

# Strikes in Foreign Direct Investment Enterprises in the Southern Key Economic Region of Vietnam

Hung Van Tran<sup>1</sup>

<sup>1</sup> Faculty of Business Administration, University of Finance and Marketing, Ho Chi Minh City, Vietnam

Correspondence: Hung Van Tran, Faculty of Business Administration, University of Finance and Marketing, Ho Chi Minh City, Vietnam.

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## Abstract

The transition from a centrally planned economy to a market economy has created favorable conditions for many businesses, especially foreign direct invested enterprises. This process has created a completely different environment for labor relations in enterprises. Accordingly, the relations between employees and employers are no longer in similar forms or can be adjusted by state administrative interventions as before. The difference in benefits between employers and employees is becoming more and more significant, which is reflected the most in the number of strikes and labor disputes that have been continuously increasing and happening throughout the country over the recent years. Strikes have been happening continuously and increasing in terms of quantity, scale and complexity over the past few years and they have greatly affected business results of enterprises as well as have reversed employees' lives and caused other social problems. According to the Ministry of Labor - Invalids and Social Affairs, Vietnam, since 1995, when the Labor Code took effect, so far, the country has had more than 6,400 strikes, of which those of FDI enterprises account for more than 70%. Among the strikes taken place in FDI enterprises, those occurred in the Southern Key Economic Zone represented 70% of those that happened in FDI enterprises nationwide.

**Keywords:** strikes, FDI, collective labor dispute, trade union

## 1. Introduction

Over the past few years, the Vietnamese Government has been putting effort into building and refinement of law and regulations as well as improving industrial relation regulations. Especially, there was the issuance of the Labor Code in 1994; and some of its amendments in 2002, 2006, 2007, and 2012. Moreover, the release of the Law on Trade Union in 1990 and its amended version in 2012 has been the strong foundation for the rights and benefits of both employers and employees in their industrial relations. More than that, these laws and regulations protect both parties in their industrial relations and step-by-step govern them to prevent potential strikes and collective labor disputes. However, there are some existing challenges in maintaining industrial relations. Even though the industrial relations are under the governance of the laws and regulations which have already been established, however, sometimes they are still rudimentary that they do not cover tremendous changes in the labor market. It can be said that spontaneous strikes which were rooted in many industrial parks in Ho Chi Minh City, Dong Nai, and Binh Duong province in early 1990 will keep going on and become more often and more complicated. Additionally, the development of economic sectors has also increased internal conflicts which leads to increasing numbers of strikes, which in turn degrade either productivity or physical and mental health of labor forces. Hence, it is necessary to consider the effects of strikes in Foreign Direct Investment companies in the southern key economic region and suggest some solutions to either reduce conflicts or prevents possible strikes.

The fast growth of different economic sectors has also made industrial relations have more complex problems of which their indicators are disputes over rights and benefits in enterprises. Consequently, more and more strikes happen, which directly affects the business operations of businesses as well as greatly influences employees' income and lives. Taking industrial relations seriously in FDI in the Southern Key Economic Region is the mission that needs more attention to take measures to constrain disputes and mitigates disputes and prevent potential strikes.

## 2. The Reality of Foreign Direct Investment Attraction in the Southern Key Economic Region

The Southern Key Economic Region includes Ho Chi Minh City, Dong Nai, Ba Ria- Vung Tau, Binh Duong, Binh Phuoc, Long An, Tien Giang, and Tay Ninh Provinces. It has an area of around 30,524 square kilometers, makes up 9.2% of Vietnam, with a population of 19.7 million at the end of 2016 (Minh Hanh, 2017). It plays a critical role in our national socio-economic development and it has enough favorable conditions as well as advantages to develop in fields namely industries, services, high-technology industries and it can be considered the leading area for urbanization and industrialization; especially for the development of high-tech industries, electronic industries, electrical industries, petroleum industries, luxury services, tourism industries, telecommunication services, finance, and banking services; and simultaneously it can be the place to promote research and development as well as train skilled workers. In 2017, these cities and provinces remained the most developed key economic region with the growth rate that 1.5% larger than the average growth rate of our country. For instance, it represented 40% of the exported turnover. More than that, the regions contributed up to 60% in terms of contributions to the government budget and attracted 60% in terms of the number of projects and 50% foreign investment in Vietnam (Manh Hung, 2018).

As of 20 December 2017, there are 24,748 in-effect projects with the total registered capital reached 318.72 billion USD. Moreover, the accumulated FDI capital is estimated at 172,35 billion USD, representing 54% of the total capital. FDI exists in 63 provinces, and the Southern key economic region attracted 144.5 billion USD, making up 45% nationwide. The largest FDI belongs to Ho Chi Minh city with 44 billion USD (13.8%), Binh Duong Province with 30.18 billion USD (9.5%), Dong Nai Province with 27.34 billion USD (8.6%) (Thu Ha, 2017). According to the statistics of the Foreign Investment Agency, exports from the FDI sector (including that of crude oil) in the eleven months of 2017 reached 140.65 billion USD in 2017, which increased by 22.8% compared to that of the same period of the previous year, this figure accounted for 72.6% exported turnover. Also, imports from FDIs reached 114.5 billion USD, which increased by 23.2% compared to that of 2016, and this figure accounted for 60% of imported turnover. Taking data of the first eleven months of 2017 into consideration, excess of imports over exports in the foreign investment sector reached 26.15 billion USD (including crude oil); excess of exports over imports in the foreign investment sector reached 23,54 billion USD excluding crude oil. The total actual investment capital in 2017 reached 1,667.4 thousand billion VND, equal to 33.3% of GDP; in which the foreign direct investment sector reached 396.2 thousand billion VND. The total National Budget collected as of 15 December 2017 is about 1,104 thousand billion VND and that collected from FDIs (excluding crude oil) is about 153.9 thousand billion VND, equal to 14% (FIA, 2017).

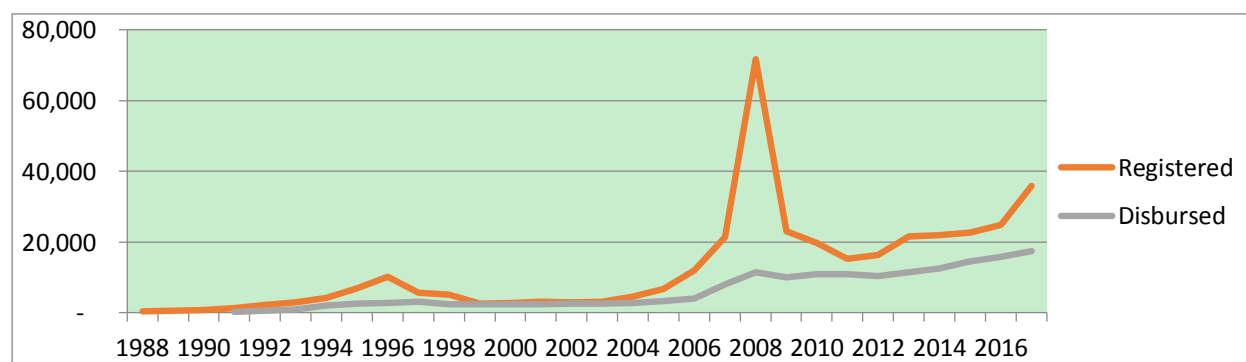


Figure 1. FDI registered capital and actual capital from 1988 to 2017 (Unit: million USD)

Source: data collected by the author from the Foreign Investment Agency, Ministry of Planning, and Investment

## 3. Method Research

With limited research on this topic, this study has traced both secondary data drawn from government reports, extensive research, media reports, and internal education institutions and Main data drawn from interviews of many parties. Triangulation enhances the reliability of research results by cross-checking data and investigating the phenomena more fully than a single method (Golafshani, 2003; Guba, 1981). Analyze secondary data drawn from previous authors on Vietnam's employment system as well as labor relations; The document is taken from various

sources, such as the annual report of the Ministry of Labor, Invalids and Social Affairs, Vietnam Statistical Office, Vietnam General Confederation of Labor, Group Office. International Labor Organization (ILO), VCCI in Ho Chi Minh City; and Vietnam's important media sources on labor issues. The main purpose is to provide labor relations stakeholders with a comprehensive view of the spontaneous strike scene over the past 30 years at FDI enterprises in the Southern key economic region. The main purpose here is through secondary data, the analysis finding the causes of wildcat strikes, from which stakeholders such as the state, grassroots trade unions, labor unions, employers, and even workers find solutions to build harmonious labor relations to minimize strikes.

#### 4. Actual Status of Strikes Over the Past 20 Years in the Southern Key Economic Region

##### 4.1 Definitions

- "Strike" is the basic right of an employee, which is recognized for a long time in the legal documents of the United Nations (UN), of International Labor Organization (ILO), and those of Vietnam and other countries. The regulation of the right to go on strike is the advancement of the Labor Code because it has made the Constitution more specific and be suitable to the market economy context as well as guarantee that employees have more regulations to protect their rights and benefits.

According to Article 209 of the 2012 Labor Code, a "strike" is (1) a temporary, voluntary, and organized stoppage of work by the worker's collective to achieve the demands in the process of the labor dispute resolution. (2) The strike shall only be carried out regarding interest-based collective labor disputes and after the statutory period as stipulated in Clause 3 of Article 206 of Viet Nam Labor Code 2012.

- An "employee" shall mean a person who is at least 15 years of age, can work, works under an employment contract, is paid, and is managed and controlled by the employer.
- An "employer" shall mean an enterprise, an agency, an organization, a cooperative, a household, or an individual who hires or employs a worker or workers based on an employment contract. In the case of an individual, that individual must have a full capacity of civil acts.
- "Worker's collective" shall mean an organized group of employees working for one employer or in the same division within the organizational structure of an employer.
- The "representative organization of the worker's collective at the grassroots level" shall be either the Executive Committee of a grassroots trade union or the Executive Committee of the immediate upper-level trade union in the case of a workplace where a trade union has not been established.
- The "representative organization of employers" shall mean a lawfully established organization, which represents and protects the employers' lawful rights and interests in labor relations.
- A "labor dispute" shall mean a dispute on rights, obligations, or interests which emerge between the parties in the labor relations. Labor dispute comprises an individual labor dispute between an employee and an employer, and a collective labor dispute between a worker's collective and an employer.
- A "collective labor dispute on right" shall mean a dispute between a worker's collective and the employer arising out of the different interpretation and implementation of provisions of labor laws, collective bargaining agreements, internal working regulations, and other lawful regulations and agreements.
- A "collective labor dispute on interest" shall mean a dispute arising out of the request of the worker collective on the establishment of new working conditions, as compared to the provisions of labor laws, collective bargaining agreements, or internal working regulations, or other lawful regulations and agreements, in the negotiation process between the worker's collective and the employer.
- "To extract forced labor" shall mean to use force, or to threaten to use force or a similar practice to force a person to work against his or her will.
- Strike actions vs strikes: According to the Vietnamese encyclopedia: "economic, political strike actions are partly or fully stoppage of operations of the entire production process carried out by a collective of workers who unanimously take action and it is a measure to fight against employers and or owners of factories, mines and plantations, and capitalists and governments to ask for economic, professional and even political benefits of workers, officers". Based on this definition, strike actions are similar to strikes. However, in many cases, strikes actions can be considered as large-scale strikes or strikes of many businesses and many classes of workers in the same country. Strike actions usually happen in one industry and they are usually well-prepared by trade unions and all the workers in the industry of a country. Deliberately planned strikes

are usually for being against governmental decisions or policies which have an influence on the lives of workers within that industry or propose their demands to improve their lives and working conditions. Strikes often last for several days to freeze daily activities and to put pressure on the Government (Do Q. C, 2017; Schweisshelm and Do Q. C, 2018).

4.2 Quantity of Strikes

According to the Ministry of Labor, War Invalids, and Social Affairs, from 1995 to late 2017, there were 6,400 strikes occurred in 40 provinces in Vietnam.

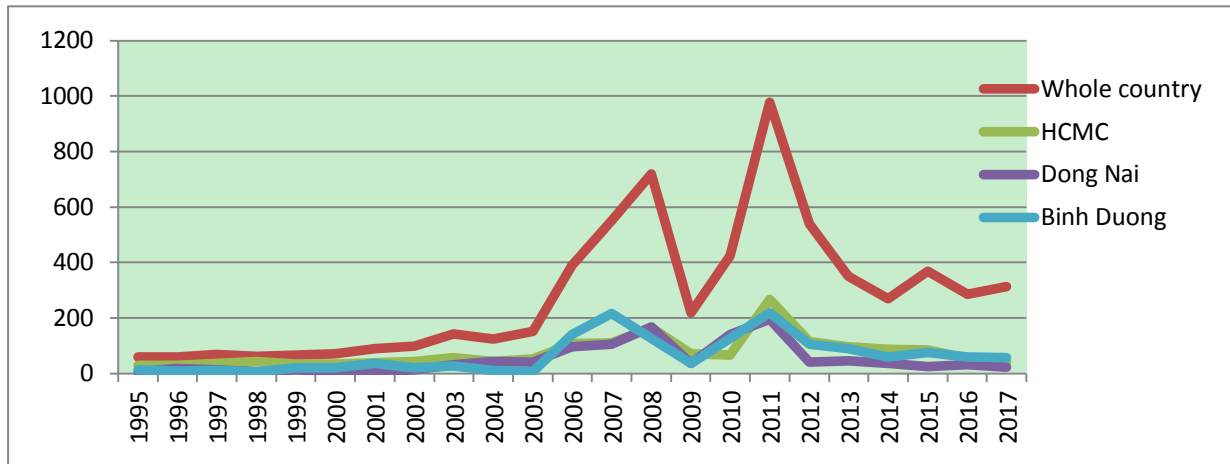


Figure 2. Line chart about strikes occurred in Vietnam and some localities from 1995 to 2017

Source: data collected by the author from the Department for Industrial Relations and Wages under the Ministry of Labor Invalids and Social Affairs and statistics of media and press.

Since Labor Code came into force from 1995 to 1999, there were 317 strikes in Vietnam and 525 strikes in the period of 2000 - 2004, increased 1.6 times compared to that of 1995- 1999 (see Figure 1).

From 2005 to 2009, the number of strikes increased tremendously nationwide, it reached 2,031 strikes and increased constantly. More specifically, there were 152 strikes in 2005; 390 in 2006; 551 in 2007, and 720 in 2008. However, the number of strikes temporarily went down to 218 in 2009. So, the total number of strikes increased 6.41 times in the period 2005- 2009, compared to that of 1995-1999 and 3.87 times compared to that of the period of 2000-2004. Collective temporary stoppages of work do not follow the legal procedures even though amended and supplemented law was issued and came into force on 01 July 2007 (Chapter XIV on dispute settlement and contemporary collective stoppage of work) (Nguyen Viet Vuong 2010).

Table 1. Quantity of strikes from 1995 to 2017 based on periods and localities

Period	Entire country		HCMC		Dong Nai		Binh Duong		Other localities	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%	Quantity	%
<b>1995-1999</b>	317	100%	71	54%	54	17%	55	17%	37	12%
<b>2000-2004</b>	525	100%	217	41%	102	19%	112	21%	94	18%
<b>2005-2009</b>	2,031	100%	504	25%	444	22%	525	26%	558	27%
<b>2010-2014</b>	2,561	100%	634	25%	457	18%	600	23%	870	34%
<b>2015-2017</b>	968	100%	178	18%	79	8%	192	20%	519	54%
<b>Total</b>	6,402	100%	1,704	27%	1,136	18%	1,484	23%	2,078	32%

Source: data collected by the author from the Department for Industrial Relations and Wages under the Ministry of Labor Invalids and Social Affairs and statistics of media and press.

### 4.3 Regions Where Strikes Took Place

According to data from the Ministry of Labor, War Invalids, and Social Affairs, temporary collective stoppage of work and strikes mainly occur in the Southern key economic region. Particularly, most strikes occurred in Ho Chi Minh City between 1995 and 1999 making up 54%; those happened in Southeast provinces namely Ho Chi Minh City, Binh Duong, and Dong Nai accounted for 88%. This is the period during which these places were industrialized in large-scale, industrial zones and parks have been established and developed to attract.

In the next periods, 2000-2004, 2005-2009 and 2010-2014, the number of strikes kept increasing in the Southern key economic region, especially in 3 provinces in the Southeast region. However, strikes in other places especially in the Northern economic region rose in numbers, therefore, although the rate looked smaller, it still ranged around 70% (Figure 3)

In the last 3 years from 2015 to 2017, strikes and Collective temporary disputes at work tended to go down compared to those of the last 2 periods. It was noticeable that there was a change in the places of strikes. They not only occurred in the Southern key economic region but also the North such as Hanoi, Hai Duong, Hai Phong, Thanh Hoa. In the chart in Figure 4, it is shown that the number of strikes in Hochiminh City, Binh Duong, and Dong Nai Provinces has been declining since 2010 while those in other places (in light blue) increased dramatically.

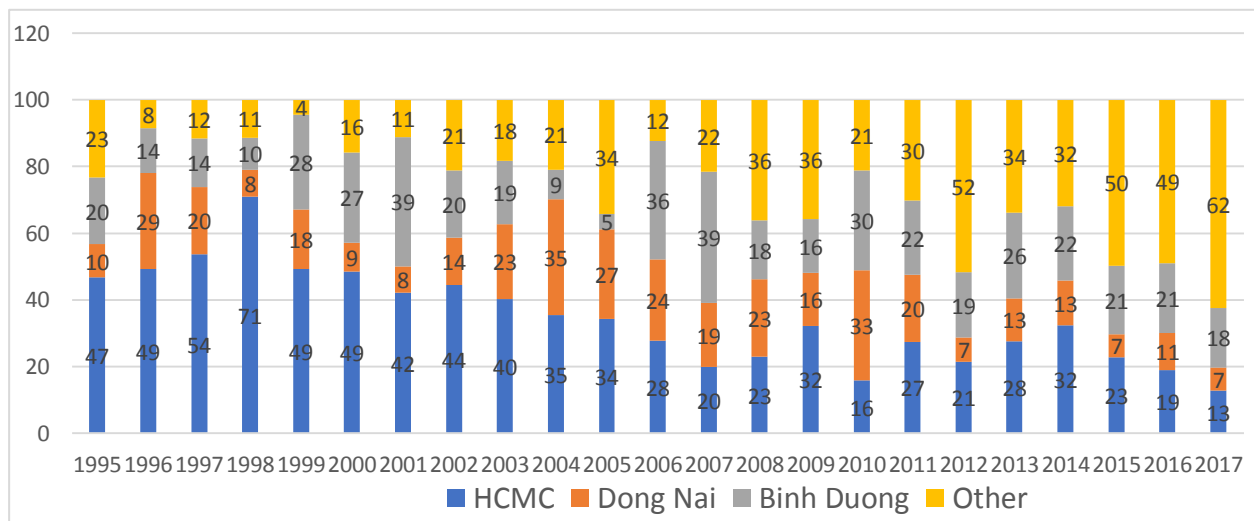


Figure 3. Percentage of strikes based on localities

Source: data collected by the author from the Department for Industrial Relations and Wages under the Ministry of Labor Invalids and Social Affairs and statistics of media and press.

### 4.4 Strikes Categorized Based on Economic Sectors

According to the data from CIRDO under the Ministry of Labour, War Invalids, and Social Affairs in 2015, based on economic sectors, from 1990 to 2013, the number of strikes in State-owned enterprises decreased gradually and nearly come to zero in 2007 while that of FDI enterprises and private enterprises kept increasing regularly especially in FDI. Strikes went up steadily from 3 in 2008 to reach a peak of 584 strikes in the country and accounted for 70% of strikes in the whole country. Since 2003, strike and collective disputes in private enterprises were ranging around 20% to 30%. Details of the numbers of strikes categorized based on economic sectors are shown in Figure 4.

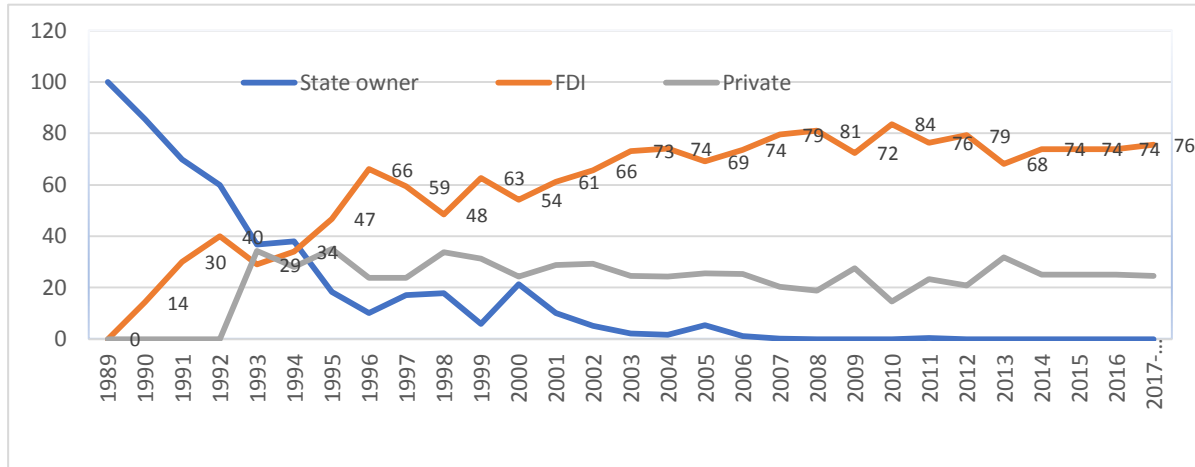


Figure 4. The percentage of strikes categorized based on economic sectors

Source: CIRD (2015), (L êAn Nhien, 2016), (Tran Anh, 2016), (Nhat Minh, 2018)

4.5 Some Characteristics of Strikes in FDI in the Southern Key Economic Sector

According to the report of the Vietnam General Confederation of Labor, there were 3,614 strikes and collective stoppages of work in cities and provinces in Southern key economic regions such as Ho Chi Minh City, Dong Nai, and Binh Duong. They occurred mostly in FDI with approximately 2,530 strikes at the rate of 73,6% (Tran Anh, 2016).

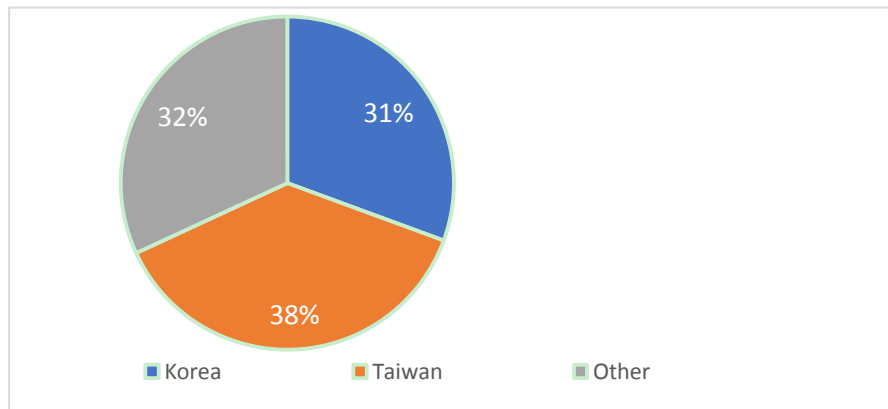


Figure 5. The percentages of strikes in FDI based on countries from 1995 to 2010

Source: Nguyen Huu Dung (2012), Tran Anh (2016) and Le An Nhien (2016)

From 1995 to 2010, there were 3,297 strikes in for 29.1% was those took place in Ho Chi Minh city-based enterprises, 24.84% in Binh Duong, and 22.44% in Dong Nai. This means 76.4% of strikes occurred in these three places, strikes in other places made up only 23.6%. Among the total of 3.297 strikes, 2,265 cases happened in FDI (69%) in which 31% in South Korean companies, 38% in Taiwanese companies. Therefore, FDI businesses relating to these two countries made up 69% of strikes, others only represented 31% (Figure 5). Moreover, some strikes occurred mainly in the textile industry, especially in 2008 (40%), in the mechanical, processing industry, leather, and shoe industry (31%); the remaining rate of 29% belonged to those in other industries (Nguyen Huu Dung, 2012).

From 2010 to 06/2016, according to the report of the Vietnam General Confederation of Labor, there were 3,614 strikes occurred in 40 provinces, mostly in the Southern key economic region such as HCM City, Dong Nai, and Binh Duong Provinces. Strikes mostly occur in FDI entrepreneurs which account for 74%. More specifically, cases

occurred in FDI were 2,675 strikes, 885 strikes in private sectors (25%), and merely 1% in the state-owned companies. Notably, strikes occurred frequently in Taiwanese enterprises (826 cases equivalent to 31%), South Korean enterprises (825 cases equivalent to 31%), China entrepreneur (220 cases, 8%), Japanese (139 cases, 5%), and other cases ( 665 cases - 25%) (Figure 6). Separately, strike happens the most frequently in the textile industry (1,270), leather and shoe industry (610), wood processing industry (373), electronic (241), etc. (Figure 7) (Tran Anh, 2016; Duong Minh Anh, 2017; Hong Hiep, 2017; Linh Nguyen, 2017)

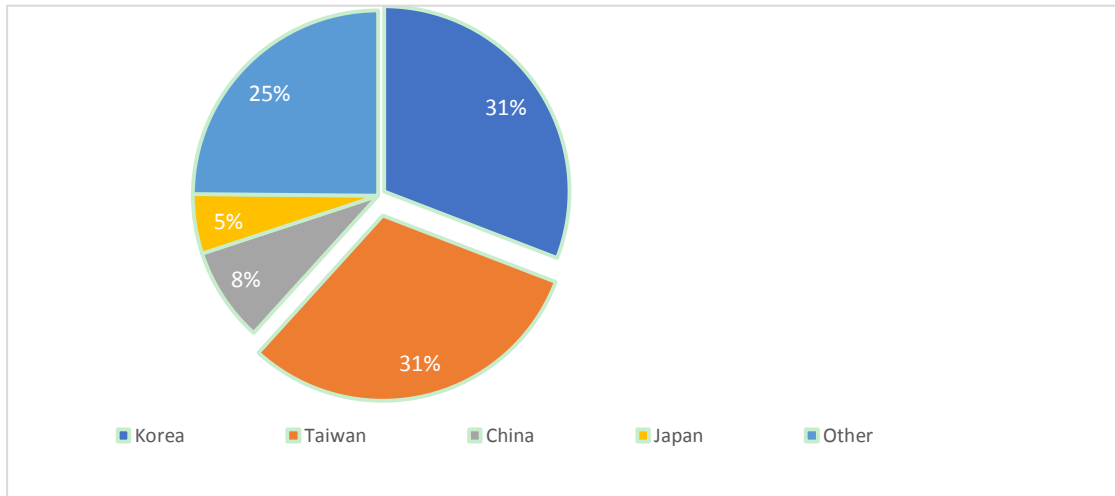


Figure 6. Strikes are categorized by country: 2010-06/2016

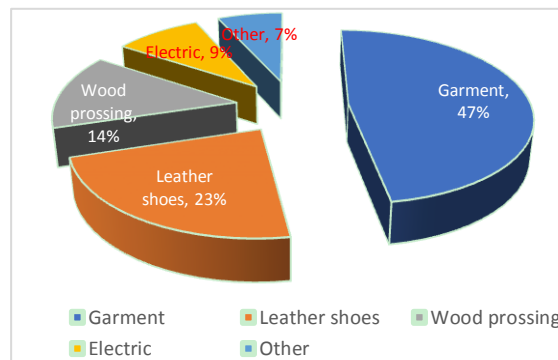


Figure 7. Strikes are categorized by industry: 2010-06/2016

454 strikes happened in 39 out of 63 provinces in 2017 and during the first 5 months of the year 2018. Most strikes occurred in the Southern key economic region such as Binh Duong, Dong Nai, Ho Chi Minh City, Tay Ninh, Long An, Tien Giang with 290 cases (64%). Moreover, data also show that strikes happened in FDI entrepreneur with 343 out of 454 cases (78.4%), remaining belonged to private sectors. There were 151 strikes in South Korean companies (41%), 82 in Taiwanese ones (24%), 35 in Chinese companies (10%), 17 in Japanese companies (5%) and the remainder is 343 strikes in FDI companies (Figure 8).

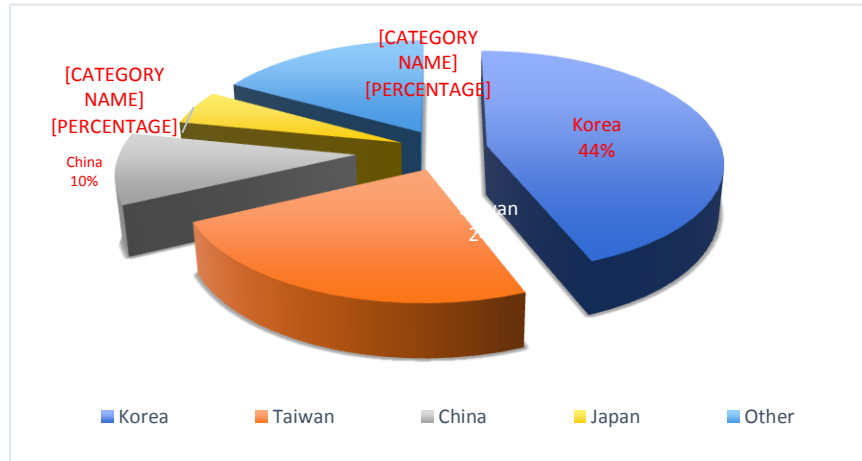


Figure 8. Strikes are categorized by country: 2017-5/2018

According to VCCI’s survey on industrial relations in FDI in 2014 and 2017 in the 2014 Vietnam competitiveness assessment report, 9% of strikes occurred in FDI. Because of the movement of Chinese oil rig HD 981 to the sea, strikes increased rapidly in the industrial park in Hai Duong and Binh Duong provinces. Later on, strikes started going down to 4.9% in 2017. Although the number of strikes decreased in 2017, the number of entrepreneurs started going down. More specifically, for enterprises that took "employees' complaints during the strikes seriously" and considered these reasonable", their rate of strikes declined significantly from 80% in 2014 to 62% in 2017. More than that, 92% of FDI proved that they had addressed employees’ complaints (PCI, 2017). According to the ILO survey in 2011, employers who accepted all the employees’ demand made up 90% (Schweissshelm and Do Q. C, 2018)

Most of the strikes happened in two main seasons. According to statistics of the Vietnam General Federation of Labor. The number of strikes reached the highest during the first quarter, before and after Lunar New Year, around 41,2%. This is the most critical time for employers to modify their new salary when the regulations on basic wages come into force. Besides, Lunar new year is the most important holiday in Vietnam when employees always expect rewards or bonus payments. The number of strikes usually went down in April and soared in May, June, and July. The textile, and garment and footwear industries were likely to have strikes because this was the high time for their manufacturing during the year. There has usually been a shortage of workers and workers must work more with extra shifts and they were under pressure. During this period, strikes are usually initiated in companies that have strong non-official unions for workers. These strikes usually lasted for more than 1 day (Figure 9) (Däubler, 2018). According to ILO, 92% of strikes end with employers’ meeting employees’ demands (Do Q C, 2016). The winning of a strike in one enterprise tends to be the norm for salary adjustment in others in the region and wildcat strikes spread accordingly. However, the influence of leading strikes did not spread automatically. The directions for such strike spreading depended on three main factors: categorized industrial zones cluster, co-operation among employers, and worker network. Strikes lasted for one day accounted for 54%, those lasted from 2 to 3 days made up 37% and those from 6 to 25 days was 9% (Do Q. C, 2017).



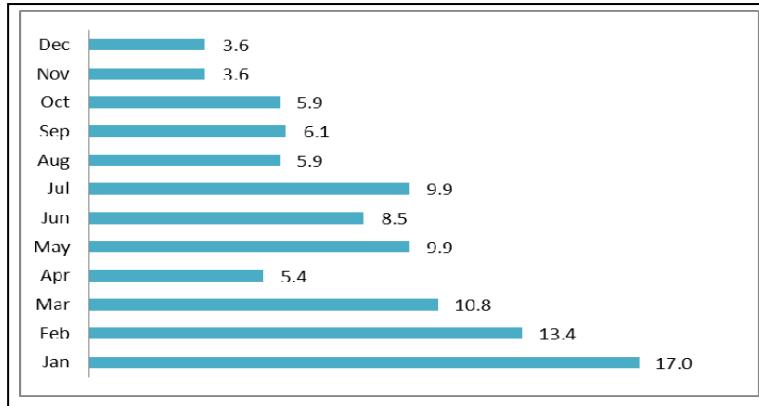


Figure 9. The percentage of strike occur through the years

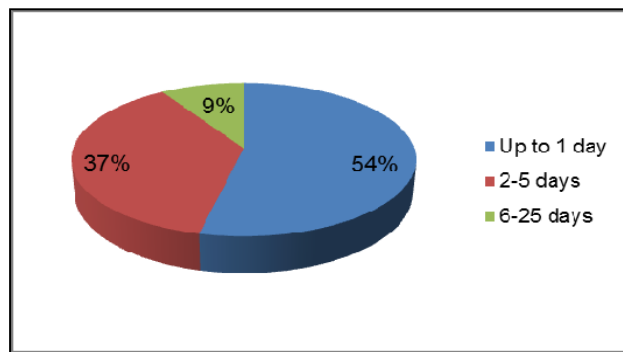


Figure 10. Average days of strikes (Source: Do. Q. C 2016)

In strikes, employees mainly aimed at asking employers for guaranteeing their benefits. More than 80% of strikes in which employees asked for a salary increase or pay on time, especially asking for a higher rate for overtime work, bonuses, mid-shifts meals, improving working conditions, against unfair treatment, and strict punishments from employers, etc. The demands of employees should have been solved through negotiations if both sides had understood and followed the labor law and regulations. However, most employees had not been communicated and negotiated by employers before that.

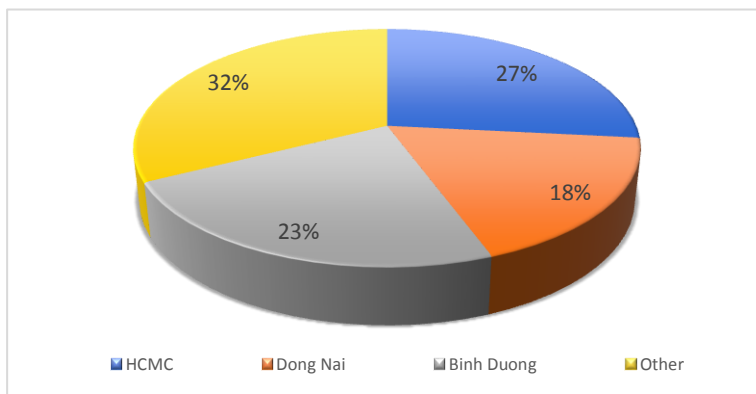


Figure 11. Strikes are categorized by the city in 1995- 2017

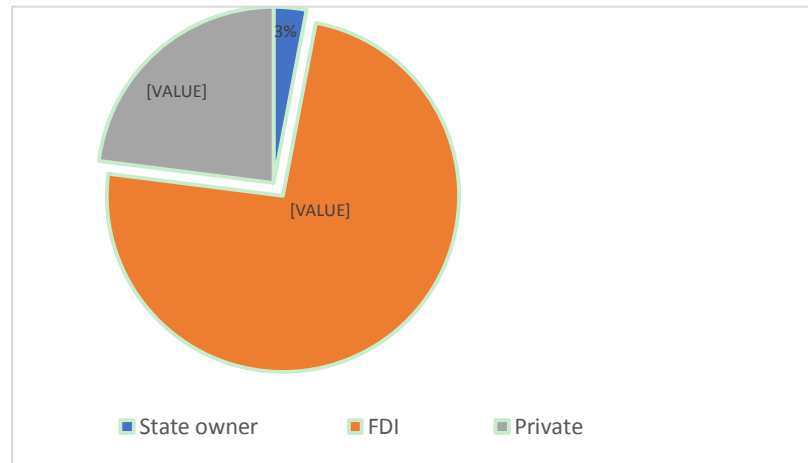


Figure 12. Strikes are categorized by economic sectors

Strikes took place around 1 to 2 days on the average with the participation of 700 employees, except for the opposition against China oil rig HD 981 in 2014 in Binh Duong and those against Article 60 on social insurance with the participation of more than 100,000 participants in a strike in Pouyen company.

Another noticeable characteristic is that 100% of strikes are wildcat without following the legal procedures in Vietnam. Among these, 73% of strikes occurred in FDI, 24% in private local companies. However, wildcat strikes became an important tool for employees to bargain their better salaries and working conditions. One of the reasons that made wildcat strikes successful is the way the local government and Vietnam General Confederation of Labor approached and addressed the problems (Schweisshelm and Do Q. C, 2018).

Dialogues with employees, employers, representatives of labor authorities, and experts show part of the causes for wildcat strikes in Vietnam. Most of the strikes occurred in FDI, triple the rate of those in private economic sectors, and almost very few strikes in state-owned enterprises (only 3%) (Figure 12), and they're usually had no supports from the grass-root level trade unions and Vietnam General Confederation of Labor. There are many truths behind which the research has already unveiled. Although previous studies have shown them, however, it is impossible to explain the major differences in different economic sectors. Although labor law and regulations and industrial relations still have some similar shortcomings. Growth and unemployment factors may be common problems for strikes but why strikes only happened in FDI? There is nothing to prove that working conditions in enterprises in private economic sectors are better those in FDI, these companies even offer lower incomes. Over the past 30 years, the income of employees in private enterprises is always lower than that of FDI namely from 30 to 60%, (Hung Van Tran, 2019).

The first reason is that although trade unions are official representatives of employees following Labor Code and Constitution, they do not work effectively; and they have missed the true benefits of related people (Däubler, 2018).

The second reason is that FDI in Vietnam are mainly companies that use outdated technology thus making use of low-cost labor. These workforces are mainly immigrants who share the same characteristics such as coming from the same backgrounds, regions, and living conditions therefore, they have a good understanding of one another and they understand one another and have great sympathy as well as trust and support one another in any collective action. Even leaders of grass-root level trade unions also share the same sympathy and implicitly back it. This is because when the collective action is successful, and the demands for better working conditions have been met, they, themselves also receive the benefits because they also earn salaries from employers (Hung Van Tran, 2018).

The third reason is that immigrant workers who come from long-standing revolutionary cultures and traditions. They can be easily communicated with the guerrilla spirit and underground leadership which takes place outside the governance of the applicable law. Vietnam is home to a long tradition of informal actions outside the legal framework known as "Le" (local rules) (Däubler, 2018; Tran, Ngoc Angie 2013).

The fourth reason can be the management attitude, competence, and behaviors of employers from FDI's originated from Korea, Taiwan, China, and Japan because there is a high frequency of strikes that happened there. The test results show that the management from these countries has been influenced by the feudal and centralized cultures, therefore, they show little understanding and sympathy towards the sensitiveness of Vietnamese employees. The employer is the one who shows his power and he usually forces their employees to obey them; negotiation and concessions are considered acts of humiliating and unacceptable (Däubler, 2018; Schweissshelm and Do Q. C, 2018). Also, under the influence of these cultures of investors, managers from parent companies are usually inappropriate in terms of managing competence, qualification, and lack of cultural understanding, therefore, their behaviors in management are inappropriate, thus leading to a higher rate of conflicts and disputes. On the contrary, Vietnamese employees have revolutionary traditions and they tend to be united, protective, and tightly knitted especially under external pressures. The spirit of union and pride in national spirit can also play a major role in strikes (Tran, Ngoc Angie, 2013).

## 5. Conclusions and Recommendations

Thus, despite numerous legal changes in the early 1990s, given the four times of amendment and revision of the Labor Code which lay the foundation for labor-management negotiations at the workplace, in South Korean and Taiwanese FDI enterprises, grassroots-level trade unions are often dominated by senior managers and unions only act as extension arms of employers. The head of the grassroots-level trade union is usually a deputy director of the company or the head of the human resources department to ensure the interests of the company and provide valid evidence for the decisions of the business owner. Hence, the lack of appropriate worker representation in trade unions contributes to the waiver of workers' right to negotiate with employers on terms related to internal rules, labor regulations, and work discipline through collective bargaining. Workers are not allowed to consult, guide, or monitor the implementation of collective labor agreements. They are unable to do anything but only see employers replicate the minimum legal requirements. The salaries and wages of employees are arbitrarily set by the company's management board and mostly at the minimum levels to minimize production costs. This causes discontent and frustration among workers, thus leading to labor disputes and strikes at FDI enterprises (Schweissshelm and Do Q. C 2018). In such a context, it is the spontaneous strikes that become the most important tool for workers to bargain for higher wages and improved working conditions. In general, strikes occur at enterprises where there is strong dissatisfaction of workers with their income and working conditions. This is often led by the fact that efforts to get remedies or trigger adjustment through petitions, complaints, or negotiations often fail. On the recruiter's side, investors from South Korea and Taiwan often face labor strikes. This is because they are more inclined to follow expense guidelines preplanned by the headquarters based on the minimum labor laws of Vietnam (Tran, Ngoc Angie, 2013). Regarding the nature of each industry, strikes mainly occur at FDI enterprises operating in the fields of textile and garment, leather and footwear, wood processing, and electronic assembly. The people who lead the strikes are often workers with special skills, uncommon experience, or team leaders with underground activities (Do, Q.C, 2017). The people who lead the strike are not ready to go public as they may not want to put their career, families, and income at risk as to the consequence of retaliation acts by the employer. Nevertheless, there was no report of any case where the leader of the strike was discovered or intimidated. If any, it was just internal reporting within the company.

Statistics on the development of the economy of Vietnam from 2000 to date show that the size of our national economy has grown many times, in which FDI enterprises have been making more and more contributions in terms of investment capital, National budget contributions, GDP contributions, and import-export revenue contributions. The localities such as Hochiminh City, Binh Duong, Dong Nai, and Ba Ria - Vung Tau provinces in the Southern Key Economic Region which have attracted a lot of FDI projects even have made more contributions, thus fundamentally changing the economic structure of each locality and facilitating the effective development of local businesses and their fruitful operations and making the local people more wealthy. However, besides these contributions, FDI enterprises have also caused some problems such as environmental pollution, tax evasion, tax dodge, and even unfulfilled social insurance obligations, etc. and the most challenging issues are labor disputes and strikes as shown by the above-mentioned statistics and analysis. The main cause of strikes is that more and more employers violate labor laws and regulations. Taking into consideration collective stoppages of work that have taken place since 1995, 90% of those were caused by employers violated labor laws and regulations because the more they violate the law the more benefits they get (Tran Van Hung 2019). To solve strikes effectively and to enhance harmonized industrial relations in Vietnam, we should adopt the following solutions:

First, the state authorities should enhance inspection, supervision, and counseling and make FDI enterprises fully comply with regulations on legal rights and benefits of employees and at the same time strictly punish cases of labor law and regulation violations of employers.

Second, the state authorities should improve the legal framework on industrial relations and Trade Union; amend and supplement create the consistency among the Labor Code, Social Insurance Law; Trade Union Law, and Civil Code. Establish a mechanism to manage, protect, and support laborer representative such as grass-root level trade unions so that they can work effectively in accordance with their nature, guideline, and purposes. Nowadays, the biggest issue of trade unions is their independence in the relations with the employers. Trade unions should be the real representatives of employees so that they can bring their roles into play and carry out their functions and missions. Therefore, legal regulations need to support the existence and meaningful existence of trade unions instead of being a nominal value only as they are today in FDIs. Grass-root level trade unions must be those of employees, represented for them and work on behalf of them. These must work on behalf of the legitimate needs of workers and they must work to take care of the rights and benefits of employees. To do so, trade union management or at least the chairman of trade union management must be the person in charge and receive the salary from trade union expenditure.

Third, enhance the capability and role of local state authorities in managing and supporting industrial relations in the workplace.

Four, promote communication and disseminate labor law and regulations to related parties and or to enhance their awareness and build harmonized industrial relations, mitigate labor conflicts and disputes. Pay close attention to educating cultures and cultural differences as well as appropriate behavior and manner relating to cultural differences to employees and employers in FDIs.

Fifth, business managers need to constantly learn and improve professional capability and qualifications, especially their knowledge, skills, and attitudes in human resources management. Foreign business leaders need to learn about the culture and habits of local workers as well as practice the capability of communicating, negotiating, and making appropriate and reasonable decisions, thereby, building their credibility among workers.

Sixth, enterprises need to pay workers' wages on time by their labor contracts and or collective labor agreements. Since workers are typically poor migrants with scarce sources of income which are just enough to cover monthly expenses, their lives will be deprived if enterprises owe wages or extend the waiting time for payment. This will make their lives more difficult and frustrated. Employers should actively make full payment of insurance expenses and trade union fees as required by the laws, as well as issue insurance books and health insurance cards to employees. Employers need to pay more attention to their workers, especially during inflations when consumer good prices soar. Besides, the provision of mid-shift meals should be monitored to ensure their high quality, and the meals should be reviewed and adjusted annually based on market prices. Allowances for employees should be provided publicly, transparently, and fairly; enterprises can create opportunities for workers to increase their income through reasonable overtime work assignments, and make sure to balance workers' working and resting time for them to reproduce labor power.

The last is to promote the propagation and dissemination of labor laws and regulations to related individuals to improve their awareness as well as to build harmonious labor relations and mitigate labor disputes and conflicts as much as possible. Besides, to promote understanding of cultural differences and equip workers and employers in FDIs with the knowledge about how to behave and deal with cultural differences.

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