

Invitation to participate in

# Multi-Company Collective Bargaining project Vietnam



## Introduction

**A unique cooperation between the Vietnamese trade union Vietnam General Confederation of Labour (VGCL) and the Dutch trade union CNV Internationaal, employers' associations and public authorities has been developed to initiate an effective social dialogue in the garment sector in Vietnam.**

Three Multi-Company Collective Bargaining Agreements (MCCBAs) have been signed in three districts in Vietnam (Van Lam, Thu Duc, Tan Binh) since the start of the project in 2018. Another MCCBA is expected to be signed shortly. The existing agreements benefit 15 garment factories together employing 7,000 workers, mostly young women.

The plan in the upcoming years is to scale-up the existing MCCBA project to new regions and new sectors in the country, and to conclude 32 new MCCBAs by 2023. CNV is keen to see how this work can be scaled together with Vietnamese and international partners.

## A win-win-win through social dialogue

Social dialogue and collective bargaining agreements can bring benefits to all social partners involved: including higher productivity, better working conditions and more economic stability. In other words, social dialogue and collective bargaining aim to achieve a 'win-win-win-situation'.

With the revision of the Labour Code and the ratification of core international labour conventions, Vietnam is ready to take the next step in sustainable development. As the country embarks on this journey, it is important to provide guidance and support to both worker and employer representatives, and to ensure workers are indeed represented during negotiations.

For suppliers, MCCBAs and the processes towards these MCCBAs can lead to benefits such as:

- Fewer labour disputes and fewer strikes.
- Retaining skilled employees and creating a more stable workforce.
- Better mutual understanding and communication between employers and employees/trade unions, which provides practical, cost-effective and easy-to-implement solutions to problems in the garment factories.
- Opportunities for higher productivity and better quality due to better training provided for the workers.
- Opportunities for doing business with new buyers and partners and meeting expectations of new consumers.
- Reducing competition on labour costs between MCCBA participants.
- Opportunities to attract new workers.
- Better cooperation with regional authorities.
- Contribution to the realisation of a fair and decent clothing industry and a stable society.

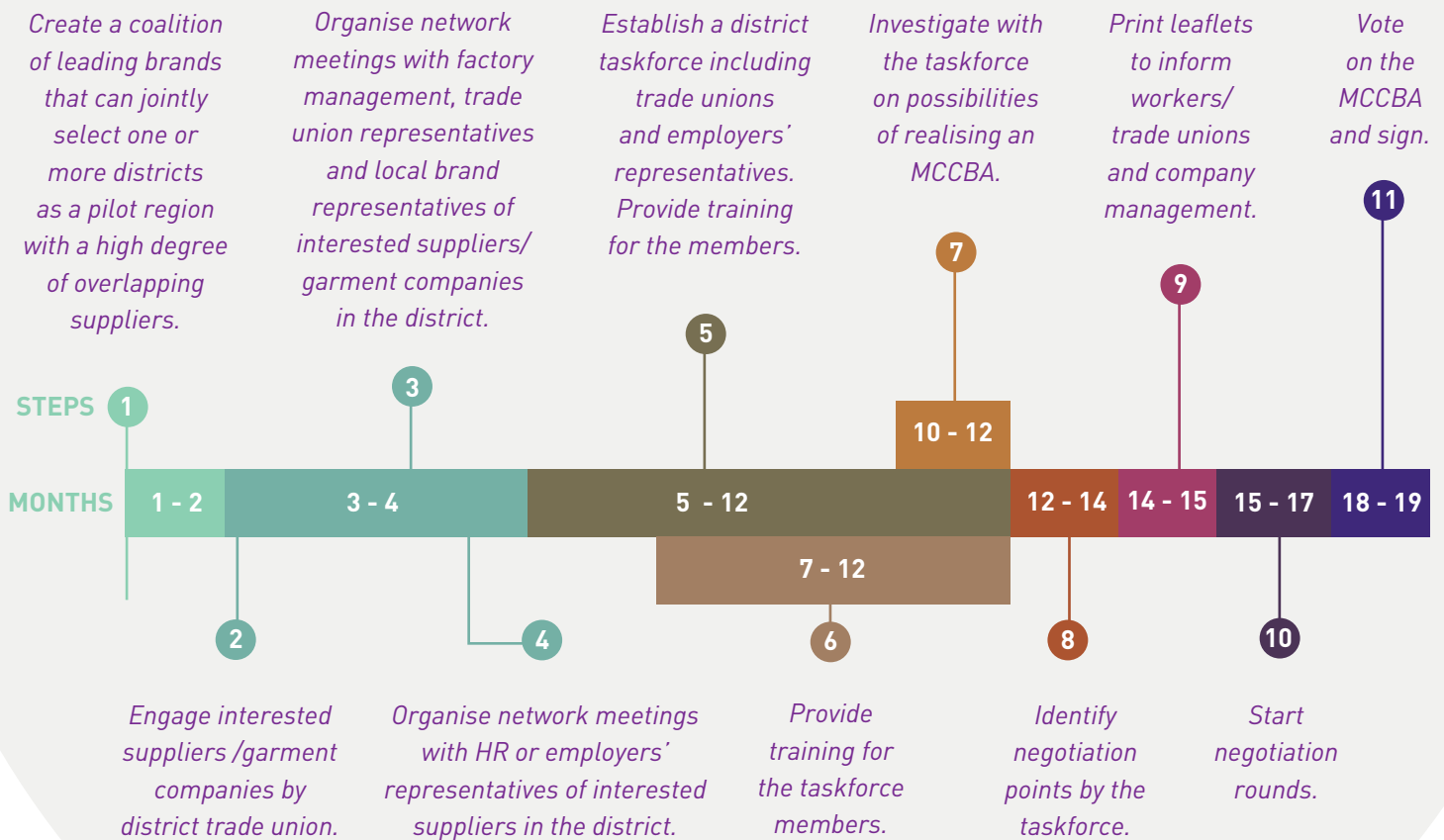
The same benefits apply to brands. The MCCBAs reduce supply chain risks. Moreover, brands can contribute to advance some of the most pressing issues in Vietnam: freedom of association, collective bargaining where workers are truly represented and decent work, including wages.



**Internationaal**

## The process

The project will train, coach and support the employer's and worker's representatives, resulting in an MCCBA.



## We ask for your support

Participation in this project offers brands a unique opportunity to improve their social responsibility, and consequently it creates an opportunity to achieve the abovementioned win-win-win situation. Your commitment to the project goals is important for its success.

More concrete, we ask you:

- To motivate your suppliers to participate in the project.
- To investigate with us the possibility of cooperating with other suppliers in the same region.
- To fund part of the project costs, together with CNV Internationaal.
- To participate in regular roundtable discussions with Vietnamese stakeholders, including the VGCL, Vietnam Chamber of Commerce and Industry (VCCI), Vietnam Garment and Textile Association, Ministry of Labour and Social Affairs and Dutch stakeholders, on issues of common interests for parties to promote effective social dialogue and a fair clothing industry.

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