Mass strike by Vietnamese shoe workers

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A week-long wildcat strike involving thousands of workers at a shoe factory in Vietnam ended Thursday on the basis of government promises to reconsider a social insurance law that would limit workers' payouts. Like other countries, Vietnam is under pressure from international finance to scrap or rein in social programs.

As many as 90,000 workers struck on March 26 at a complex owned by the Taiwanese company Pou Yuen, which produces shoes for Western companies like Nike and Adidas, as well as for brands such as Converse and Reebok.

The strike took place in Ho Chi Minh City's Tan Tao Industrial zone. Neighboring factories were also closed at times. A second factory located in Tien Giang province, near the city, went on strike on April 1, prompting the government to step in to placate workers' anger.

The strikes were particularly significant in that workers opposed government policy, not just poor working conditions.

Workers demanded the dropping of a planned revision to the social insurance legislation. Under the current law, workers who leave an employer before their retirement age can receive a lump sum from their pension fund, to which they and their employers contribute. This provides workers with a financial cushion while seeking new employment.

Under the new law, workers would be unable to touch their money until reaching retirement age, which is 60 for men and 55 for women. The government also proposed last year to raise the retirement age to 62 for men and 60 for women.

During the strike, workers held peaceful demonstrations despite provocations from company security guards. Thousands of workers staged sit-ins, occupying the plant and refusing to perform their jobs or even turn on the lights. They also blocked a nearby highway at various times, prompting the government to dispatch a large police force equipped with batons.

On the second day of the strike, workers entered the factory, but were barred from leaving by security guards, who attacked the strikers, electrocuting some. *Thanh Nien News* quoted an anonymous worker saying: "Four workers at section C were injured but it is unclear if the guards used electric shock batons or set up electricity there."

Many workers expressed anger toward the company as well as the government. One striker, Le Van Tin, told the media: "Our company does not support us. It just calls us to get back to work."

After the second factory joined the strike, the government sought to end the revolt as quickly as possible. Minister-Chairman of the Government Office—a body that assists the prime minister—Nguyen Van Nen called the workers' demands a "legitimate request." He said the government would convey a request to the National Assembly on May 20 to reconsider the social insurance law.

The government is simply trying to buy time to force the new law onto workers. Nen stated: "Workers should be calm and should not follow any provocation or instigation of anyone to do anything that goes against their legitimate interests."

Above all, Hanoi is trying to prevent more workers from joining protests against worsening labor conditions in a country where the workforce is heavily exploited. Employers and the government are intent on under-cutting the labor costs of rival clothing and footwear industries in countries such as Cambodia and Bangladesh.

The official Vietnam General Confederation of Labour (VGCL) implored workers to return to their jobs when the strike broke out on March 26. It also denounced "bad elements" that caused unrest. Dang Quang Dieu, head of the VGCL's law policy board, declared that workers would accept the new law once they knew “what benefits they will have when they cannot receive lump-sum social insurance allowance payments.”

The VGCL, to which country’s trade unions are affiliated, exists for the purpose of imposing the government’s agenda on Vietnam’s working class. It is working hand in hand with the government to impose the new law, which will only be the beginning of the dismantling of the pension system.

Vietnam offers low wages to transnational corporations and a workforce suppressed by Hanoi’s Stalinist regime. The average monthly wage in Vietnam is only $US197, compared to $391 and $613 in Thailand and China respectively. That is how, last year, Vietnam became the largest exporter to the US from among the 10 Association of Southeast Asian Nations (ASEAN).

Despite the massive profits that corporations like Nike and Adidas, together with electronics companies like Samsung reap from the Vietnamese working class, workers are being told that their pension system will run a deficit by 2021 and be depleted by 2034.

Workers and employers are supposed to pay into the social insurance system. According to Thanh Nien News, however, many private sector businesses have delayed or failed to make payments, accounting for a debt of more than $590.5 million.

The international financial institutions have demanded that the government “reform” the pension system. A June 2012 report by the US-dominated World Bank called on Vietnam to adopt a “modern” pension system, bemoaning the “generous pension benefits” Vietnamese workers earned.

The drive to dismantle workers’ benefits flows from the intensification of the *doi moi* (renewal) program of pro-market “reforms” imposed by the Stalinist Communist Party of Vietnam regime to attract foreign investment and integrate Vietnam into the world capitalist economy.