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ABSTRACT Vietnam has witnessed more strikes than any other Asian country in the past decade, despite its vibrant economy. However, this regular industrial action has not deterred foreign investors from setting up manufacturing facilities in the country, as wages are about half those of China. Beneath the wildcat strike culture lies a deterioration in living standards to the extent that some Vietnamese workers have to conserve energy due to inadequate food and malnutrition. The article presents an analysis of more than a decade of strikes in Vietnam, moving from a period of relative industrial peace to a strike wave. Using statistical data, it argues that the Vietnamese state's macroeconomic policy and inability to control inflation are partly responsible for the country's deteriorating conditions, as is capital exploitation. Foreign investors are increasing impatience with these labour disturbances and are relentlessly pressuring the Vietnamese government to suppress strikes, but thus far the Vietnamese government has shown no signs of doing so.

KEY WORDS: Labour, migrant workers, strikes, protests, living standards, Vietnam

Although strikes have generally declined in the developed world in the past few decades, strike action in Asia, the world's fastest industrialising region, has been on the rise. Vietnam has caught the world's attention not only for its phenomenal economic growth, but also for the unrelenting momentum of strike action. In no other Asian country, not even in neighbouring China where strikes have become a grave concern for the Chinese state and capital alike, has there been such a high number of reported strikes. The country's wave of strikes began in 2006, escalating to a total of 762 in 2008, and in 2011 reached another crescendo, 857, the highest number recorded since the release of official strike figures.

Because strikes in Vietnam have attracted so much attention, a number of scholarly studies have grappled with the issue from different social, political and legal angles. This article, building on these extant studies, offers new explanations as to why the number of strikes since 2006 keeps climbing.

Let us first briefly review some of widely accepted explanations and debates surrounding these strikes. Scholarly studies on Vietnamese strikes can broadly be divided into two categories: studies that try to seek out reasons why strikes break out, and studies that ask

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why in some factories workers do not resort to strike actions and remain quiescent under work conditions that may not necessarily be better.

Kerkvliet (2011) has documented and analysed social and political protests in Vietnam and undertaken a comprehensive study of the strikes. Using a vast amount of documentary material he has shown that the majority of the strikes in 2006 occurred at foreign-run enterprises, particularly Taiwanese and South Korean firms. Workers went on strike mainly because of low pay, wages being in arrears, long work hours and abusive management. He also posed the possibility that Vietnamese workers’ readiness to take drastic action had to do with a vibrant labour movement in South Vietnam under French colonial rule and during the Vietnam War. Tran (2007a), on the other hand, has pointed to a more fundamental reason – the exploitative nature of the global production chain and the inability of the Vietnamese trade union federation (VGCL) to protect workers’ rights. Taking a more sympathetic attitude towards the VGCL than other scholars, she observes that the union has been hampered by political and institutional constraints but nevertheless has tried to represent workers’ interests, to the point of openly disagreeing with the Ministry of Labour, Invalids and Social Affairs (MOLISA). While Clarke, Lee, and Chi (2007) agree that the VGCL was on the side of workers, they point out that workers’ demands have progressively evolved from struggling for legal rights to struggling for interests. By comparing strikes in Vietnam and China, Chan (2011) subscribes to this observation and argues Vietnamese workers’ consciousness is higher than that of Chinese migrant workers in the Pearl River Delta. In sum, the above studies collectively offer explanations about what drives Vietnamese workers to go on strike.

But why do some workers not strike, and why do some factories have more strikes than others? Chae asks “why some foreign-invested factories have been immune to labour conflicts and others have not, given the same macroeconomic circumstances?” (2011, 254). By following for a decade the industrial relations in a jointly owned Vietnamese state-South Korean enterprise, Chae came to the conclusion that neither economic nor cultural conflicts are always the main reasons for labour disputes. As relevant is whether or not effective channels exist, by creating a layer of Vietnamese middle management through which workers can air their grievances. Chae’s argument is supported by Kim (2011), who surveyed 52 state-owned, private and foreign-run factories in Vietnam. Her survey findings show that even though take-home wages in 2005 were slightly lower in the former two ownership types than in the foreign-owned factories, the latter experienced more labour disputes. She concluded that the two types of Vietnamese firms contained trade unions to help diffuse grievances and the Vietnamese managers tended to be more responsive to complaints. Foreign Asian managers, in contrast, tended to be more abusive, and since many of them did not have workplace unions there was no mediator to assuage labour discontent. According to Karadjis (2011, 60), the big state-owned enterprises had better work conditions, better food and few strikes because wages there are far above the minimum wage and work conditions are much better, despite the fact that minimum wages for state and domestic private enterprises were lower than that set for the foreign direct investment (FDI) sector.

Most of the above studies deal with the period 2001–08, with a focus on the mid-2000s. As strikes have not abated since 2008, we believe a study extending the timeframe to 2011 is timely. Given a ten-year record, it is possible to periodise the decade into two periods – pre-2006, a period of relative labour peace, and post-2006, a strike wave lasting for at least half a dozen years. Periodisation is an analytical tool that helps to better understand
the changing drivers behind the strikes. In order to put Vietnam into perspective, we also use China as a comparator. Are Vietnamese workers more prone to take strike actions than Chinese workers? If so, why? Our information partly derives from Taiwanese factory owners and managers who have had experience managing factories both in Vietnam and in China. We also revisit the role played by the VGCL and examine Vietnamese workers’ views of the trade union, inasmuch as workers do not seek out their factory-level trade union branch to lead the strikes. Finally, since some analyses of the strikes have attributed these to the exploitative nature of the global production chain and poor work conditions, low wages and long work hours, we also examine these factors, as well as to the effects of inflation on workers’ living standards in detail. We shall also focus on an important factor that has been largely overlooked: the Vietnamese government’s macroeconomic policy, especially regarding the legal minimum wage, and its serious impact on workers’ livelihoods.

Methodology

The research material on which this article is based was collected during the authors’ repeated field visits from 2006 to 2012 to Vietnam, mainly to Ho Chi Minh City (HCMC) and its surrounding industrial regions. The article is a by-product of two research projects on the global production chain and factory conditions in China and Vietnam.² The first project involved a 2007 factory-gate questionnaire survey of work conditions and worker attitudes, with a sample size of 2000 workers at five Vietnamese and four Chinese shoe factories of Taiwanese ownership. The second project involved a 2010 survey of 600 workers in three Vietnamese and six Chinese garment factories of Hong Kong ownership. During field data collection in Vietnam, strikes broke out in large numbers of factories in HCMC and the neighbouring provinces. Coincidentally, the footwear and garment industries happened to be the country’s two most strike-prone industries, and strikes in Taiwanese-owned factories occurred at the highest rate of all the foreign-funded factories (Kerkvliet 2011, 163).

Strike coverage in the Vietnamese press is plentiful and sometimes very detailed, particularly in the two newspapers published by the VGCL, Laodong (Labour) and Ngœi Laodong (The Labourer). Some of the investigative reports contain not only detailed descriptions of the strikes but also report on the negotiation process, and include strike photos, statistical data and follow-up reporting. The Vietnamese government keeps a record of the annual number of strikes, which is regularly reported in the press. Other sources of information on labour unrest are Vietnamese-, English- and Chinese-language websites. The Taiwanese media and internet blogs, although generally written from the perspective of Taiwanese employers, are among the most informative, interesting and revealing of this coverage. We also held interviews with respondents, including officials from the VGCL and MOLISA in Hanoi, who discussed the country’s strikes without inhibition, in addition to staff members of the International Labour Organisation (ILO), multinational buyers and representatives of corporate social responsibility (CSR) monitoring companies. All of these sources provided both macro and micro data for our study.

We also make use of official statistics from the Vietnamese government, mainly from three sources: Vietnam’s Statistical Yearbooks, the Vietnamese Household Living Standard Surveys (VHLSS), data published by the General Statistics Office of Vietnam (GSOV) in 2002, 2004, 2006, 2008 and 2010, and the 2010 Urban Poverty Assessment (UPA) for Hanoi and HCMC.³ These statistics allow us to capture changes in Vietnam’s
The Pre-2006 Period of Relative Labour Peace

The number of strikes in Vietnam took a sudden upward leap in 2006, following a decade of relative industrial peace in the 1990s after the launch of Doi Moi, the term used in Vietnam to designate the series of economic reforms that began in the mid-1980s. In the first decade of Doi Moi, the country's state enterprises were forced to reduce their workforce of 1.4 million in 1985, to just below one million in 1995. These enterprises were also made to marketise, to become responsible for their own profits and losses, adopt a labour contract system, tighten workplace discipline and increase managerial power. These new policies affected state-factory workers, who made up 38% of the industrial labour force in 1985 and whose numbers declined to 22% by 1994. Nevertheless, major labour disturbances did not often erupt because disputes were usually resolved peacefully through negotiation between management and labour, with the state enterprise trade unions playing a mediating role. In the nine years of 1989–1997, about 175 strikes broke out, but 70% of these were in foreign-funded enterprises (FFEs) (Chan and Norlund 1999, 208, 211–212). That was a time when their numbers were still relatively small, and so the number of strikes was still quite small.

Starting in 2000, FDI increased rapidly, and accordingly more strikes were recorded. However, until 2005 these remained relatively low compared to the post-2006 period and the number of FFEs. Between 2001 and 2005, the number of strikes increased by only 65% (see Figure 1).

![Figure 1. Numbers of foreign-funded enterprises and strikes in Vietnam (2001–10)]
Figure 2. Strikes and official minimum monthly wage (adjusted by CPI) in industrial zones outside Ho Chi Minh City (January 2000–August 2011). Source: The number of strikes is based on Kerkvliet (2011) and the authors' own calculations. The wage data are the authors' own calculations based on inflation statistics provided on the website of General Statistics Office of Vietnam (GSOV): http://www.gso.gov.vn/default_en.aspx (accessed 1 May 2012).

The absence of a minimum wage rise from 1996 to 2006, and the increase in the number of foreign-funded factories in Vietnam, were the two main factors contributing to the moderate increase in the number of strikes between 2001 and 2005 (Tran 2007a, 260). As Figure 2 shows, when the minimum wage is adjusted to the consumer price index (CPI), the real minimum wage actually declined between 2003 and 2005. When adjusted to the Food CPI, the situation for workers looks even worse.

As illustrated by Tran (2007b, 435) in a graph by ownership types, most strikes occurred in foreign-funded factories, although these only constitute 2–4% of the total number of enterprises (see Table 1). Of these FDI strikes, the majority were in Taiwanese and South Korean firms (Tran 2007b, 434–437). In 2005, 39% of the strikes in foreign-funded factories occurred at Taiwanese firms, and 29% occurred at South Korean enterprises (The Labour, 24 May 2005). One reason is that these two countries were the top two investors in Vietnam. Another reason is that Taiwanese and Korean managers were known for harshly disciplinarian labour regimes in their offshore factories in Asia (Perrin 2001; Kung 2002; Wang 2002) and southern Africa (Clean Clothes Campaign 2002).

Vietnamese workers do not take to harsh treatment as quietly as their Chinese counterparts. A Taiwanese manager who has worked in both countries asserted to us:

The human rights awareness of Vietnamese workers is very high. In Taiwan, when we served as army conscripts we had to obey blindly as if this was natural. But not
Table 1. Vietnamese enterprises by ownership types, 2001–2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of foreign-funded enterprises (FFEs)</th>
<th>Number of non-state enterprises</th>
<th>Number of state enterprises</th>
<th>Total number of enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>N 2,011</td>
<td>44,314</td>
<td>5,355</td>
<td>51,680</td>
</tr>
<tr>
<td></td>
<td>% 3.9</td>
<td>85.7</td>
<td>10.4</td>
<td>100</td>
</tr>
<tr>
<td>2002</td>
<td>N 2,308</td>
<td>55,237</td>
<td>5,363</td>
<td>62,908</td>
</tr>
<tr>
<td></td>
<td>% 3.7</td>
<td>87.8</td>
<td>8.5</td>
<td>100</td>
</tr>
<tr>
<td>2003</td>
<td>N 2,641</td>
<td>64,526</td>
<td>4,845</td>
<td>72,012</td>
</tr>
<tr>
<td></td>
<td>% 3.7</td>
<td>89.6</td>
<td>6.7</td>
<td>100</td>
</tr>
<tr>
<td>2004</td>
<td>N 3,156</td>
<td>84,003</td>
<td>4,597</td>
<td>91,756</td>
</tr>
<tr>
<td></td>
<td>% 3.4</td>
<td>91.6</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td>2005</td>
<td>N 3,697</td>
<td>105,167</td>
<td>4,086</td>
<td>112,950</td>
</tr>
<tr>
<td></td>
<td>% 3.3</td>
<td>93.1</td>
<td>3.6</td>
<td>100</td>
</tr>
<tr>
<td>2006</td>
<td>N 4,220</td>
<td>123,392</td>
<td>3,706</td>
<td>131,318</td>
</tr>
<tr>
<td></td>
<td>% 3.2</td>
<td>94</td>
<td>2.8</td>
<td>100</td>
</tr>
<tr>
<td>2007</td>
<td>N 4,961</td>
<td>147,316</td>
<td>3,494</td>
<td>155,771</td>
</tr>
<tr>
<td></td>
<td>% 3.2</td>
<td>94.6</td>
<td>2.2</td>
<td>100</td>
</tr>
<tr>
<td>2008</td>
<td>N 5,626</td>
<td>196,776</td>
<td>3,287</td>
<td>205,689</td>
</tr>
<tr>
<td></td>
<td>% 2.7</td>
<td>95.7</td>
<td>1.6</td>
<td>100</td>
</tr>
<tr>
<td>2009</td>
<td>N 6,546</td>
<td>238,932</td>
<td>3,364</td>
<td>248,842</td>
</tr>
<tr>
<td></td>
<td>% 2.6</td>
<td>96</td>
<td>1.4</td>
<td>100</td>
</tr>
<tr>
<td>2010</td>
<td>N 7,200</td>
<td>280,762</td>
<td>3,283</td>
<td>291,299</td>
</tr>
<tr>
<td></td>
<td>% 2.5</td>
<td>96.4</td>
<td>1.1</td>
<td>100</td>
</tr>
</tbody>
</table>


here at all. That is why I think the Taiwanese who are into shoemaking here face a lot of labour disturbances and strikes. They [Vietnamese workers] readily stage mass protests. In our company, it happened last year on the night of the Moon Festival.

Their labour and democratic consciousness is very high. This is not just a problem at my factory, but affects the entire society.5

If this characterisation of Vietnamese workers is true, it could be traced to Vietnamese labour history. As Kerkvliet (2011) has pointed out in his study of strikes, there is a connection between the strikes today and Vietnam's history of resistance to imperialism and capitalism. During the colonial period under the French, and later in South Vietnam during the Vietnam War, the trade union movement had been well organised, vibrant, militant and political and could organise general strikes (Werhle 2011). This came to a halt when the Vietnam War ended with reunification. When one of us in the mid-1990s talked with Vietnamese trade union officials, it was quite common to come across middle-aged officials who were once part of that labour movement. This history could not have been totally lost to social consciousness and thus may affect the new generation of workers. In contrast, in China today the labour movement before 1950 is too distant in time to have left any legacy. The temporal difference between the two countries' labour movements could be one of the factors contributing to a higher strike density in Vietnam than in China. Pringle and Clarke (2011, 68) came to a similar conclusion on the basis of an in-depth study.
2006: The Strike Wave Sets In

By 2005, it was apparent to the Vietnamese government that strikes were becoming a problem and that the minimum legal wage had to be raised. In September 2005, the Vietnamese government announced a nearly 40% increase in the minimum wage for the foreign-funded sector, bringing it to VND 870,000 (about US$55) per month for the HCMC region and Hanoi. The managers of supplier factories complained that the announcement of the increase had given them too little time to prepare, as they had already signed contracts with their buyers. Accordingly, the government decided to delay the increase, which would now take effect on 1 April 2006. Workers expecting a wage rise before the Tet holiday (the Lunar New Year) were outraged by the half-year delay, and the announcement was thus followed by a wave of strikes. To appease workers, the government gave in and rescheduled the wage rise date for 1 February, creating greater confusion. In recognition of worker dissatisfaction and unrest, some factories decided to raise the basic wage even before the officially mandated date had arrived. Others waited until the official date, and others defied the government, refusing to raise wages at all. Workers who did not get a pay rise began to agitate. The timing of the mandated rise coincided with Tet, when workers traditionally receive a thirteen-month year-end bonus. A number of employers who were either unable or unwilling to pay out a suddenly doubled increase resisted. Accordingly, between 2005 and 2006 there was a two-fold increase in the number of strikes, ushering in the strike wave.6

Post-2006 Period of Labour Unrest

The 2006 minimum wage rise allowed pay to keep abreast of a sudden jump in food prices. But once the strike wave set in, it continued to soar for two years, peaking in 2008 (see Figure 1). The global economic recession caused a sharp dip in the number of strikes in 2009, but strikes quickly bounced back in 2010 and 2011. Why is it that in the prior period, in which the minimum legal wage had not increased in a decade, the number of strikes remained small, whereas after 2005, when the minimum legal wage rose every year, the country experienced an unabated wave of strike action? In the following pages, we argue that the post-2006 strike wave was buoyed by three main factors. The first has to do with the state and VGCL's attitude regarding the strikes and how they handle them. The second is that strikes serve as a learning process for workers. Third, strikes have resulted from the government's macroeconomic policy, a salient factor that has generally been overlooked.

The state's and VGCL's attitude towards strikes. The several thousand strikes that have taken place to date are, strictly speaking, illegal wildcat strikes. According to Section IV, Article 172a of Vietnam's Labour Code:

a strike must be organised and led by the union standing committee or provisional union standing committee ... For [a] non-unionised establishment, a strike must be organised and led by representatives nominated by workers ... and [the district-level union] must be informed [of the nominations].
There have not yet been any reports of a strike being led by a formally nominated representative. The strikes appear “leaderless” even though there sometimes are informal leaders. The lack of participation by the factory union gives the impression that the VGCL and local level unions have not been working on the side of workers. The case, however, is more complicated. Various studies on the VGVL suggest that it is sympathetic to workers’ interests and demands going back into the 1990s (Chan and Norlund 1999). At the national, provincial and city levels, the VGCL has tended to take a position different from MOLISA, which is more pro-capital. This is in sharp contrast to the All-China Federation of Trade Unions (ACFTU) in China, which at all levels tends to be a handmaiden of the state. But at the workplace level, especially in FDI factories, as Tran (2007a) documents, the union is too weak and ineffectual to do much for labour. Furthermore, a large number of the smaller foreign-funded factories do not have union branches and so have no representation at all. As a result, strikes in Vietnam are not led by trade union cadres. They tend to be “leaderless” strikes.

But this does not mean workers are totally dismissive of the trade union. We come to this conclusion based on the results of surveys we conducted in 2007 in Vietnamese and Chinese footwear factories owned in both countries by the same Taiwanese companies, manufacturing for the same brands. Of the surveyed workers in five Vietnamese factories, 85% reported they thought the union represented their interests (see Table 2). The corresponding percentage in the Chinese factories was only 10%. Why then do Vietnamese workers not go to their unions for help when planning a strike? Our interpretation is that Vietnamese workers have low expectations of unions, which they see as nothing more than organisers of recreational and welfare activities. Even then they still think of their union as “one of us,” not “one of them.” They trust it but consider it too weak to help them take strike action or to demand better working conditions from management.

**Table 2. Vietnamese and Chinese workers’ attitudes towards factory trade unions**

<table>
<thead>
<tr>
<th>Do you think the trade union in your workplace represents workers’ interests?</th>
<th>Vietnam</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>894</td>
<td>85%</td>
</tr>
<tr>
<td>No</td>
<td>58</td>
<td>6%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>100</td>
<td>9%</td>
</tr>
<tr>
<td>Missing</td>
<td>2</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Total</td>
<td>1054</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Author’s data.
reduction in working hours (Chan 2011; Pringle and Clarke 2011, 65–75). Press reports usually take the workers’ side and portray the government and unions as being sympathetic to their grievances. The officials take up the nettle and negotiate with management on the workers’ behalf, and then solicit the workforce’s approval. Difficult negotiations can take several days. The news media reports in an approving tone when the company bows to pressure and awards the strikers a pay rise and meets their other demands. Also, in contravention of the law, management often agrees to pay strikers for the days of work they missed. It is also rare for the government to rule a strike illegal, as stipulated by the law for strikes that are not led and approved by a union. Not surprisingly, these news reports serve to encourage other workers to strike because they can see it will involve few risks and some real gains. There is no crackdown by the police, and no penalty. In this environment, wildcat strikes occasionally take place in quick succession across industrial zones. For example, in 2006 some 11,000 workers at six foreign factories in HCMC went on strike during a single two-day period (vietnamnews.vn, 6 January 2006).

The Chinese government reacts to strikes very differently. To prevent strikes from spreading, the government sends in the police, sometimes to intimidate or mete out violence, identify strike leaders, arrest and blacklist them. Press reports are generally sympathetic but not encouraging. The message to workers is that going on strike is risky. Even if in the end the authorities do not back the employer, and strikers’ demands are met, it is because management has been violating the labour laws (Chan 2010).

In Vietnam, when a strike ends in a victory for workers, the chance of going on strike again is higher. Thus it is not unusual for workers to have participated in more than one strike in the same factory. This can be seen in our Vietnamese footwear factory survey. Of the 686 respondents who reported having gone on strike in 2007, 60% said that they had experienced two or more strikes in the same factory (see Table 3). If management goes back on its word, or inflation rises rapidly, or workers decide they have a strong grievance, they are likely to strike again.

Hue Phong, a Taiwanese footwear company that illegally registered as a Vietnamese company to claim tax concessions, probably holds the record for both the largest number of strikes and the longest strike. Its first strike took place in September 1997. Four thousand workers went on strike again in 2000 to protest management’s violation of a number of labour standards, a strike that one reporter noted “may represent an important turning point in the workers’ struggle in Vietnam” (Nguyen 2008). This strike ended after management made a number of concessions, but when it reneged on its promises, workers took strike action again in October of the same year and ceased work for almost a week until Hue Phong’s management relented (Nguyen 2008). But management once again refused to honour its promises, resulting in additional strikes in 2001, 2005 and 2008.

<table>
<thead>
<tr>
<th>Table 3. Repeated strike experience of workers in five sampled Vietnamese footwear factories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of strikes experienced by a worker in the same factory</td>
</tr>
<tr>
<td>Number of workers (N = 686)</td>
</tr>
<tr>
<td>Percentage of workers</td>
</tr>
</tbody>
</table>

Source: Author’s data.
Leather International Magazine, 10 January 2001; World of Garment Textile Fashion, 8 June 2005), the latter being the longest in recent Vietnamese labour history. This lengthy dispute began with two strikes in March, each lasting for 10 days with the participation of 4,000 workers. The workers went on strike again from 10 April to 5 May, refusing to go back to work for 25 days, during which time MOLISA and the trade union helped the workers in their negotiations with management. However, management adamantly refused to concede. The media carried daily reports on the strike, featuring headlines reminiscent of a marathon race: “Day 12 of the Strike in Hue Phong Company – Dialogue Still Unresolved!” (Saigon Liberation, 23 April 2008) Such repeated strikes represent a test of will between capital and labour.

As strikes have become increasingly common, both workers and management seem to have become used to them. Workers have become accustomed to strikes as an effective bargaining tool to get what they want, and Taiwanese investors have come to consider them as normal as having “a meal at home,” or that they have developed an “immune capacity” against strikes, or that, “Really, it is just a bit of commotion.” (China News, 7 January 2006)

To meet their deadlines, firms resort to shipping their products by air. Another investor lamented that “to come to invest in Vietnam, we have to include strikes in our production input costing” (China News, 7 January 2006). Local government and trade union officials, too, have established a pattern for handling strikes. They hurry to the scene, calm the strikers, collect workers’ grievances, berate management for violating the law or being unwilling to bend, and then proceed to negotiate on behalf of the strikers. After a few years of strikes, all parties concerned have adjusted themselves to this routine. Pringle and Clarke (2011, 72) characterise such strike actions as a form of “collective bargaining by riot,” noting that in Vietnam “wildcat strikes have become institutionalised.”

Macroeconomic policy, minimum wage and living standards. For a country such as Vietnam, in which the FDI sector is important in providing foreign exchange income and employment, the official minimum wage set by the government is critical to economic development. Competition in the global cheap labour market is fierce and relentless. For how much should a country sell its labour on this international labour market? To what degree should it make its workers sacrifice? Selling labour reduces unemployment, but at the same time a government may not want to set the minimum wage so low that its workers are subject to significant exploitation and are unable to maintain a reasonable degree of health and well-being, or even survive. Thus, the legal minimum wage is one of the major macroeconomic tools that a government in a poor country can employ to regulate the economy, which in turn has repercussions for industrial relations. When governments fail to strike the proper balance, workers suffer. Workers expect their government to intervene in the economy by increasing the minimum wage to allow them to enjoy a rising standard of living.

Investors from “middle-man states” like Taiwan, Korea, Hong Kong and Singapore, whose companies produce manufactured goods in poor countries and supply them to wealthier nations, generally adopt the host country’s minimum wage as the “basic” wage – the wage paid to workers for normal work hours. This wage level usually hovers at the margins of the amount needed for subsistence. To cope, vulnerable workers have to work overtime, and management includes in its costing the amount of overtime pay needed. The delicate balance faced by workers between earning enough to eke out a living and failing to do so can be easily upset by inflation.
As Figure 1 shows, after 2005, the increase in Vietnam’s minimum wage per month was severely eroded by high inflation (rising CPI). Increased minimum wage figures that are reported without adjusting for CPI (the nominal minimum wage), can give the false impression that workers are doing well. In a poor country in which a large number of people survive on the margins, there is little buffer against inflationary assaults. Food is the number one basic need for physical survival, and it takes up a sizeable portion of the poor’s disposable income. Hence, when we adjust a survival-level minimum wage by taking into account the food CPI, and the latter turns out to be lower than the minimum wage adjusted to the general CPI, those workers assumed to be making just enough may have to buy less food at least some of the time. What Figure 2 further shows is that there is a proportional relationship between the number of strikes and the width of the gap between the nominal and real minimum wages adjusted by the food CPI. In June 2008, when the CPI inflation rate jumped to 26.8% (year-on-year), and the gap between nominal wage and real wage adjusted by food CPI was wider than it had been in 2006 and 2007, the number of strikes soared. In 2011, when the number of strikes reached its historic peak of 857, the gap was the widest it had been in a decade. In the same year, the real wage adjusted by food CPI was lower than the general CPI for the first time. The cost of food was now so high that it cancelled out any wage gains, even though the legal minimum wage in 2011 was the highest it had ever been. It is clear that the food CPI is a better indicator of how inflation affects the poor than the general CPI. The poorer a person is, the higher the percentage of his or her income that goes to food.

Another reason why workers may suffer seriously from high inflation is that though the official minimum wage set by the government had been rising annually since 2005, the minimum wages were set too low to support a decent livelihood. This is shown in our survey of garment workers’ wages in 2010. The minimum wage that year was USS55; their average take-home pay was $118 (compensation for normal work hours and overtime) and their minimum family expenditure was $170. Not only was the minimum wage too low, even the take-home pay which was double the minimum wage after working overtime was not enough for basic needs. In other words, if factories pay low wages, and worse still, if the wages do not keep up with the minimum wage rise, those workers really have to go hungry for some of the time.

It should also be borne in mind that there is always a time lag between inflation and minimum wage adjustment. Inflation is continuous, but wage adjustment only happens once a year. When inflation is over 20% a year, workers living on the margin will be seriously affected for some months before the government raises the minimum wage again. Then, even after the announcement of a minimum wage increase there can also be a couple of months before employers raise wages, which may or may not be high enough to cover the inflation increase. For instance, in one case an employer adjusted the wage four times in 2011 to catch up with inflation, but still workers went on strike in 2012 (panphamer.tw, 1 August 2012).

High inflation’s impact on food consumption, nutrition and housing. When a particular sector of a country’s population lacks sufficient food to stave off hunger, it is necessary to begin counting caloric intake to gain a more accurate picture of how seriously the situation is affecting people’s survival needs. In our field research on migrant workers in HCMC before 2005, we did not come across reports of these workers not having enough to eat. However, by 2007 and 2008, newspaper reports of workers experiencing
hunger leading to weakness and lethargy emerged. The following are two examples of such reports (hyenchuong.net, 14 March, 2008).

For lunch, three people spent VND 11,000 (US$0.65), and they have to stay in bed for the whole day so as to save spending money on food. In an industrial zone, workers wrack their brains to think of means to go through these hard times of depreciation of the Vietnamese dong. The best method they have discovered is to go to sleep.

Six male workers in Hoya Company live in a dormitory. They all work night shift. During the day, all they do is sleep. Not only does it help them to recuperate from fatigue, but it also saves money. “The cost of things has become so high we only cook one meal a day in the evening. Without money we can only go to sleep to ward off hunger in our sleep.”

In 2008, the press was full of reports of strikes and sometimes of inadequate food consumption, with frequent reports linking nutritional problems to factories’ inadequate provision of lunch subsidies. For instance, one report discussed a factory that had increased its lunch subsidy to VND 4,000 per meal in view of the high inflation rate, but noted that workers claimed that even VND 5,000 would be insufficient to buy a regular lunch and demanded VND 8,000 (vnepress.net, 4 April, 2008). In another case, a Journalist reported that in a Korean factory workers said they needed double the amount of the food for lunch. Not even one worker said they had enough to eat (Viet Nam News, 6 January 2006).

Food inflation became so bad in 2011 that even a wage of VND 2 million required “migrant workers [to] struggle to survive” (Bland 2011). According to the Asian Development Bank, food prices rose 32% in just 10 months that year. Many factories were operating on the margin and did not want to increase wages further, although larger companies were able to give away free rice. Canon, for example, distributed five kilograms of free rice per month to each worker (Bland 2011). The VGCL blamed employers for the large number of strikes that year, criticising them for “violating the labour laws, paying low wages and serving lunches of [a] quality that [is] not good enough to guarantee [that] workers can recuperate their energy and health.” (Commercial Department of the HCMC Taiwanese Economic and Culture Office 2011). In our many years of investigating the working conditions of Chinese migrant workers in the export sector in Shenzhen, with the exception of the early 1990s when one of the authors wrote a paper exposing the necessity for workers to skimp on food to save money (Chan 2002), we have not encountered this type of commentary on the relationship between low wages, food quantity and quality, and nutrition.

The food situation in 2008 and 2011, the two years that witnessed the largest number of strikes, was clearly quite serious for some workers. Some of the workers in our own garment industry survey conducted in 2010 reported going on strike. What kind of pressure did they experience? At that point in our fieldwork, we were unaware of the devastating impact that inflation could have on workers’ livelihoods, and we thus neglected to ask questions concerning food consumption, nutrition and health. After comparing our survey data with the 2010 VHLLS and the 2010 UPA for Hanoi and HCMC we gained a better appreciation of the seriousness of the situation. The VHLLS divided the nation’s population into five quintiles, although no specific data were
Table 4. Comparison of average monthly income of migrant workers in the three surveys

<table>
<thead>
<tr>
<th>Survey</th>
<th>Income Source</th>
<th>3rd Quintile</th>
<th>4th Quintile</th>
<th>5th Quintile</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 VHLSS</td>
<td>For nation as a whole</td>
<td>VND 2,018,000</td>
<td>VND 2,727,300</td>
<td>VND 3,436,620</td>
</tr>
<tr>
<td>2010 UPA</td>
<td>For migrant workers</td>
<td>VND 2,162,000</td>
<td>VND 2,812,000</td>
<td>VND 3,476,000</td>
</tr>
</tbody>
</table>


collected for migrants. The UPA, in contrast, breaks down the two large cities’ populations into migrants and non-migrants, with each category divided into five quintiles. Using both surveys, it is possible to locate where in these quintiles the migrant workers in our garment industry survey fit. Table 4 provides a summary of the average monthly wage of workers in the three surveys.

As can be seen from the table, the average wage of the migrant garment workers in our survey fell between the third and fourth quintiles of the VHLSS, and came close to that of the migrant workers in the HCMC UPA. Having established the relationship between the average wages in the three surveys, we were able to determine the food consumption level of the surveyed garment workers which should come very close to that consumed by the third income quintile shown in Table 5.

A sobering observation from Table 5 is the steady annual decline in rice consumption – from 13.8 kg in 2002 to just 12.2 kg in 2008 – a drop of 11.5%. The loss in caloric intake from rice was not compensated for by any increase in the consumption of other food items. Of all non-staple food items, the only increase seen between 2006 and 2008, albeit by only a slight amount, was in monthly egg consumption, which rose from 2.4 to 2.7 eggs per person. This overall decline in food consumption correlates with the figures in Figure 2, in that 2008 was clearly a very bad year in which the gap between the nominal minimum wage and the minimum wage adjusted by the food CPI was at its largest. According to the World Bank’s Food Price Watch, rice accounted for 59% of the

Table 5. Consumption amounts of main foods per capita per month (third income quintile, whole country: 2002–2008)

<table>
<thead>
<tr>
<th>Food Item</th>
<th>2002</th>
<th>2004</th>
<th>2006</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice and rice equivalence (kg)</td>
<td>13.8</td>
<td>13.6</td>
<td>13</td>
<td>12.2</td>
</tr>
<tr>
<td>Meat (kg)</td>
<td>1.2</td>
<td>1.3</td>
<td>1.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Grease, oil (kg)</td>
<td>0.2</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Shrimp, fish (kg)</td>
<td>1.2</td>
<td>1.5</td>
<td>1.6</td>
<td>1.4</td>
</tr>
<tr>
<td>Egg (piece)</td>
<td>2</td>
<td>2.4</td>
<td>2.4</td>
<td>2.7</td>
</tr>
<tr>
<td>Tofu (kg)</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Sugar, molasses, milk, cake, candy</td>
<td>0.4</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Candied fruits (kg)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wine, beer (litre)</td>
<td>0.5</td>
<td>0.7</td>
<td>0.7</td>
<td>0.6</td>
</tr>
<tr>
<td>Vegetable (kg)</td>
<td>2.5</td>
<td>2.5</td>
<td>2.4</td>
<td>2.3</td>
</tr>
<tr>
<td>Fruit (kg)</td>
<td>0.8</td>
<td>0.9</td>
<td>0.8</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Vietnamese diet in 2010 (compared to 70% for Bangladesh, 65% for Cambodia and 50% for Indonesia, other countries in which rice is the staple and main supplier of caloric intake). In terms of caloric intake, Vietnam is 2,145 calories per person per day, which is only slightly better off than 2,100 calories for urban areas of India, 2,100 for Afghanistan and 2,122 for Bangladesh (Fox 2002; Ministry of Economics and Islamic Republic of Afghanistan 2012; World Bank 1999, 5).

Since rice is a staple and the country’s major calorie-providing food item, a reduction in rice consumption in Vietnam has serious repercussions for nutrition and health. Even in the 1980s, when rice was rationed, each Vietnamese person was entitled to 15 kg of rice per month (Hayton 2010, 10). Hence, the Vietnamese are eating less today, or at best not much more than they did in the 1980s. Normally, poor countries enjoying an economic boom are expected to experience a trickle-down effect, resulting in greater consumption of non-staple food items, but this has clearly not been the case for Vietnamese migrant workers.

Shelter and health come after food as essential for sustenance. They also compete with food as the largest items of expenditure for the poor, including migrant workers, and thus are also indicators for measuring poverty. In studies of poverty data, expenditure data should be presented together with income data to better reflect the general well-being of the populace. A normal assumption would be that migrant workers tend to live in poorer housing than urban residents, and thus should be spending less on rent. Surprisingly, however, UPA figures show migrants spending VND 359,700 per person on housing, which is 50% more than the amount spent by urban residents (United Nation Development Programme [UNDP] 2010, 126). Not only is housing more expensive for migrants, but their amount of living space is much smaller than that enjoyed by residents (31.7% of migrants occupy less than 4 m² of space, and 30% 4–6 m², compared to 20 m² for residents). Newspaper reports indicate that migrants have been cramming themselves into increasingly small living spaces to save money. Another large expenditure for migrants, and one that urban residents generally do not have, is the remittance they send to their home villages to support their families, which averages VND 295,900 per month (UNDP 2010, 126–127). To do so, migrants scrimp on food, spending VND 858,300 on food, compared to the VND 1,074,700 spent by their urban counterparts. Another means by which migrants can save money is to refrain from seeking professional medical help when ill or injured. The UPA suggests that, when ill, 46.7% of migrants do not see a doctor or buy medicine (UNDP 2010, 123). The inadequate provision of such essentials as food, housing and health care weakens the well-being of migrant workers.

**Government rice export policy.** Macroeconomic policies account for the insufficiency of food provision in Vietnam. The hike in the rice price was the direct consequence of the government’s rice export policy. In 2008, Vietnam was the world’s second largest exporter of rice, and yet the country experienced one of world’s largest increases in rice prices that year. The retail price of rice in Hanoi increased by 65% in the first half of 2008. As a result, the Global Hunger Index classifies Vietnam as one of the Asia-Pacific region’s hunger hot spots. As of 29 March 2012, Food Security Portal listed on its website that this index is a composite measure of hunger comprising population undernourishment, child malnutrition and child mortality. Because the government has full control over the rice market, with Vietnamese farmers permitted to sell rice only to the local agents of state-owned companies, the government could have exported less rice to alleviate the rising rice price. Instead, the government was unable to resist the lucrative export deals on offer, and
continued to export rice to neighbouring countries such as the Philippines and Indonesia (Hayton 2010, 32). The rice harvest in 2006 was actually very good, but the government signed so many rice export contracts that there was a rice shortage in the domestic market, thus leading to a dramatic price increase. At the beginning of 2008, the government announced that it would limit rice exports that year to bring domestic rice prices down to counteract rising inflation, which hit 25% in May 2008. However, again unable to resist the high revenue generated through rice exports, the Vietnamese government contravened its own policy, and instead exported more than 2.2 million tonnes of rice in early 2008, a 19% increase over the previous year (BBC News, 20 June 2008).

Rice exports continued to climb in 2009. The government also monopolised the lucrative rice export business by clamping down on private exporters. It was estimated that by the year’s end there would be a 49% increase in exports, which would reach seven million tonnes from the bumper harvest of 10 million tonnes. The government was using rice exports to narrow the country’s US$3.4 billion trade deficit (Reuters, 9 August 2009).

As a consequence, “people are not starving to death but there are definitely difficulties,” stated an International Federation of the Red Cross (IFRC) representative (Clark 2008). One housewife was quoted as saying, “The problem is that salaries haven’t increased enough … We have to buy less than we did before and reduce how much we eat” (Clark 2008). If better-off urban residents such as this woman were having to buy less, then it is not unlikely that migrant workers were simply having to eat less. We do not yet have the consumption breakdown for 2011, but it is obvious that the situation had not improved. When one of the authors conducted fieldwork in HCMC in May 2011, he found that double-digit inflation was pushing up food prices (especially those for rice-related products) so fast that local restaurants were having to change their food menus every week by sticking new price labels onto the old ones. Figure 3 shows that the price of grain continued to rise until November 2011, when it began to slack off, although the price of foodstuffs remained high.

The Vietnamese State and Unions stand up to Capital

The routinised, peaceful, illegal strike pattern that had been in place for more than a decade came under stress when the number of strikes broke a new record, reaching 857 by the end of 2011. Korean, Taiwanese and European investors and US business associations have all been exerting pressure on the Vietnamese government to put a stop to the strikes. Taiwanese investors see themselves as the worst-hit “victims,” and thus feel the most aggrieved and are trying to break the pattern most aggressively. An internal circular issued by the Taiwanese Economic and Cultural Office (TECO) in Vietnam and posted on the Internet clearly shows that the Taiwanese are resorting to both formal and informal means of putting pressure on the government to suppress strikers. The chief representative of the office was reported for several months to have “been actively contacting all relevant bureaucracies in Vietnam to inform them that Taiwanese businesses are extremely concerned about the situation, and emphasised these strikes are definitely beginning to deter Taiwanese investors from coming to Vietnam” (Taiwanese Economic and Cultural Office 2011). In addition to holding multilateral meetings, Taiwanese officials are trying hard to establish a line of communication with the local police. At a dinner party held for Vietnamese public security officials, a Taiwanese official urged them to handle the “illegal” strikes well to re-establish Vietnam and Taiwan’s “harmonious industrial relationship” (Taiwanese Economic and Cultural Office 2011). Thus, when strikes broke out simultaneously in three Taiwanese factories in one industrial zone on 10 May 2011, the TECO swung into action, contacting the police and relevant government departments and urging them to deal seriously with the strikes and enforce their own laws. These Taiwanese efforts gained partial success on the 11th day: “Illegal strikers who were absent from work without prior notification were fired in accordance [with] the law, and strikers were not paid for the days they went on strike” (Taiwanese Economic and Cultural Office 2011). It is unclear whether this incident constituted the first time for these particular articles of the Labour Code to be enforced, but the Taiwanese claimed victory and turned their success into a model for Taiwanese businesses to emulate.

Similarly, when one of the authors attended a meeting on 26 May 2011 that had been called by the Vietnam Chamber of Commerce and Industry (VCCI), the Korean Chamber of Commerce and Industry (KCCI) and the Korean Chamber of Commerce and Industry America (KoCham) in HCMC’s New World Hotel, VCCI representatives advised their Korean counterparts in Vietnam to go to the police wherever there was a strike. Foreign investors are well aware that the wages they pay to their workers are insufficient to compensate for rising inflation, which has been the main cause of strikes, and yet their solution is not to give their workers a big pay rise, but rather to ask the Vietnamese government to suppress the strikes.

Between 24 and 29 June 2011, a huge strike involving about 93,000 workers broke out in Pou Yuen, a Taiwanese footwear company that makes training shoes for a number of brand name companies. A Hong Kong non-governmental organisation, Students and Scholars against Corporate Misbehaviour (SACOM), reported the arrest of about 20 people (SACOM 2011). We have not been able to trace exactly what happened. If this many workers were indeed arrested, then it would be the first time that the government arrested such a large number of strikers so openly. There is no evidence that these arrests, if they took place, were a direct result of the unrelenting pressure exerted by Taiwanese and Korean investors. In fact, the available evidence suggests that the Vietnamese
government has stood firm and refused to give in to such pressure. Two months after these strikes, MOLISA issued a circular to the country’s provincial governments, instructing them to conduct more factory inspections, especially of factories that frequently violate the labour law, and to penalise lawbreakers strictly, to avoid further strike action. The circular also ordered provincial governments to ensure that factory environments and the food quality in factory canteens are up to standards (tv-vn.com, 18 August 2011). In the same year, MOLISA issued another research document suggesting that Vietnam’s labour law be revised to make it mandatory for foreign factories to “support the cost for the meals between shifts for workers at the minimum amount of VND 15,000/meal/person (i.e., an increase of VND 3,000-5,000 per meal)” (American Chamber of Commerce and Vietnam 2011). These documents show that the Vietnamese government has refused to succumb to investor pressure to blame workers for staging illegal strikes, but has instead placed the blame on investors’ violations of the labour law and begun requiring investors to take responsibility for workers’ plight.

The VGCL and officials who support labour have taken the position that capital has sufficient resources to raise wages. In November 2011, when the pro-capital faction of the National Assembly introduced a bill to amend the Labour Code by increasing the legal maximum number of overtime working hours from 200 to 360 per year, a majority of the deputies voted against it. In the debate over the amendment, a number of high-level VGCL officials took the lead in arguing that the amount of allowable overtime could not possibly be extended, given that a union survey showed 30% of workers at HCMC industrial parks to be suffering from malnutrition due to their poor living conditions. In fact, they said wages had been found to satisfy only 60-70% of workers’ basic daily needs. Rather than a rise in working hours, they advocated a minimum wage that was commensurate with inflation. The minimum wage should go up by 20% immediately, they said, or workers might need to work as many as 700-800 hours of overtime annually! (Tuoi Tre News, 23 November 2011).

Conclusion: Vietnamese Industrial Relations at the Crossroads

In this article, we have presented evidence to show that in addition to the many other reasons for strike action to have become a normal facet of industrial relations in Vietnam’s foreign-funded sector, macroeconomic factors have played an important, but under-investigated, contributing role. Inflation has been so high that quite a sizeable portion of migrant workers in the country’s export sector have difficulty meeting their basic needs. Close analysis of the data reveals that the number of strikes soared in the months in which the minimum wage, although rising, failed to keep up with the food CPI. Wildcat strikes are the weapon to which workers have resorted to draw attention to their plight.

As sociologists, we do not have the wherewithal to analyse the grave economic problems that have engulfed the Vietnamese government. According to economists, the government has difficulty managing the economy (Fordo 2011; Fuller 2012). According to Pincus (2009), the Vietnamese government spent too much on capital and import-intensive projects which led to high trade and budget deficits. Part of the problem is also due to multinational companies and their suppliers not paying wages high enough to meet workers’ basic needs. We agree with the strong position taken by the state and the trade unions that foreign investors share responsibility for the dire situation. On the other hand, the state has set the minimum wage unrealistically low. Compared to minimum wages in
China, which have risen almost 46% in the past four years, Vietnamese wages are still low, currently only half those of China. There is room for the Vietnamese government to raise minimum wages higher, particularly as Chinese wages are on the rise. The prevalence of strikes in Vietnam has not yet deterred foreign investors from pouring FDI into the country, rendering their threats rather empty.

The VGCL has backed up its position with the kind of arguments yet to be espoused by China’s official trade union. One issue that everyone concerned has kept quiet about is that foreign investors and buyers have profited considerably from the 20% depreciation in the Vietnamese currency over the past half decade. Observing how the Taiwanese and Korean investors have been resisting giving workers a pay rise while putting pressure on the Vietnamese government to suppress strikes, it is unlikely that the wealth generated in FFEs will be shared with workers any time soon.

This stalemate may yet come to an end and the Vietnamese government may have to relent on its policy. The global economic recession in the past three years has further squeezed the manufacturing suppliers. Since 2013 inflation in Vietnam has subsided somewhat, but this is cancelled out by a new problem – rising unemployment (VietNamNet Bridge, 6 January 2014). Only a few years ago the problem in the export sector was a shortage of labour. The rising minimum wage is still trailing behind the rising cost of living. For the time being, the VGCL continues to stand behind the workers, calling for a minimum wage hike of 24–36% (The Hanoi Times, 8 September 2013) to solve the problem of malnutrition among workers who need 2,300 calories a day (Thanh Nien News, 22 April 2013).

Vietnamese industrial relations have reached a crossroads. If the recession continues, the government may have to give in to foreign capital threatening to relocate to Cambodia or to Bangladesh where wages are much cheaper. It will be forced to make a hard decision about what attitude and policy to take with regard to strikes. Should it adopt a harsh line, or should it adopt a soft line and allow the strikes to continue and help the workers to bargain? If the police are deployed to quell strikes and arrest strikers, then it is likely that the country’s strike action will continue to escalate in size and frequency and may even turn violent. In this event will the VGCL be willing to challenge the government’s hard-line policy? This is beyond our prediction. But Pringle and Clarke (2011, 73) reveal something interesting. They report that some trade union leaders have begun to talk and cooperate with informal worker leaders. The hope is that the VGCL can transform itself into a more vocal and effective trade union. Our survey data in Table 2 show that a majority of garment workers in our sample believes that the trade union is on their side, except that it is too weak; unlike the almost absolute distrust Chinese workers have of their union. In this sense there is hope that a more regulated collective bargaining system can be developed, by which workers can gain from the system without going on wildcat strikes.

Acknowledgements

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Notes

1 The numbers of strikes in 2006 and 2011 were retrieved from two circulars issued by the Taiwanese Economic and Cultural Office in Ho Chi Minh City (HCMC); see http://tecohcm.org.vn/business-news-detail/6/1842 (accessed 1 July 2011) and http://www.taiwanrete.com.tw/CH/bizsearchdetail/609995C/ (accessed 1 May 2012), respectively.

2 The first research project, entitled "Taiwanese Businesses, The Global Production Chain and Corporate Social Responsibility," was headed by Anita Chan and Wang Hongzen and undertaken between 2006 and 2009 with funding from a Chiang Ching Kuo Grant. We are grateful for Wang Hongzen's data, which was collected during his many interviews with Taiwanese businessmen in Vietnam and Taiwan. The second project was Kaxton Siu's doctoral field research on "Comparing Garment Factories in China and Vietnam," which was conducted between 2010 and 2012.

3 Although the Vietnam Household Living Standards Surveys (VHLSS) series is widely used, the series suffers from a major deficiency in its sampling method. This leads to the exclusion of a large number of mobile households and individuals. The series follows the World Bank's Living Standard Measurement Survey (LSMS) methodology, which often omits a significant but unknown proportion of wage workers in manufacturing and plantations. In order to better locate this missing group of wage workers in Ho Chi Minh City, we include the 2010 Urban Poverty Assessment (UPA) in our analysis. The 2010 UPA uses the two-staged stratified sampling method, which includes urban migrants when collecting data. By comparing the VHLSS series and the 2010 UPA, we are able to more accurately capture the living standards of the migrant workers.

4 We have not been able to locate the statistics for a number of firms. But with the amount of investment from Taiwan and South Korea being so large compared to other countries, the number of firms must also be high. Apart from Singapore, South Korea and Taiwan have been Vietnam's top three FDI countries since 2006. Since 2009, South Korean and Taiwanese FDIs have surpassed that of Singapore, and South Korea and Taiwan have become Vietnam's first and second-largest FDI countries. This is one reason why there are now more strikes in the factories supported by investors from these two countries.

5 This interview was conducted by Wang Hongzen and a group of Taiwanese scholars in the summer of 2001 in Vietnam.

6 The details of these few months of upheaval in Vietnam are based on interviews conducted in October 2006 in HCMC with a number of managers, brand company staff and representatives of the HCMC trade union.

7 This was confirmed when one of the authors of this article interviewed Vietnamese workers in a number of foreign and domestic enterprises. Almost all of the workers' immediate responses were related to recreational and welfare activities, such as singing contests, picnics and the distribution of small gifts during festivals.

8 Information based on a long interview with Hue Phong's general manager in June 2001 in HCMC. We are grateful to Wang Hongzen for sharing this interview with us.

9 It is unclear whether there was a slight increase in egg consumption, but we came across a report in 2010 quoting two workers from Hanoi who told the reporter that they had eaten eggs and morning glory (a kind of vegetable) that week because "they couldn't afford other foodstuff." See "Blue-collar Workers Struggle in Storm of Prices," Saigon Liberation. Accessed December 3, 2010. http://www.saiigon-gpdaily.com.vn/National/Society/2010/12/87722/.

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