

# Workers in Vietnam forced to work to maintain profits of US companies

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A revealing article in the *New York Times* last month gave some insight into the way in which US corporations dictate the conditions under which the lives of workers around the globe are sacrificed for capitalist profit.

“Retailers’ Latest Headache: Shutdowns at Their Vietnamese Suppliers,” by Sapna Maheshwari and Patricia Cohen, published on September 29, details how COVID shutdowns in the Southeast Asian country are affecting apparel and footwear supplies to US retailers as they head into their “all-important holiday season.”

Vietnam is the second-biggest supplier of apparel and footwear to the US after China. The pandemic, however, has forced many Vietnamese factories to close or operate at reduced capacity. American firms are facing disruptions of supplies, along with higher prices from shortages, labour restrictions and skyrocketing shipping costs.

One US retailer, Everlane, told the *Times* it was facing delays of four to eight weeks, depending on when factories it worked with in Vietnam had closed. Nike cut its sales forecast last month, citing the loss of 10 weeks of production since mid-July. Vietnam supplies 40 percent of Everlane’s stocks, along with brands such as Gap and Old Navy, while the country’s contract factories manufactured 51 percent of Nike’s footwear last year.

Acutely concerned about the threat to profits, US businesses are ramping up political pressure in both Washington and Vietnam. Executives from 90 companies, including Nike and Fruit of the Loom, wrote to the Biden administration in August to accelerate vaccine donations, saying that “the health of our industry is directly dependent on the health of Vietnam’s industry.” The apparel industry employs about three million workers in the US.

Steve Lamar, president of the American Apparel & Footwear Association told the *Times* some US companies had been setting up vaccination sites at their Vietnam

suppliers to help administer COVID shots. They were, he openly admitted, trying to keep manufacturing going through a “three-in-one place” policy, “*where workers eat, sleep and work at factories*” [emphasis added].

Put bluntly, highly exploited Vietnamese sweatshop workers are being effectively imprisoned by the profit demands of US corporates.

Jason Chen, owner of the Singtex garment factory, said: “This year in the USA, everybody wants to go shopping. Some goods cannot be delivered in the right time. So it really will affect the holiday.” The company’s 350-person factory in Binh Duong Province is operating with 80 people who live permanently on the premises, which is allowed by the government in a bid to minimize the hit to exports.

Throughout 2020, the Vietnamese government successfully kept infection rates low through a preventative public health strategy prioritizing contact tracing and targeted quarantine measures. Early in the pandemic, Vietnam remained mostly open, allowing the economy to function. Computer chip manufacturer Intel and others increased production by up to 30 percent in the first half of 2020.

With the arrival of the Delta variant last April, new case numbers surged, with a single day record of 9,684 cases on August 8. Ho Chi Minh City and 18 southern provinces went into lockdown in mid-July. The provision of components to global supply chains was severely disrupted.

Samsung was forced to cut back production while Apple’s new iPhone 13 is facing longer-than-expected delivery times due to constrained supplies of camera modules from the manufacturing facility in southern Vietnam. The trade ministry has warned that Vietnam risks losing overseas customers because of shuttered factories.

In three months, the virus has infected 770,000 people

and killed over 20,000. While daily case numbers have trended downward since their peak of over 14,000 in late August, on October 10 there were still 3,528 new cases registered, with the 7-day average running at 4,441. To date, the country has registered a total of 840,000 cases and 20,555 deaths

Only 9.3 percent of the population has been fully vaccinated, with short supply blamed for the delay. About 80 percent of fatalities and half of all infections have occurred in Ho Chi Minh City, a metropolis of 10 million people. Overwhelmed hospitals and food shortages highlight an emerging social disaster.

The Ho Chi Minh City lockdown was lifted at the end of September. The Stalinist Communist Party government is now trying to speed up vaccinations and reopen the country with priority for big cities, vulnerable locations and industrial zones. More people are able to leave their homes, restaurants can serve take-away meals and other businesses have opened. Migrant workers have fled to their home provinces in a mass exodus, in a desperate bid to escape the gathering crisis.

Amid growing imperialist pressure on Vietnam to drop restrictions, US Vice President Kamala Harris visited Vietnam in August. While the focus of her tour was to intensify Washington's confrontation with Beijing, Harris promised the US would send an additional one million vaccine doses to Vietnam, on top of five million already donated, along with \$23 million in emergency aid and 77 freezers to store vaccine. This is a paltry amount given the dire situation facing a population of 97.3 million.

So-called "vaccine diplomacy" has nothing to do with concerns over the health and well-being of the people. Ruling elites around the world are pushing to get vaccine rates at a level pronounced "safe" enough to remove all restrictions and "open up" the economy. It is a strategy to get thousands of highly exploited workers back into factories as soon as possible in order to start ramping up profits again.

The plight of the Vietnamese workers is a product of the directives coming from big business over an escalating supply chain crisis impacting everything from auto production to strategic materials such as semiconductors and computer chips. Virtually every manufacturing firm is dependent on the supply of raw materials, such as steel and copper, tin and parts from across the globe.

*Fortune* declared that addressing global supply-chain blockages in Southeast Asia is vital "to avoid dampening foreign investor appetite for the dynamic region." The *Times* similarly warned about the "longer-lasting impact

on future investment decisions in Vietnam and other emerging economies." Companies deciding where to invest, it noted, "have always evaluated a broad slate of conditions, like taxes, regulatory requirements and labor force availability."

Vietnam is very much at the centre of the relentless search by finance capital and transnational corporations for access to cheap labour and high profits. Over the recent period it has become an important part of the tech supply chain, with companies including Samsung, Intel and Apple suppliers relocating from China amid rising costs and trade and geopolitical tensions. Tariffs on China instituted under former US President Trump accelerated the shift.

Even as factories in Ho Chi Minh City and elsewhere are now preparing to resume production, however, American companies are looking outside Vietnam, according to the *Times*, to find partners elsewhere and even returning to Chinese factories that they had worked with previously.

As the WSWS has explained, the capitalist class is using the COVID pandemic to vastly restructure class relations and create a "new normal" of relentless exploitation. Everywhere, workers are fighting against intolerable working conditions, low wages and widespread social immiseration resembling the early 19th century, while the world billionaires enrich themselves to obscene levels.

At the same time, the globalisation of production brings with it the powerful growth of an opposite force, the international working class which is emerging into historic struggles. The growing movement involving workers in transnational corporations such as Volvo, Deere, Kellogg's and Dana in the US, must intersect with workers in other parts of the world, including Southeast Asia.

This provides the impetus for the construction of a global movement of the working class based on a socialist perspective against inequality, inhuman working conditions and the sacrificing of workers' lives for private profit.



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