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**Market Reforms and Women Workers  
in Vietnam: A Case Study of  
Hanoi and Ho Chi Minh City**

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**I. Introduction**

Ongoing research on market reforms and their implications for labour reveal that the labour-shedding aspect of industrial restructuring or of privatization of state-owned enterprises (SOEs) affects women workers more seriously than male workers. There are two reasons for this outcome. One is linked to cultural constructions of gender, whereby almost universally, women are still associated with family responsibilities first and the labour force only secondarily. The second reason is linked to economic calculations, typically made during periods of recession or restructuring, which affect women workers who require extra costs such as maternity leave, sick leave, childcare allowances, transportation, and so on. Thus the higher unemployment rates of women in nearly all transition economies and in other countries where privatization or structural adjustment leads to labour-force reductions. (See, for example, Fong and Paull 1993; Moghadam 1994; Standing 1994). The literature has also found a decline in labour standards during and after economic restructuring, which seems to result from efforts to cut labour and production costs, increase profitability, and attract foreign and domestic private investment. Indeed, throughout the world, the contraction of the state sector, the promotion of the private sector, growth of the informal sector, increases in unemployment, and a decline in the social power of unions provide the context in which labour standards are under attack while various forms of "precarious employment" are increasing: self-employment, employment through sub-contracting arrangements, part-time work, temporary work, household production, child labour, and so on, including the growing use of relatively cheap female labour in the private sector. Standing (1989) has aptly termed this trend "global feminization through flexible labour". Many studies by women-in-development specialists have drawn attention to the gender-specific effects of various forms of economic restructuring, such as shifts in women's productive activities, their increased responsibility for domestic responsibilities when social services decline, and changes in their household status. (See, e.g., Davin 1991; Elson 1992; Beneria 1992; Moghadam 1993.)

In this context, it is appropriate to examine one case of economic restructuring and its implications for women workers -- the Socialist Republic of Vietnam, which in 1989

adopted a strategy of market reforms called *doi moi*, literally, renovation.<sup>1</sup> Doi moi measures include rural reforms; exchange rate, fiscal, and interest rate reforms; promotion of private sector growth; changes in foreign trade regulations; and programs to minimize the "social costs" of economic reforms. Doi moi also continues the policies of the Second National Plan (1981-85) and the framework of economic reforms adopted by the Sixth Communist Party Congress in December 1986 which, with respect to industry, encompassed a shift in emphasis from heavy to light industries, a partial deregulation of production activities by granting greater autonomy to individual enterprises, and a recognition of the need to promote an export-oriented manufacturing capacity, especially to western and southeast Asian markets. The move to a market economy was prompted partly by the serious inflation experience of the 1980s which slashed real incomes of many workers and most civil servants by over 50 percent during 1985-88. The government subsequently announced what it called a new "human strategy development policy" which involved a promise "to bring into full play the human factor" in Vietnam's development, by seeking:

to ensure employment for all working people, especially for young people and those living in urban areas; [to] ensure adequate real income for the working people; [to] satisfy the people's educational and cultural development; [and to] improve the country's health system, etc. (Cited in Hainsworth 1993: 158.)

Doi moi also entails a drive to force state-owned enterprises to become profitable. In 1989 there were about 12,000 state-owned enterprises in Vietnam, but since the government's market reforms have taken hold, some 4-5,000 have closed their doors. Many of these companies had their subsidies cut by provincial authorities, while others are too small or poorly managed to be competitive. The government's encouragement of growth of the private sector since 1990 has led to not only the registration of many regular privately-owned enterprises but also to the explosion of sidewalk and other informal-sector activity, which is especially evident in Ho Chi Minh City.<sup>2</sup>

Vietnam's manufacturing sector is composed of state-owned enterprises (SOEs) which are owned and operated either by the central government or by governments on a provincial, district, or local level on the one hand, and of cooperatively or privately owned

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<sup>1</sup> This study is part of the UNU/WIDER research project on *Economic Restructuring, Women's Employment, and Social Policies in Industrializing and Transitional Economies*, of which the present author is principal investigator. Eight papers by national researchers in former socialist countries have also been commissioned.

<sup>2</sup> This article could very well have been called "a tale of two cities", for the differences that exist between Hanoi and Ho Chi Minh City. For one, educational levels are higher in the north than in the south; the labour force in Ho Chi Minh City, at a mean age of 31.0 years, is younger than in Hanoi, at 34.2 years; Ho Chi Minh City is much more entrepreneurial than is Hanoi, which is also a calmer and more picturesque city.

enterprises on the other hand. SOEs can be quite large-scale, while co-operatives, private businesses, individual household businesses, and joint state-private companies tend to be medium- or small-scale. To put the industrial sector in perspective, it should be noted that Vietnam remains a predominantly rural country, with 72 percent of the total employed labour force of 30 million involved in agriculture, according to the 1989 Census. Official figures put industrial employment at some three million people in 1989, or about 11 percent of the labor force, representing a 31 percent rise over 1980. Women make up as much as 70 percent of the work force in small industries. Besides textiles, women are engaged in large numbers in the production of soap, shoes, paper, processed food, carpets, porcelain, and garments. In the handicrafts sector, as much as 80 percent of the workers are women (UNIDO 1992: 2). This is significant, because these are among the dynamic industries slated for the export markets.

This paper examines the implications for urban women workers of market reforms in Vietnam, including government policies and legislation that directly or indirectly affect women. It draws largely on fieldwork conducted in February 1994, during which I visited factories and conducted interviews with enterprise managers, Labour Ministry officials, women's rights leaders, social scientists, and working women in Ho Chi Minh City and Hanoi. The paper comes in five parts. Following this introduction, Part II provides the socio-demographic and economic context, including information on the labour force and women's employment, and a discussion of Vietnam's manufacturing sector. Part III examines the situation of working women in the textiles and garments industry in Ho Chi Minh City and Hanoi, from the point of view of enterprise managers and women professionals employed in the industry. Part IV conveys domestic perspectives on *doi moi*, based on interviews with a sociologist in Ho Chi Minh City and an official of the Vietnam Women's Union in Hanoi. The conclusion summarizes the main points, highlights similarities and differences with other cases of market reforms (especially Eastern Europe and Russia), and reflects on prospects for women workers in Vietnam.

## **II. Social, Demographic, and Economic Characteristics**

The 1989 census revealed a population of 64.4 million, growing at a rate of 2.1 percent per annum, and likely to exceed 82 million by the year 2000 (Statistical Publishing House 1992). Vietnam thus ranks as the world's twelfth largest nation, and, after Indonesia, as the second largest nation in Southeast Asia. It is also one of the world's most densely populated countries, with a resource base that has been seriously depleted and degraded, mainly through the devastation caused by the American war against Vietnam. The World Bank ranks Vietnam's GDP per capita at around US\$200, among the lowest in Asia, although the UNDP estimate of real GDP per capita (adjusted for cost-of-

living differences) shows US\$1,000 for Vietnam, still substantially lower than figures for Indonesia, Thailand, and China. Some 20 percent of Vietnam is urban, but the urban centres have a high incidence of poverty and overcrowding. This is especially so in Ho Chi Minh City, which has seen spontaneous immigration from the north, especially since market reforms took hold in 1989.

Vietnam has a highly unbalanced sex ratio, with around 95 males to every 100 females. This is partly a legacy of the war years, and has been exacerbated by disproportionate rates of male out-migration (Le Thi 1993: 19). For the segment of the population that is below the age of fifteen, however, the rates reflect a more normal demographic balance. The demographic factor may be part of the explanation for the high labour-force participation of women and their active involvement in many occupations and professions. The average age of marriage is relatively high, at 24.5 years for males and 23.2 years for females. (In urban areas, 26.5 years for males and 24.7 years for females.) Between 1968 and 1988 total fertility rates were reduced from six to four births per woman of childbearing age. Abortions are legal and easily available, and the government encourages two-child families. Government employees are liable to salary deductions and loss of perquisites such as eligibility for foreign travel if they exceed two children (Hainsworth 1993: 165). Vietnam's Population and Family Planning Policy, adopted in 1988, states the desired number of children per family and the age at which women should have children, and offers guidance on family planning.

A highly literate population is one of Vietnam's key assets. Functional literacy, according to the 1989 census, was 93 percent for males and 84 percent for females. The population aged ten or over who have had some schooling is quite high, 84 percent overall, or 87 percent for males and 80 percent for females. Only 11 percent have completed secondary school, however, and only 2 percent have completed college or university (Statistical Publishing House 1992: 31). These are the people who occupy positions in public administration, in research, and in the SOEs, as professionals and as workers. Although I was surprised and impressed to discover that most young women in the textiles and garments factories I visited had completed secondary school, there is some evidence that secondary level enrollment is declining and drop-out rates rising, especially among teenage girls in Ho Chi Minh City, due to expanding job opportunities in the services sector (especially tourism-related workplaces) and in garment and other factories. Although general levels of literacy and educational attainment are remarkably good, the educational system requires major improvement, especially with regard to technical and vocational training (Le Thi 1993: 21, 23; Hainsworth 1993: 160); this was also acknowledged by enterprise managers and a Ministry of Labour official interviewed by the present author.

Official labour-force surveys report that 480,000 workers currently have some amount of university education, while 800,000 have vocational secondary school diplomas, and over 2 million technical workers have had some type of formal training. About 15,000-20,000 technicians a year have attended universities in the USSR and other communist countries in recent decades, and several more thousands of skilled and unskilled workers have been involved in labour and training schemes, also mainly in the USSR and Eastern Europe. Most have now returned with higher skills and broader occupational experience (Hainsworth 1993: 179). The most dramatic and immediate shortage relates to middle-management skills needed to interact successfully with foreign firms, to improve financial management, and to promote foreign trade and investment. In some industries, managers have climbed up the ranks from production, and lack management training. In recent years, management training seminars have been offered by international development agencies, such as PRODEC, a Finnish affiliate of FINNIDA. The need for improved management skills is widely recognized in Vietnam.<sup>3</sup>

### *1 The Labour Force and Occupational Profile*

Vietnam's work-force was estimated to be around 29 million in 1989, or about 45 percent of total population and 80 percent of those of eligible age (16 and above). This is a relatively high participation rate. For women, the rate was around 47 percent, which is very high by comparison with most other LDCs. As with employment statistics in most countries, child labour and female participation tend to be underestimated, either because they perform unpaid and usually under-appreciated family work, or because their earnings go unrecorded (as in the informal sector). The overall rate of unemployment as estimated by the 1989 Census was around 5.8, or 13 percent for urban and 4 percent for rural areas (General Statistical Office 1991: 61). This is very likely an underestimation, and unemployment is likely to increase as a result of redundancy rates in state enterprises, which the UNDP and the World Bank estimate to be around 30 to 40 percent (Hainsworth 1993: 187). The census also reported a high rate of under-employment, or employment of under six months (Central Census Steering Committee 1990: 65). The census showed that

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<sup>3</sup> According to Professor Le Thi of the Centre for Women's Studies, Hanoi, an old Vietnamese saying is "A good manager is worth a storage of industrious labourers". This adage reveals the premium placed on human resources. Many of the enterprise managers I interviewed in Ho Chi Minh City and Hanoi in February 1994 had participated in the PRODEC seminars, and I am grateful to Mrs. Saara Kehusmaa-Pekonen, Executive Director of PRODEC, for the contacts. Other countries also have workshops and training sessions for Vietnamese managers; one manager told me he had attended courses in India and Sweden as well as Finland. Other managers study foreign languages and foreign trade to increase their ability to deal with foreign partners. This reflects, perhaps, the "westernization" of management, as opposed to past practices, whereby directors and managers were usually party members and former workers, or where administrators had had training in, for example, chemistry.



in 1989 unemployment was higher for women than for men, in both rural and urban sectors; for the age groups 15-60, of the 766.5 thousand officially unemployed in the urban areas, 55 percent was female (Centre for Women's Studies 1990: 35). According to a recent government document, some 3.7 million persons were unemployed in 1992, and about 6.5 million were significantly underemployed. Even more serious was urban unemployment of 2.2 million persons in 1992 (Socialist Republic of Vietnam 1993: 28). Due to the young age structure of Vietnam's population, there are some one million new entrants each year. One way that the government is dealing with unemployment is to establish training centres which provide courses from one to six months. In 1993 there were about 55 of these centres throughout Vietnam. Although priority is given to workers laid off from the state sector, the training courses are very popular with new labour-force entrants.

According to Vietnam's classification system of occupations and work force by "material production" and "non-material production", about 93 percent of the labour force was engaged in material production in 1991, while only 6 percent were engaged in various service sectors. Cooperatives were the predominant form of productive enterprise, accounting for about 55 percent of the work force in 1989, compared with 15 percent for the state sector and 30 percent for the private sector (see Tables 1 and 2). With an estimated 350,000 new businesses registered between 1986 and 1991, private-sector activities have greatly increased. These employ less than 20-30 workers, and only a handful of private companies have a workforce of above 1,000 (Reinhardt 1993: 84).

In 1989 state enterprises still accounted for a third of industrial jobs, two-thirds in the construction sector, and 80 percent in forestry and lumber. In service sectors such as science and education, over 95 percent of workers were on the government payroll, and over 80 percent in finance, health, and other social services. According to one account, "14.15 percent of the women of working age are state workers. Most of remaining women work in the individual, private, and collective economic sectors" (Le Thi 1993: 39). But the share of material output and employment under direct government control is gradually being reduced, and the private sector is now the largest employer of workers engaged in material production. (See the bar chart of Table 2 for an illustration of the increase in private sector employment, at the expense of state and also cooperative employment.)

The 1989 census collected information on 34 occupational categories, the findings of which are summarized by eight main groups in Table 3. Gender distribution by major category appears remarkably symmetrical, although the table does not show gradations by status within occupations. The great majority of men and women alike are in agriculture. Men tend to be slightly more numerous in heavy industry, construction, transport and communications, and public service, while women predominated in weaving, clothing, sales, and trade. (See also Table 4.)

Table 1

## Distribution of Labour in 1991, and by Sector and Type of Enterprise, Vietnam, 1989

	<i>Labour Force in 1991 (millions)</i>	<i>Government %</i>	<i>Collective %</i>	<i>Private %</i>
Material production	29.12	36.5	19.7	43.8
Industry	3.40	67.8	3.2	29.0
Construction	0.82	67.8	3.2	29.0
Agriculture	22.92	1.6	72.3	26.1
Forestry/lumber	0.22	81.3	2.9	15.8
Transport	0.49	42.7	18.4	38.9
Communications	0.05	99.1	0.9	
Trade	1.72	28.4	3.5	68.1
Other production		44.5	0.5	55.0
Non-material production	1.97	85.4	5.1	9.5
Tourist services		36.0	1.9	62.1
Science	0.05	99.3	0.2	0.5
Education	0.80	96.5	2.3	1.2
Art and culture	0.05	87.7	5.7	6.6
Health, sport, social services	0.30	82.7	9.2	8.1
Finance, credit, insurance	0.11	82.2	6.1	11.7
Government management		92.2	7.8	0.0
Others		79.5	15.4	5.1
Total		15.2	54.7	30.1

Source: Hainsworth (1993: 195).

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Table 2

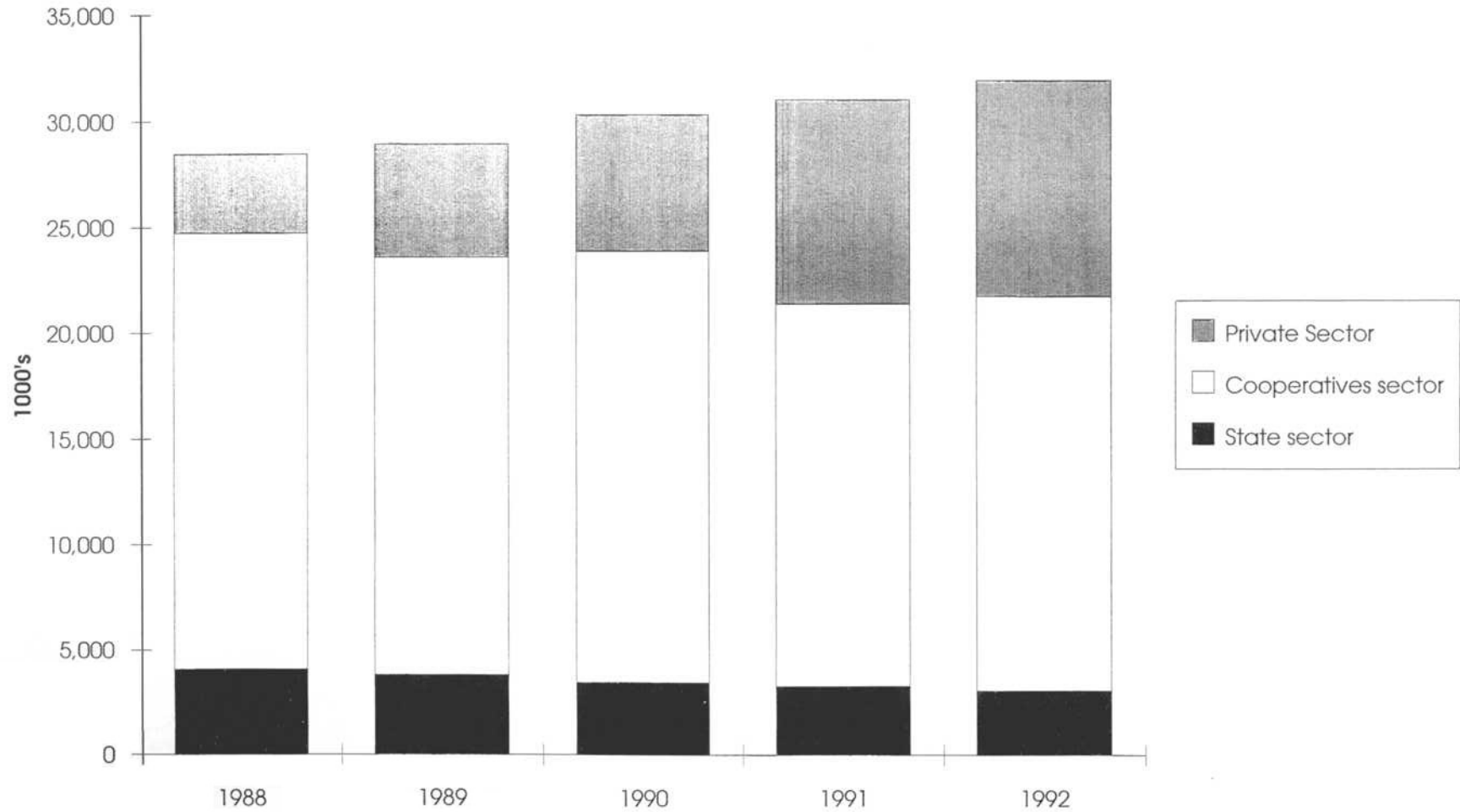
Employment in State and Non-State Sectors  
(thousands of persons)

	<i>1988</i>	<i>1989</i>	<i>1990</i>	<i>1991</i>	<i>1992</i>
Employed labour force	28,477	28,940	30,286	30,974	31,850
State sector	4,052	3,801	3,419	3,246	3,035
- Government	1,359	1,455	1,341	...	...
- State enterprises	2,693	2,346	2,078	...	...
Cooperatives sector	20,658	19,750	20,414	18,071	18,644
Private Sector	3,768	5,389	6,453	9,657	10,211

Source: Socialist Republic of Vietnam (1993: 24).

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## Employment in State and Non-State Sectors



**Table 3**  
**Composition of Work-Force, by Gender and Occupation, Vietnam, 1989**

	<i>Number ('000)</i>			<i>Percentage</i>		
	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>
Total	28,745	13,816	14,929	100.0	100.0	100.0
Professional	2,231	1,074	1,157	7.7	7.8	7.7
Industrial	2,606	1,344	1,262	9.1	9.7	8.4
Construction	391	298	93	1.4	2.1	0.6
Agriculture, forestry, fishing	20,671	9,805	10,866	71.9	71.0	72.8
Transport, communications	622	552	70	2.1	4.0	0.5
Sales, supplies	1,570	334	1,236	5.5	2.4	8.3
Public service	315	230	85	1.1	1.7	0.6
Others, not stated	339	179	160	1.2	1.3	1.1

Source: Hainsworth (1993: 192).

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**Table 4**  
**Percent Distribution of Employed Population  
aged 13 years and above by Occupation and Sex, 1989**

<i>Occupation Grouping</i>	<i>Males (%)</i>	<i>Females (%)</i>	<i>Total (%)</i>
Agriculture, Forestry, Fishing	71.0	72.8	71.9
Statistics, Finance, Economics, Planning	2.2	2.0	2.1
Science, Education, Medicine	2.3	4.4	3.4
Mining, Metallurgy, Electrical Mechanics, Chemical Industry	4.3	0.9	2.5
Paper, Printing, Publishing	0.1	0.1	0.1
Weaving, Clothing, Leather, Wool	1.2	4.7	3.0
Food	1.1	1.3	1.2
Building, Glass, Materials, Wood Industries	4.9	2.0	3.4
Transport	3.5	0.3	1.8
Sales/Supplies	2.4	8.3	5.1
Public Service	1.7	0.6	1.1
Other	5.3	2.6	4.0
Total	100.0	100.0	100.0

Source: Central Census Steering Committee (1990: 66).

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According to a 1990 study by the Centre for Women's Studies of the National Centre for Social Sciences, the female share of professional and technical staff was 49 percent, of industry 46 percent, and of managerial and administrative staff nearly 33 percent. The research community has a smaller female share in various fields except for medicine, where women predominate, and the social sciences and humanities, where women are almost on a par with men. (See Table 5.) Women are even more strongly represented in the domestic trade sector, where they account for between 65 and 70 percent of the labour force, as seen in Table 6. (See also UNIDO 1992: 2.)

**Table 5**  
**Number of Scientists, Engineers and Technicians Engaged in Research and Experimental Development, by Sex and Field of Expertise 1988**

	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Percent Female</i>
Total	776,775	486,645	290,130	37.3
Natural Sciences	130,498	125,856	4,642	3.6
Technical Engineer and Economists	151,472	105,052	46,420	30.6
Medicine	72,240	29,591	42,649	59.0
Agriculture	48,937	37,332	11,605	23.7
Social Sciences and Humanities	373,628	188,814	184,814	49.5

Source: Centre for Women's Studies (1990), p. 172.

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**Table 6**  
**Female Workforce in Trading in 1989**  
(in thousands)

	<i>Total</i>	<i>Collective</i>	<i>State Enterprise</i>	<i>Others</i>	<i>Not stated</i>
Total	1879.9	66.7	532.3	1277.3	3.5
Male	548.3	24.3	252.7	270.2	1.0
Female	1331.6	42.4	279.6	1007.1	2.5
Ratio F/Total (%)	70.8	63.6	52.5	78.8	71.4
Urban	1133.5	33.4	353.5	744.5	2.0
Male	335.4	11.5	163.1	160.1	.5
Female	798.1	21.9	190.4	584.4	1.5
Ratio F/Total in Urban (%)	70.4	65.5	53.8	78.5	75.0
Rural	746.3	33.3	178.7	532.8	1.5
Male	212.9	12.8	89.5	110.1	.5
Female	533.4	20.5	89.2	422.7	1.0
Ratio F/Total in Rural (%)	71.5	61.5	49.9	79.3	66.6

Source: Centre for Women's Studies (1990), p. 154.

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The sexual division of labour seems more evenly balanced than would be the case in most countries, developing and advanced alike, and this was certainly something I observed at the state-owned enterprises I visited. Some of this is no doubt attributable to the long-term participation of women in all aspects of the war effort; during the 1970s and well into the 1980s, mobilization for war and military service were required of men, releasing women for jobs in industry, marketing and public services as well as agriculture. The absence of great gender disparities in educational attainment is surely another reason, and may in fact be related to the opportunities created by the demographic factors. A UNIDO fact sheet on Vietnam's female industrial involvement cites a 1989 UNESCO publication to the effect that women represented 50.6 percent of the students in vocational schools, and 58 percent of the workers and employees had acquired secondary level vocational training (UNIDO 1992: 4). Another reason for the more symmetrical sexual division of labour could be the level of involvement of women in trade unions, which has been quite high over the years.<sup>4</sup> (See Table 7.)

The cost of labour in Vietnam is relatively cheap in comparison to most other countries of East and Southeast Asia. Mitsui found that an average worker in 1991 received the equivalent of about US\$20-25 per month, or \$1 a day (Mitsui 1992: 9). In 1994, according to enterprise managers I interviewed, wages were on average between \$30 and \$50 a month, depending on skill and productivity. The relatively low wage level is being used to attract foreign investment, for example in the four export-processing zones in Ho Chi Minh City, Danang, and Haiphong, as well as in the many joint ventures that are being established, especially in HCM City. The wage levels in Hanoi, however, are even lower than in Ho Chi Minh City, and the state sector wages lower than private sector wages. Interviews in Ho Chi Minh City and Hanoi in February 1994 confirmed that private firms probably have to provide higher wages than state firms in order to attract workers, and that state firms offer a number of non-wage benefits such as housing and pensions, as well as a more relaxed work environment, which offsets the wage difference.

The educational level of the labour force is higher in state enterprises, including small state enterprises, than in all categories of urban non-state enterprises (household, private, cooperative). The level of education of the labour force, measured as completed years of school, is notably higher in the north than in the south; nearly 30 percent of the labour force in the non-state enterprises in Ho Chi Minh City has not completed seven years of formal education, compared to only 10.6 percent in Hanoi (ILO/ARTEP 1992: 127). At 57.5 percent, the share of the labour force with a high level of education (ten years or more) is also considerably higher in Hanoi than in Ho Chi Minh City (40.8 percent).

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<sup>4</sup> One enterprise manager told me that although workers and professionals alike were members of workers' associations at his state-owned enterprise, "trade unions in Vietnam are weak. They are not independent, but are tied to the government."

Table 7

**Registered Members and Officers in Trade Unions  
by Sex, Urban and Rural Residence**  
(in thousands and percent female)

	1976				1980				1984				1988			
	<i>Total</i>	<i>F</i>	<i>%</i>	<i>M</i>	<i>Total</i>	<i>F</i>	<i>%</i>	<i>M</i>	<i>Total</i>	<i>F</i>	<i>%</i>	<i>M</i>	<i>Total</i>	<i>F</i>	<i>%</i>	<i>M</i>
	(1)	(2)		(3)	(4)	(5)		(6)	(7)	(8)		(9)	(10)	(11)		(12)
Total country	1732.7	790.1	45.6	942.6	2785.3	1270.6	45.6	1514.7	3149.8	1421.5	45.1	1728.3	3573.3	1649.6	46.2	1923.7
Trade Union members	1561.5	719.1	46.1	842.4	2428.8	1103.2	45.4	1325.0	2811.1	1260.6	44.8	1550.5	3202.5	1474.8	46.1	1727.8
Trade Union officers	171.2	70.1	40.9	100.2	357.1	167.4	46.9	189.7	338.7	160.9	47.5	177.8	370.8	174.9	47.2	195.9
Urban	1524.8	765.4	50.2	759.4	2409.3	1045.0	43.4	1364.3	2693.1	1152.0	42.8	1541.1	3001.6	1312.3	43.7	1689.3
Trade Union members	1372.3	704.6	51.3	667.7	2089.0	897.8	43.0	1191.2	2396.9	1012.8	42.3	1384.1	2686.4	1167.0	43.4	1519.0
Trade Union officers	152.5	60.8	39.9	91.7	320.3	147.2	46.0	173.1	296.2	139.2	47.0	157.0	315.2	144.9	46.0	170.3
Rural	207.9	124.7	60.0	83.2	376.0	225.6	60.0	150.4	456.7	269.5	59.0	187.2	571.7	337.3	59.0	234.4
Trade Union members	189.2	114.5	60.5	74.7	339.2	205.4	60.6	133.8	414.2	247.8	59.8	166.4	516.1	307.3	59.5	208.8
Trade Union officers	18.7	20.2	108.0	8.5	36.8	20.2	54.9	16.6	42.5	21.7	51.1	20.8	55.6	30.0	54.0	25.6

Source: Centre for Women's Studies (1990), pp. 119-121.

Note: Discrepancy exists in figures for year 1976, columns 2 and 3.

Almost 75 percent of the labour force in the small state enterprises covered in a 1992 ILO/ARTEP survey had ten years of school or more. It is instructive to contrast this with Thailand, where workers typically have four to six years of schooling. According to the report: "In contrast to many other countries in the region, small scale industries in Vietnam are not hamstrung by a dependency on a semi-literate work force, with its inevitable negative implications on labour productivity, product quality and technology" (ILO/ARTEP 1992: 128).

## 2 *The Manufacturing Sector*

In the first half of the 1980s, overall gross industrial output showed an impressive growth performance of 9.1 percent, followed by an average 6.1 percent rise per annum between 1985 and 1988. This certainly reflects the emphasis which the Vietnamese authorities put on expanding the industrial sector. Looking at sub-sectoral contributions to industrial production, more than three-quarters of the total were generated by only four industries: the food industry (28 percent), textiles and leather industries (18 percent), construction materials (17 percent), and machinery and engineering (16 percent). Small-scale industries performed better than SOEs, and there is a tendency toward a relatively diminishing weight of heavy industries in overall production as opposed to light industries (Reinhardt 1993: 75), but a large part of public industrial investment is still allocated to SOEs. Some private-sector owners resent the special privileges still accorded to the SOEs. In the words of one owner of a private-sector factory, "My factory is just peanuts compared with a government factory". He should know -- he was also an assistant director at one of Vietnam's largest and best-known textiles and garments SOEs, which he freely conceded in an interview, and which is indicative of the irregularities that can occur during market transitions.<sup>5</sup> A few large state-owned enterprises have gone private; Legamex, an aggressively-managed diversified garment and footwear manufacturer, in fact went through the process of equitization in the summer of 1993.<sup>6</sup>

In 1989 SOEs accounted for more than half of the country's industrial production by 1989, with cooperatives generating more than a quarter and the private sector contributing another 16 percent (Reinhardt 1993: 75). According to the most recent government

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<sup>5</sup> As he put it, he was "the real owner" of his factory, while his wife was the owner in name only, or "by remote control". For obvious reasons, he will remain unidentified.

<sup>6</sup> Legamex, a large and successful leather and garments enterprise, was an SOE that turned private, and its director, Ms. Nguyen Thi Son, was a highly-regarded businesswoman, whose name came up frequently in interviews I held with various enterprise managers in both Ho Chi Minh City and Hanoi. Yet in April 1994 Ms. Nguyen and her deputy were dismissed for alleged corruption, accused of using company money to help friends' businesses and of directing share allocations to her relations. The sale of Legamex shares to the public was also suspended. This is suggestive of the possibilities -- legal and otherwise -- afforded by the market reforms. See *The Economist*, June 4, 1994, p. 61.



sources, there are about 8,000 SOEs (down from 12,000 in 1992), accounting for about 30 percent of GDP and about 50 percent of total industrial production (Socialist Republic of Vietnam 1993: 23). Most heavy industry and some light industry are conducted by the 2,000 centrally managed state enterprises; these are also active in export industries. Despite substantial layoffs since 1988, SOEs accommodate about 844,000 persons, or 29 percent of all industrial employment.<sup>7</sup> Most SOEs are small scale, especially in the retail outlet sector. The few large state enterprises are generally capital intensive and operate coal mines, petroleum production, cement factories, major food processing facilities, and large transport firms (Socialist Republic of Vietnam 1993: 23). The market reforms have affected SOEs in at least two ways: (1) lay-off of workers contributed to a rise in urban unemployment, which adversely affected women somewhat more than men, and white-collar employees rather more than production workers (Mitsui 1992: 7); and (2) many SOEs today are facing severe competition from private enterprises, some of whom have joint-venture contracts with western manufacturers.

Doi moi has encouraged the establishment of privately-owned enterprises and joint-ventures, the latter mainly with partners from neighbouring countries. The state-owned enterprises (SOEs) are now more responsible than before for self-financing. As a result, they are aggressively seeking export markets and have also sought to improve management techniques, partly by participating in management seminars offered as part of development cooperation. Competition is increasing between SOEs, privatized SOEs, small private enterprises, and the joint ventures. For example, Leaprodexim Vietnam, in Hanoi, is a state-owned enterprise consisting of six factories producing shoes and handbags, mainly for export to the EU either directly or through Taiwanese partners; it also exports skins and hides, mainly to southeast Asian countries and Japan. There is a staff of over 100 university-educated professionals and 300-400 workers in each of the six factories, the majority of whom are women. An interview with a trade manager, Mr. Bui Quang Hiep, revealed concern over the lack of competitiveness vis-à-vis China: "we cannot compete with China, so we have to upgrade our products."<sup>8</sup>

In general, the government prioritizes foreign investment activities in the following areas: high-technology industries applying skilled labour; labour-intensive industries using local labour, raw materials, and other resources; infrastructural projects; and service sector activities with a potential to generate foreign exchange, such as tourism, ship repair, airport, and seaport services (Reinhardt 1993: 85). In early 1994 the 10 largest investors were Taiwan (117 projects worth \$1.5 billion), Hong Kong (172 projects worth \$1.3 billion), France (50 projects worth \$613 million), South Korea (58 projects worth \$544

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<sup>7</sup> In what seems to be an error, a government document states that "some two million workers are employed in SOEs" (Socialist Republic of Vietnam, 1993: 23).

<sup>8</sup> Interview with Mr. Bui Quang Hiep, trade manager, Leoprodexim, Hanoi, 23 February 1994.

million), Australia (41 projects worth \$543 million), Japan (53 projects worth \$475 million), Malaysia (25 projects worth \$456 million), Singapore (55 projects worth \$389 million), the UK (16 projects worth \$308 million), and Holland (10 projects worth \$283 million) (*Vietnam Investment Review*, 7-20 February 1994, p. 16).

Foreign investment may take the form of (1) contractual business arrangements between foreign and domestic firms, (2) incorporated joint ventures with foreign equity participation, and (3) solely foreign-owned enterprises. The law now guarantees protection from expropriation or nationalization of invested funds, and the right to remit profits abroad. In the southern provinces the prevailing business environment is more conducive to entrepreneurial development, the utilization of commercial opportunities, and the generation of industrial growth in consumer goods industries. About 75 percent of total FDI is concentrated in and around HCM City, and this city's enterprises alone accounted for some 30 percent of Vietnam's total export earnings in 1991 (Reinhardt 1993: 92).

The direction of Vietnam's exports has undergone a change. Between 1979 and 1985, the vast majority of exports went to socialist countries (71.6 percent), followed by developing countries (18.6 percent) and advanced capitalist countries (9.0 percent). During the same period, most of the exports were light industrial products and handicrafts (40.7 percent), followed by agricultural products (34.0 percent), heavy industrial products and minerals (10.7 percent), marine products (8.9 percent), and forest products (5.4 percent) (Than 1993: 215). The pattern of Vietnam's imports was similar; moreover, it imported more producer goods than consumer goods. Both the direction and composition of trade have changed since the Sixth Party Congress of 1986 and the implementation of *doi moi*. Vietnam's main trading partners in 1991 were from Asia. In 1991, 80 percent of all exports worth nearly \$2 billion were directed to Asian countries, with Singapore emerging as the number one trading partner accounting for some 30 percent of the total, followed by Japan, Hong Kong, France, South Korea, Taiwan, and Germany. Handicraft manufacturers that made lacquer products or embroidered clothes for western markets, and the apparel/shoes manufacturers with subcontracting arrangements from Asian NIEs, were the two industries that substantially expanded their export markets (Mitsui 1992: 11). As for the structure of exports, in the period 1986-91, light industrial products and handicrafts still had the largest share, averaging 37.5 percent (Than 1993: 223). According to one account, firms in Ho Chi Minh City were more market- and export- oriented than Hanoi firms (Mitsui 1992: 14). Agricultural products accounted for 32.8 percent of exports. This means that Vietnam still depends heavily on primary products and handicrafts. With losses incurred by many light manufactures after losing the ex-USSR market, Vietnam's top exports have been frozen shrimp, coffee, crude petroleum, and rice.

Food processing offers the largest manufacturing potential. There are an estimated 9,000 mostly small-scale establishments involved in food processing, of which more than

3,700 are rice mills. Food processing employs over 700,000 people and accounts for 35 percent of total industrial production. Textile, garment and leather industry accounts for one-eighth of Vietnam's total industrial output. Some 400,000 workers are employed in the textile industry, of which three-fourths are employed in private enterprises (Socialist Republic of Vietnam 1993: 19). Both SOEs and private enterprises have foreign contracts for exports of clothing, handicrafts and luxury items such as ceramics, lacquerware, embroidery, tapestry, weaving, and carpets. It should be noted that a large percentage of the workforce in small-scale establishments and in light industry are women (UNIDO 1992: 2).

With the lifting of the longstanding U.S. embargo in February 1994, Vietnam will have improved access to international credit, and will likely be accepted as a member of ASEAN. This should improve trade relations as well as foreign investment prospects. Due to the cheap and relatively skilled work-force available, Vietnam should in principle have good prospects for serving as a regional FDI stronghold. As a government document puts it:

Vietnam has a strong comparative advantage in light industrial products. Wages are very low and, with a high level of unemployment and widespread underemployment, the supply of labour is highly elastic. The work force is disciplined, relatively well educated at the primary and secondary level and well motivated. Productivity is low but, with new machinery and modern technology and management expertise from other countries, it could be increased quickly. There is a strong entrepreneurial spirit imbued in the labour force. The very positive private sector response to the reforms introduced during the past decade attests to this. Foreign investors from Asia have shown strong interest in Vietnam as a low cost manufacturing base. (Socialist Republic of Vietnam, 1993: 19)

The importance of attracting capital for labour-intensive manufacturing cannot be over-emphasized, especially in a situation of a growing labour force and a growing pool of unemployed. Indeed, the government of Vietnam is committed to the development of a labour-force adjustment strategy involving the following elements (Socialist Republic of Vietnam 1993: 44-45):

- financial support for labour-intensive projects to reduce the degree of unemployment
- encouraging foreign investors to invest in labour-intensive construction methods
- encouraging self-employment and the creation of small enterprises
- providing counselling on career requirements and opportunities, and establishing employment and training services
- implementing a social security or unemployment insurance system
- *encouraging a gender-sensitive approach to employment* [emphasis added]
- establishing a new labour code

### 3 *SOEs and the Non-State Sector: Some Patterns*

Market reforms everywhere call for a reduction of the public sector wage bill and an expansion of private-sector employment, as well as the elimination of labour market "rigidities" and "distortions". In Vietnam during the past few years, labour has been absorbed through self-employment, increased use of household labour, and the expansion of private, partnership, and cooperative enterprises. An ILO survey of small enterprises found that the average number of total workers varies from 4.8 in the household enterprises to 35.0 in the cooperatives (ILO/ARTEP 1992: 125). Approximately one-third of the labour force is female, with only small variations either between the two cities or between the various types of ownerships, although the share of females is slightly lower in the private enterprises and somewhat higher in the cooperatives (see Table 8). The ILO study found that the distribution of the female labour force according to work and payment status did not seem to differ very much from that of the male labour force. In the household and private enterprises the proportion of paid and regular workers in the female labour force is slightly lower than it is in the male labour force, while in the partnership and cooperative enterprises no such difference is discernible.

The ILO study found that both mean and median wage levels in the urban non-state enterprises were similar to those in the small state enterprises. Wage differences were slightly larger in the non-state than in the state sector, but not exceedingly so and mainly because top wages are higher in the non-state sector, with the highest wages in the private enterprises. Wages for women are on average 25 percent lower than wages for men. To a great extent this may reflect a larger concentration of women than men in menial jobs with low positions. Furthermore, the proportion of women in the workforce is highest in the cooperatives, where wages tend to be lower. The most remarkable wage difference is that of Ho Chi Minh City and Hanoi. The average wage level in HCM City is almost twice as high as in Hanoi, despite the lower level of education in the south. However, factors such as work discipline, infrastructure, transaction costs, cost-of-living, and so on may account for these differences.

In the state sector, social benefits such as paid sick leave, maternity leave and annual leave are virtually universal. For example, at Leaprodexim in Hanoi there is a clinic and dispensary at the head office. Any hospitalization is paid for by the enterprise, and maternity leave is provided. The end-of-year bonus is the equivalent of two months' earnings, and the enterprise has instituted a profit-sharing incentive scheme for the workers. Male workers can retire at age 60, women at 55, with 60-85 percent of their salary according to the number of years worked.<sup>9</sup> In the non-state sector, provision of social benefits has thus far been optional to enterprises, but it is fairly common for urban

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<sup>9</sup> Interview with Mr. Bui Quang Hiep, Manager, Leaprodexim Vietnam, Hanoi, 23 February 1994.

**Table 8**  
**Main Features of the Labour Force in Urban Non-State Enterprises in 1990**  
 (percentages)

	<i>Hanoi</i>	<i>Ho Chi Minh</i>	<i>Total</i>	<i>Household</i>	<i>Private</i>	<i>Partnership</i>	<i>Cooperative</i>
Mean number of workers							
Total	14.3	15.3	16.3	4.8	13.7	14.8	35.0
Females	5.3	5.3	6.6	1.9	4.3	4.9	17.2
Paid	12.7	13.0	14.4	1.1	11.4	13.6	34.5
Unpaid	1.6	2.3	2.0	3.7	2.3	1.2	0.5
Regular	12.1	13.5	14.2	4.1	11.8	13.1	30.6
Absent	0.5	0.2	0.5	0.1	0.2	0.2	1.9
Percent of work force							
Female	33.2	31.0	33.5	36.8	28.9	22.5	40.7
Paid	69.6	68.4	69.0	15.9	72.6	88.2	98.8
Unpaid	30.4	31.6	31.0	84.1	27.4	11.8	1.2
Regular	81.8	91.7	88.0	83.5	87.4	92.1	89.1
Absent	2.2	1.3	2.9	2.3	1.7	3.4	4.5
Percent of female work force							
Paid	67.3	66.1	68.6	17.6	62.5	88.2	98.5
Unpaid	29.6	33.9	31.4	82.4	37.5	11.8	1.5
Regular	70.4	89.1	85.4	78.5	81.8	91.3	88.9
Absent	2.7	2.0	3.3	2.1	1.7	2.9	4.6

Source: ILO/ARTEP (1992: 124).

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non-state enterprises, particularly the cooperatives, to offer their workers various types of social benefits (see Table 9). Although working conditions in the urban private sector are often cramped, most of the wage labour in the urban non-state enterprises are employed on a regular basis. The ILO study concluded that despite poorly developed labour legislation regulating the non-state sector and the fact that the labour market is a buyer's market, there was little evidence that employment conditions on the whole were overly exploitative (ILO/ARTEP 1992: 130). With the growth of the private sector -- including joint ventures with southeast Asian partners whose work methods are more rigorous -- it remains to be seen to what extent the new labour legislation will be enforced in the interests of workers.

Observations and interviews during fieldwork in February 1994 revealed some differences in management style, work conditions, and labour standards between the state and non-state enterprises, with the biggest difference existing between state enterprises and joint ventures with southeast Asian partners. Generally, workers seem to be better off in the state-owned enterprises, and even managers I interviewed expressed a preference

Table 9

## Percentages of Urban Non-State Enterprises Granting Certain Social Benefits

	<i>Hanoi</i>	<i>Ho Chi Minh</i>	<i>Total</i>	<i>Household</i>	<i>Private</i>	<i>Partnership</i>	<i>Cooperative</i>
Paid sick leave	40.2	33.9	37.5	7.4	30.3	32.7	59.8
Paid maternity leave	26.8	21.9	23.1	3.7	7.6	13.1	59.8
Unpaid maternity leave	18.6	16.9	15.9	3.7	11.8	16.9	23.5
Paid annual leave	17.5	19.7	20.5	3.7	18.5	11.2	38.0

Source: ILO/ARTEP (1992: 132).

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for staying with the SOEs even though they were aware that their incomes could rise in the private enterprises. Of course, in early 1994 wage differentials were not huge between the private and state sectors, and workers apparently felt that the small pay increase was not worth the more rigorous atmosphere. In early 1994 the government announced that private-sector workers should be organized. This was apparently in response to the wave of strikes in private-sector enterprises where working conditions were quite harsh, certainly harsher than workers had ever experienced in the state sector. Ms. Ngo Le Thu, a manager at IMEXCO, a large SOE in Ho Chi Minh City, told of the many worker protest actions taking place in the private sector. "Workers are unfamiliar with the work environment -- excessive discipline, compulsory overtime, unreasonable wages. Some South Korean managers have been known to hit their workers. This is not acceptable in Vietnam. Unfortunately, there is no labour legislation to protect workers in the foreign-owned firms".<sup>10</sup> A draft labour code, with input from the Ministry of Labour and the Vietnam Women's Union, was adopted in mid-June 1994. Although at this writing (July 1994) I have not yet seen it, press reports indicate that the new labour code reflects the government's desire to attract foreign investment and its recognition of the need to protect workers' rights. Strikes are allowed, although violence and sabotage prohibited. Indeed, on 1 July, the first strike since the new labour code was passed occurred at a South Korean-owned garment factory in Ho Chi Minh City, where workers protested "inhuman conditions".<sup>11</sup>

<sup>10</sup> Interview with Ms. Ngo Le Thu, IMEXCO, Ho Chi Minh City, 19 February 1994.

<sup>11</sup> Radio Australia, World News, 5 July 1994.

Nevertheless, due to increased competition, SOEs in Vietnam have instituted practices such as tying wages to productivity, fewer and shorter breaks, more overtime, additional shifts, and stricter controls over attendance. Labour-shedding has occurred in many large firms; Leaprodexim of Hanoi, for example, has in recent years encouraged early retirement. Moreover, the work culture in Vietnam is certainly closer to the rest of southeast Asia than it is to, for example, the Middle East and North Africa, where most garments workers are older and married, where transportation to and from work is often provided, where daycare and nursing breaks are legislated for enterprises that employ over a certain number of women workers, and where the work environment is more relaxed.<sup>12</sup>

### III. Women in the Textiles and Garments Industry

Vietnam's textiles and garments industry thrives on an abundant and fairly well-educated workforce for the labour-intensive production process. One of the striking characteristics of the textiles and garments industry in Ho Chi Minh City and Hanoi is the large presence of women at all levels, from university-educated managers of import-export departments to production workers (seamstresses) and everything in-between, including production managers and quality control managers. I also came across positive attitudes towards women managers, even from male managers, one of whom said: "Women take care of things better. The men fail at being managers [because] there is not enough attention to detail. Also, most of the workers are female, so it's easier to have a female manager."<sup>13</sup> (The hapless Ms. Nguyen Thi Son of Legamex is perhaps not the best exemplar.) In a few cases, women managers of SOEs have gone on to open their own garments factories, part of the growing private sector catering to customers from Hong Kong, South Korea, Taiwan, and Japan, as well as France and Italy. The women managers I met all seemed attached to their work, single, or married with at most two children. The children are looked after by members of the extended family, rather than at daycare. Another noticeable feature is the educational level of the production workers; in most cases, seamstresses have completed secondary school. As in many countries, women are the preferred work-force in the garments industry -- "women are more industrious, more careful". One manager even said: "Female workers are better than male workers. They

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<sup>12</sup> These comments are based on research conducted in Iran and Turkey in May-June 1994, and will be elaborated at a later stage.

<sup>13</sup> Interview with Mr. Nguyen Huu Toan, Officer, Export-Import Planning Department, Saigon 2 Garment Company, 18 February 1994. It is not only in textiles and garments where women officers are found. Halida Beer, a joint venture of the government and a foreign partner, is also managed by a woman. (Personal communication from Professor Le Thi, Centre for Women's Studies, Ho Chi Minh City.) The Vice-Director of Hoang Minh Trade Company, which deals with public transportation services in Ho Chi Minh City, is Ms. Huynh Thi Ngoc Diep. See *Vietnam Economic News*, vol. 4, nos. 6-7 (February 1994), p. 37.

adapt more quickly to the new machines; they are more skilled and industrious."<sup>14</sup> Most enterprise managers conceded that even where the women are less skilled than the male employees in production, they are more hardworking. Male sewing operators may be found in some enterprises, and in such cases, I was told, there is no wage difference between male and female workers. From the point of view of the women professionals, the working conditions in many factories are "poor", but as one woman explained: "The quality of life of women workers in factories is higher than that of the majority of women", referring to rural women.<sup>15</sup>

### *1 Saigon 2 Garment Company, HCM City*

This state-owned garment-making enterprise began operations in 1975, producing mainly for the USSR market. In recent years it has been producing jackets, polo shirts, trousers, and parkas, 60 percent of which are for export, from 9 factories and with financing from the People's Committee of HCM City. Since 1986 the main markets are "capitalist countries"; Saigon 2 was the first to seek markets in Europe. But in 1993 the EU imposed a quota, forcing Saigon 2, like many other textiles and garments firms in Vietnam, to look for non-quota markets, such as Taiwan, Japan, and Korea. In some cases, the firms supply goods to the southeast Asian buyers, who then re-export to Europe. Saigon 2 is now trying to seek U.S. markets, mainly through Hong Kong companies.

The enterprise employs a total of 2,500 workers, most of whom are female sewing operators. Management is predominantly male: the Director and the two vice-directors were male, and of the heads of the six departments, one was female (accounts). In the production units, however, many women managers are found, most of whom are long-time employees and have come up the ranks from sewing operators. The sewing operators are women in their early twenties, and most have completed secondary school. The exceptions are the handful who have only completed primary education, and those with university degrees in history or geography. Most of the women come from HCM City itself, and at one point, according to a manager interviewed, "some of our workers went to a private factory that offered higher wages. Later, they returned", because of the more relaxed atmosphere at Saigon 2 and because of its "more stable and secure employment".<sup>16</sup> In the past, workers could earn more than a director, because they could work more hours.

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<sup>14</sup> Mr. Dinh Van Quang, manager, import department, ARTEX Thang Long, Hanoi, 21 February 1994.

<sup>15</sup> Dr. Nguyen Kim Cuc, Head of International Relations Department, Vietnam Women's Union, Hanoi, 23 February 1994. There are urban-rural differences in gender relations as well. Ms. Doan Le Huong, president of the Women's Union of Ho Chi Minh City referred to "feudalistic, patriarchal views, especially in the countryside". Interview, 19 February 1994.

<sup>16</sup> Interview with Mr. Nguyen Huu Toan of Saigon 2 Garment Company. Mr. Nguyen was a graduate of the Faculty of Foreign Languages of the University of HCM City, and learned about textiles and garments "on the job", which he had started five years earlier.



"Now we have changed the system; the Director makes double the salary of the workers."<sup>17</sup>

Saigon 2 has no trouble recruiting workers when necessary ("we have high unemployment in Ho Chi Minh City", I was reminded), but the workers do have complaints: HCM City is quite hot in February, when I visited, let alone the summer, and so the workers were demanding more fans. Better lighting and better food were two other demands: "the food is bad", the manager admitted. Another problem for the workers, at least from the point of view of the enterprise manager, is that not only are they single, but "they may stay single forever, as they work long hours and long days" -- six days a week, with one day off -- "with little chance of finding a partner".<sup>18</sup> Later I learned that the unmarried new recruits are also discouraged from marrying for three years, a practice that is tied to the maternity-leave benefit. The benefits offered are better than in the private sector, but do leave some things to be desired. In terms of medical care, workers can go to a hospital three times a year free of charge, and if there is an accident, the enterprise will pay the cost of medical care. Women workers are entitled to six months' maternity leave at 70 percent of the salary, for up to two children. There are no childcare facilities ("relatives look after the children"), but the enterprise does have dormitories for workers and their families, as well as government-subsidized housing, some of which were homes expropriated from persons who fled as refugees.<sup>19</sup> There is a pension plan, and several bonuses -- for the international new year, the Chinese new year (the largest bonus), Liberation Day, Children's Day, International Women's Day, and May Day.

Notwithstanding the better conditions at factories such as Saigon 2, conditions can be hard: "the women workers' health is not good; when they work overtime some faint on the machines." Moreover, their chances for promotion are slim. Perhaps for these reasons, although the garment industry is expanding in Vietnam, "lots of people prefer to work in the service sector, especially hotels, where the work is lighter. The feeling I get is that [some of the workers] want to change jobs, but they have no choice."<sup>20</sup>

## 2 *ARTEX Thang Long, Hanoi*

ARTEX is an SOE producing textiles and garments, embroidery, handicrafts, furniture, lacquer ware, ceramics, bamboo and rattan goods, and wool carpets. Garments are exported to Central and East European countries, while the handicrafts and luxury goods are exported to EU countries, especially Italy, UK, and Holland. In June 1993 it

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<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Mr. Nguyen Huu Toan said that two of the dormitories had been returned to the previous owners, who had come back to Vietnam: "It is a problem for us, and we have not found alternative housing for the [displaced] families".

<sup>20</sup> Ibid.

entered into a joint venture with a British family-owned business, to produce and export lacquerware, mainly decorative boxes and jewelry boxes. A joint venture in garments with a Hong Kong enterprise was to be concluded in April 1994. I interviewed Mr. Dinh Van Quang, manager of the import department, and Ms. Nguyen Thi Thanh Thu, director of Hanoi International (the joint-venture).<sup>21</sup> Both had traveled a great deal in Eastern and Western Europe, for marketing and for research on embroidery techniques. Ms. Nguyen Thi Thanh Thu said that although women may encounter difficulties in the countryside, there is no discrimination in a city such as Hanoi. But she did add: "Persuading [co-workers] that I'm right is difficult sometimes."<sup>22</sup> Ms. Vu Thi Tue has been the manager of the embroidery department at ARTEX since 1989, and has been doing embroidery since the age of 8. After completing secondary school, she became an embroidery worker, then became vice-manager, and finally manager. She has travelled to Italy to study embroidery techniques, and when interviewed in February 1994 was studying at the Foreign Trade College. She is married and has a 12-year-old child. She said that although she values her job at ARTEX, she does not like being manager and would prefer to be a skilled worker again. Clearly there is no stigma attached to being a factory worker.

The production unit at ARTEX was spacious, well-lit, and conditions seemed to be very good, with congenial rapport between managers and workers, and a generally relaxed atmosphere. ARTEX offers free medical care at a clinic in the factory, hospitalization, and maternity leave. There is child sick leave, a government-subsidized daycare center, and neighbourhood childcare. Lunch, tea and fruits are provided in the canteen, and workers can take smoking breaks in the garden. At the Hanoi International joint venture, the women workers making the boxes seemed to enjoy a pleasant atmosphere -- a large workroom, good lighting, chairs with backs. They had a one-hour lunch break, plus two 10-minute breaks for tea and biscuits (the latter clearly the British innovation).

### 3 *Maikafa Garment Manufacturing and Import-Export Company, HCM City*

Ms. Duong Thi Mai Khanh is the director and owner of Maikafa Garment Company, and she is regarded as "one of the youngest and most famous businesswomen in Ho Chi Minh City", according to a friend and former classmate who herself is a manager at a state-owned enterprise. The company began production in 1991 with financing from relatives and her own savings, producing first trousers and subsequently jackets, mainly for European and Japanese markets. The enterprise had expanded from one factory with 40 workers in 1991 to two factories and 400 fulltime workers in early 1994. The Director (Ms. Duong) and the head of the planning department were female, while the heads of production and personnel were male. The sewing operators are mostly young women who

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<sup>21</sup> The interview took place at their offices and production units in Hanoi, 21 February 1994.

<sup>22</sup> *Ibid.*

have completed secondary school; they receive a minimum salary plus wages per piece, and work a long, 10-hour shift in a small, hot, and poorly ventilated factory. Unlike SOEs, which are reluctant to fire workers for infractions, Ms. Duong said that she had fired workers "for not doing their work properly", but had yet to experience labour protest.<sup>23</sup> Nor does Maikafa offer health coverage for its workers -- although it sometimes distributes medicines. Since the enterprise was relatively new, there was not a policy on maternity leave, but the attitude was that unpaid maternity leave would be provided to some: "we feel responsible for them if they have worked here for a long time."<sup>24</sup> There were no childcare facilities and no pension plan yet established, but workers received an annual bonus equivalent to one-month's wages. Ms. Duong was confident that as her enterprise expanded, she would be able to offer more benefits to her workers, including housing, a club, and a resident doctor. The workers were also in the process of forming a labour association, the result of the government announcement that the private sector workers should be organized.

#### 4 *Vietmai Garment and Embroidery Company, HCM City*

The owner of Vietmai plans to accumulate enough capital to buy additional materials from abroad, to design clothing, and to export directly. In the meantime Vietmai, which was established in 1992 as a privately-owned enterprise, processes sportswear and swimsuits for a Korean supplier whose final market is Japan. In February 1994, 286 sewing operators worked a 10-hour shift plus overtime, leading Mr. Vu Van Huong, the owner, to concede that "the women workers are probably over-worked", although he added that overtime is voluntary and at least "they can save" their additional earnings. Along with the sewing operators, female employees included line supervisors, the office manager, and the managers of the planning and the import-export departments. Like Ms. Duong of Maikafa, Mr. Vu Van Huong had no qualms about firing workers: "I have fired two workers for theft and five for lack of discipline", who were easily replaced due to the labour reserve in Ho Chi Minh City, or, as he said, "because of much unemployment". Mr. Vu provides medical care, but no maternity leave, childcare, or pension plan. He does, however, provide free lunch and dinner for those who work overtime, as well as the annual one-month new year bonus.

#### 5 *IMEXCO General Import-Export and Investment Corporation of HCM City*

A diversified SOE, IMEXCO began production in 1983 and was until 1989 the largest company in HCM City. Ms. Ngo Le Thu, deputy director of the processing

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<sup>23</sup> Interview with Duong Thi Mai Khanh, Director and owner, Maikafa Garment Manufacturing and Import-Export Company, Ho Chi Minh City, 19 February 1994.

<sup>24</sup> Ibid.

department, joined the company in 1983, following a two-year appointment with a pharmaceutical firm. IMEXCO products are entirely for export, and its biggest lines are agricultural products (destined for Asian countries, and rice to Arab countries through a French intermediary), marine products (to Japan, Australia, Singapore, Hong Kong, and Taiwan), and textiles and garments (EC countries, as well as Asian countries that re-export to the United States). It also produces artwork and ceramics, foodstuff, and some industrial goods. To cut down on transportation costs, the two large garment factories -- Thanh My and Vitexco -- were slated for a merger as well as expansion and modernization. There are also plans to improve labour productivity, through various incentives, new machinery, and new work rules. According to Ngo Le Thu: "Labour productivity has not always been high due to bureaucratic management and outdated machinery. But given our limitations, we do well. Not all our staff work efficiently, and it is not easy to move them around, as with labour in the private sector."

Mr. Tran Thanh Binh, vice-director of Thanh My Garment Factory of IMEXCO, is in charge of production, overseeing 250 production workers and 12 administrative employees. The merger with Vitexco will enlarge the factory to 850, with a ceiling of 1,000 workers. C&A of the UK is one buyer of Vitexco jackets, and shirts are made at Thanh My, but the merger will allow other lines of production. The division of labour in production is that cutting, ironing, and packing are typically male jobs, and very few men work the sewing machines. Over 70 percent of the workers are female, young and single. Their complaints have centered around earnings, especially at times when production is lower due to fewer sales. Nonetheless, relations are good between management and labour: "The Director takes good care of the workers; the workers like the Director" -- partly because directors and workers eat in the same canteen, where the food, unlike in other factory canteens, is more palatable.

IMEXCO provides medical care and maternity leave of 6 months (three months before delivery and three months after, at full pay, up to two children). There are no childcare facilities, because people prefer to leave their children with relatives or neighbours. Transportation is not provided -- in a city filled with bicycles and motorcycles, a bus is slower than a bicycle. There is an end-of-year bonus equivalent to one month's earnings. Workers in the state sector are members of the Lien Hiep Cong Doan labour association. IMEXCO has had one strike by Vitexco workers who opposed the merger (it meant that they would have to travel a longer distance).

At IMEXCO, training programmes are available for managers, designers, and technicians, who are also encouraged to study English. For garment workers, the specialized workers can move up by going through the whole production line, after which they can become inspectors. Designers are always in great demand in part because the supply is limited, and at IMEXCO, they were university-educated women; most of the

inspectors and quality control supervisors were women. Ms. Ngo Le Thu said: "In my opinion, the women officers work harder than the men. We have had a lot of women directors of departments promoted on the basis of their successes. I don't know why, but they are more successful than the men and they like to work."<sup>25</sup>

Most of the garment workers are single, have a high school education, and have little time for a social life due to a long work week. To ameliorate the situation, the People's Committee of HCM City had recently established a club for unmarried workers. Another recent development has been personal ads in newspapers. Ms. Ngo also said that whereas after liberation, there were rules against marriage to foreigners, this is no longer the case. Ms. Ngo herself is married to a Vietnamese man and her working hours are 7:30 a.m. to 4:30 p.m., but she often works until later. "Sometimes when I return home I'm very tired, and there is little time to spend with my child or my parents. But I have only one child, and my sister lives with me, and she usually cooks. Three days a week a teacher comes to the house in the evening, and tutors my child in English and mathematics. I am fortunate to have a supportive family. Other women have a long work day, no family support, no help from the husband. But now, most husbands share in the housework."<sup>26</sup>

In her capacity as deputy director, Ms. Ngo Le Thu has been to 14 countries, including Japan, Thailand, Malaysia, and India, where courtesy of the Indian Government, she spent a year as a fellow at a trade and development institute. She said that "in many offices and enterprises you will find many women. Our government has always encouraged women's participation in the economy and in building our country." Accordingly, she introduced me to several of her colleagues, women who were also heads of departments at IMEXCO. At one point, an interview took place with three women officers.

A graduate in planning economics from the University of Hanoi, Ms. Nguyen Gia Tuong has been the director of the Processing Department at IMEXCO since 1990. She told me that women officers constitute 60 percent of the total of over 200 professionals at IMEXCO. In her own department, professional staff consist of 11 women and 4 men. When I asked if she had ever experienced discrimination, had been held back at promotion, had had difficulty being taken seriously by male colleagues, or had been paid less than their male colleagues for the same work, all three women said no, and expressed surprise at the questions. "We have not had these problems at all", said Ms. Nguyen Gia Tuong. And could the work environment change, I wanted to know. "No, we are accustomed to working independently, in many fields." Do you have difficulty giving orders to men? "In my department, the education level of the men is lower than the women's, so I have no problem giving orders to the men. They accept me as the director,

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<sup>25</sup> Interview with Ms. Ngo Le Thu, IMEXCO, Ho Chi Minh City, 19 February 1994.

<sup>26</sup> Ibid.

as the boss, as the expert." Ms. Nguyen Gia Tuong is married and is the mother of a 12-year-old girl. When she returns home in the evening she prepares the dinner, but she added that within her circles, "the husbands cook also. Our men are very cooperative. They pick up the children, go marketing. But not always." Her husband is employed with the association of motorcycle and bicycle enterprises in HCM City. Her plans for the future? She is currently studying English at the university. And she intends to stay at IMEXCO. As Ngo Le Thu said: "People are worried about unemployment. We prefer to work in the government sector because our jobs are guaranteed. The wages may be higher in the private sector -- and I have been offered jobs in private firms but have declined -- but you can be fired from your job at any time. Also, you have to work overtime. Even though at my enterprise there are times when I stay at work until 6 or 7 in the evening, we don't have compulsory overtime".<sup>27</sup>

Along with Ms. Ngo Le Thu, Ms. Tran Thi Kien Trung is deputy director of the processing department. She is married and has two children who are looked after by her in-laws, who live with her. She is fluent in Russian and English, having studied foreign languages in the former Soviet Union for six years. Later, she took courses in economics and foreign trade, and was in charge of marketing research and contracts before joining the import-export department at IMEXCO. There she was responsible for importing light industrial materials for HCM City. In 1987 she took part in a marketing course in Australia, and upon her return requested a transfer to the processing department, where her task is to import materials for the garments branch.

What did the women think of *doi moi*? Ms. Tran Thi Kien Trung: "We are lucky that our policy of *doi moi* will be more successful than *perestroika*. Our growth rate is increasing, productivity also. Before, everything was subsidized, and enterprises did not have the confidence to support themselves. They displayed no enthusiasm or initiative. But now all these have improved; all enterprises are more involved, and it will be better for our country." Will women benefit from *doi moi*? "Women play an important role in economic development in our country. Besides their family role, they are involved in all social and economic activities." Will the economic activity of all women increase? "Not all women, only those who use initiative and try to improve themselves. Household economy is one strategy." And what of garment workers? "Their situation is improving. If they produce more they earn more money. As for security for women, our government takes care of this. For example, we all are entitled to maternity leave." She added: "It will be necessary for the government to formulate labour and social policies for the private sector." And would she be interested in working in the private sector? "I will stay with a

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<sup>27</sup> Ibid.

state-owned company, because I am accustomed to the work culture here. Also, our company has conducive policies."<sup>28</sup>

#### **IV. Perspectives on Doi Moi and the Status of Women**

Professor Nguyen Quang Vinh, a senior sociologist at the National Centre for Social Sciences of Vietnam, based in Ho Chi Minh City, discussed the positive and negative dimensions of economic restructuring.<sup>29</sup> On the positive side, there are new opportunities for employment and the development of new kinds of jobs and occupations with the expansion of the private sector in manufacturing and in services. New service jobs that have expanded are in banking, tourism (hotels and restaurants), computer, insurance, new pharmaceuticals, and in advertising (such as advertising of beer). Workers have received new training and have sought to upgrade their skills by learning a foreign language, use of the computer, and so on. Many state, private, and NGO training centres have appeared to respond to the new labour market demands and requirements. The oil sector is expanding. HCM City moved first and fastest in that direction, with more foreign contracts (in garments and in tourism, and with southeast Asian partners) and with two export-processing zones.

On the negative side, there is now more unemployment in HCM City. With the restructuring of state-owned enterprises, workers have lost jobs or have moved into the household economy or the private sector. Professor Nguyen referred to a "crisis in state-owned enterprises" and said that it is becoming increasingly difficult for SOEs to maintain high benefits. Now that the SOEs have more autonomy, they must be more productive. In his view, the main problem is on the management side, not with labour costs. For this reason, although some SOEs have reduced their workforce, others have not.

Rising unemployment is one of Vietnam's most serious short-term problems. The labour force is growing rapidly due to a number of factors: (1) earlier population growth, (2) demobilization of half a million troops in the wake of Vietnam's withdrawal from Cambodia; (3) redundancy of a further 800,000 people from state enterprises; (4) return of several hundred thousand guest workers from Eastern Europe and the Gulf states; (5) repatriation of refugees. Given Vietnam's low per capita income, it has meager resources to deal with this situation (see also World Bank 1993: 524). With the contraction of the state sector, the promotion of the private sector, and the rise of unemployment, the household has re-emerged as a major unit of production. Persons employed in household production typically work long hours, and child labour is also prevalent. Indeed, a draft

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<sup>28</sup> All quotes from group interview, IMEXCO Ho Chi Minh City, 19 February 1994.

<sup>29</sup> Interview with Professor Nguyen Quang Vinh, National Centre for Social Sciences, Ho Chi Minh City, 18 February 1994.

UNICEF situation analysis of Vietnam (UNICEF 1994) states that child labour seems to be on the rise, and that the new situation is particularly hard on rural women.

Other problems are associated with labour migration, mainly from cities in central Vietnam to HCM City. Documentation is no longer a simple matter as there are fewer controls. "This creates problems for city services, and urban housing problems." Rural migrants will be the most vulnerable in the labour market; as low-skilled workers they are likely to become very low-waged. For women rural migrants, however, there are job opportunities as domestics.<sup>30</sup> But there has also been an expansion of prostitution, especially in HCM City, because of poverty, tourism, and demand on the part of newly-rich men. This has launched a public debate and two views on addressing the problems: (1) prostitutes need to be registered and provided with healthcare, especially if AIDS is to be avoided, and other opportunities provided to vulnerable women so that eventually prostitution will be phased out; and (2) legalization of prostitution is to be strongly opposed and prostitution itself must remain illegal.

Professor Nguyen pointed out that this is the first stage of the renovation process, and that the above may constitute problems specific to the transition. "I think that after 2 or 3 years the situation will change, with the reorganization of the economy and especially of state-owned enterprises. Social policies will be defined during this year and next." For the time being, however, the most pressing problem for women is unemployment, which is higher for women than for men, and most difficult for young women who are newcomers to the labour market. Also, economic restructuring has led to the introduction, for the first time, of user fees in healthcare and hospitalization. Moreover, the six-month maternity leave of women workers is now being contested, with some government officials favouring four months, and the Vietnam Women's Union insisting on six months for reasons of both child welfare and women workers' rights. Of course, "the Government still has a positive attitude toward women, and its policy is to promote women in managerial and administrative positions. The Vice President of Vietnam today is Madame Binh.<sup>31</sup> One of the most important national-level policies is the advancement of women." One

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<sup>30</sup> According to Professor Nguyen Quang Vinh, the rural sector and agricultural production provide a mixed picture. Rice production is high, but "farmers do not have good living conditions, and the price for rice is very low compared with prices for industrial products". Rural-urban gaps and disparities are high in all social indicators. In some places the level of urbanization is very low, such as the Mekong Delta which is only 16 percent urban. One solution to some of the rural problems is to have a diversified rural economy, with mechanized farms and fruit orchards as well as non-farm activities such as rural industries. (Interview, HCM City, 18 February 1994.)

<sup>31</sup> The Minister of Youth is Madame Tran Thi Than, and the Vice-Minister of Labour, War Invalids and Social Affairs is Madame Nguyen Thi Hang. According to a VWU fact sheet, women comprise 28.7 percent of "State management at different levels". In 1993 women deputies in the National Assembly numbered 88 or 18% of the total. Vietnam is a signatory to the UN Convention on the Elimination of All Forms of Discrimination Against Women.



reason for this policy emphasis is the Vietnam Women's Union, which Professor Nguyen described as "very influential".

Since implementation of *doi moi*, the issue of women workers' rights has been analyzed and promoted by the Vietnam Women's Union (VWU), a large and highly influential organization with strong links to the government as well as to international NGOs, and by researchers at the Centre for Women's Studies in Ho Chi Minh City and the Centre for Women's Studies in Hanoi, both of which are part of the National Centre for Social Sciences of Vietnam. In addition, the Ministry of Labour is establishing a Center for Women Workers' Studies, and according to one official, "our ministry has close ties with the Women's Union".<sup>32</sup> The National Committee for the Advancement of Women, charged with coordinating activities relating to the implementation of the UN Convention on the Elimination of All Forms of Discrimination Against Women, of which Vietnam is a signatory, and the Nairobi Forward-Looking Strategies for the Advancement of Women, consists of high-ranking officers from Government, concerned ministries, the VWU, and mass organizations. The influence of the VWU is reflected in Decision No. 163 of the Council of Ministers, which in 1988 gave the VWU the right to be consulted, informed, and involved in any discussion, plan or policy relating to women and children at all levels of government. Article 2 reads:

All levels of government, when studying, elaborating, amending or modifying policies and laws relating to women and children, such as policies on female labour, training and fostering women cadres, policies on child-bearing and child-birth, on marriage and the family, etc., shall send copies of the drafts to, or hold direct discussions with the Women's Union of the same level; with regard to important matters, the concerned government organ shall notify the Women's Union to appoint cadres to participate in the preparation and drafting of the said documents right from the beginning.

In July 1993 the Political Bureau of the Communist Party of Vietnam adopted "The Decision on the Mobilization of Women", whereby women's emancipation is defined as "improvement of the material and spiritual life of women, increase of their social status, and equality". Some major tasks are defined as:

- Creating jobs for women, caring for their life and health, ensuring labour security and social insurance for women, and defending their interests;
- Helping women improve their qualities, capabilities and their levels in all fields of activity;

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<sup>32</sup> Interview with Dr. Nguyen Huu Dung, Director, Department of International Relations, Ministry of Labour, Invalids, and Social Affairs, Hanoi, 22 February 1994. Dr. Nguyen said that until the Center for Women Workers' Studies would begin operations, the Ministry's Department of Social Policy and Employment would continue to address the concerns of women workers.

- Building well-to-do, equal, progressive and happy families;
- Training and fostering women cadres;
- Renewing the content, organization and mode of activity of the Vietnam Women's Union.

The resolution identifies the implementing bodies and the methods of implementation of the resolution. Clearly, as long as the Vietnam Communist Party remains intact, the status of women will remain a priority.<sup>33</sup>

With 11 million members, including the most prominent women in Vietnam, and 150 staff members in the spacious central premises in Hanoi, the VWU considers itself "part of the decision-making process in Vietnam", according to Dr. Nguyen Kim Cuc, member of the Presidium and head of the international relations department of the Vietnam Women's Union. Dr. Cuc pointed out that the Council of Minister's Decision no. 163 was actually drafted by the VWU. With respect to the issue of maternity leave, the VWU wants to maintain maternity leave for working women at six months -- "though the employers and some government officials want to reduce it to 4 months" -- with the convincing argument that the six-month leave period, during which the child is assured of mother's milk, is better for the health status of the child. Along with the Ministry of Labour, the VWU was involved in the draft labour legislation, which was discussed and adopted by the National Assembly in June 1994.

And what of the relationship between *doi moi*, socialism, and the advancement of women? According to Dr. Cuc:

We consider *doi moi* to be within the socialist framework. The ideology of socialism is continuing and evolving. We need economic reorganization to develop the country, and to improve the material basis for socialism, including prosperity, progress, and happiness for the people. We have to renew the mechanism for developing the economy and the country. ... We have to unleash all the potential of the people. The state should still play a role in regulation, especially to ensure that there is not excessive exploitation. ... We have anticipated that there would be exploitation with privatization. It is important for organizations such as the VWU to monitor the situation, especially for women workers.

Dr. Cuc also believes that there is a strong relationship between *doi moi* and the advancement of women: "[The goal of *doi moi* is] to improve knowledge, the educational level, welfare. This coincides with the VWU's goals of raising women's welfare. The

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<sup>33</sup> See "Resolution of the Political Bureau on Renewing and Strengthening Agitation Work Among Women in the Current Situation", mimeo, also reprinted in *Women of Vietnam*, (Hanoi: Vietnam Women's Union), no. 4, 1993, pp. 2-4.

government's development strategy is supportive of the objective of the advancement of women."<sup>34</sup>

## V. Summary and Conclusions

Until the 1980s, the industrial policy of Vietnam put emphasis on heavy industries, resulting in an essentially import-substituting industrialization strategy. Later, the emphasis shifted in favour of light industries, especially for the establishment of an export-oriented manufacturing capacity. Economic reforms were introduced in 1981-82, and gave growth impetus to the small and medium-scale industries which were then put aside until 1986. Doi moi was officially adopted in 1989, and one of its principal effects has been a significant liberalization of the industrial policy of the government, with direct government controls over most state enterprises being removed. With the implementation of the reforms, real GDP grew an average of 7.25 percent a year between 1991 and 1993, and inflation decreased from more than 500 percent to the current rate of about 10 percent.<sup>35</sup> Still, the move to a market economy is having a differential impact across Vietnamese society, in terms of the economic opportunities it offers and the hardships it imposes on different individuals and various groups and regions. Unemployment is relatively high and could increase if SOEs continue to shed their labour force and if the burgeoning private sector cannot take in all new entrants. Contrasts between living standards are becoming more stark, although data are not yet available on the changing distribution of income and wealth.

As in other countries undergoing market reforms, women workers have been adversely affected because of their location in lower-status occupations and lower skill grades which has rendered them more vulnerable to redundancies. As one expert notes: "In state offices and enterprises that [undergo] staff shrinkage, women are compelled to leave their jobs because their skills do not meet new demands and they are physically weak. The fired women face difficulties in finding jobs in other establishments" (Le Thi 1993: 21). Nevertheless, as we have seen, there is support for doi moi among women's rights advocates in Vietnam, although this support involves a recognition of the need for the Government to "punish illegal actions harming public interests" and the need for "policies to redistribute income among the population contributing to social welfare" (Le Thi 1993: 110). Support for doi moi is probably also linked to the Vietnam Women's Union's participation in decision-making.

In principle, the market reforms and the emphasis on exports could benefit women, inasmuch as a majority of workers in light industry and in small-scale industry are female.

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<sup>34</sup> Interview with Dr. Nguyen Kim Cuc, Vietnam Women's Union, Hanoi, 23 February 1994.

<sup>35</sup> *Transition* (The World Bank), vol. 4, no. 8, Oct-Nov 1993, p. 15.

The industries that are being promoted for export -- textiles, garments, food processing, handicrafts, and so on -- are female-intensive in both the SOEs and the private and cooperative sectors. This suggests a continuation of demand for female labour. On the other hand, discrimination against women workers could occur under a market economy as employers seek to avoid the cost of benefits such as maternity leave and childcare, as has been occurring in East Central Europe, the Baltic states, and Russia. Not surprisingly, many current challenges and debates in Vietnam revolve around social policy, including maternity leave for women workers and labour standards in the private sector. Although the law calls for protection of women workers' rights, it is notoriously difficult to enforce legislation in the small-scale private sector. Prospects are probably better in the larger joint-ventures, where worker protests have led the government to direct its attention to this sector, and where compliance with labour codes is more easily monitored.

The government, the Women's Union, and national and international researchers should also monitor three other developments: rising drop-out rates for schoolgirls, especially in Ho Chi Minh City, the expansion of urban household production and the concomitant position of women within it, and increased use of child labour in household production. With its relatively well-educated industrial workforce, Vietnam has a competitive edge over neighbouring countries, but this could change if the allure of income from the growing service sector leads more young women to drop out of school. The expansion of household production and subcontracting arrangements utilizing home-based female workers have been identified in many countries as precarious forms of employment, and they have been associated with a decline in women's economic status, social position, and standing within the family. Finally, the growth of the private sector and of household production tempts employers and the self-employed alike to utilize non-regular forms of labour such as child labour. The corrective is compulsory education and its enforcement, which should be a government priority.

Vietnam's development strategy as spelled out in government documents evinces a sensitivity to the situation of labour and to women in particular that is absent in the economic policies of many other transition economies, especially in Central and Eastern Europe, Russia, and the Baltic states. Its human-resource-driven strategy augurs well for the country, given the results achieved by South Korea, which also emphasized human resource development. With a more conducive international environment, Vietnam is well-poised not only to attain respectable economic growth rates, but to do so with a distinctive people-oriented and gender-sensitive style.

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