Vietnam announces plan to export one million workers

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At the end of September, the Vietnamese government announced a new plan to export up to one million workers overseas in a bid to boost the country's flagging economy and to stave off social unrest produced by rising levels of unemployment and poverty.

A directive issued by the Central Committee of the Stalinist Communist Party of Vietnam sets out new policies, regulations and procedures aimed at dramatically increasing the exploitation of Vietnamese workers as a form of cheap labour. The government plans to operate businesses like private labour agents in countries such as the Philippines--recruiting workers from Vietnam's state-owned enterprises and contracting them out to overseas companies.

The Hanoi regime is marketing its plan aggressively because recession has hit many of the countries to which it has previously sent workers. The directive boasts that Vietnam has 'a work force that is highly educated with 90 percent literacy and the lowest wages, from $180 per month to $25 per month, and a tradition for learning and respect for authority'.

The country's population is growing at 2.1 percent annually and is expected to expand to 82 million by the year 2000. Each year an estimated 1.32 million young people are added to Vietnam's 40 million-strong workforce. Many are now without the prospect of work.

During the 1980s, the government exported about 300,000 workers, mostly seamen and technical experts. Now workers are to be exported overseas in industrial, agriculture, irrigation, and civil construction and transport projects. Hanoi is also offering specialists in areas such as healthcare, education and computer science.

The largest markets for cheap Vietnamese labour have been in South Korea, Japan, Laos, the Czech republic, Russia and Kuwait. But with the economic breakdown in South Korea and Japan, the government is also looking to Taiwan, Singapore, Brunei, Saudi Arabia, Oman, Iraq, United Emirates and South Africa.

Since July 1998, the recession throughout the region and falling commodity prices have severely affected Vietnam. The growth in commodity exports has come to a complete halt. The economy is expected to contract by 3 to 5 percent next year. Foreign investment pledges peaked at $8.6 billion in 1996, dropped to $5.1 billion in 1997 and for the eight months of this year reached only $1.61 billion.

The export of cheap labour is an extension of the 'market reforms' or *doi moi* embraced in the 1980s by the Vietnamese Stalinists, who sought to attract transnational corporations by guaranteeing a cheap, docile workforce. Able to undercut the wages of even countries like Thailand and Indonesia, Hanoi succeeded in attracting substantial investments, particularly in labour intensive industries such as clothing and shoe manufacture.

Now Vietnam is under pressure to accelerate the dismantling of state-owned enterprises and the further opening up of economic opportunities for foreign investors. During a meeting in Hanoi in early October, the World Bank and the Asian Development Bank called on the government 'to urgently push ahead with reform if it wants to ward off an impending economic crisis'.

Kazi Martin, senior World Bank economist in Hanoi, told the meeting that important steps had been taken to liberalise trade and boost privatisation, but more was needed. 'Because Vietnam is not embracing the reforms frontally, it is not getting the donor support it requires,' he said.

The World Bank is demanding the restructuring or privatisation of most state-owned industries. In 1989, Vietnam had 12,000 state-owned enterprises. Now there are only 6,250 and the World Bank wants the number reduced to just 300. In particular, the state monopolies in transport, telecommunications, energy and trade have to be broken up.

According to some economists, half of the employees in state-owned industry are not needed. Between 20 to 25 percent of the workforce in state factories is already being laid off.

Private companies are also retrenching workers. Last year 10 percent of the workforce in the private sector, or 170,000 workers, lost their jobs. In September, the South Korean Daewoo Corporation, one of the largest foreign investors in Vietnam with $920 million invested in 20 projects, announced it would begin to downsize its operation. Markets for its electronics, white goods, and cars in the region have simply collapsed.

So far this year 2,500 workers in textiles and shoe manufacture have lost their jobs. Many others are only getting 70 percent of their minimum monthly wage of 400,000 dong or $US36. The US corporation Nike had laid off 7.7 percent of its combined workforce of 35,000 up to July because of declining orders. Nike pays as little as $1.50 a day and is notorious for its bad working conditions.

The government fears the social consequences of the continuing job losses. 'This is creating a crowd of unhappy urban poor. The risk of social unrest grows,' the directive stated. The official jobless rate is 10 percent but in reality is far higher. In Hanoi and Ho Chi Minh City, the figure is 11 percent while in the rural areas it is 18 percent.

Over 80 percent of the population live in the rural areas in extreme poverty. The casual labour that usually supplements the meagre incomes of rice farmers is drying up. As a result, many rural workers are being forced to go to the cities in search of work, adding to the already large pool of unemployed urban workers.

Around the world, millions of migrant workers from India, the Philippines, Indonesia, Sri Lanka and other countries are driven to labour under contract, often in mundane jobs and appalling conditions. They are used as a means of undercutting the wages and conditions of workers in the places where they are employed. Through its plan, Hanoi is stepping up its involvement in this sordid trade in cheap bonded labour.

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