

GLOBALISATION, GENDER AND WORK
IN THE CONTEXT OF ECONOMIC TRANSITION:
THE CASE OF VIET NAM

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Foreword

Viet Nam has benefited greatly from the process of globalisation and the country's progressive integration into world markets for primary commodities and manufactures. Access to world markets is essential to Viet Nam's efforts to develop new industries and create jobs for the millions of people, young and old, who enter the labour market each year.

This Policy Dialogue Paper examines an important group of people directly involved in production for global markets. As in other countries, the garment industry in Viet Nam is a major source of employment for women, particularly young women. Based on original field work in several locations in the country, the paper compares the real situation of garment workers with their peers who work in sectors oriented towards the domestic market. The authors also encouraged garment workers to share their own perspectives on garment work as a means of exploring the ways in which new wage labour opportunities fit into their personal and household survival strategies.

The United Nations Development Programme works with the Government and people of Viet Nam to realise our shared vision of a country free from poverty, in which all people can achieve their human potential. Increasing the benefits of international integration and reducing the costs is crucial to human development and the achievement of the Millennium Development Goals in Viet Nam.

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Subinay Nandy
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Acronyms and Abbreviations

CIDA	Canadian International Development Agency
GDI	Gender-related Development Index
GDP	Gross Domestic Product
GSO	General Statistics Office
HDI	Human Development Index
IDRC	International Development Research Centre
MPDF	Mekong Project Development Facility
SOE	State Owned Enterprise
UNDP	United Nations Development Programme
UNRISD	United Nations Research Institute for Social Development
VLSS	Viet Nam Living Standards Survey
WTO	World Trade Organisation

Executive Summary

This paper is concerned with the gender and poverty implications of globalisation in the context of the transition to a market economy in Viet Nam. As elsewhere, the export oriented garment industry in Viet Nam is a major source of employment for women. Women are also actively engaged in the domestic market in the state and private sectors and in the informal economy. The paper uses survey data to compare the characteristics, conditions and preferences of women working for global and local markets in order to ascertain who they are, how they might differ and what their jobs mean to them.

We found that garment workers tend to form a distinct category of workers—young, single, with at least secondary education—that have recently migrated from the countryside. Women working for the local economy were far more heterogeneous and included older residents of the city with high levels of education working for the state as well as a more varied group of women working in private wage and self employment. Entry into garment work represents an aspect of the diversification strategies of rural households for some women while for others it constitutes the attempt to become more self reliant. A higher percentage of garment workers expressed a preference for alternative forms of work than non-garment workers, reflecting long hours of work and exploitative working conditions. While public sector employees outside the garment sector expressed the highest levels of satisfaction with their jobs, this was not an option open to all. Young women migrating from the countryside saw garment employment as an opportunity to save and take up self employment.

The paper concludes that until rural unemployment and underemployment is reduced and alternative jobs become available, female labour will continue to crowd into the garment industry, regardless of working conditions and wages.

1. Introduction

This paper is concerned with the gender and poverty implications of globalisation in the context of Viet Nam. There is a growing literature on these linkages as they play out in countries that are moving, or have moved, from more to less regulated market economies. What is different about the Vietnamese context is that its greater integration into the global economy is occurring as one aspect of a far more fundamental change in policy regime: the transition from a centralised command economy dominated by the state in all spheres of social and economic life to one in which there is a greater emphasis on market forces internally and externally.

In 1986, in the face of growing economic crisis, the Socialist Republic of Viet Nam initiated a programme of economic renovation or *doi moi* that aimed to achieve economic growth and social development through, *inter alia*, the de-collectivisation of agriculture in favour of household-based production, opening up of the economy to foreign trade and investment, price liberalisation, reduction of the role of the public sector and a concomitant promotion of private enterprise.

Economic reform has been remarkably successful. Annual growth rates of gross domestic product (GDP) rose from 2.3 percent in 1986 to an average annual rate of 7.6 percent for the period 1993 to 2005. Growth has been led by manufacturing. Over the past 14 years the growth of manufacturing value added has averaged over eleven percent per year, compared to four percent in agriculture and seven percent for services.

Exports have increased rapidly during this latter period, growing at the remarkable rate of 21 percent per annum from 1993 to 2003. The value of exports was equal to 60 percent of GDP by 2003. While agricultural exports were dominant in the early years of reform, by 2002 their share of all merchandise exports had fallen to 22 percent. Meanwhile, the share of manufacturers had increased to more than 50 percent. Textile and garments alone comprised 16 percent of exports in 2004.

Economic growth has been accompanied by rapid reductions in recorded poverty. Economic reform in Viet Nam took place in the context of favourable initial conditions for poverty reduction, including a relatively egalitarian distribution of income and assets and high levels of state support for social investment. Human development indicators such as the United Nations Development Programme's (UNDP) Human Development Index (HDI) consistently show that Viet Nam has performed better than countries at similar and indeed higher levels of per capita income.¹ Recorded poverty declined from 60 percent before *doi moi* to 24 percent in 2004. However, these gains have not been equally distributed. While various factors such as education, household size, ethnicity and regional location help to explain variations in the headcount rate of poverty, the largest gap is between urban and rural areas. As a recent World Bank study reports, 'other things being equal, an urban household spends 78 percent more than a rural one. This effect dwarfs all others, including those associated with higher educational attainment' (World Bank 2003, 23).

The reduction of poverty, and rural poverty in particular, remains one of the major challenges facing Viet Nam. Owing to high rates of population growth in the past, it is the twelfth largest country in the world, with a population of 81.3 million and a labour force of 43.3 million in 2003. Although population growth has declined the country's youthful age structure means that around one million people enter the labour force every year (Dang Nguyen Anh, 2000, 67). The rural population accounts for 75 percent of the population and over 90 percent of the poor (World Bank 2005, 14). The share of agriculture in total employment has fallen from 72 percent in 1993 to 55 percent in 2004. But with around 1,000 persons per square kilometre of arable land the farming sector is still one of the most overcrowded in the world.

Central to the goal of poverty reduction, therefore, is the generation of sufficient employment, and sufficiently well-paid employment, both to reduce unemployment and underemployment, particularly in the countryside, and to absorb new entrants into the labour force. Many rural households have chosen to migrate, collectively or individually, to urban areas in search of work. Before *doi moi*, migration to the cities was strictly controlled through the enforcement of a system of residential permits that requires migrants to register with the municipal authorities. Restrictions on mobility have eased, although it is still necessary for migrants to obtain residential permits at their destinations.

¹ Viet Nam's HDI ranking was 108 in 2003, higher than Indonesia, Egypt and South Africa.

Employment growth in industry has been slow relative to the growth of output, and in comparison to other outward-oriented countries in the region. The standard explanation for the relatively slow growth of employment in manufacturing is that government policy has favoured capital intensive investments, particularly in the state owned sector (Belser 2000; Steer and Tausig 2002). However, Jenkins (2004) argues that the main reason for slow employment growth was Viet Nam's extremely low levels of labour productivity at the onset of reform. Increases in labour productivity have prevented manufacturing firms from hiring more workers. If this explanation is correct, we would expect employment growth to accelerate as productivity levels catch up to regional standards.

2. The Growth of Export-oriented Garment Manufacturing in Viet Nam

The textile and garment industry is not new in Vietnam. Prior to *doi moi*, when it was largely state owned, the industry produced both for the domestic market and for export to Eastern Europe and the Soviet Union. The collapse of the eastern bloc was a major setback for textile and garment producers. An important milestone in the regeneration of the industry was the 1992 trade deal with Europe that gave Viet Nam quota regulated access to this important market. Normalisation of relations with the United States in 1995 and the US bilateral trade agreement signed in 2000 created the conditions for recovery and growth over the past decade. Exports of textiles and garments increased from US\$200 million in 1990 to \$4.4 billion in 2004. The US and EU are the biggest importers of Vietnamese garments and textiles, accounting for 57 percent and 17 percent of exports, respectively, in 2004.²

Exports are dominated by garments in Viet Nam to a greater extent than other Southeast Asian countries (Hill 2000). Textiles are mainly produced for the domestic market, and the garment for export industry relies heavily on imported inputs (Thoburn, Nguyen and Nguyen 2002, 12). Although previously dominated by the state sector, non-state firms now account for half of total production. The foreign invested sector has grown particularly rapidly, outpacing state owned enterprises (SOEs), household businesses and domestic private firms, the latter of which account for only one percent of output (Nadvi and Thoburn 2004, 253). According to industry analysts, foreign firms now account for 70 to 75 percent of garment exports.

The textile and garment industry is labour intensive and has created the largest number of jobs among manufacturing industries. The General Statistics Office estimates that in 1990 443,500 workers were active in the textile and garment sector, and that this figure had risen to 575,000 by 2003. However, there has been a shift in employment towards garments and away from textiles during this period as the restructuring of state owned textile firms led to a decline of almost one third in total employment in the sub-sector. In 2003 approximately 78 percent of workers in the sector were women. A large number of workers are also known to be employed in the unenumerated or informal sector, although by definition we do not know how many workers are involved or trends in employment levels over time.

There are also some differences in the kinds of workers the two industries employ. Enterprise surveys conducted by the General Statistics Office indicate that 51 percent of garment and textile workers had completed lower secondary education and 38 percent had completed upper secondary school. However, education levels were somewhat higher in textile than in garment firms, partly because the former utilise more advanced technologies. The garment industry also employed more women, as in other countries with export-oriented garment manufacturing. The growth of the garment sub-sector and contraction of textiles has therefore resulted in an increase in the share of women in the sector as a whole.

In sum, the textile and garment industry has contributed substantially to Viet Nam's industrialisation and export earnings and has emerged as an important source of employment, particularly for women. The industry will remain central to the country's development and poverty reduction strategies for the foreseeable future. This paper focuses on the implications of employment in the textile and garment sector for female workers. However, we first must locate our analysis within the broader context of gender and poverty in Viet Nam.

² Viet Nam no longer faces quotas on textile and garment exports to the EU, but US quotas remain in force until the country accedes to the World Trade Organisation (WTO).

3. Gender, Work and Poverty in Viet Nam

Gender relations in Viet Nam do not take the extreme forms of inequality in life expectancy, health, nutrition, employment and freedom of movement found in some other parts of the developing world. In terms of UNDP's Gender-related Development Index (GDI), Viet Nam ranked 83 out of 177 countries in 2003, higher than many richer countries measured in terms of per capita income. Gender norms and practices fit more easily into the more gender-egalitarian cultural traditions of Southeast Asia than the stronger patriarchal cultures of East and South Asia (Kabeer 2003). Historically, rural women in Viet Nam have always worked in the fields and have played a dominant role in trade (Nguyen Tu Chi 1991; Houtart and Lemercinier 1984). The significance of women's economic activities has been confirmed by more recent data (Dollar and Litvack 1998; Desai 1995; and Fong 1994). According to the General Statistics Office, 73.3 percent of women and 80.5 percent of men between the ages of 15-60 were economically active in 2003.

However, asymmetries in the gender distribution of roles and responsibilities do give rise to certain patterns of inequality. Most importantly, women undertake a far greater share of domestic work and child care than men. In the pre-reform period, the agricultural cooperative system provided free access to services such as child care, education, health care and collective use of agricultural machinery. With decollectivisation women's reproductive workloads have increased. Data from the first Viet Nam Living Standards Survey (VLSS) in 1992/1993 suggest that men worked around 150 more hours per year than women outside the home but once women's domestic chores were taken into account they worked longer hours than men and enjoyed less leisure time, except in the over 60 age group (Desai 1995). Studies by the Centre for Family and Women's Studies and the National Economics University estimate that rural women work around eleven hours per day and from 302 to 339 days per year, while men work seven hours per day and from 222 to 275 days per year (Le Thi 1993).

The demands of domestic work limit the amount of time that they can devote to other productive activities, the range of economic activities open to them and returns to labour. Women are more concentrated in rural areas and in the agricultural sector than men, and they are far more likely than men to be found in self employment than in waged employment. According to the 1997/1998 VLSS, 65 percent of the female work force and 58 percent of men were engaged in own farming, 20 percent of women and 17 percent of men were to be found in off-farm self employment and 24 percent of men and 15 percent of women worked for wages or salaries.

The same survey also indicates that women earn less than men in various forms of wage labour. Women's wages were about 72 percent of those paid to men, and in agriculture only 62 percent. Differential wages are partly attributable to differences in experience and schooling, but as elsewhere women are more likely to be crowded into lower value added tasks and activities. Women's wages are less elastic with respect to differences in schooling (at over 9 years of schooling) than men's wages (Desai 1995). Vijverberg (1998) found returns to women's self employment activities were lower than those of men, even controlling for differences in education, access to productive assets, age, region and age of enterprise.

These restrictions on women's economic options have crucial implications for household poverty. Nguyen Van Tiem (1995) notes that there is considerable underemployment among women in the countryside: 30 percent of women for the country as a whole and 50 percent in the Red River delta. The problem for Vietnamese women has therefore been summarised as one of 'overwork but underemployment' (Fong 1994). Our own study of rural households in the Mekong and Red River deltas found that the prosperity of rural households in both locations depends, along with size of landholdings and possession of other assets, on the ability of household members, both women and men, to diversify into off-farm activities (Naila Kabeer and Tran Thi Van Anh 2000). The poorest households in both our study locations proved to be those who had failed to achieve such diversification.

Our study found that gender is an important factor in mediating the relationship between diversification and poverty. In the north of Viet Nam, where there was almost no landlessness, the poorest households were those in which women remained concentrated in the cultivation of rice and other subsistence crops. In the south, where a large percentage of households covered by the study were landless (a characteristic of the south of Viet Nam in general), the poorest households were those in which women were engaged primarily in agricultural wage labour. As respondents pointed out, men could easily migrate in the slack season to search for work in other rural areas or in towns as carpenters, builders, *cyclo* drivers, traders and so forth. For most women, their responsibilities in the family and on the farm meant that they were 'tied to the village bamboo groves'. However, young single women were not constrained in the same ways and did migrate. Another study of female migrants found that

there has been an increase in migration among this group during the *doi moi* period, and many migrants hoped for a better life in the city (Dang Nguyen Anh 2000).

In urban areas too, economic activity rates are high among women and men but women find it more difficult to gain access to preferred jobs. Around 20 percent of the male workforce and ten percent of females are employed in the formal sector. Within the formal sector, around 50 percent are in the private sector and 41 percent in the state owned sector. Formal employment, particularly with the state, offers greater security of employment and better wages. The World Bank report cited earlier found that, holding other household characteristics constant, a household with a wage earner in the private sector reported a three percent increase in per capita expenditure while a household with a wage earner in public employment reported a 13 percent increase (World Bank 2003). Dang Nguyen Anh's study of female migrants also found that women in state sector employment earned significantly more than those in self employment, particularly among longer term migrants (Dang Nguyen Anh 2000).

However, the number of jobs in the state sector is declining. Between 1992 and 1996, the non-state sector generated 5.2 million new jobs while total state sector employment declined by 1.3 million (Dang Nguyen Anh 2000). The retrenchment of the state and cooperative sectors in the context of economic reform hit women harder than men, both in absolute terms (550,000 women lost their jobs from 1990 to 1992 compared to 300,000 men) but also in relative terms, because SOE employment represented a much larger share of wage employment among women. Retrenched workers had to move from the relative secure wage and salary employment provided by the state to often more remunerative, but generally less secure work in the private sector, both formal and informal. The General Statistics Office estimates that there were over 55,000 registered private companies in Viet Nam in 2002, and that new registrations exceeded 9,000 in 2003. Women are also believed to represent around 70 to 80 percent of the workforce in the informal economy.

Thus, while public sector employment may continue to be highly valued in the Vietnamese context, it is now less significant as a source of new employment. For poorer households in urban areas, getting waged employment of any kind is an important route out of poverty. Migrants tend to be at a particular disadvantage in obtaining jobs, especially workers who only have temporary or no residential status (Ha Thi Phuong Tien and Ha Quang Ngoc 2001). A study of female migrants found strong competition for low paid jobs, particularly in the larger cities, because of the continual influx of labour from the countryside and smaller towns. Most female migrants ended up in self employment or wage employment where they not only earn less than long term residents of the city but also considerably less than temporary male migrants. As we shall see, a significant percentage of those who take up waged employment do so in the export garment industry.

4. Research Questions and Methodology

The main focus of this paper is women in the export garment industry. We are interested in assessing the gender and poverty implications of their incorporation into an industry that has grown rapidly during the country's transition to a market economy and is also one of the most visible manifestations of globalisation. We carry out this assessment through a comparison of women working in the export garment industry and a 'control' group of women working in activities oriented to the domestic market. We ask who these two groups of women are, where they come from, why they have taken up these jobs, how their working conditions compare and what their jobs mean to them. This allows us to reach some tentative conclusions about how women working for global and domestic markets have fared in the course of Viet Nam's integration into the global economy and whether there were any clear-cut 'winners' and 'losers' among them.

However, we need to draw attention to one peculiarity of the situation in Viet Nam. Some attempts to assess the implications of women's employment in export-oriented manufacturing carried out elsewhere in the developing world have explored the links between export orientation and the casualisation of work as male-dominated formal sector employment is replaced by female-dominated industries with low levels of social protection (Guy Standing 1999). At the same time, scholars have also noted that these jobs are often superior to other forms of unregulated and casualised forms of employment, generally in the informal economy, in which women continue to predominate (Kabeer 2000; Lim 1990; Wilson 1991).

The comparison is complicated in the case of a transitional economy like Viet Nam by the continued presence of the state throughout the economy, including the export sector. As noted earlier, state owned garment factories existed in the pre-reform period producing mainly for the East European and domestic market. These firms have now diversified into production for global markets. Since public sector employment continues to be associated with greater security of employment and better working conditions, state ownership of export garment factories may help to offset some of the conditions typically associated with global competition in a low-cost, labour-intensive industry. Alternatively, of course, the need to compete in this sector of the global economy could break the link between state employment, job security and decent working conditions. We will explore these questions in this paper.

The data reported in this paper come from a survey carried out in 2001 of 1202 women workers and their households, evenly divided between Ho Chi Minh City and Hanoi, where much of the export garment industry is located. Six hundred four of the women in the sample worked in the export garment industry. The remaining 598 selected worked in occupations oriented to the domestic market. They were drawn from the same residential neighbourhoods as the garment workers in order to ensure some degree of similarity in the socio-economic conditions of the two groups. It should be noted that in the context of Viet Nam, which had, and continues to have, a relatively egalitarian society, neighbourhoods are not as economically segregated as in urban contexts in more stratified societies. Consequently, our sample of non-garment workers displayed much greater socio-economic heterogeneity than had been expected in opting for this approach to sample selection.

The survey instruments for the two categories of workers collected the same information on the respondents' backgrounds, individual and household characteristics and working conditions. Garment workers were asked to provide specific information on their working lives. A number of open-ended questions were also included in order to collect a greater amount of qualitative information than is normally the case with survey questionnaires.

The analysis in this paper is based on a three-stage comparison of the two different categories of workers in our survey. The first stage is a comparison of the socio-economic characteristics of the workers and their households in order to establish who they are and where they come from. The second stage uses some 'objective' criteria to evaluate the quality of employment generated by export-oriented activities relative to activities geared to the local economy. The third stage draws on the workers' own views to carry out a more subjectively based evaluation. The concluding section of the paper draws together the findings from the different stages of analysis in order to reflect on what they tell us about the costs and benefits of globalisation for some of Viet Nam's working women.

5. Analysis of the Survey Data

5.1. Characteristics of Women Workers in the Traded and Non-traded Sectors

Occupational profiles

We begin our analysis with a description of the economic activities of women workers in our sample. Table 1 provides a breakdown of the type of enterprise in which the workers in our two categories were employed. Thirty-five percent of the garment workers surveyed worked in state owned enterprises, with an additional four percent in joint venture enterprises with the state. The rest worked in the private sector: 39 percent worked for locally owned companies, five percent in private sector joint ventures, three percent in cooperatives and 13 percent in small household-based enterprises. We can therefore divide the category of garment workers into two sub-categories: those who worked for the state (39 percent) and those who worked in the private sector (61 percent). The majority of garment workers in our sample were involved in production, more specifically machining but also packing, ironing, finishing and cutting. There were also a small number of quality controllers.

Table 1. Distribution of garment and non-garment workers by firm ownership

	Garment workers	Non-garment workers: waged	Non-garment workers: self employed
State	239 (39%)	167 (28%)	
Private	265 (44%)	150 (25%)	196 (33%)
Cooperative	21 (3%)	-	-
Other	79 (13%)	22 (4%)	63 (11%)
Total	604 (100%)	339 (57%)	259 (43%)

* Percentages may not add up in all cases due to rounding.

Among non-garment workers, 28 percent worked for the state, 29 percent worked in the private sector and 43 percent were self employed. Table 2 reports on the different kinds of activities in which workers in this category were engaged. The heterogeneity referred to earlier in our non-garment worker sample is evident from the fact that it consisted of a much wider range of sectors, activities and forms of engagement. Self employed women in various forms of micro-enterprise and own-account trading accounted for the highest percentage of workers in this group (24 percent). They were followed by women in salaried government employment (18 percent), factory wage workers (nine percent) who were evenly divided between state and private enterprises, and private salaried employees (seven percent). The rest were distributed among a variety of self employed or privately employed service providers (such as hairdressing, private tuition and so on) and producers (including tailoring).

Table 2. Occupations of non-garment workers

	Frequency	Percent
Factory worker in state/private enterprise	55	9.2
Employed in micro-enterprise	70	11.7
Home-based tailoring	25	4.2
Self employed tailoring etc.	6	1.0
Skilled self employed worker	6	1.0
Self employed in home-based production	3	0.5
Privately employed service provider	33	5.5
Self employed service provider	27	4.5
Employed in small-scale enterprise	48	8.0
Self employed in micro-enterprise and own-account trading	146	24.4
Salaried government employee	106	17.7
Salaried private employee	42	7.0
Other, including currently unemployed	31	5.2
	598	100.0

In our analysis we distinguish between the two general *categories* of workers – garment and non-garment workers – and five *sub-categories*: garment workers in the state sector; garment workers in the private sector; non-garment state employees; private sector wage workers and private sector self employed. Table 3 compares the size of these enterprises as reported by workers in these sub-categories. The table shows that garment workers generally worked in larger enterprises than non-garment workers. Among garment workers, private sector garment workers were employed in smaller units ranging from 10 to 300 employees while state workers were to be found in enterprises employing between 500 and 7000 employees. Among the non-garment workers, the self employed were most likely to be found at the smaller end of the scale: 62 percent worked in units with around one to five workers compared to only 40 percent of wage workers. Indeed, 32 percent of self employed women worked entirely on their own. At the same time, 11 percent of self employed women worked in units of six or more workers.

Table 3. Garment and non-garment workers by size of enterprise unit, percent

Number of workers	State garment workers	Private garment worker	State employees	Private wage worker	Self employed
1-5	0	0	5	40	62
6-10	0	2	2	9	5
10-50	0	1	31	22	5
51-100	1	10	16	3	0
100-300	13	35	10	5	0
300-500	10	20	11	3	1
501-1000	17	24	5	5	0
1001-2500	39	3	5	1	0
2500-7000	13	1	6	1	0
Don't know	7	3	11	10	26

* Percentages may not add up to 100 due to rounding.

Demography, migration and living arrangements of workers

Tables 4, 5 and 6 provide information on the demographic characteristics, migration history and current living arrangements of the workers in our sample. Table 7 reports their past occupational histories. It is immediately clear from these tables that our two categories of workers differ from each other in a number of important ways. First of all, they were at different stages of their lives. The garment workers were generally younger, with a mean age of 27 for state garment workers and 24 for employees of private companies. They were also overwhelmingly single, particularly the privately employed, and very few reported having children. The non-garment workers, on the other hand, were in their early thirties, more likely to be married than garment workers and therefore more likely to have children. However, there was greater variation *within* this group in a number of respects. Privately employed wage workers were somewhat younger (mean age of 32 compared to 35 for state employees) and far more likely to be single, divorced or widowed and without children than both state employees and the self employed. The self employed were most likely to have children.

Differences in the age groups from which the two groups of workers were drawn were also reflected in their occupational histories. As the older cohort, non-garment workers had been working for many more years than garment workers: an average of 14 to 15 compared to seven to eight years. Thus most of them had begun their working lives before or at the beginning of *doi moi* at a time when the state dominated the economy, and employment in the state sector implied a job for life. However, migration at that time was strictly controlled through the enforcement of a system of residential permits that required all migrants to register with the municipal authorities. The main channel for rural-urban migration was recruitment into state employment. Since only a minority of rural women were recruited into state employment – the bulk were concentrated in the agricultural sector – women's migration was mainly confined to those married to men who took up government jobs in the city (Dang Nguyen Anh 2000). Restrictions on migratory movements have been considerably eased since *doi moi*, but it is still necessary for migrants to obtain residential permits at their destination. This process takes time but is an essential step towards gaining access to various state benefits, state sector employment, social services, housing, subsidised water and electricity and legal rights (for example, to register a vehicle or buy land).

Table 4. Demographic characteristics of workers

	State garment workers (239)	Private garment workers (365)	State employees (167)	Private wage workers (172)	Self employed (259)
Current age (mean years)	27	24	35	32	34
Mean age at starting work	19	18	20	18	18
Single (%)	72	84	34	53	30
Married (%)	27	14	64	38	65
Divorced/widowed (%)	1	2	2	9	5
With children (%)	17	10	62	40	67
Migrant (%)	78	90	44	54	58
Permanent resident (%)	27	11	80	52	56
Temporary status (%)	61	65	17	40	38
No residency status (%)	12	24	3	8	6

Table 5. Patterns of migration (migrant workers only)

	State garment workers (175)	Private garment workers (323)	State employees (70)	Private wage workers (91)	Self employed (150)
Mean years in the city	6.0	4.2	14.9	9.9	10.9
Migrated in search of work (%)	86	83	53	67	67
Migration for educational purposes (%)	2	11	22	10	4
Other reasons for migration (%)	11	6	19	16	23
Migrated with parents (%)	21	9	21	13	14
With husbands (%)	2	2	11	9	15
With siblings (%)	25	20	11	12	15
With friends/acquaintance (%)	29	47	4	12	13
With other relatives (%)	17	18	3	13	12
Migrated alone (%)	38	33	42	27	35

* Percentages do not always add up due overlapping categories.

State employees outside the garment sector were therefore more likely to be permanent residents of the city: 56 percent were born in the city while others had migrated an average of 15 years prior to the survey. As Table 7 shows, around 46 percent of women in this sub-category began their working lives in state employment. Migration was considerably higher among private sector non-garment workers and a higher percentage were temporary or unregistered migrants. Their more recent arrival in the city meant that many more of them had started out in farming than in state employment. Of the rest, privately employed wage workers were more likely to have begun in wage work while self employed women were more likely to have started out in self employment. However, around five percent of wage workers and nine percent of self employed women had started out in the state sector. It is likely that they were among those who had been retrenched as a result of the downsizing of the state sector.

As a category, non-garment workers who had migrated gave the search for work as the main reason for migration, but state workers were more likely than the rest to have come for education. Of possible reasons given for taking up their current employment (Table 8), state sector employees were more likely than the rest to say that it was either because they liked the job or because it utilised their skills and qualifications. The reasons given by private sector non-garment workers were more evenly divided between liking the work/finding it suitable and needing the money to survive or improve their standard of living. This suggests that they were likely to come from poorer households than state employees.

Table 6. Current living arrangements, percent

	State garment workers (239)	Private garment workers (365)	State employees (167)	Private wage workers (172)	Self employed (259)
Unified households	36	18	85	63	66
“Divided” households	64	82	15	36	34
With parents	9	5	17	19	14
With husband	20	11	59	34	47
With siblings	6	7	2	6	6
Friends/acquaintances	26	27	7	11	5
Live with co-workers/others	33	43	10	21	17
Live alone	1	4	2	4	4

* Percentages do not always add up due overlapping categories.

Table 7. Starting occupation of garment and non-garment workers, percent

	State garment workers (239)	Private garment workers (365)	State employees (167)	Private wage workers (172)	Self employed (259)
Salaried employee (state)	0	0	46	5	9
Salaried employee (private)	0	0	4	5	2
Wage worker in small enterprise	9	9	8	35	19
Own farming	16	16	4	15	16
Factory worker	0	0	17	13	8
Private service provider	0	1	2	5	5
Self employed trader/vendor	9	7	2	11	22
Garment factory worker	54	51	10	4	5
Self employed tailoring	13	12	4	4	10

Table 8. Reasons for taking up current work: non-garment workers

	State employees (167)	Private wage workers (172)	Self employed (259)
No work in country, town	5	7	12
Liked the work/suited to my skills	57	31	34
Income related	6	8	15
Easy to get into	0	4	3
To earn a living/contribute to family	22	41	27

Table 9. Reasons for taking up current work: garment workers

	State garment workers (239)	Private garment workers (365)
No work in country, town	21, 4	27, 5
Suited to my skills	17	14
Liked the work	23	21
Income related	27	26
Easy to get into	15	18
Preferred to other alternatives	4	5
Self reliance/contributing to family	15	20
Social relations	11	14
Benefits	10	7
Suited to women	1	1
Acquire skills	3	2

Turning to the garment workers, most had begun work an average of seven to eight years before the survey, by which time economic reform was well underway, the economy had diversified considerably, private sector enterprise had begun to grow and administrative controls over migration had eased. These women had taken advantage of these policy changes to migrate into the city, mainly from rural areas but also from smaller provincial towns. The vast majority were recent migrants, having lived in the city for an average of around four to six years. Most did not have permanent residence status while a significant minority, mainly among those working in the private sector, were unregistered.

As Table 7 suggests, around 50 percent of garment workers in state and private firms reported that garment employment was their first experience of paid work. Sixteen percent had started out as unpaid family workers on farms or in household enterprises, around ten percent as self employed workers and nine percent as casual wage workers. Importantly, more than ten percent of state and private sector garment employees had worked as self-employed tailors before taking up waged garment work. Thus a significant proportion of garment workers started out in some form of garment work. These responses indicate that the choices open to women are limited by the skills that they possess, their prior work experience and the gender division of labour, which allocates certain professions to women and a much wider range of jobs to men.

Open ended questions relating to workers' motivations for taking up garment work provide more details on the kinds of choices open to these women. These are reported in Table 9. Around 21 to 27 percent report that they had limited options in their previous locations because there was no work available, the work (particularly farming) entailed hard physical labour or, the case of both farming and self employment, offered low and irregular earnings. Some typical responses include the following:

- *I found it hard to earn enough money to live in the countryside, so I went to the city to find a job.*
- *I myself like garment work and have an aptitude for doing it.*
- *Garment work is less hard than farming work at home.*
- *Because there's no work for me to do in the countryside and I like garment work.*
- *I was unable to find customers. At least I get the minimum wage in the garment job.*
- *Being a housemaid did not bring me much money. I need a stable job.*
- *I wanted to get out of farm work and I couldn't find job in the countryside.*
- *I found it difficult to earn enough income doing farm work or other work in the countryside so I went to the employment centre to look for a job.*
- *I couldn't find a job in the countryside.*
- *Life depends on farming in the countryside, which is very hard. So I wanted to find a job in the city to earn money for myself and my family. This work is suitable to my knowledge and ability.*
- *I wanted to get out of farm work.*

Around 21 to 23 percent said that they took up garment work because they 'liked' the work while another 14 to 17 percent said that it utilised their skills and qualifications in a way that farming and off-farm enterprises did not. Garment workers frequently referred to the high and regular earnings from the work, the low entry barriers and the chance to earn money for themselves and their families. For example:

- *I like garment work. I don't have to work outside (i.e. in the sun).*
- *I like garment work. I can earn money to help my family.*
- *I can not earn enough money from farming in my hometown. Garment work does not require high skills.*
- *I like garment work, especially fashion design.*
- *I want to earn money to make a living.*
- *I need a job to earn a stable income. I could sew before.*
- *I like garment work. It's simple. I don't have to work outside. It does not require a high education level.*

We turn next to the living arrangements of the workers in our sample. In order to capture the fluidity of household boundaries that often characterise mobile workers, we classified their households into two categories. 'Unified' households were made up of those in which all family who viewed themselves as belonging to one household lived together and shared resources. 'Divided' households were made up of family members who were residentially separated, but considered themselves to belong to the same household and, in many cases, pooled resources.

The existence of this latter category meant that in attempting to assess household-level characteristics, we had to differentiate between workers' current residential arrangements and the households to which they belonged.

High levels of migration among garment workers, particularly among private sector garment workers, meant that more of them came from 'divided households'. In most cases, they had left the countryside to migrate to the city, although in some cases women were separated from husbands working in other cities. Very few of these women lived entirely on their own. Most shared accommodation with friends, acquaintances and co-workers.

A much higher percentage of non-garment workers, who were more likely to be long-term residents of the city, lived in unified households. State employees were most likely to live in unified households and more likely as a group to live with husbands or parents rather than other co-residents. As noted above, state workers along with self employed women were the most likely to be married.

Socio-economic characteristics of workers and their households

Table 10 reports the socio-economic characteristics of workers in our sample. State employees outside of the garment sector, many of whom were in professional and administrative jobs, had the highest levels of education of the five sub-categories of workers. Seventy-eight percent had ten or more years of education. Garment workers as a category had the next highest levels of education, with workers in SOEs reporting somewhat higher levels than those in private firms. Forty-eight percent of the former had ten or more years of education compared to 37 percent of the latter. Most of the rest had some secondary education. Private sector workers outside of the garment industry reported greater variation in education levels, attesting to the heterogeneity of this group. Nineteen percent of private sector wage workers and 16 percent of the self employed had five or fewer years of education (compared to negligible percentages in the other sub-categories). Forty-one percent of private wage workers and 46 percent of the self employed had five to ten years of education, while 41 percent and 39 percent, respectively, had more than ten years of education. These rates are similar to those of garment workers but not as high as non-garment state employees. Thus some women working in the private sector outside of the garment industry have levels of educational attainment similar to those in the garment industry, although a larger share reported lower levels of schooling.

Education levels are generally lower in the countryside than in the towns, and most garment workers are recent migrants from the countryside. This suggests either that the garment industry recruits better off women or simply younger women, who are more likely to have stayed in school longer due to the expansion of secondary education in recent years.

Information on the educational attainment of household heads provides some support for the latter explanation. Excluding households headed by the respondents themselves, we find that the education levels of household heads were generally lower among private sector garment workers than other sub-categories. Heads of households of state employees outside the garment sector reported much higher levels of education than other sub-categories. Heads in this category were also the most likely to have worked for the state. Garment workers, on the other hand, were more likely to report household heads who have engaged in farming than other workers in the sample, with private sector garment workers reporting the highest percentages of heads engaged in farming.

Straightforward comparisons of household characteristics are complicated by the fact that recent migrants were more likely than others to belong to households located elsewhere. Any attempt to assess socio-economic differences between different sub-categories of workers using household-based indicators must take factor this into account. Table 10 reports socio-economic indicators for workers' current households, and indicators for the households left behind are shown separately in Table 11.

Table 10 suggests garment workers in general, and private sector garment workers in particular, were more likely to live in private, rented accommodations compared to non-garment workers. This is to be expected given the larger number of garment workers who had recently arrived in the city. Temporary or unregistered migrants generally have more problems finding decent housing and live in more crowded accommodation than non-migrants. Garment workers in the private sector reported the most crowded housing. Among non-garment workers, state employees reported the least crowded accommodations of all groups while conditions among privately employed wage workers were the most crowded. A higher percentage of garment workers, particularly those working in private enterprise, cooked with kerosene or coal, inferior forms of fuel compared to gas and electricity. This is

Table 10. Socio-economic characteristics of workers and their households

	State garment workers	Private garment workers	State employees	Private wage workers	Self employed
Worker's education: 0-5 yrs (%)	1	3	2	19	16
Worker's education: 6-10 yrs (%)	52	60	20	41	46
Worker's education: 10+ yrs (%)	48	37	78	41	39
Head's* education: 0-5 yrs (%)	24	30	11	27	20
Head's* education: 6-10 yrs (%)	51	59	27	48	44
Head's* education: 10+ yrs (%)	26	12	62	26	36
Head* in farming (%)	36	53	7	21	25
Head* in state employment (%)	6	5	31	9	12
Rented housing (%)	63	79	28	52	46
Mean size of dwelling unit (sq.m)	31	24	57	45	52
Numbers sharing dwelling unit	4.5	5.2	4.7	5.1	5.2
Cooking fuel: kerosene/coal (%)	68	73	23	51	45
Cooking fuel: gas (%)	30	17	68	40	43
Cooking fuel: 'other' (%)	3	9	10	9	12
TV, own/shared (%)	33	10	53	37	38
Motor bike, own/shared (%)	24	13	62	36	36
Telephone, own/shared (%)	8	3	42	17	19
Bike, own/shared (%)	13	12	43	56	49
Radio, own/shared (%)	21	13	50	26	31
Food shortage in past year (%)	13	13	4	13	7
Able to save (%)	45	52	50	44	54
Mean savings (in 000 dong)	1991	1823	6503	3129	5179
Sent remittance (%)	36	51	19	31	36
More than 25% of income (%)	13	23	5	15	18
Received remittance (%)	16	13	14	15	11
More than 25% of income (%)	3	2	5	2	4

* Excluding households where garment worker is head.

another possible indication of the difficulties faced by unregistered migrants in accessing municipal services. Among non-garment workers, wage workers in the private sector were more likely to cook with inferior forms of fuel than the other sub-categories.

Garment workers also reported owning/sharing fewer assets than non-garment workers, with private sector workers owning fewer assets than those in SOEs. Among non-garment workers, state employees reported ownership/sharing of more assets than women working in the private sector. Differences among waged workers and self employed women in the private sector were not large but to the extent that they existed wage workers reported owning/sharing fewer assets than the self employed.

Garment workers, even those in SOEs, were more likely to have experienced some food shortage in the previous year than non-garment workers, with the exception of the wage workers in the latter group. Capacity to save did not vary systematically among different sub-categories of workers, but the amounts saved among those who had managed to save some money were lower among garment workers.

More workers sent remittances to family members than received remittances from elsewhere. Only 16 percent of garment workers in SOEs to 11 percent of the self employed received remittances, and only two to five percent received remittances amounting to more than 25 percent of their incomes. Private sector garment workers were most likely to send remittances (51 percent), followed by state sector garment workers and the self employed (36 percent), other private sector wage workers (31 percent) and non-garment state employees (19 percent). Private sector garment workers also sent a proportionately greater share of their income than the rest.

Table 11. Socio-economic indicators for 'divided' households

	State garment workers (141)	Private garment workers (264)	Private wage workers (58)	Self employed (80)
Temporary migrants (%)	77	73	76	78
Unregistered migrants (%)	18	26	10	15
No. of years in the city	4.5	3.6	5.5	6.6
Living alone (%)	2	4	11	10
Worker's education: 0-5 years (%)	1	3	7	23
Worker's education: 6-10 years (%)	52	58	56	60
Worker's education: 10+ years (%)	47	39	37	17
Head's education 0-5 years (%)	19	24	22	28
Head's education: 6-10 years (%)	56	65	59	55
Head's education: 10+ years (%)	25	10	19	18
Asset ownership in household left behind:	74	69	64	58
colour TV (%)	9	5	14	9
Telephone (%)	39	34	32	28
Motor bike (%)	73	68	49	53
Radio (%)	3	5	5	9
Food shortage (%)				

Table 11 presents indicators for women workers from divided households.³ Women workers from divided households were among the most recent migrants in each sub-category. Thus the average length of residence in the city for all self-employed women was 11 years (Table 5), and the corresponding figure for self employed women in divided households was less than seven years (Table 11).

Garment workers, particularly those working for the private sector, were the most recent migrants in this group, with an average of 3.6 to 4.5 years in the city. Private sector garment workers were most likely to be unregistered migrants. However, self employed women from divided households were the most disadvantaged in our overall sample of workers. They recorded lower levels of education than self employed women from unified households and other sub-categories of workers belonging to the divided household category. Educational attainment levels of household heads were also lower in this sub-group. The families they had left behind owned fewer assets than the families of other workers from divided households and they were more likely to have experienced periods of food shortage. Given that they had been in the city longer than the rest, the percentage of unregistered migrants within this group.

Therefore among recent female migrants to the city the poorest and least well educated worked in various forms of self employment rather than as wage workers. The more educated took up wage employment in state owned garment enterprises. Of the rest, recent migrants tended to take up wage work in privately owned garment enterprises. Those who had been in the city longer, and were therefore more likely to be registered, took up wage work in other kinds of private enterprises.

Summary

Our analysis suggests that garment workers differed from non-garment workers in a number of important ways. They were younger, more likely to be single and without children. The vast majority had migrated recently from the rural areas in search of work. Many had only temporary or no legal residence status. Consequently, they were less likely than non-garment workers to live in unified family-based households with parents and husbands and more likely to live in temporary, rented housing with co-workers, friends, acquaintances and other relatives. Non-garment workers were generally older and more likely to be married than garment workers, but there was some variation among them. State employees were, on average, older, had lived longer in the city and were more

³ Only 25 out of 167 women employed by the state outside the garment sector were members of divided households (Table 6), and are not included in Table 11.

likely to have permanent residence status than the rest. Private wage workers, on the other hand, were somewhat younger, more likely to be single and without children than other sub-categories in this category and to have migrated more recently.

Socio-economic differences between garment and non-garment workers were less clear cut. State employees outside the garment sector were the most educated sub-category of workers in our sample and also the most advantaged group. Among the rest, garment workers were generally more educated. This may simply reflect age differences since on the whole they belonged to less advantaged households. Privately employed garment workers were the poorest of the five sub-groups, performing as badly or worse than other groups with regards to education levels of household heads, likelihood of migrating on one's own, experience of food shortage, kinds of fuel used and the condition of their accommodations. While garment workers as a group were more likely to be temporary migrants than non-garment workers, private sector garment workers recorded the highest percentage of unregistered migrants.

However, a somewhat different picture emerged when we focused exclusively on divided households. These were mainly women who had migrated in the last five or six years to the city, leaving their families behind. Excluding non-garment state employees, few of whom fell into this category, these women tended to constitute the less well off section in each sub-category. Those among them with higher levels of education took up employment in the state owned garment enterprises while the poorest and least well-educated took up various forms of self employment. Around 28 percent worked on their own. The rest either worked in private sector garment employment if they were recent migrants or in other forms of private sector wage work if they had come to the city earlier.

5.2. Assessing the Quality of Employment in Traded and Non-traded Sectors

The overwhelming majority of garment workers in our sample had migrated to the city from rural areas in search of work. Given the higher levels of poverty and unemployment/underemployment in rural areas, particularly among women, these migrants were direct beneficiaries of new employment opportunities generated by the globalisation of the garment industry. The number of jobs generated by the industry can thus be seen a quantitative measure of one of the main benefits of globalisation.

We are also interested in the 'qualitative' aspects of employment in this increasingly globalised industry. In this and the following section, we explore this qualitative dimension through a comparison of these new forms of employment for women with older forms largely situated in the non-traded sector. We will refer to 'objective' as well as 'subjective' indicators. By objective indicators we mean various measures of the quality of employment derived from the Labour Code, labour contracts and the actual terms and conditions of employment reported by workers in each sub-category. The following section explores the quality of employment through the subjective lens of the workers' own assessments of their conditions of employment.

Formal terms and conditions: Labour code and labour contracts

The Labour Code in Viet Nam was formulated in 1994 and updated in 2002 to take into account the growing number of private employers in an economy that had previously been dominated by state enterprises. The Labour Code is extremely comprehensive, particularly in relation to the employment of women, to which numerous articles are dedicated in the original and revised laws.

Table 12 reports on workers' knowledge and perceptions of the Labour Code. Given that the Code relates primarily to employed workers, it is unsurprising that only 15 percent of self employed workers are aware of its existence. Nor is it surprising that a much higher percentage of state employees, both within and outside the garment sector, (over 70 percent) were aware of the existence of the Labour Code. Among private sector wage employees, 44 percent of those in the garment sector and 28 percent of the rest had heard of the Labour Code. The majority of workers familiar with the Code had heard about it from their employers or the trade union.

Table 12 also reports workers' perceptions regarding which provisions of the Code were most important to them (among workers' who had some knowledge of the Labour Code). Sixty-two percent of state employees outside of the garment sector who had heard of the Code were familiar with minimum wage provisions, as compared to

Table 12. Knowledge and perceptions of the Labour Code

	State garment	Private garment	State other	Private other	Self employed
Know about labour code	177 (74%)	159 (44%)	131 (78%)	48 (28%)	38 (15%)
Of whom: knowledge of minimum wage (%)	53	54	62	58	16
Most important provisions:					
Timely payment (%)	79	91	79	83	66
Rest time during work (%)	27	33	7	23	11
Annual leave (%)	29	24	40	33	24
Overtime pay (%)	40	52	29	42	29
Severance pay (%)	35	34	31	31	8
Social Insurance (%)	44	45	57	50	55
Maternity leave (%)	32	16	47	23	26
Crèche (%)	6	1	3	2	5
Conflict resolution (%)	3	2	3	2	5
Complaint procedure (%)	3	3	3	4	8

around 50 percent of garment workers in both SOEs and private enterprises. Of the various items covered by the Labour Code, all workers assigned the highest priority to timely payment of wages. Interestingly, the percentage was highest among garment workers in private enterprises, suggesting that they were most likely to have wages withheld or payment delayed.

The second highest priority for privately employed garment workers was overtime pay. All other sub-categories ranked social insurance as the second highest priority. Once again, this draws attention to the particular problems faced by privately employed garment workers. State garment workers ranked overtime pay as the third most important provision while private garment workers ranked social insurance as their third priority. Other state employees (who were more likely to have children) ranked maternity leave third in importance, while other private wage workers ranked overtime as their third priority. Thus, timeliness of payments, overtime pay and social insurance emerged as the most important provisions in the Labour Code according to workers who had some familiarity with it.

Among workers who had heard of the Labour Code, 86 percent of state employees outside the garment sector thought that the Code was being observed in their work place as compared to just 24 percent of state employed garment workers. Only 16 percent of garment and non-garment wage workers employed in private firms thought this to be the case.

Table 13 presents summary information on labour contracts governing conditions of work for wage workers in the sample. Nearly all workers in the state garment and non-garment sectors reported that they had formal labour contracts. Eighty five percent of privately employed garment workers had contracts as compared to just 53 percent of employees of private non-garment firms. Many of the women in the latter group probably worked for unregistered firms. Almost all state employees who reported labour contracts had written contracts but this was the case for only 77 percent of privately employed garment workers who had contracts. Only 48 percent of workers in private firms who reported that they had labour contracts confirmed that these contracts were written.

The duration covered by contracts reflects the security of employment and access to other benefits. Within the garment sector, only five percent of state employed wage workers in the garment sector were on pay lists (in other words, holding permanent contracts), while 22 percent were on long term contracts. The rest were on contracts of varying duration: five percent held six month contracts, 36 percent held one year contracts, 13 percent held two year contracts and 12 percent held 3 year contracts. Only two percent did not know the duration of their contracts. Of privately employed garment workers, 11 percent did not know the duration of their contracts and 12 percent had long term contracts. The rest had contracts of varying durations: ten percent held six month contracts, 34 percent held one year contracts, eight percent held two year contracts and 16 percent held 3 year contracts.

Table 13. Existence and terms of labour contracts by sector and ownership category (wage workers only)

	State garment	Private garment	State other	Private other
Number reporting labour contract	233 (98%)	309 (85%)	160 (96%)	91 (53%)
Of which:				
% with written contracts	99	77	98	48
% covering period of contract	83	68	81	58
% contracts covering pay rate	85	76	95	95
% contracts covering overtime	71	54	59	35
% contracts covering benefits	72	42	80	34
% contracts covering holidays	91	73	98	64
% contracts covering maternity leave	76	54	88	36
% contracts covering lunch	58	54	49	53
% contracts covering social insurance	90	56	88	34
% contracts covering health insurance	84	60	89	39

Outside of the garment sector, 29 percent of state employees were on the 'pay list' and 26 percent were on long term contracts. The rest held fixed term contracts of varying duration, with 24 percent on one year contracts. None of the privately employed wage workers were on the pay list, but 31 percent were on long term contracts. The rest either did not know (21 percent) or held fixed term contracts of varying duration, including around 25 percent on one year contracts.

In terms of coverage, contracts in the state sector covered a much wider range of issues than those in the private sector. Within the private sector, contracts in the garment industry were more comprehensive than in other sectors. The state sector offered more stable employment regardless of the industry, but state contracts were more favourable to workers outside of the garment sector than within it. The private sector generally offered less stable employment and fewer benefits but conditions were more favourable for private sector workers within the garment industry than outside of it.

Actual terms and conditions: pay, hours and security of employment

The Labour Code specifies the formal regulatory framework governing relations between employers and employees in Viet Nam. Labour contracts, where they exist, provide information on the legal basis of working terms and conditions. However, neither necessarily tells us a great deal about actual practices at work. The Labour Code is generally more relevant to wage employed than to self employed workers and, in any case, there is no guarantee that either Code or specific contracts are fully, or even partially, implemented.

Tables 14, 15 and 16 present information on the actual terms and conditions prevailing at work as reported by the women in the sample. Table 14 reports on remuneration and hours of work, issues relevant to all groups of workers regardless of their status. The table suggests that garment workers in general, and private sector garment workers in particular, earned lower monthly incomes than workers in other sectors, including wage workers and the self employed in the private sector. Educational qualifications clearly do not explain wage differentials between different sub-categories of workers since self employed women were among the least educated but report the highest average (and maximum) earnings per month. But this information needs to be interpreted with care, since the self employed category is extremely heterogeneous and the variation in earnings within this group is high.⁴

Garment workers also report longer working days than workers in the rest of the economy, followed by self employed women, who also took the fewest holidays. Only state employees outside the garment sector reported

⁴ A comparison of wages of workers from divided and unified households in each sub-group confirms that this is a very heterogeneous group of workers. While workers from 'divided' households earned less than workers from unified households for all sub-categories of workers, their wages as a percentage of the wages of workers from unified households varied from 79 percent in the garment industry to 65 percent among the private sector self employed.

that they worked the 'normal' working day of eight hours as stipulated in the Labour Code. Information on periods without work suggests that different groups of workers experienced different levels and forms of insecurity. A higher percentage of garment workers reported that they had been out of work in 2001 at least once or twice for periods of around ten days. Interviews indicated that some had left voluntarily in search of higher pay or better conditions in different factories, while others were without work because the company did not have new orders or because they had completed their contracts. While a much lower percentage of other privately employed workers and self employed women were without work in the previous year, interruptions to work for these groups were more frequent.

Table 14. Pay, working hours and periods without work

	State garment	Private garment	State other	Private other	Self employed
Mean value of maximum monthly payment	867	796	1220	936	1312
Mean value of minimum monthly payment	403	408	759	590	712
Mean value of average monthly payment	611	572	888	704	921
Average working day (hours)	11	11	8.6	9.4	10.1
No. of holidays a month	1.8	2.2	6.2	2.3	0.8
Without work in 2001 (%)	42	56	7	22	24
Mean number of times (of those reporting)	2	2	11	9	10

Table 15 reports on other aspects of working conditions, focusing on various benefits at work relevant mainly to employed workers. The self employed have consequently been excluded from this stage of the analysis. The information provided in the table suggests that state employees generally enjoy more benefits than private employees but among private employees garment workers enjoy more benefits than wage workers outside of the garment industry. Given the importance that all groups of workers assign to social insurance, it is worth noting that garment workers in the private sector report better coverage than other private sector workers. However, even in the garment sector benefits provided by private firms are less attractive than those available in the state sector.

Table 15. Social benefits at work, percent

	Private garment	Private garment	State other	Private other
Lunch/food	59	59	53	36
Maternity leave provision	10	10	55	10
Bonus at New Year	47	47	97	69
Bonus	79	79	80	42
Workers pay social security	49	49	85	19
Company pays social security	38	38	81	15

Table 16. Union presence and activities

	State garment	Private garment	State other	Private other
Numbers reporting trade union in work place	191 (96%)	152 (58%)	156 (93%)	34 (20%)
% of total reporting union membership	80	42	86	14
Main activities of union by those reporting presence:				
Hold meetings (%)	86	72	97	92
Visit members (%)	94	72	93	88
Collective bargaining (%)	55	26	55	58
Educate members (%)	64	45	71	58
Consulted by trade union (%)	22	24	46	8
Raised issues with trade union (%)	28	19	44	25
Benefit from trade union (%)	82	62	88	92

Table 16 covers union presence and activities in different types of work places. Unions in Viet Nam are part of the apparatus of the state and are therefore not independent, voluntary organisations formed by the workers themselves. Unions play a variety of roles within the work place, but their primary function is to mediate between management and workers. State employees were more likely to report the presence of a trade union at their work place. Among private employees, garment workers were far more likely to report the presence of a trade union than wage workers in other sectors (58 percent compared to 20 percent). Indeed, only 34 out of 172 private sector wage workers in the non-garment sector reported that a trade union was present at their work place. Consequently, the remainder of this section focuses on garment workers in the public and private sectors, and state employees outside of the garment sector.

Among these workers, trade union membership was much higher in the state sector, both within and outside of the garment industry, than in private garment firms (80 to 86 percent compared to 42 percent). Among workers reporting union membership, more state employees reported that unions were active. Trade unions appear to focus their activities on meetings and visits and to a lesser extent the education of members. Unions are less actively engaged, particularly in private garment firms, in promoting collective bargaining, consultation of members and pursuing initiatives of the membership.

Summary

The comparison of the terms and conditions prevailing in the ‘traded’ and ‘non-traded’ sectors in Viet Nam is complicated by the presence of the state in both sectors. State employees, regardless of where they work, received a more comprehensive package of benefits than workers in private enterprises. Trade unions are also more active in state firms. State employees were better off than workers in private firms regardless of the sector. It would appear that Viet Nam’s socialist principles have helped to insulate state employed garment workers from the erosion of social protection generally associated with competing in a labour-intensive sector of the global economy.

However, within the state sector garment workers enjoyed somewhat lower levels of benefits than other state employees. This may partly reflect the fact that the latter were made up of salaried civil servants as well as wage workers in domestic SOEs. Nevertheless, the longer hours of overtime and fewer holidays reported by state employees in the garment industry are typical of export-oriented garment production elsewhere. To some extent, the demands of global competition have had an influence on the implementation of social protection, benefits and conditions in the state traded sector.

A final comparison relates to privately employed wage workers in the traded and non-traded sectors. Here we find that workers in the non-traded sector were less likely than those in the traded sector to be aware of the Labour Code, to hold a labour contract, to be covered by social insurance or to have trade union representation. Although we have not included self employed workers in the analysis, the same could be said for this group as well. Thus non-garment workers in the private sector were situated in the more casualised segments of the urban economy in our sample. On the other hand, they still earned higher wages on average than workers in the traded sector and had somewhat shorter working days. Again, it is important to note that the self employed category is extremely heterogeneous, and that therefore propositions regarding working conditions within this group are subject to the caveat that self employed workers face a much wider range of working conditions than wage workers in either the state or private sector.

5.3. Subjective Assessments of Employment in Traded and Non-traded Sectors: Workers’ Perspectives

We turn now to workers’ subjective evaluations of their working lives to complement the previous discussion of the legal, contractual and organisational basis of wages and working conditions. Our survey instrument included a set of open ended questions relating to the perceived advantages and disadvantages of the respondents’ jobs. A second set of questions asked workers what they saw as the personal benefits and costs associated with their work. Finally, workers were asked if there were other jobs that they would prefer to the ones in which they were currently employed.

Positive and negative dimensions of garment work

Table 17 and Table 18 present workers' responses relating to the various advantages and disadvantages associated with their current jobs. These have been sorted into a number of broad categories to simplify the exposition. It is immediately apparent from a comparison of workers in each category that women in the garment sector were considerably more aware than non-garment workers of the negative aspects of their jobs and somewhat less able to perceive positive aspects: twelve to 13 percent of these workers could not think of any advantages associated with their jobs, compared to only four to six percent of non-garment workers. Only three percent saw no *disadvantages* to their work compared to 18 to 27 percent of non-garment workers.

Table 17. Advantages associated with current employment, percent

	State garment	Private garment	State other	Private other	Self employed
Zero advantages	12	13	5	6	4
High income	2	4	7	6	2
Easy entry	44	43	11	25	22
Suited to women	35	46	14	22	19
Stability	13	12	23	19	16
Paid work	8	8	4	2	4
Skills/knowledge	8	8	13	8	6
Personal reasons	4	8	10	8	7
Social relationships	2	1	15	8	8
Better than other available work	8	9	8	8	12
Suited to my skills, preferences	8	8	18	19	16
Time factors	-	-	10	5	14
Location	-	-	5	6	8
Compatible with domestic responsibilities	-	-	5	8	11
Self-management	-	-	6	10	15
Enough income	-	-	8	3	4
Own money/help family	-	-	2	3	5
Miscellaneous	3	2	14	11	12
Not stated	-	3	-	-	-

The main advantages identified by garment workers were clustered around 'ease of entry' into garment work and 'suitability to women'. The significance attached to ease of entry is partly a reflection of the rural origins of these women. As noted earlier, most garment workers were recent migrants who had been in the city for less than five years. Their main reason for migrating was to search for employment primarily because job opportunities were lacking in the rural areas or small towns in which they had lived previously. Most did not have proper residence status and many were unregistered. For these women, the main advantage of garment work was that employers did not require high levels of educational attainment, skills, previous work experience or access to capital. As one woman put it, 'It is easy to find the work, easy to learn it, and easy to do it.' Moreover, garment sector employers were willing to hire workers holding temporary or no formal household registration. As discussed above, a much higher percentage of garment workers, particularly those in the private sector, were temporary or unregistered migrants in comparison to workers in other industries.

The responses classified under the general heading of 'suitable for women' also varied. Some women simply stated that garment work was suitable to women, while others went further and described the characteristics of 'feminine occupations'. For example, one respondent described garment work as 'simple, patient work that is suitable for women.' Others emphasised that sewing skills are typically associated with women in the Vietnamese context. Some responses compared garment work with other forms of labour of which they had had experience. Farm work was the most common point of reference and was described as hard physical labour carried out in open fields with no shelter from the sun and rain. By contrast, garment factories offer light work that is performed indoors and in a clean environment, and hence is appropriate to women.

Many women who responded that garment work was better than other forms of employment made similar comparisons to alternative jobs familiar to them. Here the main emphasis was on the level and regularity of wages compared to farm work and various forms of off-farm self employment available in rural areas or small towns. ‘Stability of income’ was another common response that carried with it an implicit or explicit comparison to other forms of work that women knew of or had experienced.

The responses clustered under the heading ‘suited to my skills/preferences’ in the table refer to specific characteristics of workers that were seen as relevant to the job. For instance, many women believed that factory work made better use of their educational qualifications than farm work or various forms of off-farm enterprise available in rural areas. Others referred to the fact that they already knew how to use sewing machines. However, a number of workers described garment work as their preferred option. Some gave personal reasons as the main advantage of garment work. It was clear that the connection with fashion, with the ability to make clothes for themselves and their family in the future were among the reasons that export garment work appealed to a number of younger women. Other personal reasons included getting to know women from different parts of the country and making new friends. For some, the advantages of garment work had little to do the work itself, but the fact that it was paid work or provided a temporary income until they could find preferred forms of employment.

Twelve to 13 percent of garment workers could not think of any advantages of garment work. The reasons for this are clear from the disadvantages listed by the respondents. Only three percent of garment workers did not report any disadvantages associated with their jobs. The overwhelming majority of complaints focused on problems directly or indirectly related to working hours. This is not surprising given that they worked longer hours than any other group of workers in our sample. Around 50 percent explicitly stated that the long hours of work were the main disadvantage of their job. The rest complained about having to sit in the same position for extended periods of time, exhaustion, having no time or energy left to enjoy the company of friends, for finding a boyfriend or expanding social relationships, having to work late into the night and various occupational health problems including headache, backache, poor vision, sore throat, dizziness and rhinitis. Although many workers had said that the reason they had come to the city and taken up factory work was their desire to meet new people and make new friends, it was evident from their responses that their jobs left many of them with little time and energy to do so.

Table 18. Disadvantages associated with current occupation, percent

	State garment	Private garment	State other	Private other	Self employed
Zero disadvantages	3	3	27	24	18
Time related factors	51	56	13	20	15
Health	33	35	10	7	9
Environment	12	18	8	5	7
Long periods spent sitting/walking	27	25	8	6	9
Low pay	23	23	12	11	10
Boring/monotonous	6	2	-	3	2
Irregular work	5	3	10	15	17
Social relations	8	5	3	6	8
Concentration/discipline	-	-	4	3	3
Not suited to women	-	-	6	6	10
No future	-	-	5	-	7
Distance	-	-	5	2	5
Neglect of family	-	-	5	1	2
Miscellaneous	-	-	5	6	7

Disadvantages relating to the work environment referred to the levels of dust, heat and noise in factories. The high percentage who mentioned health as a problem generally did so in conjunction with the long hours of work or environmental factors. In addition, for around 20 percent of workers, low pay was also a major disadvantage of garment work.

Turning to other industries, private sector work, both waged and self employed, were mainly valued for ease of entry, suitability to women and ‘suitability to my skills/preferences.’ These advantages were the same as those

prioritised by garment workers. The characteristics that make an occupation suitable to women did not vary a great deal across industries: clean, light work that could be performed indoors. However, in explaining ease of entry, self employed women put a great deal of emphasis on the low capital requirements of particular activities. Those who emphasised the suitability of their job to their own abilities and preferences sometimes referred to their low educational qualifications. Others mentioned that they were older and hence could not perform the same kinds of physical labour that they had done when they were younger. Others noted that the need to take care of young children constrained their choice of work.

Strikingly, the 'time factor' also featured in the responses of the workers in the non-garment sample, particularly among self employed women, but in more positive terms. These women spoke of their shorter working hours, of their ability to manage their time and work according to their own needs, and the ability to fulfil their domestic responsibilities including looking after children as the major advantage of their work. Many worked at or near home, which helped them to combine their income earning and domestic work responsibilities. Some private sector workers valued the social aspects of their work, in that they could stay in touch with friends and family and meet new people. Others valued the relative independence of self employment. They remarked that relying on others or under the authority of someone else produced higher levels of tension.

In terms of disadvantages, some private sector workers mentioned conditions of work that resemble those reported by garment workers: long hours, stress and unhealthy working conditions. Whereas garment workers complained that they have to sit for long hours in the same position, the main sources of physical discomfort among many self employed traders was the need to walk the streets or to be on their feet for many hours each day to ply their trade. Some found their work uninspiring and monotonous and regretted that they did not have a chance to develop their skills. Still other disadvantages included the insecurities associated with trade in perishable goods, the absence of any form of social protection and the need to work out in the open, regardless of weather. It is worth noting that irregularity of work was the only disadvantage that was more frequently mentioned by workers outside the garment industry than within it.

The main advantage associated with state sector employment outside of the garment sector was the stability of employment. This perceived stability reflects the greater likelihood of state workers to hold labour contracts, permanent positions and to have access to various forms of social security. Salaried employees naturally referred to the stability of income, the availability of state social protection, using or upgrading their professional skills and the prospects for promotion. Non-garment state sector workers also mentioned the suitability of their work to women: work that could be performed indoors in a clean environment that was not physically demanding was seen as preferable. In addition, state employment was seen as most conducive to the formation of social relationships, to the enhancement of skills and to the acquisition of knowledge of the wider world. Respondents were also more likely to report that state work afforded them a sufficient income. Women in the state sector were also more likely to derive personal job satisfaction from their work. This is reflected in remarks such as the following: 'I work with children, that makes me very happy'; or 'teaching is a noble profession that carries respect in society'; or 'I am able to help the old and the weak.'

'Ease of entry' was least likely to feature as an advantage in relation to state employment. Workers in this sub-sector had the highest levels of educational attainment, and many women valued state work precisely because it gave them an opportunity to make use of their qualifications. They were also most likely to be permanent residents of the city. State sector employment offered the greatest security and better working conditions than other forms of work but was commensurately hardest to obtain. However, while state employees were least likely to report disadvantages in relation to their jobs, the disadvantages that featured most frequently were hours of work, irregularity of work/income and low pay. This indicates that not all state employees enjoyed the same favourable conditions of work.

The tremendous heterogeneity of jobs in the non-garment industries is evident in the range of advantages and disadvantages listed by workers. It can also be seen in the varying conditions of work reported within sub-categories of workers. For some self employed workers, self employment was valued for the flexibility it offered while for others irregularity of work was experienced as a source of insecurity. Some privately employed wage workers valued their work because it provided them with a 'high' or 'sufficient' income while others complained that they did not earn enough.

Tables 19 and 20 present workers' views relating to the personal benefits and costs associated with their jobs. The results in part reiterate the perceived advantages and disadvantages discussed above, but also add some new insights. Once again, while most workers listed some benefits relating to their jobs, garment workers were more likely than others to perceive personal costs. For the garment workers as a group, the main benefits of their employment were directly related to the ability to earn a cash income. The ability to buy things, to save, to look after themselves and to contribute to their families were the most frequent responses. These benefits featured far more frequently in the accounts of garment workers than among non-garment workers. Garment workers were more likely than others to see financial independence as the most important benefit of work. Having an income of one's own, not having to depend on one's husbands or to be a burden on parents were frequent manifestations of this desire for financial independence. For some this was expressed as a sense of personal achievement: for example, 'I want to be a self-made woman', or 'I have a regular income so I can stand on my own two feet.'

Table 19. Personal benefits from present employment, percent

	State garment	Private garment	State other	Private other	Self employed
No benefits	3	5	3	4	7
Stability	15	18	20	10	14
High income	-	-	2	-	-
Personal satisfaction	8	4	10	9	7
Look after self/look after family	37	40	23	36	31
Suit own abilities/needs/qualifications	9	5	14	11	15
Have paid work/purchasing power	23	26	18	18	19
Acquire new skills and knowledge	15	7	17	12	8
Save/security	6	6	1	3	2
Time factors	3	3	2	10	8
Social relations	4	3	8	4	3
Suited to women	7	8	5	6	8
Easy to do	-	-	-	-	1
Autonomy	-	-	1	1	4
Proximity	-	-	1	-	-
Environment	4	1	2	4	5

Private sector garment workers were more likely to value the stability of their employment while state sector garment employees mentioned the acquisition of new skills and knowledge. Other personal benefits included learning new skills (acquiring work experience or having money to pay for classes), saving for the future; a greater feeling of security, stability and self-confidence; escaping from farm work and having a 'professional job'; the opportunity to live in the city, expand social relations ('making new friends from other provinces'); and various characteristics of particular workplaces (trade union protection, a pension, health insurance and social security). A number of women saw garment work as a stepping stone to future self employment in tailoring or similar activities.

The main costs associated with garment work once again revolved around time: complaints about long working hours and their adverse effects on health and social life, tension and pressure resulting from the speed of work, lack of time spend with their children, to rest, to make friends, and the inconvenience/insecurity of working late into the night. Other personal disadvantages, though far less frequently mentioned, included having to live far from one's family, missing relatives and friends, not earning enough to save, the high cost of living in the city, the fear that one would not be able to get married, 'narrow social relations' (working only with women) and boredom at work.

The non-garment workers mentioned a greater *range* of benefits than garment workers, again reflecting the heterogeneity of this group. Nevertheless, certain benefits cropped up with much greater frequency than others in all three sub-categories: stability of employment, the ability to look after oneself, to contribute to the family, to have money to spend, to utilise one's skills and qualifications and to acquire new skills and knowledge. However, those in state employment were more likely than others to mention stability of employment, personal satisfaction

Table 20. Personal costs of present employment, percent

	State garment	Private garment	State other	Private other	Self employed
No costs	15	17	34	33	25
Limited future	2	3	2	4	3
Instability	-	1	4	2	3
Distance	-	8	4	-	5
Health	22	18	5	9	9
Irregular/late hours	-	1	2	7	6
Long hours	27	23	15	11	11
Low wages	16	17	10	4	8
Social relations	23	18	2	8	10
Environment	3	5	4	4	6
Irregular income	1	3	2	-	4
Sitting/walking long hours	3	5	4	7	9
Discipline/stress	-	4	4	-	3
No savings/cant contribute	1	3	2	1	2
No time for family	-	-	4	5	6
Outside work	-	-	2	1	3
Hard work	-	-	4	3	3
Environmental	1	1	5	6	4
Not stated	3	1	-	2	-

and acquisition of new skills. Those in private employment were more likely to value their ability to look after themselves and their families and flexibility in the use of their time.

Non-garment workers were less likely to perceive costs of employment than garment workers, but among those who did, state employees were more likely to mention long hours of work while private sector employees focused on social relationships, both at work (having to please customers, rude bosses) and in their personal lives (not having time for leisure, for their children and so on).

Expressed preference for alternative employment

While it is clear from their responses that most workers in our sample had both positive and negative things to say about the work that they did, we do not know the intensity with which they experienced these advantages, disadvantages, costs and benefits. Thus, 'health' featured as a disadvantage for workers both within and outside of the garment sector, but getting a sore throat from talking to children all day (a health-related disadvantage mentioned by a teacher) is qualitatively different from some of the health effects cited by garment workers, for example sitting in the same posture for hours at a time in a noisy, dusty environment.

However, it is telling that a much higher percentage of garment workers pointed to negative aspects of their work than workers in other sub-categories. Another way to approach the issues is to ask workers if they would rather be doing something else, and if so, what their preferred type of alternative employment would be. Table 21 presents workers' responses to these questions. Roughly 38 percent of both state and private sector garment workers reported that they would rather have a different job. There was greater variation among the non-garment workers. Thirty-four percent of privately employed wage workers would rather have been doing some other job, but only 26 percent of the self employed. As expected, state employees outside the garment sector expressed the highest levels of job satisfaction, with only 19 percent responding that they would rather be doing something other than their present job.

Table 21 also summarises workers' responses relating to the kinds of jobs they would rather be doing if they would prefer alternative employment. Among garment workers, the most popular option was some form of small business, including home-based tailoring, various forms of retailing and jobs requiring some kind of educational or professional qualification: teachers, doctors, accountants, office work and civil service employment. A small percentage wanted better jobs within the garment industry. Among non-garment workers, there was also a

Table 21. Preferences for alternative employment

	State garment	Private garment	State other	Private other	Self employed
Prefer to do another job	92 (39%)	139 (38%)	32 (19%)	58 (34%)	68 (26%)
Why not do preferred job:					
Can't find (%)	2033	1430	1925	933	434
No capital (%)	36	45	41	41	37
No qualifications (%)	12	11	13	16	21
Other (%)	37	28	16	21	15
Own business (%)	2	-	-	-	-
Mechanical parts (%)	5	2	-	-	3
Fashion designer (%)	5	14	3	10	6
Hairdresser/beautician (%)	-	1	-	-	-
Lacquer worker (%)	4	13	3	5	2
Tailor/embroidery (%)	2	4	-	2	-
Wage work elsewhere (%)	15	10	-	7	3
Sales (%)	1	-	-	-	-
Translator (%)	3	1	-	-	-
Student (%)	-	1	-	-	-
Chef (%)	2	1	3	2	7
Civil servant (%)	5	1	9	10	10
Office worker (%)	10	12	12	10	9
Professional (%)	-	-	-	-	-
Policeman (%)	2	5	3	3	2
Garment worker (%)	-	-	-	-	-
Manager (%)	-	-	-	-	2
Driver (%)	-	-	-	3	-
Nursemaid (%)	4	7	3	3	3
Other (%)					

preference for self employment, particular among private wage workers (although this was not as common as among garment workers), professional and office work.

Workers who expressed a preference for some alternative form of employment were asked why they had not taken up such employment. The failure to find alternative work featured more frequently among garment workers than non-garment workers as a reason. The most frequent response among both groups was either a lack of the necessary capital or qualifications.

Summary

How workers viewed their jobs reflects a number of different factors, including their previous occupational histories, their current employment options and their personal circumstances including age and stage of life. It is clear from the analysis that the garment workers in our sample were a much more homogenous group with regard to these factors than those outside of the garment industry. They came from similar age groups, had migrated recently from the countryside, were at similar stages of their lives, had similar levels of education and had held similar kinds of jobs in the past. However, there were some differences in their working conditions, depending on whether they worked for state owned enterprises or private firms.

The non-garment workers in our sample were far more heterogeneous. They were generally older than garment workers and had lived longer in the city, but they varied more in terms of age, marital status, educational attainment and previous employment. As workers, they straddled both the state and private sectors, and worked in a number of different jobs including office jobs, professional and basic services, skilled and unskilled manual labour and various forms of petty, small and medium sized businesses. They were salaried employees, long and short term wage workers, self employed in own-account or family business and employers in their own right.

One result of this difference between the two categories of workers is that the advantages and disadvantages, costs and benefits reported by garment workers tended to cluster around a more limited set of responses than workers outside of the garment sector. Garment workers evaluated their jobs from the perspective of recent rural to urban migrants, whose only employment options in the countryside had been farm work or off-farm self employment. Employment in garment factories had the advantage, first and foremost, of offering ease of entry to women who had few formal skills and insecure legal residence status. It also offered a more stable form of employment, and higher and more regular income, than most forms of employment in the countryside. It allowed them to look after themselves and to be less of a burden on their parents. This sense of self-reliance was the most frequently mentioned by garment workers as the main benefit of work.

However, it was also clear that all garment workers had to struggle with long hours sitting in the same posture, carrying out repetitive movements and tasks, and lower levels of pay than other wage workers in the urban economy. This was true of all garment workers, regardless of who they worked for, and these aspects of their work constituted the major sources of dissatisfaction. Not surprisingly, a higher percentage of garment workers would prefer some alternative form of employment. Workers least likely to be satisfied with their current jobs were those from poorer households, who presumably had the worst forms of employment, working longer hours and receiving less pay than others in the industry. Other categories of dissatisfied workers include educated women who aspired to more rewarding jobs, those unable to save, those not active in trade unions and women who had experienced irregular work and incomes. Interestingly, employment in a state garment factory had no bearing on workers' satisfaction with their current jobs.

The heterogeneity of workers and of jobs outside the garment industry was reflected in the advantages, disadvantages, costs and benefits reported by workers. These varied considerably, not only across sub-categories, but also within them. Personal circumstances mattered to a greater extent outside of the garment industry than within it. Women with children, who had presumably taken up forms of work suited to their domestic constraints, were less likely to express preference for alternative employment than those who did not have children. Poorer women, those from households that had experienced food insecurity and relied on inferior forms of fuel, were also likely to express dissatisfaction with their current jobs: these are women who are least able to exercise choice in relation to the jobs that they did.

The highest level of satisfaction was expressed by state employees. These were the most educated women in our sample and they enjoyed greater security of employment and social benefits than the rest of the sample. They valued the stability of their employment, the social benefits provided by the state and the opportunities to expand their social networks and relations. They were least likely to note disadvantages or personal costs but those that did mentioned a variety of issues, including working hours and pay.

Women in self employment found ease of entry an important advantage to their jobs. They were most likely to value flexibility in managing their time to meet the demands of work and family. Self employed women were most likely to have children so this was clearly an important consideration. They earned higher incomes on average than any other sub-category, but incomes varied most in this category. Many self employed women at the poorer end of the scale, often own-account vendors who worked long hours on the streets, emphasised the insecurity associated with their work rather than flexibility.

Outside the garment sector, women in wage work were the least educated in our sample and the most recent migrants. They were as likely to be dissatisfied with their current jobs as workers in the garment industry. They enjoyed lower levels of social protection than wage workers in the garment sector but they did not appear to have to endure long working hours, a common complaint of garment workers.

6. Globalisation, Gender and Poverty in Viet Nam: Micro-Macro Perspectives

The implications of Viet Nam's increasing integration into the global economy must be understood within the context of the country's transition from a central planning to the market. De-collectivisation of agriculture and the liberalisation of product markets led to a rise in the rate of agricultural output growth and higher rural incomes. However, the collapse of the agricultural cooperatives has also contributed to unemployment and underemployment in rural areas. Equitisation and the closure of a large number of SOEs have also resulted in the retrenchment of thousands of workers, many of them women. While the industrial sector has grown rapidly during the transition period, it has failed to generate employment opportunities commensurate with the growth of the labour force. A small but dynamic private sector has emerged in recent years that has contributed significantly to employment creation and export growth. Export-oriented manufacturing, led by the garment industry, has played a leading role in these developments.

For a majority of the population, but particularly rural people, access to off-farm employment is the most reliable and sustainable path out of poverty. A variety of push factors, including high levels of rural unemployment/underemployment and the drudgery of farm work, have driven increasing numbers of migrants into urban and peri-urban labour markets. The growth of private sector employment, rural-urban income disparities and the *de facto* relaxation of migration controls are the main pull factors.

The women who have migrated to urban areas are largely young, single and without children. While this may in part reflect employers' preferences, particularly in the export manufacturing sector, supply factors are also important. Young women migrate because they do not have the child care and domestic responsibilities that older married women are normally required to take on. However, the kinds of jobs that they find are in part determined by their education levels. Women and girls with at least secondary school qualifications take jobs in export manufacturing, while those with less schooling are predominately found in other forms of wage and self employment mainly in the urban informal economy.

For many women entry into garment work thus forms part of a diversification strategy pursued by rural households. For others it represents an attempt to be less of a burden on families that have become increasingly responsible for their upkeep given the withdrawal of the state. These young women describe themselves as single person households who most frequently cite the need for self-reliance and financial independence as the main reasons for taking up garment work.

Our comparison of wages and working conditions in the various sub-categories of workers in our sample explains why so many garment workers expressed a preference for alternative forms of work. Long hours of work sitting in the same position, performing simple, repetitive tasks thousands of times per day, in hot, noisy and often dusty factories, can only be endured for a limited amount of time. Most do not last more than a year or two. Public sector employment outside the garment sector offers the most job security and social protection, although not necessarily the highest earnings. But it is not open to all.

Some forms of self employment offer more desirable alternatives. Unlike many other low-income countries, returns to self employment in Viet Nam are in many cases higher than returns to formal state employment. Self employment is also sometimes more compatible with the care of young children, and is therefore attractive to older, married women. However, there is considerable variation within this group, as it includes at the low end own-account workers who work long hours for extremely low returns, and at the high end owners of small businesses employing other people and in some cases deploying large amounts of capital. For young, unmarried women coming in from the countryside, employment in the garment industry represents a stepping stone towards the more favourable end of the self employment spectrum. In some instances it provides the means for them to accumulate sufficient funds to invest in small businesses once they have started their own families. This is not always possible given low wages, familial responsibilities and other life events that deplete savings and force women out of regular wage employment.

Stepping back from the immediate findings of our research, what does the future hold for the garment industry in Viet Nam and garment workers? Accession to the World Trade Organisation (WTO) will hopefully lock in Viet

Nam's access to the world's largest markets such as the EU and US. Rising wages in China and the desire of many buyers and producers to diversify away from China should help Viet Nam maintain or increase market share for some years to come. Of course there are risks. As wages rise in Viet Nam garment buyers and producers will turn to competitors offering lower cost products based on cheaper labour. Viet Nam's garment industry also relies on the willingness of a few large trading partners to live up to their international trade agreements, sometimes at the expense of powerful domestic interests. The EU anti-dumping allegations against Vietnamese footwear producers demonstrate the point that fair market access is not guaranteed. The reactions of the EU and US to increased footwear and garment exports from China demonstrate this will hold even after the Viet Nam joins WTO.


The development of the garment industry has created much needed employment for young women and girls, particularly those with secondary school qualifications. But it is unlikely to represent a long-term solution to the problems of rural poverty, unemployment and underemployment. Viet Nam needs to diversify its industrial base, both by attracting a wider range of foreign investors and through the development of domestic manufacturing. Although a discussion of industrial policy would take us well beyond the confines of the present paper, several aspects of Viet Nam's industrial competitiveness are relevant to the prospects of garment workers and working women more generally.

First, Viet Nam cannot, and should not, rely exclusively on low wages to attract inward investment and achieve industrial competitiveness. The *quality* of Vietnamese labour will assume increasing importance in the years to come as standards of living rise and the country moves into more technologically sophisticated industries. Efforts must begin now to increase the rate of investment in education and training in order to prepare the labour force to seize these opportunities as they arise. In this regard it is vital that women and girls have equal access to opportunities for education and training, not only on human rights grounds but also because female labour force participation rates are so high. Excluding women and girls from education and training, or forcing them into a limited range of 'female' disciplines, imposes huge costs on the economy in the form of the underdevelopment of human skills and capabilities.

Second, the issue of labour standards is closely related to human development. Viet Nam has an extremely comprehensive Labour Code, but the findings from this study and others suggest that the comprehensiveness of formal coverage is not a substitute for measures to ensure enforcement. In many of the factories covered by this study, workers in the export sector, even in state owned enterprises, have to endure excessively long working hours under difficult conditions. Most leave the industry to seek other forms of employment, even very low productivity jobs in the informal sector, after a year or two. This often represents a net loss of productivity to the economy, particularly when highly skilled workers leave for other occupations. It would be far better to ensure that working conditions in these factories are humane, sustainable and healthy, both for the well-being of the workers and the growth of the economy.

Third, policies are needed to reduce the economic and social costs imposed on women who take up garment work. For example, many of the garment workers in our survey were recent rural to urban migrants, a large number of whom do not have formal rights to live in the city. The household registration system imposes heavy costs on migrants, such as higher housing, water and electricity costs, higher costs of medical treatment and education, administrative costs and the need to return home to complete simple administrative procedures. These costs discourage some migrants and therefore impose costs on employers either through higher wages or recruitment costs. A change in policy that replaces the household registration system with a national system of social security numbers would facilitate the movement of labour and help both workers and enterprises.

Finally, the absence of universal access to social security, including health and disability insurance, pensions and child care, imposes massive costs on workers and employers. Socialisation of health and education financing in the form of user fees has brought additional resources into the system but imposes what amounts to a tax on the poor who are least able to afford it. Moreover, the system encourages providers to focus on the extra services that attract the largest fees rather than the delivery of basic health and education. As the evidence presented here indicates, the absence of affordable, good quality child care drives women from the wage labour force and into own account work, much of which is low productivity, low return labour. Although Viet Nam is still a low income country, options are available to increase security even in a developing country context (see, for example, Gough and Wood 2004).



Viet Nam has posted literacy rates, infant mortality rates and measures of access to clean water and sanitation that are superior to those recorded by much richer countries. In doing so Viet Nam has shown the world that human development and quality of life are not predetermined by the level of per capita income. The need to compete on international markets does not change the fact that the working conditions and life chances of garment workers are the product of conscious domestic policy decisions as much or more than the supposedly inexorable forces of globalisation. With the requisite political will and some careful consideration of the evidence, Viet Nam can again lead the world in transforming the race to the bottom into a race towards decent living standards for all.

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