

**VIETNAM ACADEMY OF SOCIAL SCIENCES
CENTER FOR ANALYSIS AND FORECASTING**

**Rapid Impact Monitoring – RIM
Financial Crisis Impacts in Vietnam**

SYNTHESIS REPORT

ROUND AUG-SEP/2009

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I. RIM INTRODUCTION

The global economic crisis has been taking its toll on the Vietnamese economy through two main channels - export (including export of goods and labor, and inbound tourist services) and foreign direct investment, not to mention overseas remittances and indirect foreign investment. All sectors and segments of population have been hit, though to varying degrees. In response, the Government of Viet Nam swiftly implemented a stimulus package, which included loose monetary policy and expansionary fiscal policy. However, in the context of large budget and current account deficits as well as high inflation in Viet Nam over the last couple years, special care should be taken to ensure that recovery is fast, but also sustainable. The design of the right type of government response requires that the Government of Viet Nam has sufficient information on actual transmission mechanisms and the magnitude of the impact of the global economic crisis on enterprises, workers and households in Viet Nam, their resilience and coping mechanisms, the working of formal and informal social safety nets in areas where the impact on the population is felt strongly etc. Because of a lack of appropriate and high frequency information, particularly on how the affected people respond to shocks, the Viet Nam Academy of Social Sciences, with support from the community of donors and international NGOs, including in particular the World Bank, UNDP, UNICEF, DFID, the Ford Foundation, Oxfam GB, Action Aid etc. carried out two rounds of rapid impacts assessment (RIM) during the March-May and August-September 2009 respectively to collect up to date information about the impact of the on-going global economic crisis on firms and workers, in order to provide timely inputs to policy making processes and to complement, but not to replace the data and statistics collected by GSO and MOLISA.

Objectives

To provide (as regularly as possible) updated information on the development of global economic crisis and its impacts on Vietnamese economy at national, sectoral, firm and household levels and on this basis, to offer, to a maximum extent possible, possible policy response.

Principles

- (i) The products of the RIM should be timely, credible and easily accessible for policy makers, as preferred to “comprehensiveness” and “representativeness”;
- (ii) The products of the RIM should complement to a maximum extent possible to existing sources of information;
- (iii) RIM should be flexible to better capture the fast changing situation and to accommodate demand by policy makers.

Scope

RIM monitors the development of global economic crisis and its impacts on Vietnamese economy at (i) macro levels; (ii) firm level; (iii) worker and household level. It also monitors effectiveness of Government policies in response to the global economic crisis.

At the macro level, RIM has close watch on the situation of the global economy, especially in the key VN's trade partners and the possible impacts on VN's economy in terms of capital flows (FDI, FII and ODA) to VN, VN's export/demand for VN exports and VN's imports (by sectors), pressure on exchange rates, trade and budget deficits, changes in GDP growth/economic structure, (aggregated/national level). On this basis, it draws implications on employment and poverty.

At the firm level, it monitors impacts on enterprise's performance and their responses, with a special focus on their decisions on employment, and also various types of constraints on their response.

At the worker and household level, RIM looks into how affected workers, particularly migrant workers, suffer and their coping mechanisms, as well as how the impacts go all the way to their families.

With regards to government's responses, RIM uses the collected information to analyze if policies are timely and well-targeted, and who are completely left out.

Implementation

RIM has been implemented by a number of research institutes and individual researchers in and outside VASS. Specifically, VASS Task Force comprising of senior researchers have been monitoring the development of the crisis in various parts of the globe, as well as its impacts at macro and sectoral levels, relying mostly on secondary sources of information and data. CAF coordinates field work conducted by researchers from VASS and outside VASS in various provinces across Viet Nam. RIM team also does its best to coordinate with parallel initiatives by Oxfam GB, Action Aid, ISPARD, ILSSA, VCCI and other institutes.

Products

RIM produces various reports in the form of CAF's policy notes or VASS' official reports for senior policy makers in the Party, the Government and the National Assembly, which were submitted during the period from April to October 2009. A number of presentations were also made to Economic Committee, Finance and Budget Committee and Social Affairs Committee of the National Assembly.

This *Synthesis Report – Round Aug-Sept 2009* is one output based on the 5 site reports in the greater areas of Hanoi, Ho Chi Minh, and provinces of An Giang, Gia Lai, and Ha Long.

II. RIM METHODOLOGY AT SITES

1. Raid Assessment- Qualitative- and Local Participation

Method used to collect field information at provinces is rapid assessment - approaching key informants who are potential in providing various and the most credible information. In which, identifying and directly interacting with respondents who are possibly directly or indirectly affected by employment and income losses is the key for success of the assessment.

The objective of the survey is to identify impacted groups, past/ongoing impacts, thus it is implemented by the qualitative method via in-depth interviews and focus group discussions. The method calls for participation of interviewees, is simply suggestive, encourage interviewees to reports issues in various views.

Simultaneously, to maximize connection between research and development needs as well as restructuring process of localities, the assessment is designed on the utilization of 2008 Poverty Assessment network of Viet Nam Academy of Social Sciences. Leaders and officials of provincial departments and lower local levels who have been trained with participatory poverty assessment are invited to participate in all process from design, implementation to validation of results of RIM.

2. Assessment Frame

RIM is repeated with the targeted impact groups in the round of February- May 2009: Enterprises and workers in industrial parks, informal labor markets, craft villages, and rural areas getting returning workers due to economic recession.

To have a overall picture of impacts on different impact groups in the economy of Vietnam, RIM have expanded to agricultural-based export area, tourism area and ethnic minority and mountainous area. Therefore, Aug-Sep 2009 round have 6 main sites:

- i. Industrial parks- enterprise and labour
- ii. Rural area (agricultural-based export area and migration origins)
- iii. Informal labor market
- iv. Craft village
- v. Ethnic minority and mountainous area
- vi. Tourism area

Due to limitation of time and human resource, assessment for rural area with fluctuations in labor/employment in agricultural sector/rural area and impacts from migrated labor is implemented later; planned time is the end of the year 2009.

Sets of detail questions have been differently designed for different targeted impact groups. Main questions are as below:

Crisis have impacted directly on employment, income and had indirect consequences on enterprises, labors, households and communities. What are they? Through which channels?

Given these impacts, how policy supports (stimulus package...), social safety nets (formal, informal) work? How about signals in production/investment /recruitment/consumption confidence recovery?

Table: Design of Key Informants and Targeted Impact Groups

Local Authority/line departments/Management board of industrial park/community... All survey sites		
Province/city Ha Noi, Bac Giang, Hai Duong Ho Chi Minh, Binh Duong, Dong Nai	Formal sector – Export processing /industrial park	Enterprise Ha Noi: Associations x enterprises (having or not having recovery signals) + FDI enterprises in previous rounds. Bac Giang, Hai Duong: Most affected industries x province x enterprises (having or not having recovery signals) Ho Chi Minh, Binh Duong, Dong Nai: Most affected industries x Province x enterprises (having or not having recovery signals)
	Service Providers nearby Export processing /industrial parks	Immigrated workers Ha Noi: Bac Thang Long electronics workers’ area Vinh Hung textile and garment workers’ area Ho Chi Minh: Go Vap, Thu Duc districts Mechanics, electronics workers’ area in Bui Van Ba road, Tan Thuan export process park, the District 7. Textile and garment workers’ area of Northwest Cu Chi industrial park, Tan An Hoi commune, Cu Chi district, or industrial park in Tan The Hiep ward, the District 12. Binh Duong: Aquaculture preliminary- processing workers’ area Textile and garment, electronics workers’ area Dong Nai: Wood processing workers’ area of Tam Phuoc industrial park Textile and garment, electronics workers’ area Doss-houses; food, variety-good-shops...

	Informal sector	Informal workers Ha Noi: 4 informal labor markets (Buoi, My Dinh, Pham Ngoc Thach, Long Bien) - Ho Chi Minh: Go Vap and Thu Duc districts	
Craft villages Ha Noi: Bat Trang Ceramics, Ha Thai lacquers, Phu Vinh cane-bamboo-products Binh Duong: Ceramics, lacquers	Formal sector	Enterprises	
		Formal workers with contracts	
	Informal sector	Satellite units, production households	
		Immigrated/vacant/non-contracted workers	
Rural area	Exporting agricultural products An Giang (paddy rice, aquaculture –catfish) 2 sites: having/not having high income/economic development conditions/livelihood diversification	Collectives/ production entities	
		Workers	
	Back- migrants Thanh Hoa 2 sites: having/not having high income/economic development conditions/livelihood diversification	Back from formal sector	Workers
			Oversea migrant workers coming back before contract end
		Back from informal sector	Informal workers
			Informal labor export
Local labor (poor households, households having/not having migrated labors households have to return land to relatives who have came back)			
Ethnic minority and mountainous area Gia Lai	Farms, agriculture, forestry production outlets		
	Labors– Households 2 site: having/not having favorable conditions for social- economic development and hunger eradication, poverty reduction , incidence/non-incidence of Program 135		
Tourism Ha Long- Quang Ninh	Formal sector	Tour operators, hotels, restaurants	
		Contract Workers	
	Informal sector	Small service entities, fish farming rafts, tourism ships	
		Uncontract Workers	

3. Respondents and researchers participation

Industrial parks- formal sector: interviewing 147 respondents including 4 Associations, 25 enterprises, 106 workers (of whom, 34 males) in large industrial, export processing parks which have large number of immigrated and local workers in Ha Noi, Bac Ninh, Hai Duong, Ho Chi Minh, Dong Nai, and Binh Duong. In addition, 21 enterprises and 56 workers interviewed by OGB and AAV in Hai Phong, Ha Noi and Ho Chi Minh.

Informal sector: 24 informal workers (of whom, 8 females) have participated in interviews at informal labor markets at Buoi market, My Dinh crossing bridge, Pham Ngoc Thach, Long Bien markets in Ha Noi urban area. 8 informal workers (of whom, 3 females) have participated in interviews at Linh Xuan ward, Thu Duc district, Ho Chi Minh city. Information in this area is supplemented by a survey team implementing interviews in Go Vap district held by Oxfam and AAV.

Craft Villages: 154 respondents interviewed in Bat Trang, Ha Thai, Phu Vinh (Ha Noi), Tuong Binh Hiep (Binh Duong) including 91 workers (of whom, 36 males), 51 enterprises, production entities, 12 local officials.

Agricultural-based export area: Interviewing the Aquacultural Association and 2 enterprises in Ho Chi Minh and 50 respondents in An Giang including: 7 province, district, commune, hamlet officials; 12 catfish farms with different sizes; 27 local workers (of whom, 13 females); 2 animal feed agents; 1 catfish middleman; 1 aquaculture processing enterprise.

In Gia Lai- ethnic minority and mountainous area, in coordination with Provincial Department of Ethnic Minorities and DOLISA in Gia Lai, experts from CAF and CEM have rapidly interviewed 6 provincial officials from DEM, DOLISA, Industry- Trade Department, Farmer Association; 27 officials from 1 district, 2 communes, and 8 villages; 4 enterprises; 3 coffee farm owners, 2 variety-good-shops; 15 workers (of whom, 12 males) and representatives of 6 households doing farming and waged jobs in Iapêt and Tan Binh communes of Dak Doa district.

In Ha Long tourism area (Quang Ninh province), the research team have interviewed 7 enterprises operating in hotel, restaurant, tour activities, 3 drinking shops, 4 souvenir shops, and 9 labors serving in tourism ships, fish farming rafts.

In this round, the assessment have had participation of 14 provincial departments (DOLISA, Department of Agriculture, Management Board of Industrial Parks, Department of Tourism, Board of Ethnic Minorities), 68 officials from district, commune/ward, village authorities in 9 provinces and 33 researchers mainly from Viet Nam Academy of Social Sciences, MOLISA (Institute of Labour, Science and Social Affairs and Social Protection Department) and Committee of Ethnic Minorities (Policy Department). In total, information from 527 respondents in 9 provinces has been collected.

III. MAIN FINDINGS FROM RIM - ROUND AUGUST- SEPTEMBER/2009

1. Production and business situation

1.1. Formal area - industrial zone and export processing zone

Summary

- Getting through the most difficult recession in the early 2009, good sign of recovery appears to Vietnam economy in Quarter 3/2009 in terms of investment, purchasing orders, employment and incomes.
- Being different from early months of the year with continuous suspension and waiting for works, it can be seen the trend of purchasing orders back in recent 2-3 months in both industrial sectors of garment and textile, leather footwears, electronics, furniture, rubber, and enterprises with good prestige in craft villages.
- Better situation with purchasing orders results in employment for workers. Though extra shift is still lower than before, there is now no reports on rotational laid-off for 60-70% of salary. A number of survey sites shows regular overtimes for workers in electronics and garment enterprises. Especially, a group of furniture workers in Binh Duong and Dong Nai are often to work overtime until 8.30 pm. This can be translated into an increased income for workers.
- Also a part of workers in garment and electronics sectors report the return of overtime at less frequency and time duration (about 50%) against the level before crisis. These workers can get lightly increased incomes from VND 1.1 to 1.5 million in the North and to VND 1.7 million in the South, which can be a little higher than the minimum spendings for daily essentials and savings for remittances
- Hochiminh Management board of industrial parks also raise the recommendation on increased salary to solve the problem of “*enterprises are unable to recruit and worker are unable to find the job*” due to too low salary. However, it face the constraint of the increase is to be accepted by the mother companies. The situation is the same in Binh Duong and Dong Nai cannot pay a higher salary than the Association fixed rate.
- Regardless to increase employment in some industrial sectors as garment, leather footwears, electronics, and furnitures (various increase among sectors and enterprises) or fewer jobs in sectors of craft villages and agricultural product for export, wages are of increase in all sectors. This is because of increased minimum wage, inflation, failure of local human resources to satisfy the local demand. Thus, the problem of purchasing order shortage is now turned into labour shortage.

- In terms of coping mechanism, there is a trend that workers who returned to hometown due to crisis often do not go to urban for work once more and there is a flow of new and young labour to the urban with desire for experiences and skills in non-agricultural work for several years
- Young labour who want to find a job in local IP for avoidance of moving to other provinces also face difficulties. For example, a migrant female worker in an electronics company says that she can be recruited in the company without requirement of skills while many garment companies in her hometown Thanh Hoa ask for skills and experiences for a position.

a. Order and production situation

Export turn-over of most industries in August has decreased compared with the same period last year. Referring to export turn-over, it points out the difficulties of orders, most seriously with timber processing (going down by 15%), next footwear (11%) and maritime products (8%). Textile and garment products (1.4%) and electronics (0.2%) are likely to recover well even though they have not reached the level before the crisis yet.

The deep seems to be in the first quarter of the year. Since April 2009, there has experienced a good increasing trend in all of the industries.

The total export turn-over in the first eight months of 2009 (million USD)

No.	Contents	1/2009	2/2009	3/2009	4/2009	5/2009	6/2009	7/2009	Estimated in Aug/2009	Accumulated in 8 months of 2009	8 months of 2009 decreasing compared with the same period 2008 (%)
	Export turn-over	3,719	5,028	5,312	4,279	4,415	4,737	4,806	4,700	37,255	14.2
1	Timber and timber products	197	154	206	196	175	187	209	210	1,554	15.2
2	Footwear	358	294	279	353	374	395	362	350	2,774	11.0
3	Maritime products	211	232	293	310	316	379	433	450	2,647	7.9
4	Chemistry and chemical products	17	23	28	27	26	30	33	30	219	4.3
5	Textile and garment products	722	564	639	633	696	846	907	870	5,906	1.4
6	Electron, computer and components	147	168	161	205	218	225	248	260	1,652	0.2

Source: General Statistics Office (2009)

Electronics industry

The total export turn-over of the electronics products such as computers and electronics components in the first 8 months of 2009 reaches USD 1.652 bil, decreasing by 0.2% compared with the same period 2008. The export turn-over goes to the lowest level in Jan 2009 at USD 147 mil.

The main export markets for the electronics are still United State, Japan, Thailand, China, Singapore, and Nederland with the turn-overs at USD 278 mil, USD 230 mil, USD 181 mil, USD 150 mil, USD 108 mil, USD 107 mil, respectively.

The rapid survey in Sap Mai hamlet (Vong La commune) next to the Industrial zone of North Thang Long in Hanoi, where most migrant workers of this electronics IP live in the lodging-houses, also shows the same pattern of increasing numbers of migrant workers (see the following table).

Month	8/2008	12/2008	3/2009	5/2009	8/2009
No. of people	1,200	800	500	750	1,100

Source: Interviews with the hamlet cadre reporting the temporary residence and also being one landlord. Previous assessment confirms a huge decrease because many workers head back to their hometown.

Therefore, it is easy to find out that the crisis occurs from the end of 2008 to the next lunar New year holidays. It confirms the period many workers losing their jobs and some staying at the lodging-houses in the previous survey while some head back to the hometown (3/2009). As for May 2009, the situation got better when the number of the workers staying in the lodging-houses increases. The recruitments have begun appearing in the notice-board by many enterprises such as Canon, Panasonic since May 2009.

The signal of Canon and Panasonic's recovery¹

As for January 2009, Canon had to temporarily shut down the production, encouraged workers to voluntarily quit their jobs, or temporarily leave off jobs with 70% of salary. The total of workers in IPs of Thang Long, Que Vo- Bac Ninh, and Tien Son at around 19,000 has been down by 10% (i.e. 2,000 workers). There were 12-13 thousands workers in Thang Long, of which 1,000 workers lost their jobs. The company focuses on the training for workers (technical training, management method, life issue, law...) in the hard time.

The reason why the recruitment of Canon has restarted to occur since May 2009 is specific characteristics of Canon in Vietnam. It is the place producing the cheap printers,

¹ Rapid interview with the enterprise leaders is implemented in 20/5/2009

which follows the tendency of the customers towards consuming the cheaper products; and the companies sell out the stocking products; therefore, they return to make the order.

To Panasonic, in 2008, the company cut down 1000 workers out of the total of 7000 people working for the corporation in Vietnam. Since May 2009, the company has gradually recovered but has not reached the level before the crisis. The main reason of orders is the stocking of the customers or the customers' estimate on the stocking running out while the consumption is able to increase. Thus, the company hopefully had the order fully back in October 2009.

With the high labor mobility of 6-7% among enterprises, even 10% in the North, the electronics companies usually make a lot of recruitment since every June (recruit the teenagers graduating the High school) to prepare for the highest-yield season in August, September, October so as to serve the Christmas time (saving time to make training in 2 months as maximum). As usual, after the lunar new year holidays, the workers quit jobs to return their home town especially in the crisis.

Interviewing the electronics enterprise leaders points out the difficulties in the input prices which make the pressure on the businessmen. The electronics industry still has the highest number of underemployed workers in Ho Chi Minh city (accounting for 50% of the total of the workers lack of job in the whole city). In Dong Nai, referring to the total of turn-over and export revenue, the electronics industry remains the slowest recovery in the first 6 months of the year compared with the same period of 2008 (decreasing by around 30% while the textile and garment, and timber processing go down by 10% only, footwear tends to go up).

The phenomenon of orders coming back is suitable to the business cycle of the electronics industry at the end of year. Tan Thuan processing zone implements the extra time up to 3 hours/day since July 2009, which ensures the income of workers from VND 1.8 up to 2.4 mil per month. Even there is the company implementing the extra time up to 3 hours/day, together without day-off on Sunday. The pressure from extra time also means the increase of allowance, income up to VND 2, 7-3 million/month.

However, not having enough workers recruited after the deep of the crisis and having orders coming back is the reason for extra shifts. Even though for some cases still lack of orders, working without extra shifts (meaning the basic salary and allowance is around VND 1.5 million/month), the laborers feel discouraged and quit jobs, which makes the remaining workers have to share the total workload, and then, have more income (around VND 2.1 millions/month).

"We have had extra shifts in the two recent months because our company's total labor force of 400-500 persons has half quit the jobs. Therefore, we have extra shifts in other chains".

(The female 19-25 year old group from Nghe An, Thanh Hoa, Thai Binh, working in the electronics industry in Tan Thuan processing zone comes)

However, extra shifts (total workload) have not reached the same level before crisis and at different levels for different cases.

"Before the crisis, daily extra shifts occur the whole week, but only 3 or 4 days a week in (one) recent month, which increases the income to VND 2.3 million/month".

(The male electronics workers in the North Thang Long IP, Hanoi)

The orders have come back since April 2009, and are equal to the same period last year.

(The electronics enterprise in the processing zone in Hai Duong - a 100% foreign capital one, with the main market of Japan)

At the interviewing moment (August 2009), the enterprise is only operating at 20% of their capacity in 2007. The enterprises' revenue in 2007, 2008, and the first quarter/2009 was VND 368 billion, 352 billion, and 50 billion, respectively.

(The electronics enterprise in the South - a 100% foreign capital one has South East Asia as its main market)

The textile and garment, and footwear industries

Most enterprises in the industry focus on garments production, with less attention to the textile. And there is near 70% textile and garment products exported, especially most by FDI and SMEs. Thus, there are the large impacts of the crisis on the industry. Negative impacts of the crisis on the textile and garments have experienced since the third quarter of 2008 until the first quarter of 2009. During the period, enterprises in this industry have also dealt with many difficulties with thousands of laid-off workers. The first quarter of 2009 would be the most difficult deep with a decrease by 30% in the number of orders in FDI and SMEs, and about 10% in prices.

However, among the major exporting products of Vietnam, so far, the textile and garment with lower demand elasticity to income have not been impacted as much as others such as footwear, wood processing, and electronics. Since the second quarter of 2009, and particularly May 2009, there was brighter situation of the textile enterprises. At present, the enterprises have received a lot of orders. Some orders provide jobs until October, November. Some enterprises have big orders so they have to assign partially to other enterprises. Workers are recalled to enterprises but most of firms experience the situation of not having enough workers back.

Some of the garment enterprises in Linh Xuan processing zone (Thu Duc district, Hochiminh) have arranged extra shifts, making workers' income increase from VND 1.4 mil to VND 1.6-2 mil/month. However, extra shifts are less than previous years. Jobs have been back, but no extra shift. A restaurant serving the workers in Linh Xuan processing zone said they could sell 600 rations for X textile and Garment Company but now decreases 400 rations, which shows jobs have not been back to all as before crisis.

The textile and garment turn-over for the first eight months of 2009 reaches USD 5.906 billion, which achieves 98.6% of that in the same period in 2008. The textile and garment exports to United States reaches USD 2,8 bil, decreasing by 4.5%; to EU reaches USD 966 mil, decreasing by 1%; while to Japan reaches USD 513 mil, increasing by 16%. This expresses Japan market has contributed most into the recovery in the whole industry. According to the Vietnamese Textile and Garment Association, the prices tend to decrease. The price unit of the Vietnamese textile and garments exported to United State decreases by 17 - 18%, while that to EU and Japan also decreases by 10 - 15%.

The reason for the sustainable textile and garments are both domestic and international factors:

- The international factors: the importer in the large markets dealt with the difficult business in the third quarter of 2008, leading to huge stocking. In the first quarter of 2009, the solution most experienced was to decrease prices to sell out the stocking and gradually import to make good the shortage. Therefore, the orders have come back since the second quarter of 2009. Consequently, a sharp price competition resulted in price decrease pressure imposed by importers on enterprises.
- The domestic (internal industry) factors: facing the overall difficulty in the industry, the strategy was to hold the customers, workers and maintain the production. Specifically, production reforms for a higher productivity, and highest cost minimization helped to maintain the competitiveness. In addition, with the policy to maintain the jobs for workers and uphold the relationship, Vietnamese enterprises accepted cheap orders, so they won by the price competition. Moreover, more new orders have been introduced by the regular customers.

Regarding to the leather and footwear industry, as for August 2009, its turn-over export reached an average of USD 350 mil per month. With only 4 months left until the end of 2009, and at this current export capacity, the annual export was expected around USD 4.2 bil, decreasing by 12% compared with 2008. This is the worst deep after many years of the continuously developing and growing period of the industry.²

Having the export up to 70% of the total revenue in 2007 and 2008, but to the first quarter of 2009, the number is only 30-50%. The enterprise currently operates at 40% capacity of 2007.

(The sport footwear enterprise in the South, a 100% foreign capital one has United States as its main market)

Due to the local production in EU decreasing by 20%, and because many factories had to shut down, the footwear export capacity to EU in 2009 still increases by around 5.3% compared with 2008 (equally to USD 2.5 bil). It is an opportunity for the Vietnamese enterprises because EU is the largest footwear importer.³

² Vietnam Leather and Footwear Association (9/2009) www.lefaso.org.vn

³ Vietnam Leather and Footwear Association (9/2009) www.lefaso.org.vn

As usual business cycle in many years, the export capacity in October, November, and December is much better than an average of some first months. Therefore, there is a great expectation that the export of the industry will reach from USD 4.4 to 4.5 bil this year, which means a decrease compared with 2008 by around 6%-7% but acceptable in the hard time.⁴

Wood processing industry

The wood processing industry for exports has been studied in the South in Dong Nai, and Binh Duong. Interviewed wood enterprises indicated that this sector has faced lower output prices, less output volume, and low-value product sale increase.

The industry's national export turnover in the last 8 months reached USD 1.55 bil, down by 15% compare to the same period last year. However, in the rest 4 months of the year, expected exports at USD 1.14 bil will contribute to the whole turnover of the year at about USD 2.69 bil, only about 5% decline compared to last year.

The US economy is still in the difficulty but this is the major market for importing wood and wood products from Vietnam. After bearing a sharp decline since the beginning of the year, to June 2009 total export turnover to this market had the same amount in 2008 with the same period. Wood furniture export to the US reached USD 566 mil up to now that increased by 0.7% compare to the same period in 2008.

The export turnover to the EU - the second largest market for importing Vietnam's wood furniture - had a biggest reduction in the first months with the total amount is USD 283 mil (down by 34% over the same period). However, there is a good signal of recovery from this market when export to England – which is considered as the largest market in the EU- has increased for the last two months. Meanwhile, turnover to Japan- the third largest one – has remained a sustainable growth since the beginning of the year.

Beside three largest markets above (accounting for nearly 70% of Vietnam's wood export turnover), other markets (small and new ones) has considerable growth rate such as Hongkong, Mexico, and Turkey increased by 17%, 121%, and 2%, respectively.

According to the wood export's forecasting in the rest 4 months of the year by Ministry of Industry and Trade, the changing demand trends in the world market from luxury wood furniture to the average one is a good opportunity for this Vietnamese sector where we have advantage competitive in this segment.

After the textiles garment and footwear, wood processing in Dong Nai has good signals when sales reached 91.1% in the first 6 months of 2009 compared to the same period in 2008. This recovery signals is in line with the situation in Tam Phuoc industrial zone in Dong Nai and Binh Duong where workers have extra shift until 20.30 PM, this means that their income has recovered to the same amount before the crisis.

⁴ Vietnam Leather and Footwear Association (9/2009) www.lefaso.org.vn

Fishery industry

Seafood export turnover decreased by 7.9% over the same period last year. Export to the EU market gained USD 376 mil (decreased by 3%), to the US reached USD 376 mil (increased by 10%). The Spanish is the largest market for Vietnam's catfish⁵ in EU with the import volume estimated 40,000 tons every year. Export to Japan gained USD 388 mil (decreased by 15%) but the trend will be better when at least 86% of agricultural forestry and fisheries exported from Vietnam enjoy tax preferences from October 1, 2009.

Currently, the quality of Vietnam's fisheries has increasingly met the standards and strict requirements from the import markets. Typically, the peak of the fishery exports is in the last months of the year because of an increase in the world demand. Therefore, the Ministry of Industry and Trade forecast an increasing trend in export turnover, possibly at USD 400 mil per month on average.

Rapid assessment in several seafood enterprises in Ho Chi Minh City, Binh Duong, and An Giang showed a slight drop in the scale of labor due to order shortage in late 2008 but the order was stable again in the middle of the second quarter in 2009. Experiencing not a serious impact, preliminary processing production which is more labor intensive get more affected in terms of jobs and workers' income.

Rapid assessment survey in two of communes producing highest catfish export in An Giang showed that the situation is very concerned. Despite the slight decline in overall export prices by about 8-10%, serious negative impacts on catfish farms include unaffordable investment on food for fish, intermediary profit margins, and sharp supply surplus pressure. Price of Tra and Basa catfish was sharply decreased lead to income reduction of not only farm investors, but also indirectly households doing waged jobs for these farms. Facing landlessness (about 50% of households in the area), these waged workers have to migrate for jobs.

Low demand because of export order shortage, or low sale under the price pressure, farmers have to accept the deferred payments by processing export enterprises (receive money after 30-45 days and by several installments). The delay payments can be up to 50%. This results in serious situation when the outstanding debt is very big for catfish investment. Farmers did not have fund to repay debt interests, and other input costs, causing the indirect impacts on other partners in the value chain.

Catfish farming area was large expanded in 2007, leading to production of Pangasius soared to 2008. Supply is too high than demand, leading a supply surplus and price decrease pressure. For example, Phu My commune in An Giang, catfish area expanded from 85 ha (2007) to 150 ha (2008) also state similar evolutions.

⁵ Pangasiu hypophthalmus (Tra fish) and Pangasius bocourti (Basa fish)

b. Coping mechanism

There have been enterprises, garment industry mainly, lack of unskilled workers. Though they have opened lots of recruitment, they are not able to complete their labor demand because workers experiencing the crisis impacts tend to move to other sectors (non-official sector or back to rural areas). In addition, wage/salary is too low to attract labor. *“As recruitment notice, I was supposed to earn more than VND 2 mil but it isn’t simple to get that level. Have to do extra shifts and no mistake. Though salary increases a little, living cost also goes up at much higher rate.”* (Nguyen Thi Th., 23, garment worker, Binh Duong). However, salary increase is a difficult solution when IP firms have to deal with the question of competitiveness thanks to low salary, and the association regulations by mother companies.

It is shown by the survey that the recruitment demand of thousands of workers is resulted from the enterprise’s problem of big labour mobility flows within an industry or among industries. Some examples of recruitment demands in companies in Binh Duong as 2,100 workers for Kaiser, 2,000 for Esprinta, 1,000 for Dong Hung, and 1,000 for Sung Hyun Vina.

Enterprises in the North of Dong Nai province always show recruitment notice for a very big number of workers. The most shortage of workers is now in industries of garment and textile, and leather footwear companies. Some other companies with demands of hundreds of workers as Dong Nai Garment JSC, Epic Designer, NOK, Mabuchi Motor, Bitis... Scamcon Việt Nam with the need of about 300 unskilled workers cannot recruit enough the number despite a lot travel to recruit labor in some western south provinces. The company still seeks for 200 workers more after recruitment of dozens ones at the job fair in August 2009.⁶

Labour shortage is also available in the North in Ha Noi, Bac Ninh, Hai Duong, Hai Phong. In Thang Long North Industrial Park, there is still the lack of workers with compliance to strict regulations of Japanese, Korean, Taiwanese investors. In Bac Ninh province, local labor force is far from to satisfy demands of too many industrial parks. The situation in Hung Yen is the preference of young labour not to take extra shifts at night. However, the in-depth reason for the shortage is low salary in comparison with the increasing essential living costs.

However, on-going high demand in worker recruitment should be considered with 3 factors of high labor mobility, expectation of order recovery by the end of the year, and general economic recovery in early 2010. Thus, high recruitment demand does not mean stable jobs for workers and higher income thanks to extra shifts. This can be seen clearly through discussion with workers on employment and income, especially those working in garment and textile, leather footwear and electronics sectors.

⁶ “Tỉnh Đồng Nai “sốt“ lao động do sản xuất phục hồi” (Dong Nai province is in “fever” of labour demand by production recovery) – VN News agency Sep 19 2009 - <http://www.vietnamplus.vn/Home/Tinh-Dong-Nai-sot-lao-dong-do-san-xuat-phuc-hoi/20099/17829.vnplus>

c. Access to policy supports

The policy to subsidy 4% of loan interest rate has worked for the enterprises. That helped difficult firms to overcome the pressure on prices. Low interest loans help them maintain not only their production and price competitiveness but also their competitive wages for workers. However, not many interviewed enterprises had accessed to this credit supports. The large scale enterprises, particularly the FDI ones, that use their own capital and the loan which is provided by the parent company oversea, are out of the influence of this policy.

Reducing 30% of corporate income tax for SME is reported as a helpful policy but not effectively because of obstacles of access. There are numerous of conditions that enterprises can not satisfy. Completion of order, and sale papers take very long time.

Investment facilitating support policy is also ineffective because in the time of economic crisis, enterprise only continues to invest in current crucial projects, or maintain the current and effective projects but not have big investment for a new one. However, in Ho Chi Minh City, most of businesses accessing stimulus loans are domestic enterprises, in which more than 40 benefiting the grants, and mainly to purchase new machinery to enhance their modern product quality. However, the effectiveness of these equipment investment are not assessed yet.

In principal, the Decision 30 on supports for laid-off workers is good; however, it is implemented in 2009 whereas many labors have lost their job since 2008. Additionally, because of the very ambiguous procedure, it is very time – consuming for employees to get money. The corporation among relating local departments such as labor office, and insurance office, is also not so effective. Enterprises are difficult to access funds because of insufficient documentation and conditions. About other policy support targeted to the labor, such as loans and vocational training for job change, they are very hard to be accessed as laid-off workers have daily responsibility of earning for the family.

Discussion on the need of the next stimulus package reveals the need of the assessment of the first package performance. Urgent needs to firstly look up the efficiency of supports to each sector. The current assessment shows the ability of different impacts and efficiency among different sectors. On the other hand, is should be studied the labor supply, otherwise the labor supply shortage can not catch up with the potential production increase creatned by the continued stimulation.

Received recommendations from firms for policy suggestion are:

- Reduce the corporation income tax and personal income tax
- Review the policies related to electricity and service prices. Electricity prices in peak hours made electricity costs increase from 20% to 25% compared with first. Incident power without prior notice also damage business.
- Simplifying procedure to access stimulus supports
- Continue to apply the stimulus policies, tax exemption, and interest rate support for loans from banks.
- Get the links in internal sector better

1.2. Trade village

Summary

- This sector is still in suspension/ recession at the minimum capacity. Households in craft villages are keeping reduced labour and household production satellites, less spendings for international exhibitions with belief that the partner network also cannot change customers' reducing demand. However, purchasing orders also back in shortterm for some coming time with small scale
- Employment in craft villages are reduced despite increased wages in all survey sites. This is resulted from higher minimum wage, inflation, failure of local and migrant labour to satisfy the local needs (as the increase of companies, factories, and industrial parks lead to a sharing of local labour source and too low income is unable to attract local and migrant labours).

a. Order and production situation

Export turn over of handicraft is decreased by 30% in comparison with the same period in 2008.

National export turnover (USD mil)

Items	1/2009	2/2009	3/2009	4/2009	5/2009	6/2009	7/2009	Estimate 8/2009	Accumulated the first 8 months of 2009	8 months in 2009 reduction over the same period 2008 (%)
Ceramics products	31	22	22	21	17	18	19	18	167	27.7
Rattan, bamboo, sedge, matting products	17	11	16	14	13	13	15	15	114	22.3

Source: GSO (2009)

Different trends observed are that enterprises have not signed any order while some limited orders have been back to big and medium-size village firms.

Continuing situation of no recovery signal in terms of export orders, many trade villages are expecting to domestic orders as usual booming business cycle by the end of the year. Bat Trang Ceramics Association reported that outputs and revenues are decreased by 50% in comparison with those before crisis. The crisis situation is continuing and it

brings more negative impacts to economy of craft villages.⁷ However, this impact could be not because of the crisis, because it could be the business seasonal factor, when production of Bat Trang village is often down and gets deep in the period from April to September annually. The same situation happened at Binh Duong Ceramics village in the South when both outputs and revenues decreased by 40 – 60%. In-depth interviews made with some medium-size handicraft firms at Phu Vinh (e.g. one firm could export VND 1.4 bil per year, but now only 1 bil in 2008) shown that they have not received any export order form since the beginning of 2009. Most of their orders come from domestic markets (up to 75%) and profit margin down by about 50% in comparison with the same period of 2007.

Enterprises have been facing high increases in input prices but not in output price leading to big losses since the beginning of last year. One kg of rattan from Da Nang in 2007 was only VND 21,000, but it increased to VND 31,000 – 36,000 in 2008 and 34,000 in 2009. On average, input cost increased by about VND 10,000 per each product valued at VND 60,000.

(A bamboo and rattan handicraft enterprise at Quan Tram village, Phu Nghia district)

The revenue of B. enterprise decreased sharply from VND 4 bil in 2007 to 400 mil for the first 8 months of the year 2009.

(B. enterprise, Phu Nghia who have had little orders since Quarter 2 of 2009)

As normal business cycle every year, orders get the peak since August toward the Christmas season in order to prepare for demand in holiday of Christmas and traditional Tet. However, up to now (Sep 2009), all four trade villages visited, the orders are at very small scale, at a small number, which indicates that negative situation may happen in this trading season. There are little indications at some big enterprises that orders come back more from Japan market. There are some orders from Europe and United State market but the order value is very limited. A good order to a Handicraft Company in Ha Thai village from a 100-super-market channel at United State last month at the value of VND 1 bil, however, can not make the accumulated revenue to the level of that in 2007 (decreased by 30%).

In 2008, revenue decreased half. Although the number of orders stay still, the enterprise has operated at non-profit performance because the labor wage and material price have increased since March 2009. In quarter I of 2009, orders reduced by 30 – 40%, and output unit price reduced with about 10 – 30% of total outputs. These resulted in high losses then the enterprise can not sign some orders. Quarter 3 of 2009, some orders come back but at a limited value. International customers did not care about input price increases in Vietnam, but insisted in output price decrease. They said that because they could not sell products in their country.

⁷ Rapid assessments in Mar 2009: Sale revenue of Ha Thai 2008 estimated down by 35-40% over the 2007. That of Bat Trang is about 30%.

(G enterprise, 100% products will be exported, start having orders back from Quarter 3 of 2009)

It is non sense to compare the volume of orders over the same period last year when obviously at a much lower level. However, a good sign is that orders have come back to craft villages. There has increased a little in orders at Phu Vinh bamboo and rattan village since May 2009. One member of a Phu Vinh company, Mrs. Nguyen Th H, said that the order has increased, most to Japan (revenue at VND 15 mil in February - March, to VND 40, 60, and 100 mil in May, June – July, and August 2009 respectively).

It is about 50% of enterprise and household production units have new orders, however, at low value. Before each order had value of VND 50 – 70 mil but it is now only at VND 10 mil.

(Ha Thai Lacquer Craft Village Association, Ha Noi)

It seems that big enterprises get smaller impact and they often has orders from customers earlier than small enterprises. Binh Duong Lacquer Village has had better signal since June 2009 when many big enterprises and companies started to overcome hard time. Although orders from customers reduced by about 40% since March 2009, but from June, the order started to increase up to the same 85% in comparison with the same period of 2007. Facing more difficulties from late 2008, most of small and medium enterprises just have orders back from two months ago.

The output price reduce (by 15 – 20% in Binh Duong) while purchased price of intermediary outputs from small household production units stay the same (because import materials form China and gas prices increased, even lead to increase in that purchased price by 10 – 15 %), that results in revenue losses. The reduction by 50 – 60% in sales has happened very strong at Binh Duong since August 2008 until now. Bat Trang and Ha Thai craft villages have continuously faced the same situation of lossess since last survey. Unsuccessful negotiation in prices is the reason leading to no order. *“the customer still wants to order the products, but the enterprise and customers not come to an agreement on price”*.

Different from ceramics and lacquer handicraft, bamboo and rattan products can not be kept for a long time because of dampness. Therefore, bamboo and rattan craft enterprises have to stop production, and the remaining products can not be sought leading to losses. One household satellite unit at Phu Nghia district said that during the period of March to August 2008, they lost 40 million for inventory items so they stopped production since then. In August 2008, a different picture between enterprise which have orders (the workers still working in yard with full of materials) and the enterprise which do not have any order (there is no worker and materials in the production area).

The systematical decline also impact a lot to household business units who provided inputs and materials for craft villages.

"In the past, each month, we can sell over some VND 30 million of revenue (profit at about 10-15% of that), but it is only 10 million this month. Previously, we purchased 4 -5 m3 wood each time (10 m3 per month on average), but now we have had not bought any wood since after Tet."

(Company who purchased wood materials and then provided wood frame as materials for lacquer enterprises at Ha Thai craft village in Ha Noi)

One direction is that customers continue to order cheap products and popular goods for daily usage but not for decoration. The value of order is less than before.

This year the highest value of purchasing order is VND 60 million while it was 200 million last year (purchased output items valued at USD 6 before but now we can sell the 3-USD items only). Currently, there is no order left for August. Previously, we exported 5 -6 containers at value of USD 20,000 per one after each trade fair, but currently we have not signed any contract from the trade fair (we already invested VND 100 million to joint trade fair in Germany).

(One lacquer household production unit at Ha Thai handicraft village, Ha Noi)

In short, craft villages are still facing with a lot of difficulties: International customers want to stop signed contract. The demand of good is reduced. Payment is slow. The bank seems to close the door to small export handicraft companies and enterprises whose lack of loan for production. Even in Phu Vinh, some enterprises are not able to pay salary for workers on time. Trade villages are also facing with situation of increasing price of labor and living cost. The order form is low and limited. Payment and advance are not fully done as commitment, of which about 25 – 50% of agreed installments were delayed. The number of tourists – customers for locally exports, also reduced especially in Binh Duong since H1N1 disease happened.

Breakthrough in the value chain and initiatives in international marketing performance are considered as advantages of enterprises in the crisis. In-depth interview done with one enterprise in Bat Trang ceramic craft village noted that the enterprise have successfully maintained revenue at VND 20 bil thanks to product diversification, sustainable quality control and high prestige towards customers. Even they could gain a higher output price because of savings in costs for intermediate commercial companies. One medium-size enterprise in Ha Thai village, which beared 30% decrease in revenue in 2008 but now got a better signal of orders, also confirmed the solution to the hard time of crisis as product diversification, good and safe materials, as well as good relationship with customers.

b. Coping mechanism

The fact is recorded that firms stay at the minimum operation, move to low quality products, reduce waged workers, cut down the satellites, and reduce the cost.

Marketing efforts

Temporary strategy includes movements toward domestic business, or local export. Ceramic enterprises which have oriented to develop both domestic and international markets before the crisis confirm the domestic market as a buffer in the crisis time - “*go on two foot stably will be never afraid of bankrupt*”. However, domestic ceramic market shows the signals of saturated demand. Household production units specializing in domestic products commented the continuously decline in both the number of orders and numbers of working days.

However, in order to maintain the brand name and quality of export products, some firms exporting high quality products do not implement strategy of switching to local market. Usually, domestic products compete by low price which can not ensure the costs for high-quality as of exports.

Improve retail system all over the country and expand the markets to new foreign countries besides the traditional customers. Previsously, Phu Vinh Handicraft invested in showrooms in foreign countries such as German, France; currently, this firm withdraw it investment. As a replacement, Phu Vinh Handicraft Villages contacts with Embassies as Denmark Embassy, Hungary Embassy or “Department of Industry and Trade” for support their advertisement.

Minority choose to register new business directions as hotel and restaurant, or leasing space.

Enterprises and household production units in craft villages themselves have closed social network, comprised by relatives helping each other with capital, human resources, and orders. With the nature of satellite production network basis, orders coming back to a big enterprise will benefit a lot of small household production units in the village.

We have a loan from relatives with interest rate of 0.6%/month. It is such a favour that they can loan us at the interest of formal bank deposit.

(A household production unit with 10 workers in HaThai Village, Hanoi)

Qualified labor screening – unskilled workers are the first to be laid-off

Unskilled migrant labors come back to their hometown. The youth stop traditional craft production and move to other livelihoods. In Bat Trang ceramic village, some household production units have been stopping production, and the owner works as waged labor for others a little bit far in order to keep their reputation.

Interviews with informal skilled workers (having no contract) at craft villages illustrate the stability of the jobs in household production units having orders. It means that not the feature of having contract or not determining job stability, but being professional skilled or unskilled itself.

Crisis shows the process of technology innovation and skill improvement

Ceramic firms have developed new line of products using safe and good materials, and renovate technology to save fuel.

“Currently, we have already requested off-farm employment promotion funds to hire teacher training for the young and women in order to improve their skills. After training, workers know the utility purposes of different products, and how to design their own models”, large size firm in Phu Vinh (approximately 500 workers from 15 satellite sites in 2007) reported.

Intensifying quality checking in each stage as reported of a 10 – worker production unit in Ha thai, Ha noi: *“We now have free time to train the workers in details and require them to work more carefully so that products are more beautiful in the final stage. Previously, workers work impetuously, we only realized something wrong with the product until the final stage which are hard to reproduce”*.

Crisis shows vitality of craft villages – subsistence conversion

Craft production units of lacquers, ceramics, rattan in the north focus on create new designs, simplify production to reduce the price in the period of low purchasing orders. Allocation of one part of human resources to other jobs is only temporary measure. Households have tried to overcome the hard time with strategies of buying input materials with delayed payment (ceramic in Bat Trang), taking credits to buy materials, or maintaining the minimum number of workers. Production units are still challenged in the loan, especially small size establishments.

With scale of 400-500 workers (total number of workers from many satellite households in the village), firm B, which gained total sales of 2007 at VND 4 billion and discontinued its business in 1st quarter of 2009, now only maintains one half of total workers. Firm B has borrowed VND 1 billion in 6 months at Agricultural Bank, with the outstanding loan at VND 600 million. No order and no money to repay the loan in 6 months, this firm had to borrow a new loan to pay for this one. Simultaneously, the firm accepted to reduce profit margin,

miscellaneous cost to cope with the pressure of output price increase due to the increase of price of input materials.

(Phu Nghia, Firm B, orders return since 2nd quarter 2009)

Spare hiring of temporarily seasonal workers. For example, for the same order, the firm hired 40 workers in 2007, but only 30 workers with higher requirement this year. Firms also try to save the fuel, print.

(Firm G, 100% exporting in Ha Thai, orders return in 3rd quarter 2009)

The firms having orders save the job for their labors and donot hire the outside workers (Interview with Ha Thai Lacquer Association, Hanoi)

Try to maintain 03 skilled workers with the salary from VND 800 thousand to 1 million, but the family members change to produce ingot gold. Accept to reduce profit from 10 -15% in previous years to 3-4% this year. Relatives, who got VND 2 mil per month per head previously from lacquer household production, switched to produce ingot gold with income of VND 900 thousand per month per head (work skillfully for whole day). (Houshold producing lacquer in Ha Thai Lacquer Village, Hanoi)

In the south, 30 -40% of craft production units in craft villages in Binh Duong reported: “*there were 10 households producing lacquer previously, but there are 2 now in a hamlet on average*”. Switching to other livelihoods as services, agriculture, becoming workers in industrial parks shows the diversification and high labor mobility among sectors in the south. This feature may origin from the fact that craft-production households in the south live scatteredly and intermixed with households operating other livelihoods, and sensitively linked with the market.

c. Access to policy supports

Craft village continued obsesses with high interest rate in 2008 and high inflation since 2008. “*It is difficult to borrow or can borrow but interest rates is quite high, especially small scale units could not fully pay the interest banks, i.e., borrow VND 450 million each month must to pay VND 7.5 million interest (about 1.67%)*”. Therefore, when the problem of business is price negotiation pressure but not the order/demand, the role of interest rate is critical to help the enterprise reduce the selling price. Not reach the interest rate support, plus no successful price negotiations made enterprises cannot sign export orders. This raises the question for loan subsidy in Bat Trang ceramic village.

Borrow over VND 600 million with interest subsidy from the government stimulus package. Interest rate subsidized loan is certainly much better. Normally, the interest rates of bank loan is 1.05%. We could borrow at a lower interest rate than that normal one also help businesses increase profitability in this difficult period.

(Enterprise G, 100% export, orders back in the third quarter of 2009, Phu Nghia craft village)

About the interest-subsidy loan program, many obstacles, such as small businesses are impossible to access, bank branches are afraid of lending to craft production, requirement on bills, official receipt while bamboo and rattan are taken from forest.

(Business C, 500 employees, 15 satellites in 2007, Phu Nghia craft village)

Handicraft production units can get loans from the Support Funds of Cooperation Alliance, Fund of Agricultural Extension under Department of Agriculture etc., but no access to interest rate 4% subsidy due to a lot of requirements. Obstacles on the procedures: *“Knowing about the government stimulus package but cannot access because there is no land use certificates, proposing many times but it still impossible”* is the opinions of a cooperative ceramics have land outside Red River dike.

On the other hand, support time is too short (1 year – which is appropriate for a short-term policy support, but the period is actually much less than 1 year due to the delayed implementation guideline). When enterprise completes required papers for loans and being granted, the rest of time is not enough for collecting return on capital. In addition, to receive this policy, the exporter must have orders with the local authority certification. However, orders have just recently come back, the policy should not enough attractive to business benefiting in a too short period. A Binh Duong lacquer production unit signed a new contract (in September), can only borrow the BIDV (Bank for Investment and Development) at the interest rate of 1.8 to 2.9 % per year. *“It takes about 2 weeks for cumbersome required papers which were fully supported and insisted by Bank to provide me a loan of VND 200 million at the interest rate of 0.3% per month. Normally, urgent capital need is met by informal credit, not borrow from bank.”* said a production unit.

Because of informal characteristics, small satellite household production units absolutely have no access to those supports. Ceramics production units access only to informal credit (urgent loan from informal credit market at 1% per month) but do not access the capital from official funds or banks (from 0.7 to 0.8 % per month). These small satellites strive to maintain minimum production until burning out, they must temporarily stop their traditional jobs. Rattan village is in similar situation. It is difficult for enterprises to access stimulus package because the mortgage is low and cannot be eligible collateral, which means not meet the requirement for a loan⁸. It is also the common situation of about 60 – 70% of units in the village exporting products through the intermediaries.

There are many different trends of the demand for loans at the time of this survey. Feeling of market demand is too low as well as minimum operation should cause psychological dare not borrow to invest in production as at Binh Duong craft village. Ha Thai continues to acknowledge outstanding debts for basic construction, production house moving and difficult situation of order as well, that make access loans limited. However, even without orders, businesses still want to borrow to buy raw materials, i.e., “voc”, and “cot” (semi products for lacquers). Small enterprises which have demand for

⁸ The enterprise must be accepted for a commercial loan prior to interest subsidy benefit.

loans but cannot reach the stimulus package. For example, they need to borrow 1 million but cannot access it.

People in craft villages have reflected on a slow process of the crisis policy implementation. When export declines, workers started to do farming crops. They have heard about the interest subsidy programs to buy machines for agriculture but when they asked at agriculture banks (since May 2009), they receive the no response. Some of units took advantages of this agricultural support for craft production.

Bank is not interested in supporting rattan production. Many business units of this sector have to close because there is no capital and cannot reach the stimulus package. Business loans to invest in bamboo and rattan must be lie that they borrow to invest in agriculture.

(PD Company, craft village, had contract from the second quarter of 2009)

Positive responses from local people on other social policies which show clearly the role of safety net in the crisis, e.g. loan supports for education, particularly, student loans. Up to 90% of households in Phu Nghia, who have not enough money for their children go to college, university or vocational training centers, borrowed from student support. This program has more than VND 2,000 billion outstanding loans (for more than 200 children in the village). (Discussion groups in laborers In Dam Bung, Phu Vinh)

Most of all production units do not notice the role of craft village associations in supporting business in this difficult period. Associations have developed some activities of policy information sharing, awareness building on the development of society, management training, environment issue, or fair participation both domestically and internationally. The linkage among enterprises within a business association is still weak. The economic and business role of association has not been developed. Phu Vinh rattan craft association said *“Big contracts to tens of million USD required the investor to sign with an economic organization bigger than an individual production unit, which means the association, but we have not the state backup so no one dared to sign.”*

1.3. Tourism

Summary

- The tourism sector, which depends much on the number of international tourists, has been significantly affected. There is a clear decrease in the number of tourists. The decrease in the tourist quantity, resulting from careful expenditure because of the crisis, the epidemic and the inflation, is the main factor that also leads the 30-50% decrease in revenue and 50-70% decline in the profit.
- The enterprises with different scale in the survey share their solutions such as to economize the input costs, reduce the cost for employees, expand the clients, keep the relationship with the traditional clients and take advantages for staff training...eventhough in different degree and detailed activities. Most of surveyed enterprises do not cut down the permanent staffs but the collaborators and working days. The purpose of promotion activities and price discounts from price for rooms and tours to other service price is to attract more customers.
- Seasonal laborers and collaborators are firstly and badly effected. The decline in the laborers' income will lead to the decline in the expenditure.
- Tourism promotion policies, loan support and tax reduction are highly appreciated by enterprises. However, many enterprises also recognized clearly that they have to face with the objective difficulties on epidemic and world economic decrease in the next few months and put much hope on the international tourism season at the end of the year.

a. Business situation

Most of surveyed hotels, restaurants and companies confirmed both revenue and profits of 2009 lower than that of previous years at about 30-50%, and 50-70%, respectively. But impacts of global financial crisis on various groups are different depending on company scale, operation field, and main targeted customer groups.

Serious impacts of the cirisis can be seen clearly on those big companies which mainly target to international tourists and high-class services due to the sharp decrease of this group. Representative of a 4-star hotel with 90% international tourists says that 8 months early of 2009, the hotel faced a 15-17% fewer tourists and 15-17% less revenue against 2008 and as a result, they suffered from 70% lower profit. A big company of junk services on the bay with about 40 junks proved a 50% decreased foreign tourists, major of European, Malaysia, Thailand, and even 70% reduced Spanish tourists. Those junks which often serve Chinese tourist were seldom operated due to sharp decrease of this group. It is estimated by the company representative that they faced 30% less revenue and 50% less profit in 2009 against 2008.

Dropped revenue and profit caused by reduced foreign tourists can be less in those companies with higher percentage of local tourists. A medium sized restaurant with capacity providing services to 800 customers, which normally 80 % are tour passengers arranged by travel agencies, experienced the decline of daily customers in high business season of June – August from 2,500 people in 2007-2008 to 2,000 ones in 2009 and they received no Thailand tourist groups during 9 months of the year.

Ha Long tourism suffers from multi-shocks. Declined revenue and profit due to the crisis are the common situation recognized by almost surveyees but they also indicated various impact channels to their business as epidemic diseases, trade and tourism policies of China, inflation, seasonal features of tourism, etc.

As the tourism in Ha Long is used to receive a large amount of Chinese tourists, China policies and relating issues also affect remarkably the business. This can be referred to increased cost of passport making from CNY 100 to 1,000 during February 2005 to October 2006 or the policy of travel deposit which is up to VND 1 billion for international travel license and company can be fined strictly in case of any complaints from tourists about the tour to Vietnam. A medium company with travel and hotel business informs that despite policy of tourism attraction and stimulus issued by Vietnam, absorption of Chinese tourists into Vietnam is little due to domestic policy of China.

It is also of much concern about the epidemic diseases for difficulties of tourism. A medium restaurant shares the case of a canceled tour of about 900 people from a Ha Noi industrial park in January – February 2009 by the information of type A H1N1 flu in Quang Ninh.

Inflation and sharp increased input costs also affect companies much. In the context of reduced tourists, room costs in contrast of increased costs of electricity, petrol, foods, labour costs, etc., it is of certainty the sharp downturn of company profit. A private travel company with annual revenue of VND 5 billion (2008 and estimate of 2009) performs “not less revenue but less profit” as “tourists choose the lower services including accommodation in 2* hotel in stead of 3* one, VND 50,000 for meals in stead of VND 80,000”. 2 sellers in souvenir shops in Ha Long night market see the same situation of reduced customers, revenue and profits against last years. For example, a shop which often gained daily income of VND 500,000 with half of profit in 2005-2006 can now get profit for one third of that amount in 2009.

b. Coping mechanism

In order to deal with the decline in the sales and profit, and in the number of tourist visitors, surveyed firms at different sizes shared the same coping measures (but at different levels) such as save the input cost, reduce labor cost, and expand the types of clients, maintain the transaction with traditional clients, take advantage of free time for training to employees, etc.

Almost the surveyed firms implement reduction of freelancers, but not official employees, and reduce working days in a month. A small size travel firm reduced its freelance tourguiders from 10 to 6-7 persons, or 4-star hotel has its policy to reduce working days of its labors from 26 to 22 in a month.

Implement promotion and discount activities to keep traditional clients and attract new ones. About ship tourism business, in order to deal with the decline in the number of visitors, and to maintain the current brand name and traditional clients, a large size firm specializing in ship tourism in Ha Long Bay has reduced the service price from VND 360.000 to 180.000 per hour since the end of 2008, which only covers labor and fuel costs, and the firm accept no profit. About the restaurant business, some interviewed restaurants still maintain the menu price as the previous year, even while the material prices increase by around 15-25%. About the tour business, a medium size joint stock company running its business from 2007 reported that the firm sustains the frequent relationship with clients by reducing the tour price. There were ¼ of 90 groups of visitors receiving services at no profit margin. Hotel price is recorded to be reduced from 10 to 30%, which just enough to cover the operational costs and mostly in the winter (not the business season). The price discount is partially under the tourist promotion policy led by the local authority and partially due to factor of being down in the weak business season. However, the comparison between the increasing trend of hotel room service price rate in 2008 with that of a decrease by 25% in 2009 on average showing clearly a coping strategy in the time of economics crisis.

Firms at any size cut down the cost including labor cost (e.g. reduction on number of working days) when their total sales and profits decrease. However, due to the typical feature of service sector, some do not intend to reduce labor cost but find other solutions, even accept losses in a period. Small restaurants expand its services with breakfast and dinners to maintain its laborers and income for their employees.

c. Access to policy supports

All of enterprises in Quang Ninh high commend on the role the local authority on tourism activities (Provincial Department of Cultural, Sport and Tourism) relating to tourism trade promotion and market expansion. Enterprises also respond positively to policy of room and service price discount for stimulus aim.

Reducing 50% VAT is also considered as a good policy, especially helpful and right time when it helps to reduce the price and stimulus the consumer/tourist.

Although enterprises know the information about stimulus package, no one in the survey have benefited because of no demand. Interviews with some tourism business show some concerns and obstacles of procedures. A hotel had plan to borrow VND 2 billion to increase the business operation, ready to welcome more guests after the economic recovery, however, it still worried in the difficulties of complicated procedure. A cruise enterprise is waiting for approval by the Department of Transport to built a new ship before accessing to loan.

1.4. Agricultural based export

Summary

- Quick surveys at the 2 communes in An Giang specialized in the catfish raising for exported purposes have revealed many problems. Along with the slight decrease to the general exported price at about 8-10%, the lacking of investment capacity for fish foods make enterprises suffer from losses. Provincial price for catfish dramatically reduce under the price standards. Losses in the rich households lead to the decrease the income of 50% household living on rent land, and increase the number of immigrated workers.

a. Order and production situation

Catfish and rice production areas were selected to be surveyed as a representative of agricultural based export production. Rapid assessment in An Giang showed a hard time of agricultural export with order decrease leading to delayed payment to farmers who raise catfishes. Not as usual, payments are delayed to 30-45 days and splited into several instalments. Unsuccessul sales with low price, delayed payments, and bad debts to farmers' payment up to 50%, are those of current difficulties of catfish producers, leading to bad impacts on seed providers.

Fish seed providers, as a result, currently have a bad selling. "in the past, we sell small catfish after 1 month and 20 days raising , but now the duration is 4 months already but no farmers asking for small catfish."

Facing a decrease of export order, fishery processing companies reduce purchase of catfish from farmers. This make household in lost as fish became too old, which mean

more investment in inputs and lower output price unit. The bigger size the farming is, the more lost they experience. “Fishery processing companies do not buy fish in time, then our fish become bigger. We have to raise 105 ton of fish in 2 months more than usual, causing the lost of VND 300 million” (Farmer, fish seed cultivation, An Giang).

Unstable catfish output price, input price increase, more diseases are those make catfish production in trouble.

Price of fish seed reduces by 30% since last quarter 3 of 2009 (about VND 60 each small fish in Mar 2009, down to VND 40 as current price but can't find the buyer).

Total input expenses for catfish is about VND 10,500/kg for mash and sea fishes to make food for catfish, plus oil and burning material. Other investments are payment for fish seed, labor cost, and bank loan interest (a few hundreds of million VND each year). Those all make total input expenses for one kg of output up to VND 14,500 this year. But the buyer only set purchase price at VND 14,000. So it is big lost.

(Ho Van T., 53 year old, invest VND 6 bil for fish cultivation, having bank loan at VND 2.2 bil and have 5 fish ponds)

Fish price sharply reduce less than investment expenses per unit. In 2007, purchase price is about VND 16,000-17,000 per kg. In the second half of the year 2008, the price per kg is about VND 14,000-15,000, and then reduces to 11.000-12.500. Meanwhile the cultivation cost and transportation fee increase about VND 2,000 per unit over the same period last year (the cost is about VND 10,000, 12,000, and 14,000 in 2007, 2008, and in 2009, respectively). At the moment, the best sale price can increase to VND 13,800 per kg but still below the investment costs due to the increase of oil, mash, seafish to make fish food.

Value chain issue:

- Company delay full payment for fish cultivation household. A fishery processing enterprise informs a price decrease pressure from customer. Some order to reduce output price by 20-30%. Difficulties in orders from end of 2008 made company reduce the average price by 10%. Turnover of 2008 also decrease by 10%. Difficulties experienced in all markets. The fishery production association also confirms the same situation when overall price reduce by 8-10%.
- Intermediary commercial businessmen play an important role. Their performance depend on the fish supply and price. Their income also decreases when the fish cultivation is in lost or no collection from the company. The market deduction in the last 3 years made them get lost in income by about 30% and not stable.
- Input provider for fish food: the fish cultivation farms often purchase food for fish on credit, so when the fish selling in slow, the input provider for fish food does not dare to have big investment.

According to the monthly report of meetings among producers, farmers, intermediary businessmen and local authority⁹, crisis impacts make worse the situation of limited market access due to big supply surplus, low quality (do not meet the requirement on food security is one of the reasons that make order to Russia market terminated); companies increase export and compete by lowering prices.

Fish cultivation in Chau Phu distric, An Giang

	2006	2007	2008	Quater 1+2/2009
No. of fish ponds	2.469	3.294	2.513	
Area (ha)	363.4	473	514	
No of catfish ponds	1.543	2.949	1.671	185
Catfish pond area (ha)	275	435	369	37,96

Source: District department of rural and agricultural development

Catfish cultivation areas sharply increase in 2007, that make a big increase in supply in 2008. Supply increase obviously leads to price decrease pressure. In a surveyed commune of My Phu, catfish areas increase from 85 ha (2007) to 150 ha (2008).

An alternative livelihood of rice production can not help to cover big losses of fish cultivation. Rice farmers are now facing low output prices, while high production costs, more fertilize, and diseases, ect. For example, over a field of 1,000 m²¹⁰, inputs (fertilize, pesticide...) cost about VND 700,000 – 800,000 but now up to 1,200,000 – 1,300,000. High cost but low productivity.

Winter -spring and summer-autumn crops in Chau Phu district, An Giang

	2006	2007	2008	Quater 1+2/2009
Area (ha)	68,729	68,341	68,303	69,135
Production volume (thousand ton)	438	442.8	453	253 ¹¹

Source: District department of rural and agricultural development

The productivity is 7 ton/ha in winter-spring crop, about 5.6-6 ton/ha in summer-autumn and about 5.5 ton/ha in autumn-winter crop (farmers can only cultivate the 3rd crop in 30% of total area).

Crisis impacts through several channels and on various groups, among which famer and those lack of capital are most vulnerable to these shocks. In general, a part of these negative impacts is that when farmers saw big profit in previous period, a lot of them moved to catfish cultivation, leading to too big supply surplus and price decrease pressure.

⁹ Report done by Provincial department of rural and agricultural development.

¹⁰ 1-công field in local land unit system

¹¹ Only 1 crop done in the year

b. Coping mechanism

Limited investment on catfish raising production

- The farmers do not have enough confidence for investment into production due to the difficulties in finding the market while the input's prices (e.g. fertilizers, insecticide, stuff, fish, oil, etc.) has been remarkably increasing.
- Small seed fish raising farms do not want to buy food for seed fish. Because of a fewer buyers so far, the duration of seed fish raising has no way but only being extended. The bigger seed fish is, the more difficult to be sold. With a water area of 2,000 m², foods for seed fish raising would cost around VND 13,500 per kg. With twice feeding per day, it would cost VND 810,000, equal to VND 24 million per month.
- Survey on some fish food wholesalers has shown a decrease in investment for the fish pond. "Upon end of 2008, around 100 tons of food for fish raising has been sold per day. But from beginning of 2009, we has sold 3 packages per day, mainly food for seed fish, which mean only 60 tons totally in the first 6 months of 2009" said a wholesaler in An Giang.
- In 2005 and 2006, the farmer got remarkable profit from the peak-selling price. However, they started to suffer a big loss from 2008 due to the falling in fish price. Reduce the number of workers for catfish raising turned to be the popular solution. This is reasonable when cut down food investment for catfish means no more demand for workers to cook for catfish and to feed them. Some pond holders has temporarily stopped the production due to big loss. *"In 2008, the catfish raising in this pond has to employ 4 regular workers (cook and feed catfish) with salary of VND 1.2 million per month. Currently, no workers and the family has to do the job. Other small scaled farms coped by accessing informal "hot" loan with very high interest rate (3% per month) from money lenders or agricultural production shop owners. I benefited from the formal bank loan since my business is quite big"* (Hò Văn T., 53 year olds, with 5-fish-pond investment at VND 6 billion, and loan of VND 2.2 billion from the bank).
- In My Phu commune, there are about 20% out of more than 600 fish ponds stopped raising fish, let alone alots of ponds changed to raise non-catfish.

Borrowings

- Due to the unstable market price, limited owned capital which result in the fact that farmers have to rely on loan to buy food for catfish raising, particularly raising production of every two ponds costs around VND 25 – 30 million per day for fish food. *"No other choice but we have to bear the high interest rate for loans because the situation even becomes worse if the fish is sick because of no food. Hot loan or loan from agricultural production shops has interest rate of VND 3 million for VND 100 million borrowed (3%) per month"* (a catfish pond owner).
- Due to credit tightening, many fish farmer could not access a loan to buy food for their fish even when the fish is going to be harvested. They can only access to informal loan with very high interest rate, plus the situation that they can not pay

back the loan due to no selling or no immediate payment. *“Interest on interest make me face with VND 40 million as interest for the outstanding loan at VND 1 billion in 1 year (i.e. 3.33% per month)”* (a catfish pond owner).

- Such famers who, firstly, suffer from debt from agricultural production shops, secondly high interest rate of informal loans, thirdly rotate formal bank loan. Therefore, farmers, having both of fish pond and rice field, will sell rice at any price to pay back the loan. *“They know when the harvest comes, it also means time for payment, since their loan is just short time”*. As a result, despite low rice price, farmers still sell their rice to remain their credibility with material shops or banks.
- Catfish raising production require a big very investment. The bigger decrease fish price is, the higher cost farmers have to suffer, which make them worsen in debt¹²situation. Agricultural land mortgage to get money to survive in hard time is a popular coping measure. *“We have 2 catfish ponds of 2,500m², but now one has been left empty, the other one has very few fishes. I do not know what to do to keep my family survive if the fish price is still decreasing, I already mortgage my cultivable land of 10,000ha for VND 100 million”*(a catfish pond owner).

c. Access to policy supports

Agriculture enterprises in province have accessed to 4% interest subsidy policy but local farmers could not receive any support.

Only a small number of fish production units reach the stimulus package with 4% interest rate support because:

- Most of cases still have outstanding debts, which means not being able to access to a new loan. Interview with local authority shows about 90% of households who have been facing difficulty of business and low price still own Agriculture Bank.
- Most of the production units transfer the 2-crop rice land into ponds (aquaculture purpose) without changing the land use certificate yet. Insufficient documentation for loan proposal (certificate of training participation on aquaculture production safety and sanitation, wastewater processing certificate; certificate of aquaculture license, land use certificate indicating the purpose on aquaculture, official financial bills).

¹² There are two different types of land mortgage at the local area. One, called “Cầm đất” in Vietnamese, is to transfer temporarily the ownership/land use right (3-5 years normally) to get one amount of money, still keep the cultivation in the land, and promise to pay it back otherwise have to sell the land at a very low price. The other, called “Cổ đất” in Vietnamese, is the same but no cultivation in the land.

1.5. Informal labor market for services – Demand side¹³

Summary

- Demand for the unskilled jobs at the mobile labor market points in Hanoi remains at low level as compared to previous surveys. No jobs and no income account for 30% of duration waiting for jobs at labor markets. The wages still remain 1.5 times higher than the year 2008 up to now.
- The changes in the labor supply is also different (increase vs decrease) in the market points. My Dinh, Bui are the points that increase the labor supply because of the labor immigration after their harvesting time, unemployment people and farmer losing their crops. Meanwhile, the labor supply decreases in market points such as Pham Ngoc Thach because there is few works for unemployment people.
- Borrowing and saving are the solution to have some remittances back to their families. Other way is to move to the South for informal jobs.
- The trends in migrating from economic zones to the countryside and moving to the free and informal sectors express the mobility, flexibility of labor market segments.

Discussion with informal workers in Hanoi informs the continuous situation of fewer jobs in comparison with a big number of underemployed rural people migrating to the urban areas for work. *“Even when the job requires 2 or 3 people only, all 6 of us share the job and income”* this saying not only shows the characteristics of high social capital among rural groups coming from the same hometown but also the current underemployed situation.

Job decreases by 30% over the same period the year before, which is the same as the survey in Mar 2009. More construction projects than the year 2008 but rural migrants waiting for jobs at informal labor markets in Hanoi still not get jobs due to the development of professional groups which are closely formed based on social network at hometown. Normally, out of harvest time, during the rural leisure period, the female labor migrating for work in Ha Noi can earn about 10-20 working days per month. However, *“recently, if we migrated for works here for 10 -15 days, then we had no jo'b in 2-3 days”* said a male migrant in *My Dinh* labor market. In *Bui* labor market, *“the workload reduced 30-40% over the same period last year”* (female migrant groups interviewed).

However, despite of job shortage, the daily working wage is higher (but unstable). Interviews inform that labor wage for unskilled jobs like heavy carrying, cleaning, and unskilled construction supports increase one and a half compare to 2008, which was said

¹³ The coping mechanism will be discussed at the part of impacts on labors

last survey Mar 2009. However, this unstable wage will change in the day. *“After 9 -9.30 AM, if we have not got the job, we will accept any job at any wage then. For example, we can accept VND 10,000 per hour for cleaning the house, despite that it normally costs VND 15,000-20,000 per hour differently by house” (interview female migrants in Buoï market).*

1.6. Central Highland – Gia Lai mountainous and ethnic minority area

Summary

- With economic strength is based on industrial plants, the economic crisis go in line with sharp decrease in output price in 2008 (rubber 50-60%, coffee fell by about 45%) which is considered as the big shock to business industry, workers and farmers in Gia Lai. However, rubber prices increased (still less than 36% over the same period) also helps to reduce the burden of businesses then they can change their strategy is not to cut jobs or reduce hours of labor for forestry field workers.
- Impact to workers movement is negligible, especially for local workers. Also noted that there are few workers come back to cultivate coffee. Statistics show that the laid-off workers are about hundred people (400 in 2008, 250 in 2009), has been not significant, concentrated mainly in exploiting and forest processing products, particularly plant rubber, wood, granite production, packaging paper production, cassava.
- Due to Inflation, the input prices increased significantly (such as daily rate or fertilizer prices) plus higher oil prices raise production costs then reduce profits. Coupled with increasing in prices of essential goods (rice, fish, meat, cooking oil, ...) make the real incomes of our compatriots go much lower, the poor households has become more difficult, some of them were felt into poverty.
- Level of impact is different among regions and ethnic groups by living in different areas (the Truong Son Dong area with exhausted soil, mainly food crops - little effect; Truong Son Tay area with fertility soil , growing rubber, coffee ..., more open economic thus impact should be more). In the places that had been more affected if the people income mainly depends on wage (workers) for fixed rate (paid by revenue) or relies heavily on the coffee tree when coffee price decline. The productivity between group ethnic minority and Kinh is still difference that brought about the difference in wages. Ethnic minority workers seemed to be more affected in income decrease.
- In the Program-135 communes, there have programs to support manufacturing investment, education, and health care cost thus help to reduce the negative impact to ethnic minority people life when the price of rubber, coffee had been reduced.

a. Order and production situation

Economic depression and export market pressure make prices of coffee, rubber, and other agriculture products like cassava sharply decrease. Rubber price has been decreasing since the middle of 2008, to the deep by Nov 2008 (down by about 50-60%) when coffee price reduced by 45%. However, the price currently tended to increase, but have not reach the high level as in 2008.

Price fluctuation

	Jun-Jul 2008	Sep 2008	Nov 2008	Dec 2008	Mar 2009	Apr 2009	Jul 2009	Sep 2009
<i>Rubber latex price (VND mil/ton)</i>								
Rubber company X	54		17	22	28		35	38
Farm Y	40		17	20	--- ¹⁴	21-22		27-28
<i>Coffee price (VND ten thousand/kg)</i>								
		40	22,3					25

Findings from rapid assessment have confirmed the report of MIP on rubber and coffee export fluctuations. Average export price in 2009 of all products reduced over the same period of the first 6 months, such as rubber (by 44.3 %), pepper (34.48 %), coffee (28%), rice (35.2%), peanut (14.74%).¹⁵ In the first 6 months of 2009, export turnovers of some main industrial crops decreased, such as by 12.07%¹⁶, and 47.98%¹⁷ at the cases of coffee and rubber, respectively. As for August, these figures are 17.3% and 43.4%, respectively. This is the main reason leading to a decrease in total export turnovers, even when the total quantity of products increases over the same period of the first 8 months in 2008 (export volume of rubber and coffee up by 8.2% and 16.8%, respectively).

Wood products are slowly consumed due to people cut down spending. That decreased demand results in the situation of order shortage in wood processing enterprises both targeting to international and domestic markets.

Price fluctuations with the increase in input cost and the decrease in output price at field is hard double-shocks to majority of farming households in the region¹⁸. They suffer heavy losses because of high cost of fertilizer. Since May 2009, fertilizer price has

¹⁴ No harvest due to the natural characteristics of rubber.

¹⁵ Statistics by MPI June 24 2009

¹⁶ Coffee export increase in terms of quantity in the first 6 months but decrease in terms of value due to a decrease in unit price by approximately USD 500 per ton over the same period in 2008.

¹⁷ Rubber export decrease sharply in terms of both quantity and value, especially the value decreasing rate is much higher (down by 6.83 % and 47.98% in terms of quantity and value, respectively).

¹⁸ In 2 communes in the rapid assessment survey (Tân Bình and Yapêt in Gia Lai), coffee is a main livelihood of local people. Most of households in communes have coffee fields normally from 3 *sào* (local land unit which is about 1,000 m²) to 1ha. Coffee crops is the main source of income of any household even having salary or not. At the peak of coffee price, a household having a medium size of coffee area can earn about VND 50 mil in a year. Rubber, requiring big investment and techniques, can be only harvested by enterprises or farms.

seemed to reduce dramatically¹⁹ but export price is not able to recover. However, the reduction of fertilizer cost has kept people slightly optimistic at economic situation. There have been some positive signals on productivity and coffee output this year.

Losses due to high cost of fertilizer and low coffee purchase price in Nov 2008

Price/Time	Sep 2008	Nov 2008	Sep 2009
Coffee price (VND/kg)	40,000	22,300	25,000
Nitrogenous fertilizer price/quintal (VND mil/quintal)	1.4	1.4	0.76
Kly price/quintal (VND mil/quintal)	1.7	1.7	1.1

b. Coping mechanism

Given the difficulties caused by the crisis, the enterprise has utilized the financial policy to maintain its workers dedicated to rubber. Wage of labor of Rubber Company X. is calculated on the basis of the enterprise turnover.²⁰ Therefore, with the decrease in enterprise turnover, wage of workers was supposed to reduce by 50% in November 2008. However, under the policy of financial measure usage, particularly using the contingency funds, the enterprise ensures the wage not under the minimum level, in order to keep stable the living standard for workers.²¹ In addition, the enterprise does not cut other benefits such as shift allowances, or that for hazardous and dangerous occupations.

For the Farm Y., the wage level estimated at the beginning of the month is calculated equally 30% over the selling price of 1 ton of rubber at that time. In case the actual rubber price higher than the base one, the difference will be reallocated to worker. On the other case, when the actual price is lower, the Farm will offset the deficit by contingent wage to ensure stable living standard for workers.

Where some labors leave the company because of unattractive wage, rubber farm will communicate, meet and persuade village patriarchs, heads of mountain village, mobilize workers to be fond of the farm.

Labour policy measure like working hour reduction, or making worker laid-off is not the coping mechanism of rubber enterprises. Partly because of local labour development policy, features of social situation stability, companies still ensure all benefits for labor. It

¹⁹ Because of a supply increase (imported fertilizer increase), low demand, and low international fertilizer price (as the international fuel price fluctuation).

²⁰ Wage of labor is paid based on the production volume. Wage of labors who do cutting to get rubber is based on exploited latex volume. Wage of labor who take care of rubber trees is based on the area they work. In the rubber company X., on average in 2008, wage for labor processing rubber at the factory, doing exploitation, and caring rubber trees were VND 4 million, 3 million, and more than 1.5 million per month, respectively.

²¹ This policy is applied through out the year, even in the non-harvest rubber season in 3 months of rubber leave falling (from January-March). Labor without work still receives from VND 500 – 1 million per month from contingency wage funds of the enterprise.

is noticeable that some labors voluntarily quit the companies because the wage is lower than their income if they work at home or doing waged work in coffee field.

Strategy on expenditures savings is also implemented, for example, reduction of conference expenditures, no organization of party, waste, etc, communication for labor to practice savings, and reasonable expenditures. Unit price for calculation of wage of labor is also reduced: from VND 9,000 per kg of dried latex in Aug-Sep 2008 to VND 6,200 per kg²² in Nov-Dec 2008.

Farmer salary

Time	Price/ton of rubber	Salary	
		Harvester	Other worker
7-8/2008	40 mil	Above 4 mil/month	91,000 per day x Max 15 day/month, average 1.5 mil/month
10-12/2008	17-20 mil	Min 1.5 mil/month	
2-3/2009	No harvest	Average 1mil/month (from Contingency funds)	
4/2009	21-22 mil	Average 2 mil/month	Waged labor substitute
9/2009	27-28 mil		

Investment reduce was instructed by the General Corporation. When the input price increases: rubber area with less than 1 ton capacity will not be taken care with fertilizers, one with above that will be with 50% of normal quantity.

c. Access to policy supports

Stimulus package with 4% interest subsidy has a significant impact on helping reduce the difficulties for businesses, especially with commercial enterprises trading industrial crop products.

However, within a too short time in 2009, some companies had to worry loan payment shortly (because the program has been implemented slowly). Complicated procedures, access difficulty, too short term are shortages reflected from the enterprise. In addition, the provincial branch of Bank for Agricultural and Rural Development also provide some supports to the aquacultural enterprise until the end of 2010.

Besides, the policy of preferential recruitment for indigenous people, especially ethnic minorities, training, and employing them, has performed well by enterprises.

²² The price at VND 6,200 is partially subsidized by the wage contingency funds of the Enterprise.

2. Income impact on employees

2.1. Jobs - Reverse trend of increasing labor demand on formal sector

Many companies have order coming back and recruit workers

The survey showed that various recruitments of thousands labors, mainly because of high mobility of labor within and between sectors. For example of some recruitments in Binh Duong province: 2,100 employees in Kaiser company, 2,000 in Esprinta, 1,000 in Dong Hung, and 1,000 in Sung Hyun Vina etc.

Many enterprises in Dong Nai industrial zones usually hang banners announced labor recruitment with large numbers. Labor in footwear and garment industry get the highest demand for. Enterprises such as Dong Nai garment joint stock company, Epic Designer, NOK, Mabuchi Motor, BITIS and etc...also need to recruit from a hundred workers or more. Vietnam Scamcon Company needs to recruit about 300 unskilled workers but the personnel department going to provinces in the southwest still can not find enough workers. The company has recruited a few dozen workers in a Job fair in August 2009, and do not know where to look for 200 missing places.²³

Worker shortage situation also reported in the northern provinces, namely Hanoi, Bac Ninh, Hai Duong and Hai Phong. In North Thang Long industrial zone or Hai Phong, workers rarely comply with the strict discipline of Japanese, Korean or Taiwan investors. In Bac Ninh, local workers are not enough to meet the demand of new industrial parks. In Hung Yen, young workers prefer not to do extra works. But the main reason is that wage in such industry is not as so attractive as before, especially in the period of high inflation. Most other electronics enterprises in Hai Duong has recovered with labor recruit banners hanging back after 1-2 months temporary closing.

However, high labor mobility and increasing order expectation for the business season by the end of the year, as well as the expected recovery of the economy in general in early 2010, all those three factors making enterprises maintain high recruitment demand with recovery expectation. This means that high worker demand does not mean jobs, extra shift, and overtime income back, which is confirmed through discussions with workers about employment situation and their income, particularly in groups of garment, leather footwear and electronics workers.

²³ “Tỉnh Đồng Nai “sốt“ lao động do sản xuất phục hồi” – Thông tấn xã Việt Nam 19/9/2009 - <http://www.vietnamplus.vn/Home/Tinh-Dong-Nai-sot-lao-dong-do-san-xuat-phuc-hoi/2009/17829.vnplus>

Electronics company laid off 100 workers in the March 2009 and remained about 300 workers. In July 2009, this company began recruiting and labors work all day includes night shift with basic salary of VND 1.3 million, plus monthly allowances for petrol, regular working, house rent, and daily lunch of VND 150 thousand, 50 thousand, 60 thousand, 12 thousand, respectively. My total income is about VND 1.6 million per month including income of extra works. I am very afraid of losing my job.

(Doan Dinh K., age 23, from Ha Tay, grade 12, cutlery worker, North Thang Long Industrial Zone, Hanoi)

Electronics company D. cut down 400 employees (in total 2,000 employees) in the period from late 2008 to April 2009. Unlike some other companies that hire new workers instead of calling the old ones back (e.g. automotive assembling company D. employed 1,000 new workers in August 2009), from May 2009, the company began to recall old workers, who was voluntarily laid off with benefits of 2-month salary and 1-month insurance contribution, to return to work. However, low wages and allowances (total salary of around VND 1.7 million per month) so many people do not return to work. Attractive average salary of the worker is believed around of VND 2.4 million per month including income from extra shifts like in the electronics company C.

(Group discussion of women from 21 to 25 years old in electronics companies. Migrated from Hung Yen, Thanh Hoa. Bac Thang Long Industrial Zone, Hanoi)

Labor shortages in all survey sites

In contrast with the observation last round when workers were laid-off and unemployed in Mar 2009, labor shortages regards the unskilled as well as skilled one are experienced at all survey sites.

All sectors, especially garments one, are in shortages of unskilled labors. Enterprise interviews reflect that they want to recruit labor but it is very difficult because of labor shortage. Laid-off workers had moved to other areas (informal sector or rural areas). In addition, low wage can not attract workers.

"Recruitment offers a salary of more than VND 2 million per month, but it is not easy to get that level - we have to work overtime and have no mistake. Although wages have increased a little but can not catch up with the living costs raising" (worker discussion in Hochiminh city). Wage increasing is not an easy solution facing the constraint of competitiveness assurance with cheap labor, and closely links among enterprises under the associations/parent company, which limit an individual member's ability of wage adjustment.

Orders began to recover from last April 2009, and currently achieved the level before the crisis, but there are not enough workers. Therefore, the enterprise plans to propose the provincial department of labor an extra shift volume up to 300 hours per year due to shortage of labor and increasing of orders.

(Wholly foreign-owned electronics company, Hai Duong industrial zone, major market is Japan)

However, difficulties from international corporation restructure or high domestic competition are still main reasons of some enterprises facing the cutting down of workers.

Number of employees under long-term contracts is 210 in 2007, 188 in 2008 and 102 in March 2009. We had to cut 72 workers in 2009 (40 men, 32 women) adding up on the total of 99 employees under the working hour reduction policy so far. (Wholly foreign-owned electronics company, based in the south, major market is South East Asia)

In our company, there were 7,972 workers in late 2007, 7,751 in late 2008, only 5,434 workers by March 2009, and 4,119 people in August 19, 2009. (Wholly foreign-owned sport shoes company, based in the south, major market is the United States)

Higher labor mobility between companies, unlike in the previous survey round which was hard to find work in other companies.

High labor mobility due to low income makes workers easily move to where having a higher payment. This causes difficulty not only in recruitment planning but also in personnel management, especially regards social insurance. Even though having not so many orders or no extra shift, the enterprise still always has to recruit and train new workers to replace the skilled ones moved to other companies, otherwise the enterprise can not be ready for new orders. A director assistant of a footwear enterprise X. with more than 8,000 workers at the time of survey in Hai Phong, gives a clear example of high labor mobility in the sector: *"We are facing the labor mobility daily. Today, we just recruit a few dozen workers, but only tomorrow we expected to lose 300 workers"*.

Nguyen Thi Tr., female 27 years old, grade 8, come from Daklak, does not want to be a farmer, left home since when she was 21 years old because of a hard situation of a large family with 8 brothers and sisters. She has four-year experience of working in a private garment company in Ho Chi Minh. Because of low wages, inadequate for spending in an expensive city, with the information from a relative, T. moved to work in a footwear company in Binh Duong Industrial Park. However, she also worked there for only 3 months and then left because of no insurance, hard work, too many extra shifts with low payment. She switched to another company in the footwear industry with a little bit higher salary, but only worked for 5 months as the work pressure was too high. From

February to May 2009, she worked in a garment factory, then quit because of too low income. She decided to come back to the hometown and get married, but soon in July 2009, she applied for a garment company in the industrial zone in Bien Hoa City, Dong Nai. (Group Discussion between women workers Dong Nai)

Worker mobility still occurs between sectors.

Worker mobility are still ongoing from village areas, informal sector in Hanoi urban, the industrial zone to the rural areas under the pressure of higher prices and remittances expectation. Also at the same time, there is an increasing the flow of labor migration from rural to industrial parks to find work, especially when recruitment information is spread through the social networks among relatives and ones from the same hometown.

Migrant informal labor in Hanoi trade villages came back their home to work as carpentry, wood, welding because jobs were stable and near their home. Bac Giang people moved to their local garment factories, or growing maize in the hill. Phu Tho people moved to do small construction works. They do not want to go to back to work as migrants with the salary approximately at around VND 1-1.2 million. This results in difficulty in finding labor replacement because it takes 2-4 months to become proficient in work.

(Group discussion between workers in trade village, Bat Trang, Hanoi)

Nguyen Quoc T, male, 25 years old, grade 3, from Can Tho, left home since he was a 16- year-old farmer with hard life and facing landlessness. T. strived to make a living in the city as small construction worker, heavily porter... In 2003, T. applied to workers in a wood processing company for a while, then to a footwear company. Crisis made this company bankrupt, T. was unemployed and back home for a half of months. At the hometown, T. could not find a job, just hanging around because jobs in local industrial zone were supposed at low wages. T. was on the way back to Ho Chi Minh City to find a job. In June 2009, T. was recruited by a garment company in Linh Xuan Industrial Park, Thu Duc with an income of VND 1.8 million per month.

(Groups discussion between workers in Ho Chi Minh City).

Labor supply fluctuations have also different trends in different mobile labor markets in Hanoi. In the labor market at My Dinh, number of informal labor migrant from rural areas rise up by the end of June after the rice crop harvest in May. Number of migrants looking for jobs in Buoi market increased by about 20%, who most come from Thanh Hoa, and Nghe An, and have to rent places over nights in Hanoi. Interviews find their main reasons of migration: the flow of workers lost their jobs in the South head back to countryside, and then to Hanoi; and the summer-autumn crop losses in 2009, and agricultural price decrease²⁴ push more farmers to migrate after the harvest.

²⁴ Summer-autumn crop losses in Yen Thanh, Nghe An. Pig price decrease from VND 25,000 to 18,000 per kg. Rice price down from VND 8,500 to 5,500 per kg.

However, at the labor market at Pham Ngoc Thach, the number of migrants looking for jobs reduced by over 30%. An increase in labor supply reported in March was the flow of unemployed migrant workers mainly from Thanh Hoa province. However, those who have been looked for daily jobs at this market for over 10 years show that they were familiar with underemployment, even in weeks. In contrast, the newly migrants to this place could not be patience, just a few days without work, they were rush to travel to find work elsewhere. They were supposed to move to the South for small informal construction.

Even for the flow of migrant workers within the province, it is very difficult to have long-term commitment of workers with the enterprise. With the local workers accounting for 80% of the total in the enterprise, and the rest from other provinces (Tuyen Quang, Hoa Binh, Hung Yen, Phu Tho, etc.), enterprises in Hai Duong provinces have offered workers with stable wages as well as initial support for migrants such as traveling arrangement, and accommodation.

2.2. Income - Increase not keep up with cost of living

Increase in income of workers in formal sector

Job and overtime work are back. Particularly, the orders back but lack of workers leads to excessive overtime in many companies. In Ho Chi Minh City and Dong Nai, a group of workers in garment and footwear companies add 12-16 hours of overtime a week, thanks to that the worker income increased by about VND 700,000 per month. Many companies have extra shift for all workers in the whole month. The survey in Binh Duong showed jobs and overtime shifts are back but only part of workers get earnings equal to the level before the crisis. In particular, workers in wood companies in Dong Nai and Binh Duong always work overtime until 8.30 pm, which means the income has risen back to the previous level.

Meanwhile, observation at the migrant worker area nearby an electronics industrial park in the north (Kim Chung commune in Hanoi), shows that the income has been increasing but less than the previous level. Many workers, who were the laid-off head back to rural area, facing the underemployment, now returned to the industrial park. They even left their local industrial parks such as in Bac Giang or Hung Yen because they got used to works, wages, better welfare regimes, and life in big city like Hanoi. Workers now can have income at VND 1.7-1.8 mil per month, which is less than the previous level at about VND 2 million (up to VND 2.3 or 2.4 million with extra shifts) before the crisis.

However, signal of recovery is not the same across industries, and across enterprises within the same industry. Many businesses still have problems. Management Board of Dong Nai industrial zones said that about 81% of enterprises continue to have difficulties,

27% have not planned the detailed production and business activities during the late five months of this year.

Some groups of workers in garment and footwear companies in the area of Thu Duc, Ho Chi Minh City, Dong Nai said that job was back, but very little overtime shifts. Not all production lines at all time experienced the extra shift. Thus, workers' wages was only in a range of about VND 1.3 to 1.6 million, still less than the level of about VND 2 million before the crisis. In Dong Nai, a group of garment employees worked overtime a little at only 5 hours per week. Some garment workers said the employees still worked without extra shift due to few of orders in around Jun-Aug. Also in Binh Duong, interviews with garment workers show the job recovery but less income increase with footwear workers.

Average wages in the formal sector and villages have increased but a little of work.

Unskilled migrant labors in craft villages quit off the job, only skilled ones were employed by large enterprises, which preferred cheaper labors from far provinces such as Phu Tho, Hoa Binh. In order to get contracts, the enterprise accepts no profit, and workers accept low level of total income. However, the average rate remains tendency to increase.

Labors got 20, even only 10-15 working days in the month. The income is only about VND 600,000 per month.

(The female workers in bamboo and rattan village of Phu Vinh, Hanoi)

Before the daily income was VND 50-70,000 for about 20-27 working days in a month. Currently the best case which we have been tried hard is even only about 10 working days, for VND 700,000 in a month. Others left voluntarily due to little work and too low income..

(The male freedom labors, Ha Thai Lacquer village, Hanoi)

Nominal wage increases over time, with the daily rate is VND 25,000, 28,000, and 35,000 in 2007, 2008, and 2009, respectively. However, in the bamboo and rattan industry park near by, monthly income remained at VND 1.2 million. Rattan and bamboo industry in the village attracts all labors, regardless of age. But factories in the industry park require young labor, strictly following disciplines in working hours.

(PD Company, Phu Nghia village, order back from the second quarter of 2009)

Workers in large enterprises with order in villages remain stable job and income. Large-scale enterprises in Ha Thai village maintain a level of daily income at VND 50-60 thousand for about 20 working days per month, ensuring the monthly income of VND 1-1.5 million. The income still satisfies the young labors, who only graduated from grade 8, grade 9. However, this cover not much worker force.

High living costs and price inflation pressure in urban areas

However, the living cost increases again make savings more difficult for migrant workers. Hostels, electricity, water and foods which are migrant workers' main expenses are under the high inflation. At Tan Thuan export processing area, Ho Chi Minh, the electricity and water price increased, rent increased twice after Tet holidays. The average rent for a room is about VND 450 thousand per month for 2 people or 550 thousand for three people in Hanoi and HCM, except for some most expensive areas in HCM where the rate can be VND 800 thousand. Expenses for electricity and water with maximum saving are about VND 50 thousand per month. In the most expensive area like HCM, income without extra shift at about VND 1.5 million per month, is not enough to cover for the life of an immigrant worker with payments for rent, foods and drinks, social and living costs, especially people with families, taking responsibility for remittances. The two hours of extra shift does not experience in all places then early leaving from factory means no meal during extra shift and the more food expenses.

"Low wages, high price inflation, it is always lacking in spite of maximum savings".

(Nguyen Thi D., age 29, from Quang Nam, garment worker in Linh Xuan industrial zone Thu Duc, HCM)

"The price increases too much, making a little increase in wage actually decreasing in real terms. Several years ago, a couple of us can save to buy a tael of gold. Now both of us working hard can earn about VND 4 million (per month) but just only enough to cover basic living expenses. Due to high inflation, we can buy only a half tael of gold after deducting expenses at our best of savings."

(Tran Tien S., age 34, from Binh Phuoc, garment worker in Linh Xuan industrial zone Thu Duc, HCM)

"A monthly salary is quickly running out of because of payments for borrowings of rent, drugs and foods. Expensive cost makes savings not much, less than years before. Maximum savings is only VND 200-300 thousand per month when extra shift is back."

(Pham Quang H., age 22, from Vinh Phuc, electronics worker in North Thang Long Industrial Zone, Hanoi)

In Kim Chung Commune, migrant workers coming back to the industrial park can be observed by the rent owner's income which has increased since April 2009 and gradually up by June. Before the crisis, the tenants share the room because of high rent. After two months of difficult peak (in Feb and Mar 2009), the owner decreased the rent rate, when a lot of migrants headed back to the rural area. Rent owners applied for a tax exemption and reduction during the time of many empty rooms. Small-scale-rent owners have only suffered the decreasing incomes within some months.

2.3. Coping Mechanisms of Labors

Workers

Coping with the crisis of underemployment and income losses, workers have similar coping mechanisms like previous rounds of assessment. They range from borrowing, asset mortgage, expenses tightening, remittance reduction in terms of frequency and quantity, temporary secondary jobs, returning home, or finding jobs in other sectors. In which, cutting spending on nutrition and for daily needs is the first option of most workers.

"How else, stomach it with empty belly. Borrowings is only 1-2 times as lenders are friends who are also workers, and not have good balance"
(Discussion group of garment workers, Thu Duc HCM city, no extra shift)

I cut spending on clothes and spend less on food. If I get fish/meat for my meals that would cost me VND 30,000 a day. But now I just have rice and vegetable, it costs me just VND 15,000 only".

(Vu Thi Ng. migrant worker from Nghe An, extra shift, electronics company, the North Thang Long industrial park)

Before the crisis I like to drink coffee everyday, but now I don't drink it anymore. Spending for my breakfast also has been squeezed to just VND 2,000-3,000 for sticky rice compared with hamburger costed VND 5,000-10,000 before"

(Discussion with group of furniture workers in Binh Duong, migrating from Soc Trang)

"Before we have high nutrition meal with meat or fish once a week but now we make it only once in 10-15 days"

(Discussion with group of garment migrant workers, Dong nai)

In addition, to cope with immediate financial difficulties, workers look for a number of solutions such as borrowing, or asset mortgage – “to mortgage a golden ring for some tens of thousands VND”, delayed late payments for house rent as well as food expenses – “eat now pay later” (discussion with furniture workers in Binh Duong, migrated from Soc Trang). Another solution is to use previous savings to cover for their subsistence needs during difficult time – “I sell gold which is my saving from previous years” (garment worker, no extra shift, Ling Xuan industrial park).

"When I need money, I use my electric fan or bicycle to apply for a mortgage. At the end of the month when I get my salary I will pay and get my stuff back".

(Nguyen Van H. 21 years old, worker at electronics company, North Thang Long industrial park, Hanoi)

“When I don’t have money I borrow from others and pay them back when I have. Since the New year up to now I have been borrowed VND 1 million but have been able to pay back only VND 600 thousands”.

(Ngo Thi D, 29 years old, garment worker, Linh Xuan industrial park, Thu Duc, HCM city, no extra shift at the moment).

“When I got sick I look for free-interest loans from friends and relatives. But it is just small loans of VND 200,000 – 300,000 only because my friends are also workers, they don’t have much money to lend you. In extreme case, I will seek for high interest loan of VND 100,000 at the interest of VND 20,000 for a month.”

(Group of 7 garment women workers, Linh Xuan industrial park, Thu Duc)

“I borrow from friend when I run out of money or when I want to send remittances back home for the harvest expenses. At the end of the month when I receive salary I will pay back”

(Hoang Van T., 23 years old, furniture worker in Bien Hoa industrial park, Dong Nai)

Workers migrate to industrial parks with the expectation that they will find a better job and income, particularly they also try their best to save money to send back to their family. However, their income decline due to the economic crisis also means remittance reduction, even no remittance. The remittance was reduced both in the times sending back and amount sent each time, especially, in some cases families had to send money to support migrate workers to help them continue to sustain life in the industrial zone in the waiting time for jobs again.

“I used to send home about VND 500 thousand for every 3-5 months. But due to crisis my wage is about more than VND 1 million per month so I can not send money back to my family. Now my family has to send money to me. All workers who visit home also take rice with them when come back to factory”.

(Nguyen Thi Bich L., age 30, garment workers, no extra shift, Linh Xuan, HCM)

“Before crisis, I have chance to work overtime then my income is around VND 2.4 million then I can save VND 1 million per month. Due to crisis I saved nothing in the last two month, but only VND 400,000 to send to my daughter whom my mother takes care of”.

(Trần Thanh T, age 31, from Sóc Trăng, wood worker, Binh Duong)

Workers also consider to find additional work, in order to offset the income decline due to crisis as well as take advantage of free time when no extra shift as much as before.

“Next week, I have to stay home 5 days, I will going out to sell lottery tickets ... I also receive cashew nuts to peel”. (Discussion groups Dong Nai female workers, 22-31 years old, from Binh Phuoc, Thai Binh, Quang Binh)

“On the way home after working overtime, I work as a motor taxi to gain VND 5-10 thousand more” (Discussion group furniture workers, from Soc Trang, Binh Duong)

Young workers still want to work and earn money in the industrial park environment. However, if the difficult situation of no extra works and low income continue over 6 months, female migrant workers from Thanh Hoa to Ho Chi Minh said *“if the crisis occurs longer (more than 6 months) we will come back to my home town to do farming works with my parent, by doing that at least I can reduce my cost of living”*.

However, for workers who have to migrate for works in other place due to lack of local employment opportunities in rural area, facing landlessness, or difficult economic condition and livelihoods, they will try their best to survive and work in the industrial zone.

“Returning home is difficult to find a job and no land”
(Discussion group of workers in Thu Duc, from Soc Trang, no extra shift)

“The more difficult the crisis is, the more I tried to find additional jobs and income, but not come back my homeland”.
(Nguyen Quang L., age 19, from Vinh Phuc, electronics workers, no extra shift).

Most workers in the South believe that the crisis could not have long lasted, especially when the situation was better since May-June 2009. *“If the difficulty occurs in the long time then there will be empty city area without tens of thousands of migrant workers, the local authority can not accept for crisis in the long time”* (Discussion group of footwear workers in Thu Duc). Therefore, their coping strategy is to attempt to stay about 3 -6 month more waiting for the difficulty passing.

Casual Workers/Uncontract Worker/informal workers/free workers

In the North, during the agricultural leisure time, farmers migrate daily to do informal jobs in urban area (from 5.00 am to evening). Normally, they do not need cash for daily food (cultivated rice themselves, vegetables available in the garden). Earned wages in cash are to pay for education fees, social costs (funeral, wedding). If remains, it contributes to enrichment of daily meals with meat or fish, otherwise just rice and vegetables. Since the beginning of 2009, up to 50% of aged local labors of Dam Bung (Phu Vinh craft village) switch to do informal jobs as junior workers, heavy carriers in the construction of Ring Road No. 3 in Hanoi. *“Every early morning the men in the village all go, they are aged, not eligible to be workers in industrial park. The female stay at home”* (Female group discussion, Phu Vinh craft village, Hanoi). Migration to the south to do informal jobs, particularly related small construction ones, is also a coping measure, thanks to the information through social networks.

Agriculture is still considered as a buffer, when jobs are reduced in formal sector and informal sectors. Continue to acknowledge clearly the role of agricultural land in craft

villages of Bat Trang Ceramics, Ha Thai Lacquer, Phu Vinh Bamboo and Rattan. People facing the difficulty in craft production and employment can be divided into two groups as (i) people who own land, did give land to others to cultivate, and now get lands back, are affected less because they have land to do rice production, and (ii) people who have been taken land back, are affected more due to landlessness. At least, agricultural land helps to provide self-sufficient food consumption.

In the South, livelihood diversification and dynamics economic development also help craft villagers switch jobs easily. Lacquer workers in Binh Duong, since unemployed, switch to work as making lacquer trunks (coffins) in the domestic market, or to do informal small construction, or find short jobs in industrial parks.

Cutting on spending for themselves, and for the family: the personal expenses set at the minimum level for basic needs, reduction in food expenses, rice brought from home, savings on social expenses such as party, birthday, holiday, and luxury shopping. These coping measures of the informal immigrant worker, somewhat similar to the formal ones working in industrial parks.

Borrowings from each other to live on during without-job time, helping and sharing work mutually are still measures recognized in the labor groups from labor mobile markets. Informal labor often borrow relatives or friends to cover daily expenses at the city, or remittances which needs to be sent home for harvest expenses, education costs or other cash expenses.

Reduce remittances is also a choice facing low income. Migrant ceramic workers in Bat Trang village facing lower income (by about 20%) and less working days in the month, do not find additional jobs in free time. They stay at home and wait for the employer call back to work. The migrant carriers also confirm the longer time waiting for carrying ceramic products to be sold. Both of these ceramic workers and carriers tried to send remittances to their family at the minimum level of reduction (by about 15%) by saving their living costs.

Gender issues emerged when women seems to have to work harder than men in finding others livelihoods to offset income shortages. When traditional craft production faced difficulty, women have to work harder with more additional jobs, even at low income. *"The female work more. Men are used to work traditional craft production. It is very hard for men to sit down for other jobs for a long period. Now we work 8 hours a day for other jobs, but male can work only 4 hours at most"* (Discussion group of female labors, Thai Ha, Hanoi). The gender difference is confirmed with the discussion by male labors *"Less job, then only time for meals and tea drinks. Some works in the morning, then hang around in the afternoon, nothing for being rush"*.

3. Impacts on households

3.1. Reduced household income

Real income at the household level has been reduced.

Total nominal income can not be less than the previous level last year but we faced higher expenditures and working for longer time.
(FGD of 9 workers in Dam Bung group, Phu Vinh)

It takes 20 days for a production course. We have to buy materials as paint, land soils, plastic (which costs VND 2.1 million). The main intermediary products are provided. All five people in the family participate into production. After 20 days of making lacquer products, we get the total income at VND 4 million, which is left only VND 1.9 million after prepaid expenses. This is equal to the daily income at only VND 20,000 per head, or half of the wage in 2008. However, we still have to continue the job as it is good to have job this time. We are unfamiliar with making votive stuffs, and can get daily income of only VND 5,000-7,000 per head.
(Nguyen Thi Ph., 35, Ha Thai lacquer village, Ha Noi)

Wage is also under a decrease pressure when household production units in craft villages reduce their demand for waged labor, but utilize the household labor force.

That lacquer producing households get back land for self cultivation of rice and other crops. This resulted in a reduction in daily wages from VND 40,000-50,000 to 25,000 – 30,000.
(Interview with Ha Thai Lacquer Association, Ha Noi)

No advances for materials, and delayed payment in 30-40 days later, cause the hardest time, especially for women who directly pay for some expenditure. Focus group discussion of female labors makes a ranking of difficulties from the most to the least one as follows:

- 1. Paying schooling fees for children, request teachers for delayed contribution in several small amounts.*
- 2. Daily food expenses are set at around VND 15,000. There are little meat and fish. Tofu, eggs and peanuts are so good in this condition. Also cut off the daily VND 3,000-4,000 for kid's petty cash.*
- 3. No purchasing of house asset.*
- 4. Working harder but less income due to price inflation.*
- 5. Can hardly afford extra learning for children (it is ok with the primary and lower secondary, but really hard with the upper secondary which require a lot of extra learning to get post graduation study)*

(FGD of female workers in Ha Thai lacquer village, Ha Noi)

Impact information on household is mainly collected through craft village survey. A further level of assessment is on the impacts at household level through the remittance reduction, which is planned under the rural-urban linkage survey by the end of 2009.

3.2. Coping mechanism

Households, to make up for the reduced remittances, try to involve in other livelihoods. However, cheap informal jobs, livestock raising and crop cultivation can initially help solving the matter of jobs and food security but not the income shortage or savings. Lacquer households cope with the difficulty by getting back their cultivation land which was already leased before or stopping hiring farmers to save cost.

Up to 100 among 200 households in Dam Bung hamlet have to migrate away for work, with daily payment of VND 40,000-50,000 per head. Those male with good health would go long distance for some jobs such as rubbish clearing, wastage collection, joining mobile labour market in Ha Dong and along National road No.6, mason coolie, heavy carrier, etc. Those female without good health stay in hamlet and try to find little daily work for money.

(FGD of female worker with weaving in previous time in Phu Vinh, Ha Noi)

Pig raising got lost due to highly increased input cost together with much lower selling price of pig. Rice crop also got same situation. Raising or cultivation is just to maintain something to do..

(FGD of 7 female of 24-44, Phu Nghia, Ha Noi)

"Previously, cultivation land was assigned for people in other villages to do rice crops withuout any payment. This was to keep the land. This year, almost households in the village get the land back for self cultivation serving their rice demand. The rice cultivation is only to keep us working and to self satisfy daily rice need in the household but not to get profit due to a lot of expenses, and fees."

(Lacquer household in Ha Thai lacquer village, Ha Noi)

Households with a decrease by 30-50% (even more than 50% in Bat Trang village) certainly apply consumption reduction. The survey shows the trend of saving of daily consumption, social activities, and extra schooling spendings in all villages.

Drinking party decrease from 3-4 times a month to once or twice. Money for daily food expenses goes down by half. Previously in a week, 3 meals with meat or fish, but now only 1. Party, weddings are considered not to attend.

(Tran Van T, age 33, Bat Trang, Hanoi)

Everyday, I now spend only VND 10,000 to 15,000 for foods of meat and vegetable. Previously, the more income, the more food expenses at around VND 50,000 .

(Nguyen Thi V, age 38, Phu vinh, Hanoi)

We are to save meal spending, not dare to go shopping. Spending for wedding and funeral cannot be reduced due to customs.
(Household, Ha Thai lacquer village, Ha Noi)

All people in the household are to save power.
(FGD of male workers in Ha Thai lacquer village, Ha Noi)

However, households still need much money for such contributions as harvest expenses, health care, schooling spendings, unsavable weddings or funerals etc. In such cases of money demand, delayed payments or borrowings are the first to be considered.

I have to borrow VND 2 million from my relatives and VND 2 more million from an informal lender for health care for my child. The second loan within 3 months has monthly interest rate at VND 50,000 per million. I have to reduce all my spendings and can afford daily meals at only VND 10,000 per each, in stead of VND 20,000 as before.
(Female labour in Phu Nghia village, age 26, 4 members in household, poor)

There are different solution relating to schooling spendings. Some households try not to influence schooling activities of their children by borrowings or cutting other spendings. Allow drop out and cutting schooling expenditures are the last measures to be considered.

"From the early of the month, we could make only 10 sets of plate for VND 220,000 while schooling for my 2 children costs VND 500,000 monthly. I ever thought of let them stop schooling but it is impossible as they are to atten pre-school for preparing primary school. My household now is in monthly debts of VND 500,000 and can return partly at end of month."
(Nguyen Van T., 31, family of husband, wife, 1 child in pre-school, 1 child in nursery, Ha Thai lacquer village, Ha Noi)

Access to Student Support Credit last year helped my child to continue university as we had no money for this. All household having a member in university were to borrow loans. In the commune, the credit balance is over VND 2 billion for more than 200 students.
(FGD of female labour, Phu Vinh village, Ha Noi)

I'm sick through out the year and always borrow money for medicines. I'm now in debt of VND 3 million which is borrowings from poverty reduction fund to build a house. My child at 10 grade was to stop schooling due to my money shortage. He now raises a cow.
(Female labour in Phu Vinh village, age 35, 4 members in household)

Children in large-size or parentless families are to drop out early for bamboo weaving or going to Ha Noi and Ha Dong to work as servants or working in restaurants.
(FGD of female labour in Phu Vinh village, Ha Noi)

Coping mechanism of households can be far from easy decision making. Most of discussions shows difficulties to find out alternative livelihoods and serious concerns when borrowings and reduced spendings seem to be the only solutions.

No skill for business, landlessness for livestock raising and crops, dependent family members for migration out are our constraints. No income for informal saving groups. The only way left is to find additional jobs, even at low income, to borrow (no bank loans but social funds loans, informal loans among relatives and friends, social funds for high education fees), and to cut down spendings (no electricity for cooking, no meat or fish but only tofu and vegetable, petty cash cut off).

(Discussion group of female, Ha Thai, Hanoi)

V. CONCLUSION

1. Some main changes by targeted impact groups²⁵

Table 1. Impacts of Global Economic Crisis on Vietnamese Firms: RIM Key Findings

Group of export oriented firms	Impacts and Responses Round 1: Mar-Early May 2009	Impacts and Responses Round 2: Aug-Sept 2009
• Furniture enterprise	• Huge decrease in high-value furniture orders	• Orders back for medium-value furniture • Lack of skilled and unskilled workers
• Electronic enterprise	• Orders decrease • Moving to areas with lower business costs	• Orders back with international market restructuring by mother companies. Advantage of low-value product segments in challenging times • Shortage of skilled and unskilled workers
• Garment, textile, footwear enterprise	• Orders decrease • Difficulties with payments, tax, anti-dumping cases for footwear firms	• Orders back and serious shortage of skilled and unskilled workers, resulting in lowered recruitment requirements, allowance increase. Firms target recruitment of workers from remote and rural areas • Intra-provincial and intra-regional migration is on the rise. Workers did not make mass migration out thanks to stable agricultural performance. • Continued difficulties with payments, tax, anti-dumping cases for footwear firms

²⁵ Comparison 2 rounds.

• Seafood processing enterprise	• Orders in low-value products • More impacts on unskilled labor-intensive primary processing than the technology-intensive canning • Moving to areas with lower business costs	• Orders back, but still weak • Shortage of intra-provincial migrant workers
• Craft village enterprise	• Minimum operation • Shift toward domestic market • Keep skilled labors • Invest in designs and technics	• Only short and medium sized orders at big enterprises
Tourist enterprise, hotel, restaurants	N/A	• Substantial revenue and profit decrease as inbound foreign tourists down, diseases, rising input costs

Table 2. Impacts of Global Economic Crisis on Vietnamese Workers and Households: RIM Key Findings

Group of workers	Impacts and Responses Round 1: Mar-Early May 2009	Impacts and Responses Round 2: Aug-Sept 2009
• Formal workers	<ul style="list-style-type: none"> • Lose job, move to informal sector, borrow to stay in cities for 3-4 months • Some head back to the rural areas • Stay to study more 	<ul style="list-style-type: none"> • Return back to previous job • Maximum overtime/extended shift due to shortage of labor in textile, garment, electronics, and wood furniture • High turnover of workers in search for better wages • Growing tendency to work within shorter distance of home village to cut down relocation and living cost
• Service providers (accommodation, food...)	• Income decrease	• Income recovery
• Unregistered workers	<ul style="list-style-type: none"> • Job demand weak, considerable underemployment • Labor supply surged 	<ul style="list-style-type: none"> • Labor demand is generally stable, but at some sites of mobile labor markets, labor supply increase – because of lack of job in agriculture, workers moving from formal sector • At other sites, labor supply decrease as migrant workers cannot afford high costs of living in cities

<ul style="list-style-type: none"> • Craft village labor 	<ul style="list-style-type: none"> • Skilled labor still have minimum jobs • Temporary, unskilled workers: laid-off 	<ul style="list-style-type: none"> • Skilled labor still have minimum jobs • Temporary, unskilled workers: laid-off
<ul style="list-style-type: none"> • Rural agri. labor 	<ul style="list-style-type: none"> • Pressure from labor supply increase because of laid-off workers in cities heading back to home village 	<ul style="list-style-type: none"> • Agri. product price decrease • Aquaculture: shrimp, catfish growers in serious difficulties
<ul style="list-style-type: none"> • Rural migrants (young) 	<ul style="list-style-type: none"> • Head back to home village or stay in cities for 3-4 months maximum 	<ul style="list-style-type: none"> • Migration increases for 4 reasons: difficulties associated with lower output price and higher cost in agriculture in various places, drop in remittances, rising demand from firms with orders back, and lowered recruitment requirement by firms facing labor shortage
<ul style="list-style-type: none"> • Export labor 	<ul style="list-style-type: none"> • Returning workers could not find job 	<ul style="list-style-type: none"> • Labor export resumes
<ul style="list-style-type: none"> • Labor in ethnic minority and mountainous area with highly integrated economy (rubber, coffee export) 		<ul style="list-style-type: none"> • Rubber and coffee prices dropped, but impact not too serious thanks to targeted poverty reduction programs and the existence of subsistence crops
<ul style="list-style-type: none"> • Households dependent on remittances 	<ul style="list-style-type: none"> • Cut down social, nutrition, education spending 	<ul style="list-style-type: none"> • Cut down social, nutrition, education spending because of inflation • Lowered recruitment requirement in some cases led to early school drop-outs – big issue in Mekong River Delta

<ul style="list-style-type: none"> • Poor households 	<ul style="list-style-type: none"> • Impact of inflation • Less income from small business and waged jobs 	<ul style="list-style-type: none"> • Impact of inflation • Less income from small business and waged jobs
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2. Assessment on the impact of crisis on post-recession restructure process

Crisis foster labor screening – Skilled workers are kept

The process is seen obviously by observing the impact on industrial zones as well as craft villages. Immigrating labourers, unskilled and new to the work, are those who are first affected and returned to the unofficial sector or back to their rural areas.

As mentioned above in the craft village assessment, interviews with informal skilled workers (having no contract) at craft villages illustrate the stability of the jobs in household production units having orders. It means that not the feature of having contract or not determining job stability, but being professional skilled or unskilled itself.

Crisis highlights the mobility or strong rural and urban linkages

The mobility flows of labourers between rural and urban areas were reported. The survey groups observed young people who had just entered industrial zones in Hanoi, Ho Chi Minh, Binh Duong and Dong Nai for some recent months.

In addition to low income levels in rural areas and trade villages, the attraction of industrial working environment showed a continued shift of young males and females under the age of 30 to apply for jobs at neighbouring industrial zones with an average income of VND 1-1.5 million/month²⁶. At Phu Vinh handicraft village, since the beginning of 2009 when the industry declined, a clear evidence was witnessed as 50% of old-aged workers in Dam Bung village Phu Vinh moved to work as freelancers. Among them, most of the men traveled to work daily as porters and masons at the construction site of Zone 3 roads of Hanoi.

This year, there was an increase of approximately 10% in the number of labourers in rural areas of An Giang moving to the provinces where industrial zones are based (such as Binh Duong, Ho Chi Minh city) compared to last year (last year, 60% of young people moved while this year the proportion increased by 10%). The main reason was due to a decline in aquaculture, resulting in substantially reduced incomes for those working in fish ..., local rice fields.

²⁶ Recorded in Phu Vinh trade village – Hanoi and Binh Hiep – Binh Duong

Interviews conducted at Buoi market – a market of freelancing workers in Hanoi showed that: the number of workers surged markedly by about 20% in recent months. As a labour market where flows of people from Thanh Hoa and Nghe An gathered and those people had to bear the cost of rental in Hanoi, the main reasons for moving to work in Hanoi are: flows of sacked labourers from the South coming back to their hometown but then suffered from crop losses in 2009 and reduced prices of agricultural products²⁷.

However, because of an increase in freelancing labour supply moving from rural to urban areas, while the number of vacant jobs is small²⁸, the survey also found that there were flows of immigrating workers who had lost jobs in the South came to Thanh Hoa, Nghe An and then moved to Hanoi to work at freelancing labour markets in Hanoi, but subsequently could not stay with low incomes, so continuing to move to the South. They were said to continue to work as freelancing labourers and masons when moving to the South.

Only Phu My commune – An Giang, in 2008 there were 1300 young people moved out to find work, and with an addition of 125 in the first 6 months of 2009. However, flows of labour moving back to the commune were also big with approximately 40% not being able to afford the expenditure in urban areas, thus coming back to work in agriculture.

Crisis pushed up restructuring process – shifting investment into rural areas

Orders returned, a puzzle of “shortage of labour,, happened at all survey sites²⁹, especially in the South. The demand for recruitment over the first six months³⁰ was 61,527 employees in Ho Chi Minh, 37,573 in Dong Nai. The figures of recruitment demand in Binh Duong: Kaiser company 2,100 employees, Esprinta 2,000 employees, Dong Hung 1,000 employees, Sung Hyun Vina 1,000 employees... The lack of labour was also recorded in Northern provinces such as Hanoi, Bac Ninh, Hai Duong and Hai Phong.

The actual survey indicates that there were a big number of advertisements informing recruitment information which were hung at industrial zones. The most serious shortage happened in companies doing business in the sector of shoe, textile, electronic production. Recruitment demand is primarily general labourers, no requirement for high skillfulness – this is a changed since the beginning of the year “*Only need general simple*

²⁷ Yen Thanh, Nghe An lost the summer-autumn crop. Pig price reduced from 25,000 VND per kg to 18,000. Rice price from 8,500 per kg to 5,500 per kg.

²⁸ Amount of workload decreased. “Last month, if going to the labour market 10 to 15 days, 2 to 3 days were without any work”, said labourers in My Dinh. At Buoi market “job declined by 30-40% compared to last year”.

²⁹ Substantial increase in recruitment demand not necessarily stemmed from completely recovering export orders. There are many more other reasons: The pressure of increased orders while recruitment has not met the demand, high proportion of labour transfer, increased recruitment demand to meet the production cycle at the end of year and preparation for the recovery of the entire economy early next year.

³⁰ According to the updated data of 533 enterprises reported to the People’s Committee about changes in employment and income.

labourer working in a specific stage of production such as cutting, even labourers coming from an ethnic minority group who are illiterate.”

It is increasingly clear that there is a high demand for general labourers – which means average income levels³¹, but concurrently high costs of living for immigrating workers in urban areas. The pressure of accommodation cost and savings sent back home, given a big number of immigrating labourers, the flows of transfer across enterprises, sectors and the flows of labourers coming back to their hometown are intensified.

In this context, intensified investment in rural areas where costs are lower, labour is more available becomes a business strategy for some enterprises.

Crisis intensifying the restructuring process – with priority into development of high-tech industry in big urban centers.

The fact that factories, production sites were moved out of big centers, particularly Ho Chi Minh city, indicates clearly the urban replanning with a priority into development of high-tech industries, high quality services in big urban centers.

The survey witnessed the flows of production sites moving out of city centers, which happened most seriously during early and mid-2009, to less developed areas such as the outskirts of Ho Chi Minh, or massive labour-oriented industrial zones such as those for wood, electronic production, textile in other provinces such as Binh Duong, Dong Nai or even central region such as Da Nang.

The planning was initiated long time ago, but now under the pressure of the increased tax policy, increased land lease cost (for not being considered as a priority), as well as decreased production, new opportunities low-income jobs, labourers feel more secured with their job because living costs are not as expensive as in big urban cities, enterprises themselves find it necessary to reinforce transfer progress to make production capacity ready once orders return.

³¹ Low salary to ensure the maintenance of low export prices.

3. Preliminary assessment on supporting policy for economic recovery

a. Impedement to enterprises benefiting a supporting interest rate of 4%

According to the report by the VCCI³², the implementation of interest rate support policy reached its target to facilitate enterprises and households to reduce their costs of borrowing money by about 30-40%, prices by 2.5 to 6%,³³ maintain and expand production-business, create more jobs; there were 91% of SMEs which could maintain and develop its production – business operation. In 2008, credits increased by 23.6% and the corresponding figure for the first 7 months of 2009 was 22.6%.

These are encouraging signals which show that the policy proved its effectiveness, helping reduce costs, maintain business operation, create jobs for employees and ensure social welfare.

However, interviews with some enterprises which enjoyed the supporting interest rate of 4%³⁴, the impedement they faced was the duration of enjoyment was too short. Those policies took from 4 to 5 months in 2009 to complete all their guiding bases for execution³⁵. Another problem was the time needed to complete all documents to enjoy the benefit, in some cases up to 2 months. When enterprises finished their procedures for a loan and granted a loan, the amount of time left was not sufficient for capital rotation.

b. Enterprises in serious difficulties have not benefited from the supporting interest rate of 4%

Many enterprises, mainly in the exporting handicraft industry, in trade villages, agricultural and aquacultural products, proposed that the support policy of 4% was difficult to access. Enterprises exporting handicraft products, timber, aquacultural products bought their materials mainly from farmers without invoices or receipts, thus could not prove their financial transparency according to banks' requirements. Behind those concerns about procedures, enterprises supposed that banks were not "interested in" the handicraft industry which was regarded as having many risks.

Even enterprises free of debts, complicated loan procedures, difficult mortgage conditions, appraisal criteria found it discouraged to continue. 42,9% of enterprises felt worried,

³² Conference organized by the State Bank on "Role of monetary policy on Vietnam's economy in post-recession period" on August 28 in Lam Dong

³³The State Bank in Ho Chi Minh City also held two surveys on the effectiveness of capital use by nearly 270 enterprises. The surveys indicated that the enterprises reduced their borrowing costs by more than 36%, reduced product costs by above 4.6% and revenue increased by over 14.

³⁴ Enterprises at Trade village, aquaculture enterprise in Ho Chi Minh, An Giang

³⁵ Loans with interest rate support borrowed at commercial banks and financial companies according to regular lending mechanism must follow Decision 131/QD-TTg in 1/2009, 443/QD-TTg and 497/QD-TTg in 4/2009. From May 2009, for Development Bank of Vietnam and Local development investment fund with 667/TTg-KTTH. From 5/2009 with Bank of Social Policy according to the preferential lending mechanism as regulated by Decision no. 579/QD-TTg.

access to capital was still a difficulty in the coming time³⁶. Rapid increase in credits in recent time resulted in the possibility of tightened credit policy in the coming time.

The notification is that enterprises which face price difficulty with stress on reducing price coming from partner can not approach interest rate subsidy. When they can not negotiate on price, they can not sign the export contracts. “Customers still want to order products but both parties can not meet each other in price issue”. No export orders, no proves of loan – pay back capability make them can not approach interest rate subsidy, therefore, they can not lower the price, thus, can not sign the contracts, it makes a circle in craft villages.

In terms of implementation, currently, interest rate subsidy packages are being worked out in JSCB and Financial companies under normal lending system, that means customers must have full credit documents, stable business and loan – pay back capability. Because of these conditions, many enterprises which are really in trouble in business (can not sign contracts, late payment and have no prospect to pay back the loan) caused by crisis can not approach the subsidy program³⁷.

With FDI enterprises, having generous capital, they can approach the capital of mother companies, foreign banks having tight connections with mother companies, thus, no need to borrow capital in VND to enjoy interest rate subsidy. Currently, there is no foreign loan policy.

If government supports FDI enterprises in borrowing foreign currency to buy materials or pay salary, there may be a case that government is helping foreign banks. However, we should consider the problem in paying salary for workers to overcome this difficult time of FDI enterprises in short term. Unemployment is not only the downturn economic problem but also a big trouble for social welfare.

c. Focusing too much on money policy

Until October/2008, money policy become tighter through deposit and reserve interest rate increase. This move helped tightening the money, reducing credit growth, control real – estate loans. After that, interest rate subsidy 4% pushed the credit growth at high pace. Loosening money policy was worked out carefully.³⁸

The current fixed exchange policy³⁹ is a reason of inflation in a round of down turn economy. Keeping the exchange rate between USD and VND causes the surge in money

³⁶ Investigation by Vietnamese Development Forum in cooperation with the National Economy University (2009).

³⁷ Eligible enterprises of the policy must be free of debts from at least group 2 – production and business operation being stable.

³⁸ Basic interest rate decreased from 13% to 7% per year, rate of refunding reduced from 14% to 7% per year, rate of rededuction decreased from 12% to 5% per year, proportion of compulsory reserve reduced from 11% to 3%, interest rate of compulsory savings decreased from 10% to 1.2% per year.

³⁹ Since Quarter 4/2008, the State Bank has executed the policy of exchange rate of reduced VND price against USD. Amplitude of exchange rate between VND/USD was extended to +/- 3% in 11/2008, then remained at +/-2% since end of June 2008, increased to +/-5% since 3/2009 until now.

supply. SBV must call on the foreign currency source to protect the competitiveness of price. Besides, devaluation of USD in the whole world makes VND is devaluated in comparison with other foreign currency when it tries to keep exchange rate USD/VND still the same, that imports inflation into Vietnam. It leads to the increase in price of input goods such as petrol, iron, steel, machine, etc. Production expense and price increase causes the sell – out price surge. Therefore, exchange policy requires a direction to against inflation because of the stress on raising money supply and production expenses.

On the other hand, a flexible exchange policy will help losing the tight on money policy when SBV has to face “impossible threesome”⁴⁰. This will provide money policy more options such as interest rate and open market. With the current fixed exchange rate policy, there is still a fact that the price in all locations is going up despite “the impressive and effective currency tool”⁴¹.

However, on the positive side, VND devaluation policy is helpful for export competitiveness. The enterprises take advantage from this policy are assembling and processing enterprises such as textiles, shoes, electronic products... The character of these industries is importing input and exporting output.

Otherwise, some industries base on the domestic input then exporting output like handicraft, ceramic⁴² will be affected a lot, about 30%. Or fishery will be affected about 8%. Only when the fixed exchange policy is removed, these industries will make benefit.

With remained inflation, it raises a question about a flexible exchange policy to overcome “Impossible threesome”.

Besides, only money policy is not enough to approach and support every objects. We need the participant of exchange policy to help enterprises do not have demand on borrowing VND but using a lot of labors – FDI enterprises.

d. Lack of risk control system for individual or the whole market

In term of interest rate subsidy package, enterprises must meet the minimum requirement on loan – pay back capability, this condition is reasonable, especially in the situation needs filtering the economic system to avoid “average income trap”.

⁴⁰ In an open market, the central bank can not implement 3 targets at the same time: free capital account, fixed exchange rate and independent monetary policy.

⁴¹ Report by the Central Bank on “Role of monetary policy on Vietnam’s economy in post-recession period” on 28/8/2009 in Lam Dong.

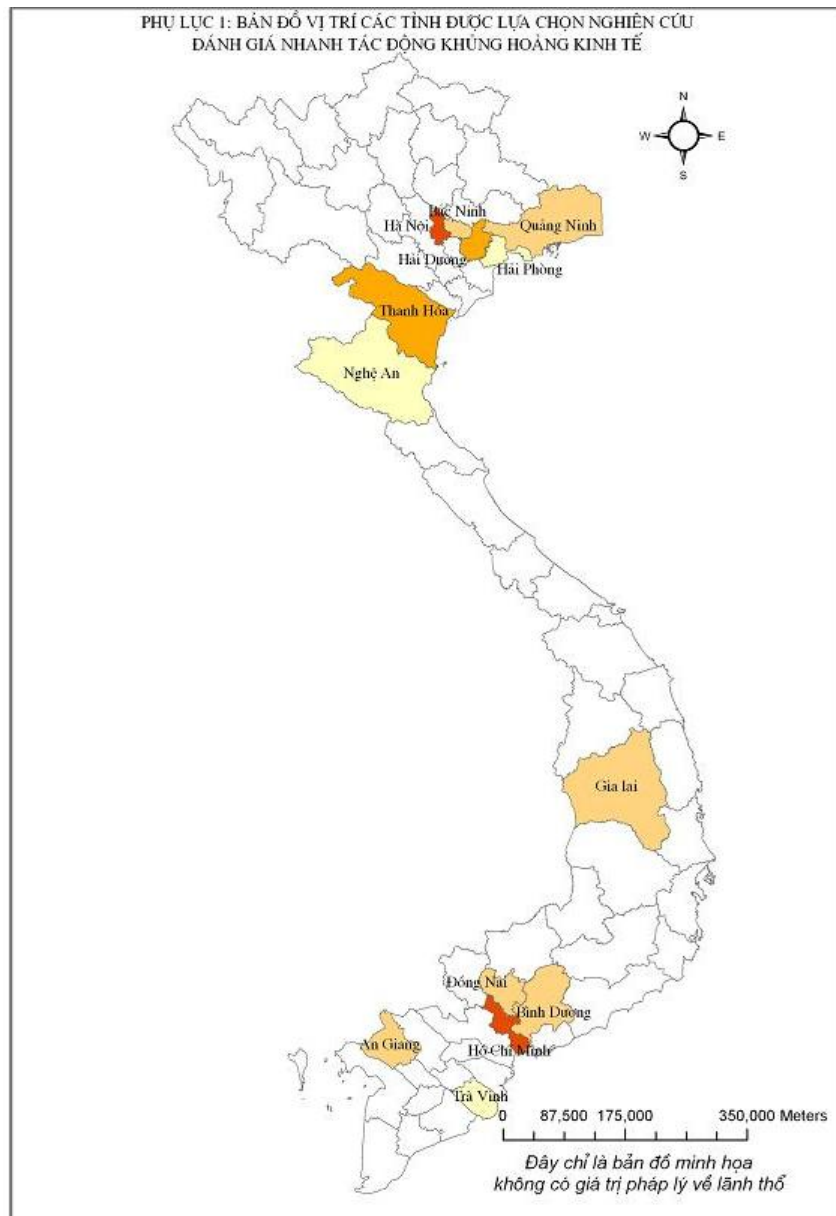
⁴² Main input materials for the production of ceramic include sand, fuel, mould, packing paper (or pallet), gas and petrol. Of which, wool and colour additives even accounting for a small proportion must be imported correspondingly from China and Japan. Inputs for production of lacquer included paint, timber, bamboo base, paper powder, abrasive paper, composite materials, alluvial soil, and some additives. Glossy which constitutes a high proportion of total input must be imported from Taiwan, Japan, China while abrasive paper must be imported from Taiwan, Japan and Korea.

However, it should be carefully considered in the context economic crisis which causes the reduction in a whole field of industry, for ex: wood production, handicraft. According to a survey in 4 handicraft villages, there are still few good enterprises which have capability to invest in model and look for contracts. When these big enterprises are supported, the positive effect will spread to hundreds of other small satellite sites. Therefore, it is necessary to create a system to provide information to choose right enterprises actually in need of support although they are in the going – down field of market.

With just trade villages, it is necessary to include commune People’s Committee and/or Trade village association into the process as a link between banks and some enterprises which are potentially recovering their business. This requires a concredited training and development program for craft villages.

VI. ANNEX

ANNEX 1. SURVEYED SITES



Note:

Hà Nội, Bắc Ninh, Hải Dương, Hải Phòng, Hồ Chí Minh, Bình Dương, Đồng Nai: industrial parks – enterprises and workers. **Hà Nội, và Bình Dương:** craft villages. **Thanh Hoá, Nghệ An, Trà Vinh:** migration origin. **An Giang:** agricultural export area. **Gia Lai:** mountainous and ethnic minority area. **Quảng Ninh:** tourism.

Oxfam Anh (OGB) and ActionAid Việt Nam (AAV) with local partners contribute with surveys in Hai Phong, Nghe An, Tra Vinh, Hà Nội and Hồ Chí Minh.

ANNEX 2. SURVEY SITE INTRODUCTION

1. Industrial park- enterprise and worker

HÀ NỘI

Tại Hà Nội, 2 địa bàn công nhân nhập cư được khảo sát là khu vực công nhân điện tử tại huyện Đông Anh và khu vực công nhân dệt may tại phường Vĩnh Hưng (quận Hai Bà Trưng). Tại khu vực Đông Anh, nhóm tiến hành khảo sát thôn Bàu và thôn Hậu Dương (xã Kim Chung) và thôn Sáp Mai (xã Võng La) – nơi tập trung nhiều công nhân nhập cư, chủ yếu làm việc tại Khu công nghiệp Bắc Thăng Long. Tại phường Vĩnh Hưng (quận Hai Bà Trưng), nhóm cũng tiến hành khảo sát 3 khu vực xóm trọ – nơi tập trung nhiều công nhân nhập cư, chủ yếu làm tại các công ty may mặc dọc trục đường Minh Khai (quận Hai Bà Trưng) như Cty dệt 10 - 10, Cty TNHH Nhà nước Một thành viên Dệt 8/3, Cty Dệt kim Đông Xuân...

HẢI DƯƠNG⁴³

Hải Dương là một tỉnh nằm ở vùng đồng bằng Sông Hồng. Trung tâm hành chính của tỉnh là thành phố Hải Dương nằm cách thủ đô Hà Nội 57 km về phía đông, cách thành phố Hải Phòng 45 km về phía tây. Phía tây bắc giáp tỉnh Bắc Ninh, phía Bắc giáp tỉnh Bắc Giang, phía đông bắc giáp tỉnh Quảng Ninh, phía đông giáp thành phố Hải Phòng, phía nam giáp tỉnh Thái Bình và phía tây giáp tỉnh Hưng Yên. Tỉnh có 1 thành phố trực thuộc và 11 huyện thị. Đến 2008, Hải Dương có 1.723.319 người với mật độ dân số 1.044,26 người/km². 6 tháng đầu 2009, giá trị sản xuất Nông, lâm nghiệp, thủy sản ước đạt 2.297 tỷ đồng (giá cố định), sản xuất công nghiệp ước đạt 8.418 tỷ đồng, giá trị hàng hoá xuất khẩu ước đạt 272 triệu 95 ngàn USD và giá trị hàng hoá nhập khẩu ước đạt 236,3 triệu USD.

Đến hết năm 2008, tỉnh Hải Dương thu hút hơn 3.000 doanh nghiệp (trong đó 95% doanh nghiệp là doanh nghiệp nhỏ và vừa - có số vốn đầu tư dưới 10 tỷ đồng, sử dụng dưới 300 lao động), hơn 150.000 lao động. Tỉnh Hải Dương đã được Thủ tướng Chính phủ phê duyệt quy hoạch 10 khu công nghiệp, với diện tích đất quy hoạch 1.916 ha, thu hút 110 dự án thuê đất; trong đó, có 63 dự án đi vào hoạt động. Theo thông tin từ Liên đoàn Lao động tỉnh Hải Dương, mức thu nhập của người lao động trong các doanh nghiệp nhà nước ở mức 0,9-2 triệu đồng/người/tháng; doanh nghiệp có vốn đầu tư nước ngoài 1-1,7 triệu đồng/người/tháng; doanh nghiệp dân doanh 0,8-1,5 triệu đồng/người/tháng.

⁴³ Tổng hợp từ Internet – theo wikipedia, trang tin chính thức Bộ công thương, tỉnh Hải Dương

BẮC NINH⁴⁴

Bắc Ninh là một tỉnh thuộc khu vực phía bắc của vùng đồng bằng Sông Hồng và tiếp giáp với vùng trung du Bắc bộ tại tỉnh Bắc Giang, Bắc Ninh là cửa ngõ phía đông bắc của thủ đô, cách trung tâm Hà Nội 31 km về phía Đông Bắc. Bắc Ninh bao gồm 1 thành phố, 1 thị xã và 6 huyện. Theo điều tra dân số 01/04/2009 Bắc Ninh có 1.024.151 người. Bắc Ninh là nơi có nhiều làng nghề truyền thống như đúc đồng Đại Bái, đồ gỗ mỹ nghệ Đồng Kỵ, Mai Động, Phù Khê, tơ tằm Vọng Nguyệt...

Tính đến hết tháng 12/2008, Bắc Ninh đã thu hút được 177 dự án FDI (khu công nghiệp có 140 dự án) và 12 chi nhánh, văn phòng đại diện, với tổng vốn đăng ký lên gần 2,4 triệu USD. Do tác động của suy thoái kinh tế, nhiều sản phẩm được coi là chủ yếu của Bắc Ninh bị tồn đọng (kính các loại 6,2 triệu m², 3.700 tấn giấy, 3.250 tấn thép, 61 triệu viên gạch). Chỉ tính riêng đầu năm 2009, trên địa bàn tỉnh có 64 doanh nghiệp ngừng sản xuất, 168 doanh nghiệp phải thu hẹp sản xuất, nhất là các doanh nghiệp sản xuất thép, đồ gỗ mỹ nghệ, sản xuất hàng xuất khẩu. Ước tính trong quý I-2009, có hơn 15.300 người lao động bị mất việc hoặc thiếu việc làm, dẫn đến tình trạng đời sống người lao động gặp khó khăn

THÀNH PHỐ HỒ CHÍ MINH

Thành phố Hồ Chí Minh là thành phố đông dân nhất, đồng thời cũng là trung tâm kinh tế, văn hoá, giáo dục của cả nước. Thành phố bao gồm 19 quận và 5 huyện, tổng diện tích 2.095,01km² và giữ vị trí đầu mối giao thông quan trọng của Việt Nam và Đông Nam Á, bao gồm cả đường bộ, đường sắt, đường thủy và đường hàng không. Tính đến 1/4/2009, thành phố có dân số 7.123.340 người. Thành phố đóng góp tới 20,2% tổng sản phẩm và 27,9% tổng giá trị sản xuất công nghiệp của cả nước.

Theo ban quản lý KCX và CN Tp. Hồ Chí Minh, tính đến đầu năm 2009, đã có 13 KCX, KCN đang hoạt động trên địa bàn thành phố với 935 doanh nghiệp. Tổng số lao động làm việc tại các KCX, KCN ước khoảng 249.881 người, trong đó 60% là lao động nhập cư. Có 47 DN gặp khó khăn do suy giảm kinh tế với 7.695 lao động bị mất việc và 11.000 người bị thiếu việc (chỉ làm 4 ngày / tuần thay vì 6 ngày), tập trung vào các ngành điện tử, cơ khí, linh kiện xe hơi. Tuy nhiên, cho tới cuối tháng 6/2009, tình hình đã khả quan hơn khi một số doanh nghiệp cuối năm 2008 cho nghỉ việc nhiều lao động nay bắt đầu tuyển dụng trở lại khoảng 3.000 lao động và khoảng một nửa trong khoảng 50 doanh nghiệp trước đây gặp khó khăn do suy giảm kinh tế nay đã có đơn hàng trở lại⁴⁵.

Theo thống kê của Liên đoàn Lao động TP HCM, Ban Quản lý KCX-KCN, có đến hơn 90% công nhân sống ở những khu nhà trọ do người dân xây dựng tự phát, phần lớn là kém chất lượng, không đảm bảo yêu cầu cuộc sống tối thiểu. Tham gia xây dựng nhà trọ cho công nhân phần lớn là các hộ gia đình, cá nhân chiếm đến 94,4%, đáp ứng 414.272

⁴⁴ Tổng hợp từ Internet – wikipedia, trang tin tỉnh Bắc Ninh, báo điện tử

⁴⁵ Cập nhật theo trang tin chính thức BQL các KCX và KCN TP HCM

chỗ ở, và 5,6% còn lại là các doanh nghiệp đầu tư xây dựng, đáp ứng 16.018 chỗ ở cho công nhân trong và ngoài KCX-KCN.

Theo điều tra Di cư 2004 của Tổng cục thống kê, di cư trong nước chủ yếu đến các khu vực thành thị, đặc biệt các thành phố lớn Hồ Chí Minh, Hà Nội. Thành phố Hồ Chí Minh có mức tăng dân số lớn nhất do nhập cư thời kỳ 1994-1999. Khoảng 50% nữ giới di cư đến Hồ Chí Minh, Bình Dương, Đồng Nai chưa bao giờ kết hôn. Điềm đến thu hút mạnh phụ nữ trẻ chưa chồng. Nữ giới trình độ thấp hơn nam giới. Trên 50% nam giới trình độ dưới lớp 10, con số này là 60% với nữ giới.

ĐỒNG NAI

So với các tỉnh khác, Đồng Nai là tỉnh có truyền thống thu hút nhiều FDI. Theo Ban quản lý các khu công nghiệp tại Đồng Nai, hiện tại cả tỉnh có 29 khu công nghiệp với trên 800 doanh nghiệp, chủ yếu là FDI và tập trung cho thị trường xuất khẩu.

Cùng với quá trình phục hồi kinh tế, các KCN ở Đồng Nai lại lâm vào tình trạng "khát" lao động, khi nhu cầu của các doanh nghiệp cần khoảng 4.000 lao động nhưng số lao động đã tuyển dụng chỉ hơn 300 người. Nhiều doanh nghiệp đã cắt giảm số lượng lớn lao động hồi cuối năm trước, nay phải lớn tiếng kêu gọi công nhân trở lại làm việc và tuyển dụng với nhiều ưu đãi nhưng vẫn thiếu lao động. Theo Sở LĐ- TB&XH Đồng Nai, số lao động bị mất việc trong thời gian qua⁴⁶ ở các doanh nghiệp đã giảm từ hơn 7.800 người xuống còn khoảng 230 người, do phần lớn đã tìm được việc làm mới.

BÌNH DƯƠNG⁴⁷

Bình Dương là tỉnh thuộc vùng Đông Nam Bộ với diện tích tự nhiên 2.695,5 km², gồm 1 thị xã tỉnh lỵ Thủ Dầu Một và 6 huyện. Dân số toàn tỉnh theo kết quả điều tra 1/4/2009 là 1.482.636 người, mật độ dân số 550 người/km². Bình Dương là một địa phương năng động trong kinh tế, thu hút đầu tư nước ngoài.

Tỉnh Bình Dương đã tiến hành quy hoạch 25 khu công nghiệp - cụm công nghiệp và đến nay toàn tỉnh có 16 khu công nghiệp được thành lập với tổng diện tích và 3.275 ha, trong đó có 7 khu công nghiệp tập trung ở các huyện phía Nam tỉnh, hình thành và hoạt động trong giai đoạn 1995 - 2000, đạt tỷ lệ lấp kín diện tích trên 95%.

Do ảnh hưởng nền kinh tế suy giảm toàn cầu, DN Bình Dương đã gặp không ít khó khăn trong sản xuất như: giảm đơn đặt hàng, sản phẩm sản xuất không tiêu thụ được, các nguyên vật liệu nhập về hạn chế. Vì vậy, nhiều DN phải thu hẹp sản xuất, ngưng hoạt động hoặc hoạt động cầm chừng, năm 2008 đến hết quý I-2009, Bình Dương có 12.397 LĐ mất việc và 1.794 LĐ thiếu việc làm. Hết quý I-2009, tình hình hoạt động sản xuất của DN ở Bình Dương đã có sự chuyển biến tích cực, hơn 13 doanh nghiệp (DN) khó khăn nay đã trở lại hoạt động bình thường với nhu cầu tuyển dụng từ hàng chục đến hàng

⁴⁶ Cập nhật theo Internet - Tính đến tháng 8/2009

⁴⁷ Cập nhật từ website chính thức của tỉnh Bình Dương

ngàn lao động. Tại Trung tâm Giới thiệu việc làm tỉnh, đến tháng 6/2009 có 447 DN đăng ký tuyển dụng 6.330 LĐ⁴⁸.

2. Informal labor market

Đợt khảo sát nhanh tháng 3/2009 tại 5 điểm “chợ lao động” trong khu vực nội thành Hà Nội, bao gồm:

- Chợ Bưởi: phần lớn người chờ việc ở đây đến từ huyện Yên Thành, tỉnh Nghệ An, một số khác đến từ Thanh Hoá và khoảng 10 người đến từ huyện Đông Anh, ngoại thành Hà Nội
- Chợ Giảng Võ: tập trung người đến từ tỉnh Nam Định, Thái Bình, Thanh Hoá.
- Chợ cầu vượt Mỹ Đình: đa số là người của huyện Phúc Thọ, Hà Nội, hay từ Hà Tây cũ trong đó phần lớn người lao động ngày ngày đạp xe gần 60 km cả đi và về đến cầu vượt Mỹ Đình đứng chờ việc
- Chợ Phạm Ngọc Thạch: chủ yếu là người đến từ huyện Nông Cống, Thanh Hoá.
- Chợ Long Biên: với đặc điểm là chợ đầu mối hoa quả lớn, người lao động phổ thông tại chợ này đến từ nhiều tỉnh khác nhau như: Thái Bình, Nam Định, Thanh Hoá, Nghệ An,... nhưng đông nhất vẫn là người từ các tỉnh lân cận như Vĩnh Phúc, Hưng Yên...

Để nắm bắt được những biến chuyển về chợ lao động tự do trên địa bàn Hà Nội, nhóm nghiên cứu đã cố gắng tiếp cận lại với cả 5 điểm chợ. Tuy nhiên, nhóm đã không tập trung được lao động của điểm chợ lao động Giảng Võ.

3. Craft villages

LÀNG GÓM SỨ BÁT TRÀNG

Xã Bát Tràng có hai làng là Bát Tràng và Giang Cao, chia thành 11 xóm dân cư. Xã có 1721 hộ với 7528 khẩu. Về cơ cấu việc làm, 84 phần trăm số dân trong độ tuổi lao động trực tiếp sản xuất gốm sứ mỹ nghệ; 15 phần trăm làm buôn bán và dịch vụ, gồm sản xuất và cung cấp đất và men; cung cấp dịch vụ cho du khách, gián tiếp thúc đẩy nghề truyền thống; và một phần trăm làm dịch vụ khác (cắt tóc, gội đầu...).

Xã có 60 doanh nghiệp nhỏ (từ 50 nhân công trở xuống), và hai doanh nghiệp quân đội tham gia sản xuất gốm sứ. Khoảng 80 phần trăm hộ sản xuất có cửa hàng để tiêu thụ sản phẩm của chính mình. Số hộ sản xuất giảm từ 1200 trong năm 2004 xuống 970 trong năm 2007, và xuống 800 vào cuối năm 2008. Trong khi đó, tổng doanh thu của xã giảm từ 226 tỷ VND trong năm 2007 xuống 175 tỷ VND trong năm 2008. Thu nhập bình quân tính theo đầu người trong khoảng từ 8.5 triệu VND tới 10 triệu VND.

⁴⁸ Cập nhật theo Báo Bình Dương – tháng 6/2009

LÀNG SƠN MÀI HẠ THÁI

Làng nghề sơn son thếp vàng và sơn mài Hạ Thái thuộc xã Duyên Thái, huyện Thường Tín, tỉnh Hà Tây có 200 năm lịch sử. Đồ sơn mài, Hạ Thái nhiều năm nay trở thành địa chỉ có uy tín xuất khẩu đến nhiều quốc gia trên thế giới như Anh, Pháp, Nga, Mỹ, Nhật, Hàn Quốc...

Làng Hạ Thái có khoảng 780 hộ với 3.300 khẩu. Khoảng 85-87 phần trăm hộ trong làng tham gia sản xuất đồ sơn mài, số còn lại trồng lúa, bán lẻ hay làm các dịch vụ khác.

Hạ Thái có khoảng 20 công ty với số vốn trên năm tỷ VND và tuyển dụng khoảng 30-50 nhân công. Doanh thu bán hàng giảm khoảng 35-40 phần trăm trong năm 2008, so với năm 2007. Một số hộ sản xuất chủ yếu cung cấp các sản phẩm chất lượng trung bình và chất lượng cao cho thị trường trong nước.

LÀNG MÂY TRE ĐAN PHÚ VINH

Làng Phú Vinh, xã Phú Nghĩa, Chương Mỹ, cách Hà Nội khoảng 25 km được coi là nơi xuất hiện nghề mây tre đan ở Hà Tây. Trước đây, các sản phẩm của Phú Vinh chủ yếu phục vụ nhu cầu thông dụng như rổ, rá, túi xách, làn... hiện nay đã có hàng trăm mẫu mã sản phẩm khác nhau từ những đĩa, khay, lọ hoa... cho đến những bức tranh đan bằng mây, bàn ghế, giường, tủ, khung ảnh... xuất khẩu đi nhiều nước trên thế giới. xã Phú Nghĩa có 2.400 hộ dân, với hơn 10 nghìn nhân khẩu thì 100% các hộ dân đều có người lao động làm nghề mây tre đan, 7.800 nhân khẩu sinh sống bằng nghề này.

LÀNG NGHỀ SƠN MÀI GÓM SỨ TƯƠNG BÌNH HIỆP – BÌNH DƯƠNG

Làng sơn mài Tương Bình Hiệp gồm toàn bộ xã Tương Bình Hiệp thuộc thị xã Thủ Dầu Một tỉnh Bình Dương, đã hình thành từ nhiều thế hệ và đã trở thành nghề truyền thống với hàng trăm gia đình tham gia sản xuất.

Theo thống kê , trên địa bàn xã Tương Bình Hiệp có 1.003 hộ (chiếm 37,92 %) với khoảng 2.173 lao động (chiếm 29,47%) sản xuất sơn mài và các dịch vụ có liên quan đến sơn mài, trong đó ngoài một số cơ sở có vốn kinh doanh vừa , số còn lại thường là gia công làm thuê và hoạt động cầm chừng do thiếu nguồn vốn và thị trường tiêu thụ sản phẩm, tổng giá trị sản phẩm năm 2008 vào khoảng 25,1 tỷ đồng⁴⁹. Gốm sứ cũng là một hoạt động trong địa bàn, tuy nhiên bị mai một nhiều do doanh thu sụt giảm.

Khảo sát được thực hiện tại Ấp 5 với khoảng trên 100 hộ làm nghề sơn mài trên tổng dân số ấp trên 300 hộ. Làng nghề Sơn mài Gốm sứ nhưng rất đa dạng sinh kế, từ làm nông, dịch vụ, và tham gia lao động cho các khu công nghiệp.

⁴⁹ Theo Báo công thương

4. Mountainous and Ethnic Minority area

GIA LAI

Địa bàn được chọn trong đợt đánh giá này là tỉnh Gia Lai, một tỉnh miền núi, biên giới nằm ở phía Bắc vùng Tây Nguyên, đồng bào dân tộc thiểu số chiếm khoảng 49% chủ yếu là DTTS Gia-Rai (30,5%) và Ba Na (12,4%). Đất nông lâm nghiệp chiếm 84% diện tích đất tự nhiên của toàn tỉnh. Kinh tế tỉnh chủ yếu là ngành nông lâm nghiệp thủy sản (47,33% GDP của tỉnh), trong đó cây công nghiệp dài ngày bao gồm cà phê, cao su và hồ tiêu đứng đầu cả nước về diện tích canh tác và xuất khẩu; lĩnh vực hấp thụ lao động, việc làm tạo ra thu nhập nhiều nhất.

Gia Lai với thế mạnh chính là trồng, chế biến, xuất khẩu các sản phẩm từ cây công nghiệp (cao su, cà phê, tiêu, gỗ...), đây cũng là lĩnh vực thu hút nhiều lao động nhất 425.530 người/tổng số 607.900 lao động toàn tỉnh⁵⁰, chiếm tỷ lệ 70%. Tỉnh có 1 khu công nghiệp và 1.172 doanh nghiệp với tổng số công nhân tại thời điểm tháng 6 năm 2009 là 59.152 lao động, trong đó lao động người Kinh 50.414 người, lao động người dân tộc thiểu số 8.738 người.

Huyện Đak Đoa được lựa chọn cho đánh giá là nằm phía Bắc của tỉnh Gia Lai, có diện tích 980,41 km², dân số trung bình năm 2008 là 93.073 người, trong đó đồng bào DTTS (Gia-rai, Ba Na, Tày, E Đê) chiếm 57% người. Trên địa bàn huyện Đak Đoa có 17 cơ sở sản xuất kinh doanh thuộc doanh nghiệp nhà nước, 5 hợp tác xã, 48 doanh nghiệp ngoài quốc doanh và gần 1.500 cơ sở kinh doanh hộ cá thể. Trang trại: 174 trang trại trồng trọt, 2 trang trại chăn nuôi, 1 trang trại lâm nghiệp. Tỷ lệ hộ nghèo giảm xuống còn 23,9% năm 2008 (năm 2007: 27,5%). Tuy nhiên, trong năm 2008 có 613 hộ (3% tổng số hộ) bị rơi xuống nghèo đói.

Hai xã được lựa chọn phỏng vấn trực tiếp người lao động về tác động khủng hoảng là Yapê và Tân Bình. Trong khi Tân Bình là một xã phát triển khá trong huyện Đak Đoa; giảm nghèo nhanh từ 16% năm 2006 hiện này chỉ còn 4% hộ nghèo nhờ vào phát triển cây cà phê, Yapê là một xã đặc biệt khó khăn của huyện Đak Đoa nằm trong xã thuộc Chương trình 135, trong đó có 87% dân số là người DTTS (Gia-Rai: 74%; Ba Na 13%), tỷ lệ hộ nghèo là 27,2%.

⁵⁰ Báo cáo Sở Lao động Thương binh và Xã hội tỉnh Gia Lai.

5. Agricultural export based area

AN GIANG⁵¹

An Giang là tỉnh phía Tây Nam tổ quốc, thuộc vùng Đồng bằng Sông Cửu Long, giáp với Kiên Giang, thành phố Cần Thơ, Đồng Tháp và có đường biên giới dài 95km với Campuchia. Tỉnh có 11 đơn vị hành chính trực thuộc gồm 1 thành phố, 2 thị xã và 8 huyện. Tỉnh có diện tích tự nhiên 3.536 km², với dân số 2.144.722 người (theo kết quả điều tra 1/4/2009). 6 tháng đầu 2009, tăng trưởng GDP đạt 5%, cơ cấu kinh tế gồm nông nghiệp 39,28%, công nghiệp xây dựng 10,62% và dịch vụ chiếm 50,10%, tổng giá trị xuất khẩu đạt 275 triệu USD

Với nhiều điều kiện tự nhiên thuận lợi và tài nguyên đất, rừng, thủy sản, nguồn nước mặt và nước ngầm dồi dào, An Giang có thể mạnh phát triển nông nghiệp, trong đó hai sản phẩm chính là lúa gạo và thủy sản. 6 tháng đầu 2009, xuất khẩu gạo ước đạt 112,88 triệu USD, tổng lượng xuất khẩu 274,06 nghìn tấn với gạo, và xuất khẩu thủy sản 56,78 nghìn tấn đạt 130,82 triệu USD.

Huyện được lựa chọn khảo sát tại An Giang là huyện Châu Phú, cách thành phố Long Xuyên 20km về phía Nam và thị xã Châu Đốc 20km về phía Bắc. huyện có 12 thị xã và 1 thị trấn. Châu Phú là huyện có thể mạnh phát triển cả hai sản phẩm chính của An Giang về lúa gạo và thủy sản (cá tra, cá ba sa).

Theo tư vấn từ cán bộ địa phương, các xã tại huyện Châu Phú tham gia khảo sát là xã Ô Long Vỹ, xã Mỹ Phú, xã Mỹ Đức, những xã đã phát triển mạnh về nuôi trồng thủy sản song sản xuất đã chịu ảnh hưởng từ khủng hoảng kinh tế.

⁵¹ Tổng hợp theo wiki, trang tin Sở KH&ĐT An Giang.

6. Tourism

HẠ LONG - QUẢNG NINH

Quảng Ninh là tỉnh ven biển vùng Đông Bắc Việt Nam, vừa thuộc vùng kinh tế trọng điểm phía bắc vừa thuộc vùng duyên hải Bắc Bộ. Tỉnh có 2 thành phố, 2 thị xã và 10 huyện trên diện tích 6.110,813 km², dân số 1.144.381 người (theo điều tra 1/4/2009). 6 tháng đầu 2009, tăng trưởng GDP ước đạt 8,6%, tổng mức bán lẻ hàng hoá và doanh thu dịch vụ ước đạt 10.398,1 tỷ đồng, tăng 13,96% so với cùng kỳ; trong đó bán lẻ tăng 36,71%, kim ngạch xuất khẩu hàng hoá trên địa bàn 763,54 triệu USD,

Quảng Ninh là một trọng điểm kinh tế, đồng thời là một trung tâm du lịch lớn của Việt Nam với di sản thiên nhiên thế giới Vịnh Hạ Long đã hai lần được UNESCO công nhận. Vịnh Hạ Long có tổng diện tích 1553 km² gồm 1969 hòn đảo lớn nhỏ, trong đó 989 đảo có tên và 980 đảo chưa có tên. Vùng Di sản thiên nhiên thế giới được UNESCO công nhận có diện tích 434 km² bao gồm 775 đảo, như một hình tam giác với 3 đỉnh là đảo Đầu Gỗ (phía tây), hồ Ba Hầm (phía nam), đảo Cống Tây (phía đông) vùng kế bên là khu vực đệm và di tích danh thắng quốc gia. Tổng số khách du lịch đến Quảng Ninh 6 tháng ước đạt 3.124,2 ngàn lượt, đạt 65% kế hoạch, tăng 14% cùng kỳ; khách nội địa tăng, tuy nhiên, khách quốc tế 708,3 ngàn lượt, giảm 41%. Khách lưu trú ước đạt 821,5 ngàn lượt, bằng 74% cùng kỳ, do đó mặc dù có nhiều biện pháp tích cực, song tổng doanh thu du lịch 6 tháng ước đạt 1.293,6 tỷ đồng, giảm 9% so cùng kỳ.

ANNEX 3. MAIN QUESTION GUIDELINE

Từng nhóm câu hỏi được chi tiết khác nhau với từng nhóm đối tượng khác nhau. Tuy nhiên, mọi câu hỏi được xây dựng dựa trên nhóm câu hỏi chính sau:

Khủng hoảng đã gây ra những ảnh hưởng trực tiếp đối với việc làm, thu nhập và gián tiếp nhiều hệ lụy đối với doanh nghiệp, lao động, hộ gia đình và cộng đồng. Những tác động đó là gì? Lan tỏa qua kênh nào?

Trong bối cảnh bị ảnh hưởng như vậy, các hỗ trợ (gói kích cầu...), các lưới đỡ an sinh xã hội (chính thức, phi chính thức) đã phát huy vai trò đến mức độ nào? Tín hiệu phục hồi về lòng tin sản xuất/đầu tư/tuyển dụng/tiêu dùng như thế nào?

Nhóm câu hỏi chính thảo luận với Doanh nghiệp/cơ sở sản xuất

Với Doanh nghiệp mới tham gia Chương trình Khảo sát nhanh

- Tình hình chung về doanh nghiệp?
- Khủng hoảng xảy ra với doanh nghiệp như thế nào? Tín hiệu phục hồi ntn?
- Tình hình chung của Ngành ra sao? So với những doanh nghiệp khác trong ngành, ảnh hưởng khủng hoảng đối với bản thân doanh nghiệp có gì khác?
- Đối phó với khủng hoảng như thế nào
- Doanh nghiệp đối phó về tài chính ntn?
- Doanh nghiệp cơ cấu lao động ntn? Chính sách đã thực hiện với lao động?
- Doanh nghiệp định hướng nội địa và không bị ảnh hưởng nặng nề có tận dụng cơ hội lao động dư thừa ntn?
- Nếu khủng hoảng kéo dài 3/6 tháng, 1 năm, đối phó như thế nào trong thời gian tới? Nhận định về hướng đầu tư, phát triển tiếp theo.
- Tiếp cận tới các trợ giúp/gói kích cầu như thế nào? Sự tăng trở lại tín dụng (nếu có) có giúp ích được DN phục hồi lòng tin đầu tư, sản xuất, tuyển dụng?

Với Doanh nghiệp đã tham gia Chương trình, được khảo sát lặp lại

- Tình hình doanh nghiệp nói riêng và Ngành nói chung thay đổi như thế nào so với vòng khảo sát trước? Tín hiệu phục hồi ntn?
- Các biện pháp đối phó với khủng hoảng đã được điều chỉnh như thế nào?
- Nếu khủng hoảng kéo dài 3/6 tháng, 1 năm, đối phó như thế nào trong thời gian tới?
- Tiếp cận tới các trợ giúp/gói kích cầu như thế nào? Sự tăng trở lại tín dụng (nếu có) có giúp ích được DN phục hồi lòng tin đầu tư, sản xuất, tuyển dụng?

Nhóm câu hỏi chính thảo luận với người lao động

Với người lao động mới tham gia Chương trình Khảo sát nhanh

- Thông tin cơ bản của cá nhân và hộ
- Tại sao lại đi làm ăn xa? Vai trò gửi tiền về như thế nào?

- Sinh kế ở quê nhà nếu không tìm được việc ở thành phố?
- Khủng hoảng xảy ra như thế nào
- Bắt đầu diễn ra từ tháng nào? Giảm dần công việc như thế nào? Bắt đầu từ khi nào thấy lượng việc giảm nhiều?
- Các công ty khác tình hình ra sao?
- Thay đổi về công việc, thu nhập, tiết kiệm, tiền gửi về, chi tiêu
- Liệu có vẫn trụ lại phân khúc thị trường lao động hiện tại? Trụ lại được bao lâu? Bao lâu tìm được việc mới?
- Khó khăn đối phó thế nào? Vay mượn ở đâu? Liệu vay được bao lâu? Nguồn cho vay có ổn định không?
- Tác động do luồng lao động ở khu vực chính thức chuyển sang ntn?
- Luồng quay về quê ntn?
- Đánh giá mức độ ảnh hưởng tới hộ
- Tiền gửi về giảm có tác động như thế nào? (chi tiêu dinh dưỡng, y tế, giáo dục, đầu tư nông nghiệp...)
- So sánh về nguyên nhân đặc điểm và mức độ khác biệt so với những người lao động cùng công việc trước đây về sự thay đổi công việc, thu nhập, tiết kiệm, tiền gửi về, chi tiêu, mức độ ảnh hưởng tới hộ.
- Đánh giá mức độ ảnh hưởng tới địa phương quê nhà? Luồng lao động quay về quê có tác động ntn (giá công nhật địa phương, giá cả mặt hàng thiết yếu, đất đai canh tác, vay mượn phi chính thức...)?
- Chính sách của doanh nghiệp với các trường hợp lao động khác – chỉ hỏi với công nhân
- Chính sách hỗ trợ của chính quyền
- Phản ứng đối phó như thế nào nếu khủng hoảng kéo dài 3,6 tháng, 1 năm – Xếp hạng
- Chính sách hỗ trợ như thế nào nếu khủng hoảng kéo dài 3,6 tháng, 1 năm – Kiến nghị
- Tiếp cận tới các trợ giúp/gói kích cầu như thế nào? Sự tăng trở lại tín dụng (nếu có) có giúp ích được người lao động phục hồi lòng tin tiêu dùng?

Với người lao động đã tham gia Chương trình, được khảo sát lặp lại

- Tình hình việc làm, thu nhập, ảnh hưởng tới hộ gia đình thay đổi như thế nào so với vòng khảo sát trước? Tín hiệu phục hồi ntn?
- Các biện pháp đối phó với khủng hoảng đã được điều chỉnh như thế nào?
- Nếu khủng hoảng kéo dài 3/6 tháng, 1 năm, đối phó như thế nào trong thời gian tới?
- Tiếp cận tới các trợ giúp/gói kích cầu như thế nào? Sự tăng trở lại tín dụng (nếu có) có giúp ích được người lao động phục hồi lòng tin tiêu dùng?

Câu hỏi thảo luận với các đối tượng khác

Sở (Lao động Thương binh Xã hội)/Liên đoàn lao động thành phố/tỉnh/Ban Quản lý (Khu công nghiệp/Khu chế xuất)

Đây là những cơ quan chịu trách nhiệm rà soát, thực hiện thống kê biến động lao động việc làm trên địa bàn cơ sở.

- Báo cáo tình hình biến động lao động việc làm do suy giảm/khủng hoảng kinh tế cho tới hiện tại (Báo cáo bằng văn bản)
- Chính sách hỗ trợ khủng hoảng: các đối tượng tiếp cận ntn?
- Nhận định diễn biến mức độ khủng hoảng
- Dự báo thay đổi chính sách nếu khủng hoảng kéo dài 3/6 tháng, 1 năm

Hiệp hội Ngành/Hiệp hội Làng nghề/UBND Làng nghề

Đây là những tổ chức thực hiện thống kê biến động thị trường, sản lượng và lao động việc làm của các tổ chức trong Ngành/Hiệp hội.

- Báo cáo tình hình biến động lao động việc làm do suy giảm/khủng hoảng kinh tế cho tới hiện tại, tác động tới người lao động cấp cá nhân, cấp hộ, cấp cộng đồng
- Nhận định sự biến động theo mảng thị trường xuất khẩu, mảng sản phẩm
- Chính sách hỗ trợ khủng hoảng: các đối tượng tiếp cận ntn?
- Nhận định diễn biến mức độ khủng hoảng trong thời gian tới
- Dự báo thay đổi chính sách nếu khủng hoảng kéo dài 3/6 tháng, 1 năm

UBND xã/phường, Cộng đồng (trưởng thôn/xóm, nhóm nông cốt thôn xóm, Người cung cấp dịch vụ ăn uống, chợ...)

- Tình hình việc làm, luồng di chuyển lao động
- Nhận định mức độ khủng hoảng, tác động tới người lao động cấp cá nhân, cấp hộ, cấp cộng đồng (thay đổi trong chỉ tiêu tiền chợ, dịch vụ...)
- Dự báo thay đổi chính sách nếu khủng hoảng kéo dài 3/6 tháng, 1 năm
- Nhận định về biến động luồng di chuyển, mức độ ảnh hưởng đối với địa bàn nghiên cứu
- Nông dân tại khu công nghiệp trước kia chuyển đổi sinh kế như thế nào? Lao động địa phương xung quanh khu công nghiệp chịu tác động như thế nào

ANNEX 4. METHOD AND TOOL

1. Đối với thảo luận nhóm/phỏng vấn người lao động

Phương pháp

- Thảo luận nhóm nông cốt trong quá trình thực địa
- Thảo luận nhóm: với các thông tin viên chính trong xã và thôn và với chính người nông dân, sử dụng các công cụ PRA khác nhau như phân loại hộ, đường thời gian, sơ đồ thôn, biểu đồ di chuyển, liệt kê và phân hạng tác động, biến động giá cả, phản hồi về thực hiện chính sách hỗ trợ....
- Phỏng vấn sâu ghi lại câu chuyện điển cứu
- Tham quan và chụp hình
- Quan sát/ghi chép thực địa
- Họp nhóm ngay sau thực địa

Công cụ bảng mẫu

- Bản tóm lược thông tin cơ sở
- Đề cương câu hỏi thảo luận
 - Danh sách Nhóm nông cốt cơ sở
 - Danh sách Đối tượng tham gia thảo luận nhóm/phỏng vấn sâu
- Phiếu ghi chép thông tin thảo luận nhóm/phỏng vấn sâu
- Phiếu tổng kết phỏng vấn sâu/thảo luận nhóm

2. Đối với phỏng vấn Doanh nghiệp/cơ sở sản xuất

Phương pháp

- Phỏng vấn sâu
- Tham quan và chụp hình

Công cụ bảng mẫu

- Đề cương câu hỏi bán cấu trúc

ANNEX 5. FDI AT SURVEY SITE

Vẫn theo xu hướng giảm vốn đầu tư trực tiếp nước ngoài (FDI) cấp mới⁵², trong 8 tháng năm 2009 cả nước có 504 dự án FDI được cấp mới giấy chứng nhận đầu tư với tổng số vốn đăng ký là 5,625 tỷ USD. Tuy vốn đăng ký cấp mới giảm⁵³ nhưng lượng vốn tăng thêm của các dự án đã đầu tư giai đoạn trước lại tăng hơn so với cùng kỳ năm 2008.

Trong 8 tháng đầu năm, có 149 dự án đăng ký tăng vốn đầu tư với tổng vốn tăng thêm là 4,8 tỷ USD, tăng 3,8% so cùng kỳ. "*Điều này thể hiện niềm tin của các nhà đầu tư vào khả năng phục hồi và tiềm năng phát triển của nền kinh tế Việt Nam*" – theo nhận định của Cục đầu tư nước ngoài.

Thêm vào đó có lẽ lạc quan nhất là số liệu về giải ngân vốn FDI, ước tính, trong 8 tháng qua các dự án đầu tư trực tiếp nước ngoài đã giải ngân được 6,5 tỷ USD, bằng 91,5% so với cùng kỳ năm 2008. Trong con số này, vốn từ nước ngoài khoảng 5,5 tỷ USD.

Sau Bà Rịa Vũng Tàu, địa phương thu hút nhiều vốn FDI đứng thứ hai toàn quốc là thành phố Hồ Chí Minh với 1,04 tỷ USD vốn đăng ký mới và tăng thêm. Tiếp theo đó là Bình Dương (755 triệu USD), Hà Nội (367 triệu) và Đồng Nai (281 triệu USD). Những con số này là rất đáng mừng so với con số vào thời điểm 4/2009.

⁵² Tình hình khó khăn khiến dòng vốn FDI chảy vào các tỉnh đều giảm tại thời điểm tháng 4/2009. Ban Quản lý các khu công nghiệp ở Đồng Nai cho biết, nguồn vốn FDI vào tỉnh giảm mạnh, từ đầu năm đến nay chỉ thu hút được 6,7 triệu USD trong khi năm 2008 thu hút được 1,5 tỷ USD. Tại Hải Phòng, con số 185 triệu USD vốn FDI tính đến 20/1/2009 đã đem đến dấu hiệu lo ngại nhất định khi mục tiêu thu hút nguồn vốn này đặt ra chỉ bằng 1/3 năm 2008. Quý 1 năm 2009, Bình Dương thu hút thêm 314,7 triệu USD vốn FDI, chỉ bằng 46% so với cùng kỳ⁵². Từ đầu năm, Thành phố Hồ Chí Minh giảm 31,6% số dự án FDI, giảm 73,1% số vốn đăng ký.

⁵³ Trong 7 tháng đầu năm 2009, Hải Dương thu hút được 20,5 triệu USD vốn FDI, bằng 3,5% cùng kỳ năm 2008 (trong đó cấp giấy phép đầu tư mới cho 2 dự án với số vốn đăng ký 6,9 triệu USD).