welfare of family members as a means to earn a steady income, to fund educational pursuits, and to leave as bequests to children.

8. Women’s unions should be strengthened and active in society. According to the Food and Agricultural Organisation (FAO), the Vietnam Women’s Union (VWU) is an active women’s mass organisation in Vietnam. The VWU is a quasi-governmental body functioning at the national, provincial, district and commune levels. It is the second key player in Vietnam’s rural financial market, organising and training women’s groups on such issues as income generation and savings and credit activities.

9. Women’s participation in decision making processes should be promoted. This will lead to a positive correlation between economic development and gender equality.

10. Gender should be integrated into budget processes. Government budget priorities require significant capacity building and financial resources.

11. Appropriate government agencies should ensure that existing laws are applied fairly to women workers, especially regarding their rights and obligations in the garment sector.
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