BRILL

EUROPEAN JOURNAL OF
EAST ASIAN STUDIES 17 (2018) 289–323

European Journal
of
East Asian Studies
brill.com/ejea

Patterns of Industrialisation and the State of Industrial Labour in Post-WTO-Accession Vietnam

*Pietro P. Masina**
University of Naples L'Orientale
Corresponding author: pmasina@unior.it

Michela Cerimele
University of Naples L'Orientale

Abstract

Since the mid-2000s Vietnam has become an important manufacturing hub in garment and, increasingly, in electronics. However, the expansion of an FDI-dominated, export-oriented manufacturing did not contribute to a genuine national industrialisation process and the weight of manufacturing on GDP has actually declined. Low industrial wages (associated with poor working conditions) have emerged as a structural (rather than transitory) competitive factor for the country's participation in global production networks.

Keywords

stalled transition – industrialisation – middle-income trap – labour – Vietnam

* This article rests on the work conducted through three EU-supported projects, which have allowed cooperation with Vietnamese colleagues and a high-quality network of Asian and European scholars: the EU 7FP programme, *Integration in Southeast Asia: Trajectories of Inclusion, Dynamics of Exclusion* (December 2012–March 2016); EuropeAid, *Empowerment of Workers and Trade Unions in Vietnam* (January 2009–October 2011); EuropeAid, *Strengthening Workers and Trade Unions* (November 2012–April 2015). The generous support of Vietnamese colleagues and friends—and particularly Dr Do Ta Khanh—is gratefully acknowledged, although the two authors have full responsibility for the content of the article (including possible errors).

 | DOI:10.1163/15700615-01700200

1 Introduction

The post-Plaza (1985) economic history of Southeast Asia reveals an ostensible paradox. On the one hand, a number of countries of the region have grown, *in specific industrial sectors*, to become major manufacturing hubs—notably Malaysia and then Vietnam in electronics, Thailand in automotive and Vietnam and Indonesia in footwear. On the other hand, these countries have largely failed to catch up with most advanced economies and to reach the status of industrialised nations. For critical scholars this outcome is no surprise as previous studies have demonstrated that manufacturing (particularly low-end manufacturing) captures a very low proportion of value-added in the commodity chains. Thus, even closing the industrialisation gap with the North does not necessarily result in catching up in terms of GDP per capita.[1] Nevertheless, the Southeast Asian case remains interesting because of the importance of the region in global manufacturing, especially in garment and electronics assembly, and the intensity of participation in global value chains. This article not only confirms the failed catching-up but also addresses a deeper problem: *a failure to industrialise*. Exploring the Vietnamese case study, the article suggests that the transformation of a country into an important manufacturing hub implies neither an expansion of national industry—whose growth can be limited to the foreign-invested, export-oriented sector—nor a substantial change in the composition of the national labour force through an expansion of industrial employment able to absorb redundant labour from rural areas.

The prevailing World Bank-inspired narrative has tried to obscure the challenges faced by Southeast Asian countries resulting from a closer integration in foreign-led production networks under neoliberal globalisation. Until the regional crisis of 1997–1998, Southeast Asia (specifically, Indonesia, Malaysia and Thailand) was presented by the World Bank as part of a regional economic miracle.[2] In the following two decades, the specialisation of Southeast Asian countries in particular industrial sectors deepened but economic growth never returned to the pre-crisis levels. Thus, the divergence from the successful stories of South Korea, Taiwan and Singapore became even more notable. The prevailing narrative responded to this economic impasse, describ-

1 See Giovanni Arrighi, Beverly J. Silver and Benjamin D. Brewer, 'Industrial Convergence, Globalization, and the Persistence of the North–South Divide', *Studies in Comparative International Development* 38, 1 (2003): 3–31.

2 World Bank, *The East Asian Miracle: Economic Growth and Public Policy* (Oxford: Oxford University Press, 1993).

ing it as the result of a *middle-income trap*. In other words, Southeast Asian countries were criticised for the lack of adequate pro-market reforms which would have allowed improved productivity and strengthened growth. While the 'middle-income trap' discourse proved a powerful tool for the World Bank endeavour to achieve hegemonic guidance on development strategies in the region, a closer scrutiny reveals its many flaws. In this context, the narrative reiterates old-fashioned modernisation theory by insisting on the—unproven and unrealistic—neoclassical notion of convergence. In the middle-income trap discourse, integration in the wider economy should allow a country to increasingly move towards more value-added production and higher wages, ultimately allowing 'graduation'—that is, reaching the status of a high-income economy.[3] The economic history of Southeast Asian countries during the last thirty years, however, does not confirm this convergence mythology. Notwithstanding major differences among countries and industrial sectors, post-Plaza Agreement inclusion of Southeast Asia in the regional production order has generally contributed to consolidating the hierarchies among countries and firms, to reducing the scope for national projects for industrial upgrading and deepening, and to strengthening the dependence on foreign capital and foreign technology in the export-oriented sectors. In this special issue, the inability of current industrialisation models to produce a sustainable development of national economies and to support an improvement of living conditions for the majority of the population is presented as a *stalled transition*, a

3 A striking feature of this pervasive narrative is that a 'middle-income trap' theory does not exist. Definitions vary substantially: some authors try to define the trap from a policy perspective as a result of missing structural and institutional reforms, while others define it as the inability of a country to reach a given gross national income (GNI) per capita seen in *absolute* terms (a specific threshold) or *relative* terms (a percentage of the American GNI per capita). For a review see Linda Glawe and Helmut Wagner, 'The Middle-Income Trap: Definitions, Theories and Countries Concerned—A Literature Survey', *Comparative Economic Studies* 58, 4 (2016): 507–538. The narrative discussed in this article is specifically the one promoted by the World Bank as it is this interpretation that has more influence on developing countries in general and on Vietnam in particular. In the World Bank analysis the normative approach has prevailed since it released the first study popularising the concept: Indermit Gill and Homi Kharas, *An East Asian Renaissance—Ideas for Economic Growth* (Washington, DC: World Bank, 2007). For an update of the debate from the same perspective see Indermit Gill and Homi Kharas, 'The Middle-Income Trap Turns Ten', Policy Research Working Paper No. 7403, World Bank (2015). For a critical review of the World Bank narrative see Pietro P. Masina, 'An Uneven Development Trap in Southeast Asia and Its Implications for Labor', in *Searching for Work: Small-Scale Mobility and Unskilled Labor in Southeast Asia*, eds Silvia Vignato and Matteo C. Alcano (Chiang Mai: Silkworm Books, 2018).

definition that appears particularly fit to express the economic, social and political impasse in many countries of the region.[4]

The article explores the specific case of Vietnam. With a population of over 90 million and a young and fairly educated labour force, this country has become a champion in attracting foreign direct investment (FDI) and an important manufacturing hub. However, while the country has the ambition to emerge as a new 'fifth tiger', a debate has already developed about a possible impasse in its industrial development. Statistical data reveals that the proportion of manufacturing on the national GDP has actually *declined* since the admission to the WTO. Foreign-invested, export-oriented productions have continued to grow, but the development of a national supporting industry has remained very limited. Some analysists have voiced the concern that Vietnam may be caught in a 'middle-income trap'.[5] Our research suggests, instead, that the challenges for the country's industrial development are connected with an excessive dependence on foreign capital and the weakness of national industrial policies.

The vulnerable position of Vietnam in the regional and international production system has obvious negative implications for labour. Industrial employment has increased in absolute terms but has levelled out to just above 20 per cent of the total labour force. Our research, based on an extensive field investigation in the new industrial areas of the Red River Delta, reveals that industrial wages are slightly above the subsistence level for single workers, and too low to support workers' households in the industrial areas. Exploitative working conditions and low wages result in circular migration to and from industrial employment, with industrial workers typically young, precarious and in a restless search for better opportunities. Critically, given the weakness of the Vietnamese industrialisation process, these exploitative conditions do not risk being confined to a painful transition towards 'modernity' but rather remain as a distinctive feature of the country's involvement in the regional production system. The low cost of labour remains—structurally—the main competitive factor for this country. Not only are industrial wages unable to increase much in

4 Dennis Arnold and Stephen Campbell, 'Capitalist Trajectories in Mekong Southeast Asia', this issue.

5 The debate on the 'middle-income trap' was introduced in Vietnam by Prof. Kenichi Ohno. The perspective of the research he promoted—involving a wider group of colleagues at the Japanese JETRO and the Vietnamese National Economic University—tried to combine the 'middle-income trap' approach with policy proposals more in line with the developmental state East Asian tradition. See Kenichi Ohno, 'Avoiding the Middle-Income Trap: Renovating Industrial Policy Formulation in Vietnam', *ASEAN Economic Bulletin* 26, 1 (2009): 25–43.

real terms, but the pool of reserve labour must remain abundant both in rural areas and in the low value-added service sector in urban areas.

The next section presents a historical review of the Vietnamese reform process, suggesting that the mid-2000s represent a divide in the national development strategy as the country engaged more decisively in FDI-led, export-oriented industrialisation. Basing on the analysis of statistical data, interviews with key stakeholders and a critical review of the literature, the third section analyses the post-WTO-accession industrialisation process, suggesting that the country may be engulfed in a 'stalled transition'. The fourth section is grounded on an extensive field study addressing 1,250 workers in the garment and electronics sector in the industrial parks of three provinces in the Red River Delta. A specific focus is made on the case of Thang Long Industrial Park, on the basis of in-depth, qualitative research that involved 160 female migrant workers.

2 A Historical Review of Vietnamese Integration in the Regional Production System—Mid-1980s to Mid-2010s

In the first twenty years of economic reforms, from 1986 to 2005, Vietnam achieved important results in terms of economic growth and poverty reduction through a gradual transition from planned to market economy. Decollectivisation was conducted by returning land to households on a rather egalitarian basis. Rural diversification not only allowed a rapid reduction of absolute poverty but also contributed to expanding national demand for industrial goods. Small state-owned enterprises (SOEs) were privatised or closed (normally transferring their assets to the workers) while the medium and large SOEs were reorganised and progressively exposed to a competitive market. New legislation was introduced to allow an industrial private sector to develop, although the scarcity of financial resources and a banking system providing preferential treatment to SOEs limited its potential growth.[6] From the early 1990s GDP growth became among the highest in the region. Furthermore, not only was Vietnam particularly resilient during the regional crisis of 1997–1998, but its GDP continued to grow faster than that of neighbouring countries in the following years.[7]

6 Adam Fforde and Stefan de Vylder, *From Plan to Market: The Economic Transition in Vietnam* (Boulder, CO: Westview Press, 1996); Melanie Beresford and Angie Ngoc Tran (eds), *Reaching for the Dream* (Copenhagen: NIAS Press, 2004).
7 World Bank, World Development Indicators online, various years.

Overall, the first phase of *Doi Moi* (renovation) was characterised by a cautious and pragmatic approach that could well be defined using the saying coined by Deng Xiaoping to describe the parallel Chinese economic reform process: *crossing the river by feeling the stones*. During this phase, the Vietnamese authorities never confronted the World Bank and international donors with a reform strategy that contrasted with the neoliberal precepts. However, the cautious and pragmatic attitude shaped a reform process fundamentally different from the so-called transitions of Eastern Europe and former Soviet states.[8] By the early 2000s the country had become a functioning market economy, increasingly integrated in the regional division of labour, but whose reform process—in contrast with the traumatic experience of other former centrally planned economies—had allowed improvement in the livelihoods of a large majority of the population in both urban and rural areas. On the negative side, the Vietnamese *Doi Moi* implied an increase of inequality and the de facto dismissal of universal public health and education through the introduction of user fees and the proliferation of higher-quality private services.[9] These negative aspects, however, were compensated by a sharp decline of absolute poverty: from 58 per cent of households below the national poverty line in 1994 to about 16 per cent in 2006.[10]

Interestingly, the reform process *did not* imply, at least in this long phase covering the first twenty years of *Doi Moi*, a reduction of the state role in the economy. On the contrary, the state sector's share of GDP *increased* from 31.1 per cent in 1991 to 40.5 per cent in 1997. This share remained at around 39 per cent until the mid-2000s and then declined to about 34 per cent in 2008.[11] The government's attempt to maintain control over key economic leverages is well illustrated by the policy adopted to deal with SOEs. In the early 1990s, the government decided that non-strategic companies with a poor economic performance and lacking adequate capital and technology should be dissolved or merged with more efficient enterprises. The process resulted in a sharp decline in the number of SOEs: from 12,297 in 1991 to 6,264 by April

8 Pietro P. Masina, *Vietnam's Development Strategies* (London and New York: Routledge, 2006).

9 Jonathan London, 'Rethinking Vietnam's Mass Education and Health Systems', in *Rethinking Vietnam*, ed. Duncan McCargo (London: RoutledgeCurzon, 2004); Alberto Gabriele, 'Social Services Policies in a Developing Market Economy Oriented Towards Socialism: The Case of Health System Reforms in Vietnam', *Review of International Political Economy* 13, 2 (2006): 258–289.

10 Vietnam General Statistical Office, *Living Standard Surveys* (1994, 2004, 2006).

11 Vietnam General Statistical Office, online data, various years.

1994.[12] Basically, the strategy adopted was that of 'keeping the big and releasing the small'.[13] New legislation was introduced in 1994 and 1995 to regulate the organisation of the large SOEs into general corporations operating in the same industrial sector and apparently inspired by the South Korean *chaebols* and the Japanese *keiretsu*. This reorganisation facilitated the revival of the industrial sector and contributed to high economic growth in the first half of the 1990s until the downturn produced by the regional crisis started to impact also on Vietnam. In the aftermath of the crisis, new measures were taken to reduce the burden on the state budget from poorly performing enterprises, and to make SOEs better able to contribute to the country's economic development. The new reforms included the launch of a wide equitisation programme under which the property of SOEs could be transferred fully or in part to stakeholders (employees and management) or to new investors (through the creation of a stock market).[14] As in the previous phase, the equitisation initially involved small and medium enterprises, while the largest SOEs started to be involved only by the mid-2000s. Also, when the equitisation process began to concern large and important enterprises, the state maintained a majority ownership or at least remained as a substantial shareholder. Among the 715 SOEs equitised by 2004, in only 30 per cent of cases was the state ownership below 20 per cent, while in 42 per cent of cases the state maintained a majority ownership.[15] The hesitation of the Vietnamese authorities towards a rapid equitisation of large SOEs was partly (and understandably) related to the fact that these companies made an important contribution to the state budget.[16] The long-term motivation was that these companies were meant to serve strategic national interests. The eligibility of SOEs for total or partial equitisation depended on the industrial sector in which they operated, and on the strategic importance of that sector for the country. Although the state increasingly defined its role as that of an investor both for fully state-owned companies and for those in which

12 Loc Truong Dong, 'Equitisation and Stock-Market Development: The Case of Vietnam', PhD dissertation, Faculty of Economics, University of Groningen (2006), 39.

13 UNDP, 'The State as Investor: Equitisation, Privatisation and the Transformation of SOEs in Viet Nam', UNDP Vietnam Policy Dialogue Paper 2006/3 (Hanoi: UNDP, 2006), 23.

14 In Vietnamese parlance, 'equitisation', seen as an alternative to privatisation, emphasises the role of the management and workers as important shareholders.

15 Dwight H. Perkins and Vu Thanh Anh, 'Vietnam's Industrial Policy Designing Policies for Sustainable Development', Policy Dialogue Paper No. 1, Ash Institute for Democratic Governance and Innovation, Harvard Kennedy School (2007), 24.

16 In 2007 revenues from SOEs were still the third most important contribution to the state budget: with 15.9 per cent they followed only the revenues from oil (24.4 per cent) and customs (19.1 per cent): Vietnam General Statistical Office, data online.

the state had only a majority share, it did not intend to relinquish control over enterprises operating in strategic sectors.[17] Qualitative research conducted on equitised enterprises suggested that, through administrative and legal mechanisms, the state continued to exert a hold well beyond the amount of shares it officially controlled.[18]

During the first twenty years of *Doi Moi*, the Vietnamese state was also able to maintain significant control over the foreign-invested sector. The attempt to attract foreign capital for the economic development was a major priority of *Doi Moi*: on the one hand, this was needed to address the decline of aid from and trade with the Soviet Union and its Eastern European allies; on the other hand, FDI was seen as a key instrument in integrating the country with the regional and international division of labour. A law on foreign investments approved by the National Assembly in 1987 was one of the first legislative steps in the implementation of *Doi Moi*. The law established for the first time a regime under which FDI could enter Vietnam and the country soon gained a reputation among foreign investors as a promising location in East Asia.[19] In the following decade, the law was amended and supplemented to make the country more attractive for foreign investors. By 1997 Vietnam had become the largest recipient of FDI among all developing countries in proportion to the size of its economy.[20] However, two-thirds of total FDI commitments during 1991–1998 were still made in joint ventures with SOEs, and only 2 per cent in joint ventures with the private sector.[21]

The predominant role of joint ventures with SOEs in this period was motivated by two important considerations. First, SOEs represented a privileged

17 UNDP, 'The State as Investor'.

18 Martin Gainsborough, 'Privatisation as State Advance: Private Indirect Government in Vietnam', Centre for Governance and International Affairs, University of Bristol Working Paper No. 12 (2008).

19 Ari Kokko, Katarina Kotoglou and Anna Krohwinkel-Karlsson, 'The Implementation of FDI in Viet Nam: An Analysis of the Characteristics of Failed Projects', *Transnational Corporations* 14, 3 (2003): 41–77.

20 Foreign Investment Advisory Service (FIAS), *Vietnam: Attracting More and Better Foreign Direct Investment* (Washington, DC: World Bank, 1999), cited in Kokko et al., 'The Implementation of FDI in Viet Nam', 44. Interestingly, a contraction in FDI commitment in the months ahead of the regional crisis was used by the World Bank to increase pressure on Vietnam for bolder economic reforms. The fact that at the time both FDI commitment and disbursement to Vietnam were very high in international and regional comparison was simply 'forgotten'. For a critical review see: Pietro P. Masina, 'Vietnam and the Regional Crisis: The Case of a "Late Late-comer"', *European Journal of East Asian Studies* 1, 2 (2002): 199–220.

21 Kokko et al., 'The Implementation of FDI in Viet Nam', 47.

partner entering a country in which the market was still largely dominated by the government, for example in a key area such as access to commercial land. Second, private firms were generally too small and too weak to act as viable partners for large foreign investors. In 2007, when the country had already joined the WTO, of the largest 200 firms 122 were still SOEs and only 22 were private (while 56 were foreign-invested).[22]

While the number of joint ventures with Vietnamese private firms remained very limited, an amendment to the FDI law in 1992 allowed for the development of wholly owned foreign firms as it guaranteed these firms the same status as joint ventures. By 1998 wholly owned affiliates outnumbered joint ventures and in 2000 the licensed capital for wholly owned projects was for the first time larger than that for joint ventures.[23]

At the end of the 1990s, as the region re-emerged from the regional crisis and Vietnam consolidated its position as a fast-rising economy, Hanoi was still in search of a long-term development strategy. It continued to look to the East Asian developmental state as this model allowed the retention of strong state leverages over the economy and, at the same time, had contributed to rapid economic growth to the first generation of Asian newly industrialising economies (NIEs). However, the country never chose to (or could) implement sufficiently selective and stringent industrial policies to emulate the most successful Asian champions.[24] The country appeared ambiguously suspended between a formal convergence with neoliberal precepts and policies that were ostensibly inspired by the developmental state model but were not coherently implemented.[25] Although the Vietnamese leadership was fascinated by the developmental state model it was well aware of the difficulty in implementing these kinds of policies in the rather hostile post-Plaza and post-regional-crisis international environment. Given the international context and the will to promote rapid economic development, the need for a closer engagement with the international markets emerged strongly. This meant not only improving its position in the regional production network, but also facilitating the access of Vietnamese goods to the rich markets of the United States and the

22 UNDP, *Top 200: Industrial Strategies of Viet Nam's Largest Firms* (Hanoi: UNDP, 2007): 3.

23 Kokko et al., 'The Implementation of FDI in Viet Nam', 47.

24 Dwight H. Perkins, 'Industrial and Financial Policy in China and Vietnam: A New Model or a Replay of the East Asian Experience?', in *Rethinking the East Asian Miracle*, eds Joseph E. Stiglitz and Shahid Yusuf (Oxford: Oxford University Press, 2001).

25 Pietro P. Masina, 'Vietnam between Developmental State and Neoliberalism—the Case of the Industrial Sector', in *Developmental Politics in Transition*, eds Chang Kyung-Sup, Ben Fine and Linda Weiss (London: Palgrave Macmillan, 2012).

European Union. Eventually, this implied negotiating the access of the country to the World Trade Organisation. The choice to enter WTO negotiations was, however, a difficult one as it required the acceptance of binding rules that in the name of trade liberalisation strongly curtailed the scope of national industrial policies. Also, it required the acceptance of further WTO-plus concessions imposed by major trading partners in order to obtain their agreement to the country's admission. Negotiations were completed in 2006 and the country officially joined the WTO at the beginning of 2007.

The decision to move in the direction of trade liberalisation had already been tested at the beginning of the new century with the complex negotiation of a bilateral trade agreement with the United States, which entered into force in 2001. In the period leading to the WTO admission, this determination was confirmed by an acceleration in the economic reform process—although the ambiguity persisted between liberalisation measures and a continuing strong role of the state in the economy. This ambiguity was particularly visible in the equitisation process of SOEs—the item in the reform agenda receiving strong pressure from the international financial institutions (IFIs).[26] In the four years between 2003 and 2006, 2,649 SOEs were equitised (accounting for almost 60 per cent of all equitised SOEs from the launch of *Doi Moi* to 2017). However—and indeed very remarkably—recent data provided by the Ministry of Finance indicate that during the entire equitisation process the state retained a wide controlling ownership. By 2017, although 96.5 per cent of SOEs had been equitised, only 8 per cent of their stocks had been sold to private investors.[27]

As Hanoi moved closer to the WTO accession, however, this apparent ambiguity—which reflected not only different visions within the national leadership but also contrasting interests among key economic stakeholders—could be interpreted as a meaningful strategy. With the lack of a sizeable national private sector, the state opened the door to foreign investors while trying to retain control over a state-owned sector it considered strategic. While this strategy apparently persisted during the following decade, a fundamental change in economic policies took place in connection with the emergence of Prime Minister Nguyen Tan Dung as the overarching political figure. While the Prime Minister maintained patronage of key SOEs to gain political support within the Party, he presided over a 'hyper-liberal turn'. In the ten years of his leadership, he transformed Vietnam into a magnet for foreign investors and promoted very ambitious trade liberalisation schemes. As we will see, however, while this

26 Pietro P. Masina, *Vietnam's Development Strategies*.

27 Le Hong Hiep, 'Vietnam's New Wave of SOE Equitization: Drivers and Implications', *Yusof Ishak Institute Perspective* 57 (2017): 3.

FDI-led, export-oriented industrialisation model was very successful in transforming the country it did not allow the expansion of the national industrial bases. Indeed, Vietnam increased its dependence on international capital and on a labour regime based on low wages and hard working conditions.

3 The Industrialisation Process in the Post-WTO-accession Era

A cornerstone in preparing the country for the WTO accession was the adoption of a new Law on Investment at the end of 2005.[28] This law, which came into effect on 1 July 2006, integrated and updated two important previous laws—the Law on Foreign Investment in Vietnam and the Law on Domestic Investment. Simultaneously, the National Assembly approved a new Law on Enterprises, which was intended to regulate the activities of both national and foreign-invested firms.[29] The new legal framework aimed at creating a level playing field for national and foreign firms and improving state governance. The approval of these laws allowed a positive conclusion to the negotiations concerning WTO accession as they provided a more secure legal environment for foreign investors. The impact in terms of FDI to the country was noteworthy: inflows increased from US$ 2.4 billion in 2006 to 6.7 billion in 2007 and 9.6 billion in 2008 (see Figure 1). This high level of FDI inflows confirmed the country as one of the largest recipients in the region and one with a particularly high FDI to GDP ratio.[30]

The WTO accessions represented a watershed for the Vietnamese economy and society. While foreign investment poured into the country to tap into the young and relatively educated labour force, productivity remained low in both the state and private sectors. Under Prime Minister Nguyen Tan Dung (2005–2016) SOEs continued to be presented as an essential instrument of industrial policy, although poor management and widespread corruption crippled the sector. The Prime Minister himself was considered to be closely connected with the managers of powerful SOEs, to whom he extended his patronage and from whom he received political backing. Frequent scandals in which SOEs managers were accused of poor supervision or even embezzlement characterised the premiership of Mr Dung. A major scandal erupted in 2010 when SOE shipbuilding giant Vinashin defaulted as it was unable to repay the staggering debt

28 Law No. 59–2005-QH11, approved by the National Assembly on 29 November 2005.
29 Law No. 60–2005-QH11, also approved on 29 November 2005.
30 Pietro P. Masina, 'An Uneven Development Trap in Southeast Asia and Its Implications for Labor'.

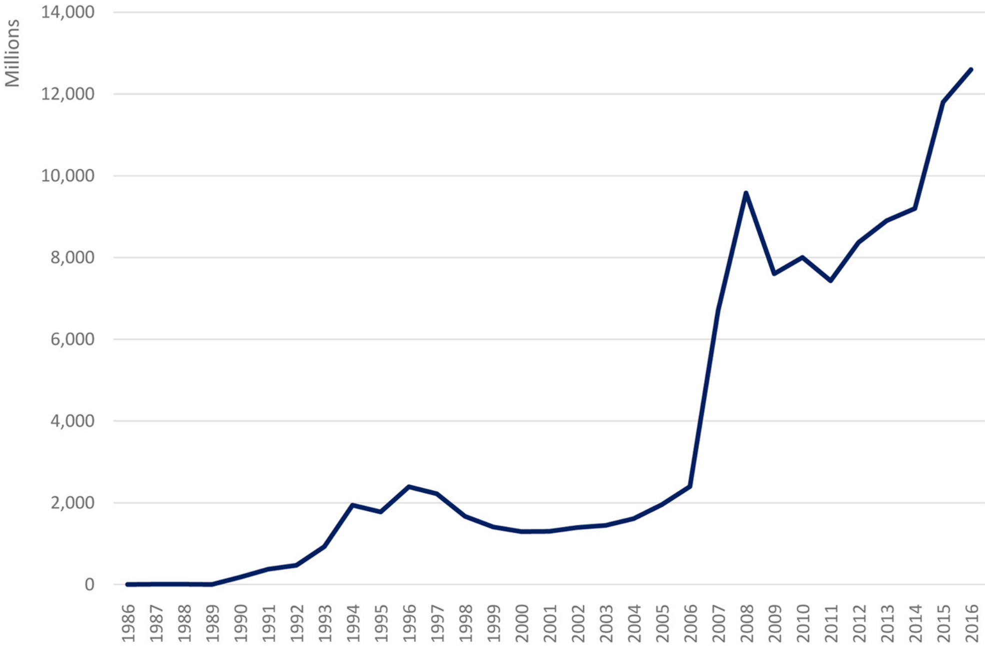

FIGURE 1 FDI inflows to Vietnam. Million US dollars, 1986–2016
VIETNAM GENERAL STATISTICAL OFFICE, ONLINE DATA

of US$ 4.3 billion, eventually causing the downgrading of Vietnam's credit rating.[31] After another major scandal involving a crony of Premier Dung in August 2012, sectors of the Party leadership close to Secretary General Nguyen Phu Trong tried to react. A session of the Vietnamese Communist Party Central Committee met in October 2012 with the aim to step up the fight against corruption and specifically to discipline a senior member of the Politburo. Premier Dung, though, was able to mobilise his vast power network and eventually escaped the reprimand.[32] At the 12th Party Congress in January 2016, Mr Dung tried to expand his control over the Party in an attempt to be promoted to General Secretary. The Party, however, finally reacted and reappointed the incumbent Nguyen Phu Trong, largely considered to be an honest leader genuinely interested in fighting corruption. Nguyen Tan Dung was demoted from Prime Minister and removed from any responsibility within the Party.[33]

---

31 *BBC News*, 'Trial Begins for Vietnam Ship Scandal Executives' (27 March 2012).

32 *BBC News*, 'Vietnam PM Spared Action as Communist Party Meeting Ends' (16 October 2012).

33 Michela Cerimele, 'The Aftermath of the 12th Congress, between Continuities and Changes', *Asia Maior* XXVII (2017): 199–219.

It was during the decade dominated by Premier Nguyen Tan Dung and his crony capitalism practices that FDI-led, export-oriented industrialisation became the central feature of the national development strategy. It was a strategy that saw the convergence of national and international business interests with the IFIS' neoliberal ideology for which FDI attraction was a goal in itself rather than a means to an end. This strategy was substantially confirmed in 2016 by a clever manifesto of post-Washington Consensus development economics jointly signed by the Vietnamese Prime Minister and the World Bank President Jim Yong Kim—*Vietnam 2035: Toward Prosperity, Creativity, Equity, and Democracy*.[34] At the end of the Dung era, this strategy was complemented by further trade liberalisation measures. A bilateral trade agreement with the European Commission was signed in December 2015. Even more contentious, after lengthy negotiations, in February 2016 Vietnam was one of the signing parties for the Trans-Pacific Partnership—an agreement that would have significantly strengthened the transformation of the country into a manufacturing hub.[35]

A decade on from the WTO accession, it is possible to review here some of the most striking aspects of the Vietnamese economy during this period. In the following section, we will discuss how this FDI-led, export-oriented development strategy relied, *intrinsically*, on a labour regime highly exploitative of industrial labour. Here it is important to notice that this model—contrary to conventional wisdom—*did not* contribute to a real industrialisation process. As Figure 2 clearly shows, the contribution of manufacturing as a share of GDP *declined* after the WTO accession. There are several elements to consider here to understand this apparent paradox.

The first element is that FDI-led, export-oriented manufacturing does not necessarily contribute to the expansion of the domestic industry. Orthodox economic theory suggests that foreign investments play a vital role in helping developing countries to acquire the needed capital and technologies, and eventually support a spillover effect from foreign-invested companies to national ones. This theory, however, has been increasingly contested by the empirical reality, especially since the 1970s when transnational corporations (TNCs) have

34 World Bank and Ministry of Planning and Investment of Vietnam, *Vietnam 2035: Toward Prosperity, Creativity, Equity, and Democracy* (Hanoi: World Bank, 2016). This major study was agreed by Prime Minister Nguyen Tan Dung and World Bank President Jim Yong Kim. The aim was to provide guidance for strengthening the Socio-Economic Development Plan 2016–2020 and the Socio-Economic Development Strategy 2021–2030. In its almost 400 pages this study provides a very comprehensive analysis of current challenges and promotes an agenda for policy reforms.

35 Michela Cerimele, 'The Strengthening of Relations between Vietnam and the United States', *Asia Maior* XXVI (2016): 265–295.

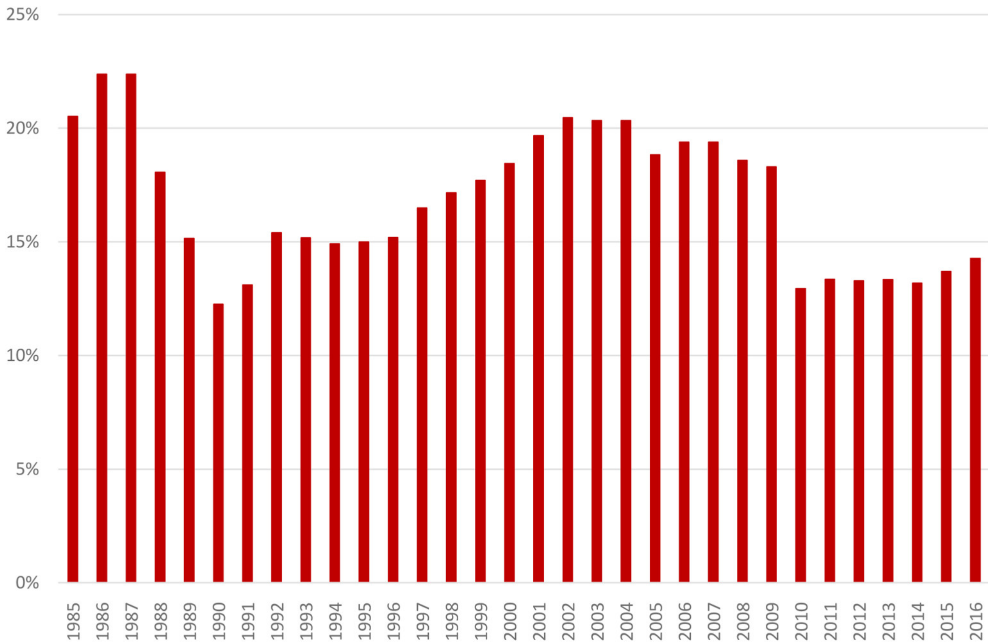

FIGURE 2 Share of manufacturing on GDP. Percentage, 1985–2016
VIETNAM GENERAL STATISTICAL OFFICE, ONLINE DATA

reorganised their supply chains to prevent technology spillover. The integration of Southeast Asia into the Japan-led regional production system after the Plaza Agreement has been a remarkable case study of a new pattern of internationalisation of production in which FDI becomes a *substitute* for technology transfer rather than a channel of technology diffusion. Leading firms move labour-intensive operations to countries with lower labour costs—but continue to rely on their traditional suppliers rather than including local firms in their supply chains. These delocalisation processes may imply the shifting of the final assembly of goods to fully owned industrial plants in developing countries (e.g. Toyota's cars in Thailand or Samsung telephones in Vietnam). Intermediate goods are either imported or produced locally by foreign suppliers (often located in the same industrial park as the leading firms).[36] The space

36 See Mitchell Bernard and John Ravenhill, 'Beyond Product Cycles and Flying Geese: Regionalization, Hierarchy, and the Industrialization of East Asia', *World Politics* 47, 2 (1995): 171–209; Martin Hart-Landsberg and Paul Burkett, 'Contradictions of Capitalist Industrialization in East Asia: A Critique of "Flying Geese" Theories of Development', *Economic Geography* 74, 2 (1998): 87–110; Greg Felker, 'Southeast Asian Industrialisation and the Changing Global Production System', *Third World Quarterly* 24, 2 (2003): 255–282.

for local firms within the production networks controlled by foreign investors is normally very limited as local firms do not have the technology and the experience to produce goods with the required quality at a competitive price. The Vietnamese case confirms this already established pattern of Southeast Asian so-called industrialisation. A survey conducted by the United Nations Industrial Development Organisation provides useful data to assess the qualitative impact of the FDI flows to Vietnam. Foreign-invested enterprises procure only 26.6 per cent of the value of their total inputs from domestic manufacturers (22.5 per cent for TNCs), while most of the inputs come from abroad or from foreign suppliers based in Vietnam—very limited vertical backward linkages. At the same time, foreign investors also contribute very little in terms of vertical forward linkages as 71.9 per cent (73.2 per cent for TNCs) of their production in terms of value is directly exported and only a very limited amount is sold as intermediate good for local firms.[37] As one would expect, the mainstream literature on Vietnam blames the country for its inability to climb the value chains notwithstanding the opportunities created by the high level of FDI, reconnecting with the parallel literature on other Southeast Asian countries phrased in terms of 'middle-income trap'.[38] However, while a critique of the limits of national industrial development strategies is often appropriate—and it is largely appropriate for Vietnam—this literature fails to see (or, more often, intentionally prefers to ignore) that re-internalisation of production within existing supply chains is part of a strategy intentionally developed by TNCs to reduce costs while ensuring total quality manufacturing. Thus, contrary to the optimism of the 'middle-income trap' narrative—for which all countries could converge and become high income if they implemented the right policies—Vietnam, like the other late-comers, faces a rather complex and possibly hostile environment to achieve industrial deepening and industrial upgrading.[39]

The limited contribution of foreign investment to the development of national suppliers was acknowledged most recently by the already cited *Vietnam 2035* (2016), with the usual recommendation to further liberalise the economy in order to make the market more responsive to existing opportunities.[40] At the

37 UNIDO and the Ministry of Planning and Investment of Vietnam, *Viet Nam Industrial Investment Report 2011: Understanding the Impact of Foreign Direct Investment on Industrial Development* (Hanoi: UNIDO, 2011): 118–130.

38 See, e.g., Thomas Jandl, *Vietnam in the Global Economy* (Plymouth: Lexington Books, 2013). As we have already seen, the debate on the middle-income trap was introduced in Vietnam by Kenichi Ohno, although from a heterodox perspective.

39 Masina, 'An Uneven Development Trap in Southeast Asia and Its Implications for Labor'.

40 World Bank and Ministry of Planning and Investment of Vietnam, *Vietnam 2035*.

same time, policy debate on the low quality of FDI to the country has acknowledged the limited contribution to technology transfer and to higher labour productivity in Vietnam since the WTO accession. Policies, however, have failed to address the problem consistently.[41]

The second element to consider in understanding why manufacturing industry failed to develop as much as expected is the crowding out of national firms. In a context in which FDI-led industrialisation was the political priority for the national and provincial governments, resources that could have been potentially invested for the development of national industry were diverted to the establishment of industrial parks or to grant incentives to foreign investors. Local firms struggled to enter the foreign-led supply chains, but only a few succeeded. Other firms producing for the national market failed to compete with foreign rivals that could rely on higher technologies and/or wider economies of scale. These problems affected in particular the small private sector, whose productivity remained weak in an increasingly competitive environment.[42] A disproportionate attention to the attraction of FDI was particularly the result of ambitious provincial governments and speculative interests that contributed to the diversion of scarce resources for the construction of an excessive number of industrial parks and redundant infrastructures. This waste of resources was visible as many industrial parks continued to operate well below capacity or even remained completely empty.[43] The central government repeatedly rebuked provincial administrations on this point to no avail—possibly also because under Prime Minister Nguyen Tan Dung the speculative interests connected with the foreign-invested sector were too strong to be restrained. The *Vietnam 2035* report was candid in recognising the problem.[44]

A third element to consider is related to the problems discussed in the following section. FDI-led, export-oriented industrialisation tends to perpetuate the country's dependence on cheap labour as a competitive factor. While neoclassical mythology predicts a convergence in the costs of production factors, escaping the tyranny of cheap labour has become very complex for devel-

41 See, for instance, the interview with the Japanese leading expert on the Vietnamese economy, Prof. Kenichi Ohno: 'Vietnam Labour Growth Unaided by FDI Support', *Vietnam Investment Review* (20 December 2017).

42 Claire H. Hollweg, Tanya Smith and Daria Taglioni (eds), *Vietnam at a Crossroads: Engaging in the Next Generation of Global Value Chains* (Washington, DC: World Bank, 2017).

43 *VietNamNet Bridge*, 'More Than a Few Industrial Parks Stand Empty' (3 August 2010); *Thanh Nien News*, 'Vietnam Seeks New Investors for Empty Industrial Park' (2 February 2016).

44 World Bank and Ministry of Planning and Investment of Vietnam, *Vietnam 2035*, 211–218.

oping countries under neoliberal globalisation.[45] Specifically, FDI-led, export-oriented 'industrialisation' can actually gain from the relative underdevelopment of the other sectors of national industry as it reduces the competition for industrial labour and therefore contributes to maintaining low labour costs. In this regard, the Southeast Asian experience, although obviously not homogenous, indicates that the post-Plaza inclusion of the region in the Japan-led production order was allied with the permanence of a vast labour reserve army in rural areas and in the low value-added urban informal sector.[46] As we will see in the next section, this is the case of Vietnam today. In turn, low industrial wages, the expansion of a large low value-added informal sector and the permanence of high levels of underemployment in agriculture reduce the demand for national industry.

4 Labour in the Post-WTO-accession Era

The *decline* of manufacturing share in the GDP composition of post-WTO-accession Vietnam was remarkable, but not surprising. Although Vietnam is a 'champion' in terms of FDI attraction, its recent industrial development history reconnects with wider trends in Southeast Asia. High dependence on FDI in the post-Plaza regime has contributed to the development of strong export-oriented sectors, but has not allowed full-scale industrialisation comparable with the one achieved by the first-generation Asian NIEs. In this sense, statistics on the generation of industrial employment in Vietnam seem to confirm a longer-term trend in Southeast Asia that we interpret as a sign of stalled transition. While these countries have created important industrial enclaves and attracted large FDI flows, the percentage of industrial workers on the total employment has remained very limited (see Figure 3). During twenty-five years of close integration in regional production networks, the number of industrial workers has stabilised at a little more than 20 per cent in Thailand and Indonesia and at around 15 per cent in the Philippines. Only the case of Malaysia shows a pattern consistent with the experience of the first tier of Asian industrialisers and of Western countries before them. The new regional champion of FDI attraction—Vietnam—is predicted by the ILO to stabilise at about 22 per cent of the labour force in industry, notwithstanding a significant increase in

45 E.g. Alice H. Amsden, *Escape from Empire: The Developing World's Journey through Heaven and Hell* (Cambridge, MA; MIT Press, 2007).

46 Hart-Landsberg and Burkett, 'Contradictions of Capitalist Industrialization in East Asia'.

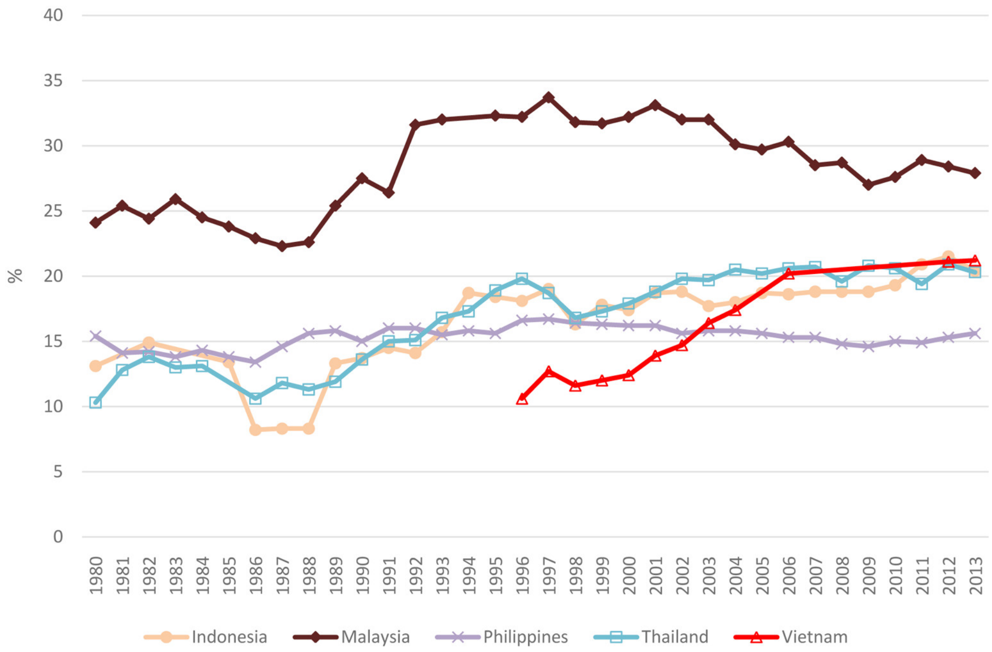

FIGURE 3 Percentage of labour force in industry, 1990–2013
WORLD BANK, WORLD DEVELOPMENT INDICATORS ONLINE

the absolute number of industrial workers (see Figure 4). Furthermore, these figures include not only manufacturing industry but also other sectors such as mining and extractive industry and labour-intensive construction industry (which in these countries typically occupy 4–5 per cent of the labour force). As *Vietnam 2035* recognises, since 2008 the ratio of employment in the manufacturing sector to total employment has stagnated at about 14 per cent.[47]

The case of Vietnam seems to confirm a trend towards 'servitisation' rather than industrialisation in Southeast Asia.[48] Statistics also show that a substantial increase in labour productivity in Southeast Asia has only been accompanied by a limited increase in industrial wages.[49] Indeed, as noted earlier, the containment of labour costs—along with the search for a disciplined, highly productive and flexible workforce—has been a crucial determinant of the

47 World Bank and Ministry of Planning and Investment of Vietnam, *Vietnam 2035*, 80.
48 Adam Fforde, 'Vietnam: Economic Strategy and Economic Reality', *Journal of Current Southeast Asian Affairs* 2 (2016): 3–30.
49 International Labour Organisation, *Global Wage Report 2012/13: Wages and Equitable Growth* (Geneva: ILO, 2013).

FIGURE 4 Structure of Vietnamese labour employment by main sector. Percentage and millions of workers, 2000–2021
ILO DATABASE OF LABOUR STATISTICS, ONLINE DATA

regional reorganisation of production in the post-Plaza regime. This, in turn, has implied specific forms of labour incorporation into production activities, structurally predicated—among other things—upon the maintenance outside the factory gate of vast reserve armies of labour. Research shows that a crucial feature of the integration of the Southeast Asian region in the regional and global circuits of capital has been the informalisation and precarisation of labour, often relying on the enclosing of especially female (domestic or international) migrant labour in special economic zones and industrial areas.[50] To

50 See, e.g., Dennis Arnold and John Pickles, 'Global Work, Surplus Labour and the Precarious Economies of the Border', *Antipode* 43, 5 (2011): 1598–1624; Aihwa Ong, *Spirits of Resistance and Capitalist Discipline. Factory Women in Malaysia* (Albany: State University of New York Press, 1987); Dae-Oup Chang, 'Informalising Labour in Asia's Global Factory', *Journal of Contemporary Asia* 39, 2 (2009): 161–179; Sylvia Chant and Cathy McIlwaine, *Women of a Lesser Cost: Female Labour, Foreign Exchange, and Philippine Development* (London and East Haven, CT: Pluto Press, 1995); Kevin Hewison and Arne L. Kalleberg, 'Precarious Work and Flexibilization in South and Southeast Asia', *American Behavioral Scientist* 57, 4 (2013): 395–402; Philip F. Kelly, 'Spaces of Labour Control: Comparative Perspectives from Southeast Asia', *Transactions of the Institute of British Geographers* 27, 4 (2002): 395–411; War

name a few examples, Thai border economic zones, such as Mae Sot, have been a major attractor of Burmese migrant workers;[51] in Indonesia, the Singaporean-invested Batam Free Trade Zone employs a predominantly rural workforce coming from other Indonesian areas;[52] in Vietnam, domestic migrants represent the majority of the workforce employed in the country's hundreds of industrial parks.[53]

While acting as a powerful mechanism for controlling and disciplining the workforce, labour feminisation and the use of migrant labour typically favour the spatial detachment of labour production from social reproduction, thus the externalisation of the costs of social reproduction to realms that are outside industrial sites. As critical reviews of the Marxian 'proletarian' concept indicate, while capitalist development tends to expand the levels of proletarianisation, this outcome is not desirable for the capitalists as it increases production costs. Semi-proletarianisation—in which only part of the household is involved in industrial work—allows a reduction in the cost of labour reproduction and, therefore, in the overall costs of industrial labour. Capitalist forces, therefore, tend to delocalise labour-intensive operations towards regions in which the process of proletarianisation is due to remain limited.[54] Although permeated by an optimistic stance regarding the social implications of industrial development in the region in terms of social wellbeing, in the 1990s literature on Southeast Asian countries—particularly on Thailand, Malaysia and Indonesia—had already foreseen this major feature of regional labour patterns. Processes of semi-proletarianisation and circulatory migration were already clearly prevailing in transitions from agriculture to industry and from the rural to the urban.[55] In stark contrast with the historical experience of industrialisation of the first generation of Asian NIEs and, before them, of Western countries, industrial development was not generating a 'traditional

on Want, *Restricted Rights. Migrant Women Workers in Thailand, Cambodia, and Malaysia* (London: War on Want, 2012).

51 Arnold and Pickles, 'Global Work, Surplus Labour and the Precarious Economies of the Border'.

52 Kelly, 'Spaces of Labour Control'; Sri Wulandari, *Batam Free Trade Zone* (Hong Kong: Asia Monitor Resource Centre, 2012).

53 Michela Cerimele, 'Informalising the Formal: Work Regimes and Dual Dormitory Systems in Thang Long Industrial Park (Hanoi, Vietnam)', in *Searching for Work: Small-Scale Mobility and Unskilled Labor in Southeast Asia*, eds Silvia Vignato and Matteo C. Alcano (Chiang Mai: Silkworm Books, 2018).

54 Immanuel Wallerstein, *Historical Capitalism with Capitalist Civilization* (London: Verso, 1995).

55 Jonathan Rigg, *Southeast Asia: The Human Landscape of Modernization and Development* (London: Routledge, 1997).

working class'[56] and permanent movements to new industrial cities. The recent experience of Southeast Asia confirms what labour historians have started to document in recent decades when they extended their research on the different contexts of the global South since the colonial period: 'labour [history] is not a unilinear process embodying an ongoing transition from "traditional" to "modern" forms'.[57] Partial proletarianisation—of various kinds, from seasonal work to temporary or even occasional employment in industry—appears to be the norm rather than the exception, while a pure proletarian labour can be understood more as an ideal type than a concrete historical reality. Within this framework, the Vietnamese case assumes particular interest. The rapid transformation of the country into a manufacturing hub has driven millions of workers from rural villages, even the most remote, towards modern industrial parks controlled by foreign investors. Especially in electronics—now the main export production—these workers are exposed to management models typical of the most advanced lean manufacturing, often for labour-intensive operations (e.g. final assembly) for high-end goods such as the latest generation Samsung mobile phones. These workers could be easily seen as a new industrial proletariat. Our study, however, indicates that current patterns of FDI-led, export-oriented industrialisation are rather resulting in a process of partial proletarianisation as industrial employment only represents a temporary phase in the life trajectory of these workers and reproduction of labour continues to occur outside the realm of the industrial areas.

The extensive fieldwork we conducted in five Red River Delta industrial parks, mainly in electronics and garment manufacturing, confirms this interpretation. The research made use of both quantitative and qualitative data gathering and analysis. Some 1,250 internal migrant workers were interviewed in total, mostly concentrated in the following industrial parks: Thang Long and Sai Dong (Hanoi), Tan Truong and Nam Sach (Hai Duong) and Khai Quang (Vinh Phuc). The study provides a set of data that, although not pretending to be exhaustive and not necessarily representative of all industrial employment in foreign-invested factories in the country, offers a relevant picture of current trends. Such data are of particular interest as they shed light on the relatively less studied case of North Vietnam. A more substantial literature does exist on the South, where the FDI-led industrialisation process started earlier.[58]

56 Dae-Oup Chang, 'From Global Factory to Continent of Labour', *Asian Labour Review* 1 (2015): 1–48.

57 Shahid Amin and Marcel van der Linden (eds), *Peripheral Labour: Studies in the History of Partial Proletarianization* (Cambridge: Cambridge University Press, 1997), 4.

58 Within the literature on strikes and protests in the South, interesting accounts of work-

The case study revealed that the emerging generation of Vietnamese industrial workers is prevalently female and very young. In the sample, women represent 83 per cent of workers in electronics and 86 per cent in garments. Of these, 55.1 per cent are very young (younger than 25, with a prevalence of the age group 21–24) and young (25.8 per cent between 25 and 29), with only 19.1 per cent older than 29. These workers are mostly migrants from poor rural origins, normally graduated from low or high secondary school. The large majority of the workers in the garment sector receive no or minimal training and learn by doing after employment. In electronics, almost 50 per cent of workers receive some training during their probationary period, normally from one to three months. The large majority of the workers in both sectors, however, are employed for low-skill tasks. Only 33.3 per cent of the interviewed workers hold a permanent position, while the majority have short-term contracts: 43.4 per cent from 12 to 36 months, 15.9 per cent less than 12 months. Qualitative interviews revealed the prevalence of hard working conditions and high vulnerability. As the research was conducted in cooperation with VGCL (the national trade union) a particular concern regarded workers' representation. The interviews reveal a generalised lack of knowledge about labour laws and factory rules. Although 50 per cent of workers declared that they feel represented by their factory trade unions, it emerged that in fact in most cases local union leaders are part of the factory management and workers seek help from alternative sources in case of need.[59]

Within this wider study we undertook a more in-depth qualitative case study of around 160 female migrants working in electronics factories at the Thang Long Industrial Park (TLIP), which helped to highlight the possible multiple mechanisms—both within and outside the factory gates—that shape foreign capital–labour relations in the country and underpin the emerging of gendered

ing conditions in FDI factories are provided, for instance, by Kaxton Siu and Anita Chan, 'Strike Wave in Vietnam, 2006–2011', *Journal of Contemporary Asia* 45, 1 (2015): 71–91; Angie Ngoc Tran, 'Alternatives to the "Race to the Bottom" in Vietnam: Minimum Wage Strikes and Their Aftermath', *Labour Studies Journal* 32, 4 (2007): 430–451; Angie Ngoc Tran, 'The Third Sleeve: Emerging Labor Newspapers and the Response of the Labor Unions and the State to Workers' Resistance in Vietnam', *Labor Studies Journal* 32, 3 (2007): 257–279. Angie Ngoc Tran, *Ties that Bind* (Ithaca, NY: Cornell University Press, 2013); Benedict Tria Kerkvliet, 'Workers' Protests in Contemporary Vietnam', in *Labour in Vietnam*, ed. Anita Chan (Singapore: Institute of Southeast Asian Studies, 2011). A recent report on working conditions in Samsung factories in two provinces of the Red River Delta provides data consistent with our analysis: IPEN and COFED, *Stories of Women Workers in Vietnam's Electronics Industry* (Hanoi: IPEN and COFED, 2017).

59 Do Ta Khanh, *SWORR Fieldwork Research: Synthesis Report* (Hanoi: SWORR Project, 2015).

patterns of labour 'in-fact informalisation'[60] and circulation.[61] In what follows we turn to sketch some main findings of fieldwork research at the TLIP.[62] Indeed, this case is particularly relevant for the concerns of the present paper as one of its major features is that it hosts companies almost wholly financed by FDI.

Located on the outskirts of Hanoi and built on 274 hectares of former paddy-fields, the TLIP is one of Vietnam's largest industrial parks. The Park hosts around 90 companies (including offices)—mainly Japanese—including large assembly electronics factories such as Canon Inc. and Panasonic; other large enterprises, such as Toto, producing sanitary ware; and producers such as Asahi, specialising in medical equipment. However, the biggest share of the Park's companies is represented by suppliers producing manufacturing parts (in diversified fields such as electronics, automobiles, motorcycles, construction machines, etc.) both for the buyers located in the Park (or nearby) as well as for wider international markets. As of 2014, the Park employed around 63,000 individuals, of whom 65 per cent were unskilled female workers, 70 per cent were internal migrants coming from both near and more distant provinces and nearly 64 per cent were employed with fixed-term contracts of one to three years; it produced over 60 per cent of the industrial production value and 50 per cent of the export value of all Hanoi industrial complexes.[63] Workers are accommodated both in companies' dorms located immediately outside the Park's gate and in rooms privately rented in the villages surrounding the industrial estate. Although the Park is only around 20 kilometres from Hanoi, the long working hours and low salaries typically keep the workforce almost totally isolated from the urban environment of the capital city. Indeed, at the factory level, a regime of wage and contract flexibility, normally combined with very strict factory rules, translates migrants' pre-existing vulnerability into extreme levels of exploitation and over-working for very poor wages.

60 Dae-Oup Chang, 'Informalising Labour in Asia's Global Factory'.

61 See, e.g., Jan Breman, *At Work in the Informal Economy of India: A Perspective from the Bottom Up* (Delhi: Oxford University Press, 2009); Alessandra Mezzadri, 'Review of *At Work in the Informal Economy of India: A Perspective from the Bottom Up* by Jan Breman 2013. Delhi: Oxford University Press', *Journal of Agrarian Change* 14, 3 (2014): 466–470.

62 For more details on this case study, including research methodology and methods, see Michela Cerimele, 'Informalising the Formal'. Fieldwork research was conducted between December 2013 and June 2014 in workers' living areas around the Park under the EU-funded SWORR and SEATIDE projects.

63 Fieldwork data, Hanoi Industrial Zones Promotion Authority, February 2014.

It is worth mentioning that, like China, socialist-era residential rules (the *ho-khau*) have been partially relaxed by the Vietnamese state.[64] However, the *ho-khau* still distinguishes between temporary and permanent residence, limiting to the latter access to welfare and key public services, and thus meeting the requirements of industrial areas and FDI firms for a cheap and highly 'flexible' workforce—whose social reproduction is externalised to workers' places of origin.[65] As argued by Angie Ngoc Tran, in financial terms Vietnamese migrant workers are especially affected by housing-related problems, by restricted access to public childcare facilities and education and by their exposure to higher utility bills at the destination areas.[66] This condition can be dramatically exacerbated by food inflation, which hits industrial/urban areas particularly hard.[67]

Migrant workers' own survival, with the possibility to remit some money back to their rural places of origin and/or to accumulate small savings, is thus extremely dependent on factory wages. At the TLIP, these are typically composed by a basic plus a 'flexible' component, which includes allowances, bonuses and overtime work and is in turn linked to a complex system of workers' evaluation and ranking. It is the flexible component of the wage that brings workers' income above subsistence levels,[68] thus staying above subsistence implies a constant struggle to follow factory rules in order to receive high grades—and a constant trade-off with physical and mental exhaustion. However, even full compliance with factory rules does not guarantee that workers will be able to 'maximise' their wages, which makes them permanently vulnerable and exposed to falling back into poverty while working. Also, the 'maximum

64 See, on the *ho-khau*, Andrew Hardy, 'Rules and Resources: Negotiating the Household Registration System in Vietnam under Reform', *Sojourn* 16, 2 (2001): 187–212.

65 Minh T.N. Nguyen and Catherine Locke, 'Rural–Urban Migration in Vietnam and China: Gendered Householding, Production of Space and the State', *Journal of Peasant Studies* 41, 5 (2014): 860.

66 Tran, *Ties that Bind*, 190.

67 Siu and Chan, 'Strike Wave in Vietnam, 2006–2011'.

68 In Vietnam, foreign employers normally set the wage basic component as equal to or just slightly above the minimum wage as established by the government to keep pace with inflation: see Dang Quang Dieu, *A Study on Trade Union Strategies on Minimum Wage Determination and Setting in Vietnam* (Hanoi: IWTU, 2012); Dang Quang Dieu and Dong Thi Thuong Hien, 'Vietnam', in *Minimum Wages Collective Bargaining and Economic Development in Asia and Europe: A Labour Perspective*, eds Maarten van Klaveren, Denis Gregory and Thorsten Schulten (London: Palgrave, 2015); Tran, *Ties that Bind*; Tran, 'Alternatives to the "Race to the Bottom" in Vietnam'. According to the IWTU, as of 2014 Vietnamese minimum wages covered only 67–70 per cent of workers' basic living expenses: see *Tuoi Tre News*, 'Minimum Wages should be Raised on Schedule: Labour Official' (11 April 2014).

wage' workers can earn is still only slightly above the reproduction needs of an individual worker—reflecting the expectation that she is not expected to settle with her family in the industrial area (see also below). As for the contract system, at the TLIP this is equally highly flexibilised so as to adjust labour demand to market fluctuations and keep labour costs low. This is a widespread practice in Vietnam as elsewhere, along with the unlawful repeated use of short-term contracts even for workers who are in fact long-term employees.[69] At the Park, a system of contract advancements is also at work ranging, for example, from one plus three years, to three plus three years, to one plus one or one plus two years before the potential granting of an indefinite-term contract. Contract advancements can also be linked to workers' evaluation, which again compels workers into a high degree of self-exploitation in order to keep their jobs and have access to permanent positions. However, the system of contract advancements is often used to select, and keep for longer, the physically strongest and most disciplined workers, with the selection being particularly rigid in the case of access to long-term positions. Indeed, as workers have very poor protection at the workplace, they can be fired at any time, which systematically turns even permanent positions into 'short-term' ones.

Shifting from one factory to another, or from one industrial zone to another, through job loss—or leaving the job 'voluntarily' in a restless search for a better occupation—is a well-known experience for Vietnamese migrants at the TLIP, as elsewhere in the country. At Thang Long, coping strategies vary: depending on the resources available, workers return to the rural village of origin as a base for finding a new job (in the same Park or elsewhere) or remain in the industrial area for a few months. Also, the length of workers' resistance to the hostile environment of industrial areas can vary; however, it also has a precise limit. For female migrant workers, older age, marriage and maternity normally determine the definitive expulsion (or 'voluntary' exit) from industrial work. A vantage point on the ultimate incompatibility between 'generational reproduction' and the factory production regime is offered by the experience of older female migrant workers (between their mid-20s and early 30s) employed on indefinite-term contracts and attempting to set up a family at the industrial zone. These women tend to be accommodated in rooms rented in worker villages, as factory dormitories normally do not allow families.[70] For example,

69 E.g. Worker Rights Consortium, *Made in Vietnam: Labor Rights Violations in Vietnam's Export Manufacturing Sector* (Washington, DC: Worker Rights Consortium, 2013); Dae-Oup Chang, 'Reclaiming Labour Law'.

70 Drawing on Pun's and Smith's notion of the dormitory labour regime, Cerimele details the 'dual' dormitory labour system at work at the TLIP. See Ngai Pun and Chris Smith, 'Putting

owing to the working of the *ho-khau*, migrants have restricted access to public childcare facilities.[71] Combined with high costs of food for children, the costs of private kindergartens or baby-sitting systematically determine an unsustainable increase in workers' overall expenses. At the same time, while rooms rented in villages are too small and unsuited for families, workers find it difficult to move out because the rents for flats are unaffordable—even if both members of the couple work. A key issue here concerns the inverse relationship linking expenses, on the one side, and physical and mental strength, thus earnings, on the other. While the first exponentially rise upon having children, female workers' capacity to comply with factories' rules starts decreasing, making it impossible to earn above subsistence-level wages. Women also become highly exposed to job loss or are progressively pushed to quit the job 'voluntarily', because of the impossibility of obtaining a 'living' wage, through exhaustion. A transitory adjustment before definitive exit from industry is noteworthy. Over the breastfeeding period, the wife's or husband's mother often joins the couple to look after their child. After this period, children are generally brought to the countryside to live with their grandparents. Sending (or leaving) children behind is another experience well known to Vietnamese female internal migrants.[72] However, the split of households between the industrial area and the countryside is hardly sustainable for more than a few years (maximum). For example, the presence of children in the countryside further increases the difficulties of rural life; at the same time, the couple starts to face unaffordable transport costs for visiting them, while more frequent absence from work further exposes the two workers to salary (or job) loss. Often, after the split

Transnational Labour Process in its Place: The Dormitory Labour Regime in Post-Socialist China', *Work, Employment and Society* 21, 1 (2007): 27–45; Chris Smith and Ngai Pun, 'The Dormitory Labour Regime in China as a Site for Control and Resistance', *International Journal of Human Resource Management* 17 (2006): 1456–1470; Cerimele, 'Informalising the Formal'.

71 See, e.g., ActionAid Vietnam and Indochina Research and Consulting, *Female and Internal Migration: An Arduous Journey for Opportunities* (Hanoi: ActionAid International Vietnam, 2011); Le Bach Duong, T.G. Linh and N.T.P. Thao, *Social Protection for Rural–Urban Migrants in Vietnam: Current Situation, Challenges, and Opportunities*, Research Report 08 (Brighton: Centre for Social Protection/Institute of Development Studies, 2011).

72 See, e.g., ActionAid Vietnam and Indochina Research and Consulting, *Female and Internal Migration*. On the case of married migrant women (mostly employed in the informal sector) leaving children behind, see, for instance, Bernadette P. Resurreccion and Ha Thi Van Khanh, 'Able to Come and Go: Reproducing Gender in Female Rural–Urban Migration in the Red River Delta', *Population, Space and Place*, 13 (2007): 211–224; Lan Anh Hoang, 'Gender Identity and Agency in Migration Decision-Making: Evidence from Vietnam', *Journal of Ethnic and Migration Studies* 37, 9 (2011): 1441–1457.

of households in two, female migrants are seemingly recalled/pushed back to the countryside and—as per the patrilocal residence rules still widespread in the country[73]—they are recalled to follow the husband and join his family in the case of both members of the couple deciding to leave the industrial zone.

5 Conclusions

As set out in the special issue introduction, Mekong Southeast Asia is a particularly relevant locus for highlighting the specificities of capitalist development trajectories in the global South and the way they question received narratives of 'development', 'modernisation' and 'transition'.[74] A good exercise, in this respect, is to assess such trajectories against the modernising stance underpinning neoliberal wisdom of development, the international community's prevailing development paradigm since the 1980s.[75] In fact, starting from that decade, the rise of neoliberalism enshrined the definitive eclipse of the modernisation theory proper as it prevailed after the end of World War II and gained centre stage during the 1960s.[76] Indeed, neoliberalism and modernisation theory differ in many respects, and crucially in the way they see the relationship between the market and the state, and the latter's role in economic development. Modernisation theory centred on the role played by state interventionism in driving underdeveloped countries through stages of growth that would

73 Jayne Werner, 'Gender, Household, and State: Renovation (Doi Moi) as Social Process in Viet Nam', in *Gender, Household, State: Doi Moi in Viet Nam*, eds Jayne Werner and Daniele Bélanger (Ithaca, NY: Cornell University Southeast Asia Program, 2002); Alessandra Chiricosta, *Internal Report on Field Activities—Gender* (Hanoi: SWORR Project, 2014). Interviewed migrants have described this scenario, relying on their experiences as workers close to leaving the industrial zone or relying on the experience of other workers who had already left. Certainly, the question of what these workers do once they leave industrial employment is a key research theme and it is important to note that the IWTU (the research institute of the Vietnamese trade unions) has now begun to investigate it.

74 Arnold and Campbell, 'Capitalist Trajectories in Mekong Southeast Asia'.

75 Alfredo Saad-Filho and Deborah Johnston (eds), *Neoliberalism. A Critical Reader* (London: Pluto Press, 2005); Matilde Adduci and Michela Cerimele, 'Introduction', in *Socialist Register Italia. Antologia 2001–2008*, eds Matilde Adduci and Michela Cerimele (Milan: Punto Rosso, 2009).

76 Mark T. Berger, *The Battle for Asia: From Decolonization to Globalization* (London and New York: RoutledgeCurzon, 2004); Nils Gilman, *Mandarins of the Future: Modernization Theory in Cold War America* (Baltimore: Johns Hopkins University Press, 2003); Colin Leys, *The Rise and Fall of Development Theory* (London: James Curry, 1996).

be conducive to industrialisation, urbanity and mass consumption along the model of Western countries.[77] Instead, the neoliberal consensus identifies the drivers of economic development (and poverty reduction) in market forces, with the role of the state and other institutions overall 'limited' to facilitating the right functioning of the market.[78] However, although with different focuses and emphasis, scholars have disclosed important elements of continuities between the 'modernisation project'[79] and the most recent consensus on development. For example, as argued by Graham and Pino, 'like modernization before it, neoliberal development assumes a unilinear diffusionist thesis [that regards] interventions from global North and West to the global South as unproblematic'.[80] Furthermore, 'it promotes a universalistic one-size fits all paradigm with similar development/reformist templates used in a variety of contexts that often differ greatly in terms of history, politics, culture, and levels of social and economic equality'.[81]

Although the neoliberal successors lack the somewhat progressive, reformist stance of old modernisation theory, they share a disregard for indigenous knowledge and popular participation, 'both favour universal rules of economic development, developed originally to confront the domestic problems of the rich nations; and both elevate Western values and history to a normative position'.[82] Like old modernisation, the neoliberal consensus deploys a methodological nationalism ascribing the persisting 'core'–'periphery' gap to peripheral countries' domestic inability to adopt adequate market-friendly measures, and thus to take advantage of the opportunities opened up by a globalised economy.[83]

In recent years, Southeast Asia has been a showcase of these newer narratives of modernisation. As mentioned in the introduction, the failure of regional countries to catch up with most advanced economies and reach the

77 Walter W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (New York: Cambridge University Press, 1960).

78 Ray Kiely, 'Globalization and Poverty, and the Poverty of Globalization Theory', *Current Sociology* 53, 6 (2005): 895–914; Ben Fine, 'Neither the Washington nor the Post-Washington Consensus: An Introduction', in *Development Policy in the 21st Century: Beyond the Post-Washington Consensus*, eds Ben Fine, Costas Lapavitsas and Jonathan Pincus (London: Routledge, 2001).

79 Berger, *The Battle for Asia*.

80 Ellison Graham and Nathan W. Pino, *Globalization Police Reform and Development: Doing It the Western Way?* (Palgrave Macmillan, 2012), 35.

81 Graham and Pino, *Globalization Police Reform and Development*, 36.

82 Gilman, *Mandarins of the Future*, 272.

83 Kiely, 'Globalization and Poverty, and the Poverty of Globalization Theory'.

status of industrialised nations has been framed in terms of a middle-income trap. Centred on a neoclassical notion of convergence, this specific reading of the regional economic 'impasse' denies the hierarchical nature of the economic system and sees the way out of the impasse in the implementation of more pro-market reform. Convergence with the income levels of the North (what the World Bank defines as 'graduation') requires that all countries should implement an externally given set of reforms. Coherent with the old modernisation approach is also a major feature of the neoliberal discourse illustrated by this article: developing countries require a critical mass of investment for their economic take-off—thus, these countries should do their best to attract and accommodated as much FDI as possible as this is the best (and possibly the only) way to achieve higher levels of economic development.

Our study confirms that Vietnam has now fully converged with the development model that has dominated the regional economic order since the Plaza Agreement in 1985, when East Asian capital had to expand the regional division of labour in the process of a major delocalisation of labour-intensive productions. Although Vietnam was a 'late-comer', it emerged quite rapidly as an important manufacturing hub. Especially since the WTO accession in 2007, the country has embarked on a development strategy largely dependent on FDI attraction and export-oriented production. Like other countries in the region, however, the Vietnamese development project has already encountered major obstacles, which allow questioning of the virtues of the current 'industrialisation' model. As our empirical research in the new industrial zones in the Red River Delta reveals, confirming the finding of previous research in other areas of the country, the price paid by the industrial labour for this development model is very hard. However, contrary to the mainstream narrative, this is not a temporary pain: Vietnam is in the middle of a stalled transition that does not allow either the expansion of national industry or the creation of a more affluent society. The fundamental point here is that although policies may be improved in order to increase efficiency, in Vietnam—as in the other countries of the region—the logic of the system is based on a hierarchy of countries and firms. The role of Vietnam in this hierarchy is to provide a cheap labour force for export-oriented production. The process of 'semi-proletarianisation' we described based on our field study should not be understood as a temporary reality, but as a fundamental feature of this 'industrialisation' model that allows the maintenance of a large reserve army of cheap labour and that contributes to making the country more attractive for international capital. In this regard, the case of Vietnam appears to be particularly important for at least two reasons. First, as a large country and a very successful manufacturing hub it is increasingly assuming a relevant position in global production networks—its stalled transition cannot be understood in terms of 'backwardness' but rather as an outcome of modern capitalist reorganisation of production at world-scale level. Second, the process of 'semi-proletarianisation' we have documented does not involve (only) the typical 'informal' sector or the bottom layers of low capital-intensive productions (such as garment manufacture, to which much of the previous literature refers) but even large-scale investments in consumable electronics. In this sense, the Vietnamese case reconnects with the current processes of precarisation of labour in the North—with the notable difference that this process of precarisation occurs at an early stage of industrial development rather than in industrialised societies.[84]

The Vietnamese case is also interesting from another perspective. Since the mid-2000s it has embarked on an apparently hyper-liberal turn that may continue after the demise of the powerful Prime Minister Nguyen Tan Dung. As witnessed by the *Vietnam 2035* report, which aims at charting the map for the next phases of economic development, the Vietnamese government apparently shares the illusion that a modern economic transition can be still accomplished, provided that the 'right' market measures are implemented.[85] However, the concrete reality of policy implementation is often contradictory in a country allegedly aiming at becoming a socialist-oriented market economy. On the one hand, the state has remained a very important economic actor by maintaining the control of formally privatised SOEs: something that may (or may not) be used as leverage to mitigate the influence of international market forces on the national economy. On the other hand, the reference to socialism still has some influence, ambiguously but meaningfully, in orienting the actions of key actors—the Party, the trade unions and the same industrial workers—and a space for contestation (for instance, through a very large number of wild-cat strikes) seems to be more open in this country than in most of its neighbours.

References

ActionAid Vietnam and Indochina Research and Consulting. *Female and Internal Migration: An Arduous Journey for Opportunities* (Hanoi: ActionAid International Vietnam, 2011).

84 Hewison and Kalleberg, 'Precarious Work and Flexibilization in South and Southeast Asia'.
85 World Bank and Ministry of Planning and Investment of Vietnam, *Vietnam 2035*, 11.

Adduci, Matilde, and Michela Cerimele. 'Introduction'. In *Socialist Register Italia. Antologia 2001–2008*. Edited by Matilde Adduci and Michela Cerimele (Milan: Punto Rosso, 2009).

Amin, Shahid, and Marcel van der Linden (eds). *Peripheral Labour: Studies in the History of Partial Proletarianization* (Cambridge: Cambridge University Press, 1997).

Amsden, Alice H. *Escape from Empire: The Developing World's Journey through Heaven and Hell* (Cambridge, MA; MIT Press, 2007).

Arnold, Dennis, and John Pickles. 'Global Work, Surplus Labour and the Precarious Economies of the Border'. *Antipode* 43, 5 (2011): 1598–1624.

Arrighi, Giovanni, Beverly J. Silver and Benjamin D. Brewer. 'Industrial Convergence, Globalization, and the Persistence of the North–South Divide'. *Studies in Comparative International Development* 38, 1 (2003): 3–31

BBC News. 'Trial Begins for Vietnam Ship Scandal Executives' (27 March 2012).

BBC News. 'Vietnam PM Spared Action as Communist Party Meeting Ends' (16 October 2012).

Beresford, Melanie, and Angie Ngoc Tran (eds). *Reaching for the Dream* (Copenhagen: NIAS Press, 2004).

Berger, Mark T. *The Battle for Asia: From Decolonization to Globalization* (London and New York: RoutledgeCurzon, 2004).

Bernard, Mitchell, and John Ravenhill. 'Beyond Product Cycles and Flying Geese: Regionalization, Hierarchy, and the Industrialization of East Asia'. *World Politics* 47, 2 (1995): 171–209.

Breman, Jan. *At Work in the Informal Economy of India: A Perspective from the Bottom Up* (Delhi: Oxford University Press, 2009).

Cerimele, Michela. 'The Strengthening of Relations between Vietnam and the United States'. *Asia Maior* XXVI (2016): 265–295.

Cerimele, Michela. 'The Aftermath of the 12th Congress, between Continuities and Changes'. *Asia Maior* XXVII (2017): 199–219.

Cerimele, Michela. 'Informalising the Formal: Work Regimes and Dual Dormitory Systems in Thang Long Industrial Park (Hanoi, Vietnam)'. In *Searching for Work: Small-Scale Mobility and Unskilled Labor in Southeast Asia*. Edited by Silvia Vignato and Matteo C. Alcano (Chiang Mai: Silkworm Books, 2018).

Chang, Dae-Oup. 'Reclaiming Labour Law'. In *Rights for Two-Thirds of Asia: Asian Labour Review*. Edited by Doris Lee, Apo Leong, Rene Ofreneo and Anoop Skumaran (Hong Kong: AMRC, 2008).

Chang, Dae-Oup. 'Informalising Labour in Asia's Global Factory'. *Journal of Contemporary Asia* 39, 2 (2009): 161–179.

Chang, Dae-Oup. 'From Global Factory to Continent of Labour'. *Asian Labour Review* 1 (2015): 1–48.

Chant, Sylvia, and Cathy McIlwaine. *Women of a Lesser Cost: Female Labour, Foreign

Exchange, and Philippine Development (London and East Haven, CT: Pluto Press, 1995).

Chiricosta, Alessandra. *Internal Report on Field Activities—Gender* (Hanoi: SWORR Project, 2014).

Dang Quang Dieu. *A Study on Trade Union Strategies on Minimum Wage Determination and Setting in Vietnam* (Hanoi: IWTU, 2012).

Dang Quang Dieu and Dong Thi Thuong Hien. 'Vietnam'. In *Minimum Wages Collective Bargaining and Economic Development in Asia and Europe: A Labour Perspective*. Edited by Maarten van Klaveren, Denis Gregory and Thorsten Schulten (London: Palgrave, 2015).

Do Ta Khanh. *SWORR Fieldwork Research: Synthesis Report* (Hanoi: SWORR Project, 2015).

Dong, Loc Truong. 'Equitisation and Stock-Market Development: The Case of Vietnam', PhD dissertation. Faculty of Economics, University of Groningen (2006).

Duong, Le Bach, T.G. Linh and N.T.P. Thao. *Social Protection for Rural–Urban Migrants in Vietnam: Current Situation, Challenges, and Opportunities*. Research Report 08 (Brighton: Centre for Social Protection/Institute of Development Studies, 2011).

Felker, Greg. 'Southeast Asian Industrialisation and the Changing Global Production System'. *Third World Quarterly* 24, 2 (2003): 255–282.

Fforde, Adam. 'Vietnam: Economic Strategy and Economic Reality'. *Journal of Current Southeast Asian Affairs* 2 (2016): 3–30.

Fforde, Adam, and Stefan de Vylder. *From Plan to Market: The Economic Transition in Vietnam* (Boulder, CO: Westview Press, 1996).

Fine, Ben. 'Neither the Washington nor the Post-Washington Consensus: An Introduction'. In *Development Policy in the 21st Century: Beyond the Post-Washington Consensus*. Edited by Ben Fine, Costas Lapavitsas and Jonathan Pincus (London: Routledge, 2001).

Gabriele, Alberto. 'Social Services Policies in a Developing Market Economy Oriented Towards Socialism: The Case of Health System Reforms in Vietnam'. *Review of International Political Economy* 13, 2 (2006): 258–289.

Gainsborough, Martin. 'Privatisation as State Advance: Private Indirect Government in Vietnam'. Centre for Governance and International Affairs, University of Bristol, Working Paper No. 12 (2008).

Gill, Indermit, and Homi Kharas. *An East Asian Renaissance—Ideas for Economic Growth* (Washington, DC: World Bank, 2007).

Gill, Indermit, and Homi Kharas. 'The Middle-Income Trap Turns Ten', Policy Research Working Paper No. 7403. World Bank (2015).

Gilman, Nils. *Mandarins of the Future: Modernization Theory in Cold War America* (Baltimore: Johns Hopkins University Press, 2003).

Glawe, Linda, and Helmut Wagner. 'The Middle-Income Trap: Definitions, Theories and Countries Concerned—A Literature Survey'. *Comparative Economic Studies* 58, 4 (2016): 507–538.

Graham, Ellison, and Nathan W. Pino. *Globalization Police Reform and Development: Doing It the Western Way?* (Palgrave Macmillan, 2012).

Hardy, Andrew. 'Rules and Resources: Negotiating the Household Registration System in Vietnam under Reform'. *Sojourn* 16, 2 (2001): 187–212.

Hart-Landsberg, Martin, and Paul Burkett. 'Contradictions of Capitalist Industrialization in East Asia: A Critique of "Flying Geese" Theories of Development'. *Economic Geography* 74, 2 (1998): 87–110.

Hewison, Kevin, and Arne L. Kalleberg. 'Precarious Work and Flexibilization in South and Southeast Asia'. *American Behavioral Scientist* 57, 4 (2013): 395–402.

Hiep, Le Hong. 'Vietnam's New Wave of SOE Equitization: Drivers and Implications'. *Yusof Ishak Institute Perspective* 57 (2017).

Hoang, Lan Anh. 'Gender Identity and Agency in Migration Decision-Making: Evidence from Vietnam'. *Journal of Ethnic and Migration Studies* 37, 9 (2011): 1441–1457.

Hollweg, Claire H., Tanya Smith and Daria Taglioni (eds). *Vietnam at a Crossroads: Engaging in the Next Generation of Global Value Chains* (Washington, DC: World Bank, 2017).

International Labour Organisation. *Global Wage Report 2012/13: Wages and Equitable Growth* (Geneva: ILO, 2013).

IPEN and COFED. *Stories of Women Workers in Vietnam's Electronics Industry* (Hanoi: IPEN and COFED, 2017).

Jandl, Thomas. *Vietnam in the Global Economy* (Plymouth: Lexington Books, 2013).

Kelly, Philip F. 'Spaces of Labour Control: Comparative Perspectives from Southeast Asia'. *Transactions of the Institute of British Geographers* 27, 4 (2002): 395–411.

Kerkvliet, Benedict Tria. 'Workers' Protests in Contemporary Vietnam'. In *Labour in Vietnam*. Edited by Anita Chan (Singapore: Institute of Southeast Asian Studies, 2011).

Kiely, Ray. 'Globalization and Poverty, and the Poverty of Globalization Theory'. *Current Sociology* 53, 6 (2005): 895–914.

Kokko, Ari, Katarina Kotoglou and Anna Krohwinkel-Karlsson. 'The Implementation of FDI in Viet Nam: An Analysis of the Characteristics of Failed Projects'. *Transnational Corporations* 14, 3 (2003): 41–77.

Leys, Colin. *The Rise and Fall of Development Theory* (London: James Curry, 1996).

London, Jonathan. 'Rethinking Vietnam's Mass Education and Health Systems'. In *Rethinking Vietnam*. Edited by Duncan McCargo (London: RoutledgeCurzon, 2004).

Masina, Pietro P. 'Vietnam and the Regional Crisis: The Case of a "Late Late-comer"'. *European Journal of East Asian Studies* 1, 2 (2002): 199–220.

Masina, Pietro P. *Vietnam's Development Strategies* (London and New York: Routledge, 2006).

Masina, Pietro P. 'Vietnam between Developmental State and Neoliberalism—the Case of the Industrial Sector'. In *Developmental Politics in Transition*. Edited by Chang Kyung-Sup, Ben Fine and Linda Weiss (London: Palgrave Macmillan, 2012).

Masina, Pietro P. 'An Uneven Development Trap in Southeast Asia and Its Implications for Labor'. In *Searching for Work: Small-Scale Mobility and Unskilled Labor in Southeast Asia*. Edited by Silvia Vignato and Matteo C. Alcano (Chiang Mai: Silkworm Books, 2018).

Mezzadri, Alessandra. 'Review of *At Work in the Informal Economy of India: A Perspective from the Bottom Up* by Jan Breman 2013. Delhi: Oxford University Press'. *Journal of Agrarian Change* 14, 3 (2014): 466–470.

Nguyen, Minh T.N., and Catherine Locke. 'Rural–Urban Migration in Vietnam and China: Gendered Householding, Production of Space and the State'. *Journal of Peasant Studies* 41, 5 (2014): 855–876.

Ohno, Kenichi. 'Avoiding the Middle-Income Trap: Renovating Industrial Policy Formulation in Vietnam'. *ASEAN Economic Bulletin* 26, 1 (2009): 25–43.

Ong, Aihwa. *Spirits of Resistance and Capitalist Discipline. Factory Women in Malaysia* (Albany: State University of New York Press, 1987).

Perkins, Dwight H. 'Industrial and Financial Policy in China and Vietnam: A New Model or a Replay of the East Asian Experience?' In *Rethinking the East Asian Miracle*. Edited by Joseph E. Stiglitz and Shahid Yusuf (Oxford: Oxford University Press, 2001).

Perkins, Dwight H., and Vu Thanh Anh. 'Vietnam's Industrial Policy Designing Policies for Sustainable Development'. Policy Dialogue Paper No. 1. Ash Institute for Democratic Governance and Innovation, Harvard Kennedy School (2007).

Pun, Ngai, and Chris Smith. 'Putting Transnational Labour Process in its Place: The Dormitory Labour Regime in Post-Socialist China'. *Work, Employment and Society* 21, 1 (2007): 27–45

Resurreccion, Bernadette P., and Ha Thi Van Khanh. 'Able to Come and Go: Reproducing Gender in Female Rural–Urban Migration in the Red River Delta'. *Population, Space and Place*, 13 (2007): 211–224.

Rigg, Jonathan. *Southeast Asia: The Human Landscape of Modernization and Development* (London: Routledge, 1997).

Rostow, Walter W. *The Stages of Economic Growth: A Non-Communist Manifesto* (New York: Cambridge University Press, 1960).

Saad-Filho, Alfredo, and Deborah Johnston (eds). *Neoliberalism. A Critical Reader* (London: Pluto Press, 2005).

Siu, Kaxton, and Anita Chan. 'Strike Wave in Vietnam, 2006–2011'. *Journal of Contemporary Asia* 45, 1 (2015): 71–91.

Smith, Chris, and Ngai Pun. 'The Dormitory Labour Regime in China as a Site for Control and Resistance'. *International Journal of Human Resource Management* 17 (2006): 1456–1470.

Thanh Nien News. 'Vietnam Seeks New Investors for Empty Industrial Park' (2 February 2016).

Tran, Angie Ngoc. 'Alternatives to the "Race to the Bottom" in Vietnam: Minimum Wage Strikes and Their Aftermath'. *Labour Studies Journal* 32, 4 (2007): 430–451.

Tran, Angie Ngoc. 'The Third Sleeve: Emerging Labor Newspapers and the Response of the Labor Unions and the State to Workers' Resistance in Vietnam'. *Labor Studies Journal* 32, 3 (2007): 257–279.

Tran, Angie Ngoc. *Ties that Bind* (Ithaca, NY: Cornell University Press, 2013).

Tuoi Tre News. 'Minimum Wages should be Raised on Schedule: Labour Official' (11 April 2014).

UNDP. 'The State as Investor: Equitisation, Privatisation and the Transformation of SOEs in Viet Nam'. UNDP Vietnam Policy Dialogue Paper 2006/3 (Hanoi: UNDP, 2006).

UNDP. *Top 200: Industrial Strategies of Viet Nam's Largest Firms* (Hanoi: UNDP, 2007).

UNIDO and the Ministry of Planning and Investment of Vietnam. *Viet Nam Industrial Investment Report 2011: Understanding the Impact of Foreign Direct Investment on Industrial Development* (Hanoi: UNIDO, 2011).

Vietnam General Statistical Office. *Living Standard Surveys* (1994, 2004, 2006).

Vietnam Investment Review. 'Vietnam Labour Growth Unaided by FDI Support' (20 December 2017).

VietNamNet Bridge. 'More Than a Few Industrial Parks Stand Empty' (3 August 2010).

Wallerstein, Immanuel. *Historical Capitalism with Capitalist Civilization* (London: Verso, 1995).

War on Want. *Restricted Rights. Migrant Women Workers in Thailand, Cambodia, and Malaysia* (London: War on Want, 2012).

Werner, Jayne. 'Gender, Household, and State: Renovation (Doi Moi) as Social Process in Viet Nam'. In *Gender, Household, State: Doi Moi in Viet Nam*. Edited by Jayne Werner and Daniele Bélanger (Ithaca, NY: Cornell University Southeast Asia Program, 2002).

Worker Rights Consortium. *Made in Vietnam: Labor Rights Violations in Vietnam's Export Manufacturing Sector* (Washington, DC: Worker Rights Consortium, 2013).

World Bank. *The East Asian Miracle: Economic Growth and Public Policy* (Oxford: Oxford University Press, 1993).

World Bank and Ministry of Planning and Investment of Vietnam. *Vietnam 2035: Toward Prosperity, Creativity, Equity, and Democracy* (Hanoi: World Bank, 2016).

Wulandari, Sri. *Batam Free Trade Zone* (Hong Kong: Asia Monitor Resource Centre, 2012).

Volume 17 (2018): Issue 2 (Oct 2018): Special Issue: Capitalist Trajectories in Mekong Southeast Asia

in European Journal of East Asian Studies

Online ISSN: 1570-0615 Publisher: Brill

Print ISSN: 1568-0584

Subjects