



► **Terms of Reference**

Technical advice in identifying employment-related policy orientations for the productivity focus of the Productivity Ecosystems for Decent Work in Viet Nam

ILO Vietnam

► 1. Background

The Productivity Ecosystems for Decent Work Programme (PE4DW), launched jointly by the SME unit of the ILO Enterprises Department and the Employment Policy Department, together with the Swiss State Secretariat for Economic Affairs (SECO) and the Norwegian Agency for Development Cooperation (NORAD), aims at addressing constraints to productivity growth and decent job creation. The Programme was launched in April 2022 with the initial 6 months of inception phase, and will run until the end of 2025, being piloted in Ghana, South Africa and Viet Nam and implemented by the ILO Enterprises and Employment Departments and ILO Country Office for Viet Nam.

The decade following the global financial crisis has witnessed consistent decline in productivity growth, a development that has been compounded by the Covid-19 pandemic. This trend is of particular concern to most emerging and developing economies. Here, the contribution of structural transformation (i.e. labour reallocation toward higher-productivity sectors as well as within-sector transformation) to productivity growth has slowed down and integration in global and regional value chains, which is key to boosting technology transfers, digitalization and improved management processes at enterprise level, is decreasing. The strong growth in services sectors in many emerging and developing countries has also led to increased divergence in productivity, especially in those countries where jobs are moving from agriculture directly to services, bypassing manufacturing. Rather than generating productive employment, this trend has expanded low-productivity informal jobs in the services sector while leaving low-productivity jobs in agriculture as the main provider of employment in developing countries.

Achieving a virtuous cycle between productivity growth, employment creation and the promotion of decent work is required if economic growth is to lead to poverty alleviation and prosperity. To create and strengthen this virtuous cycle, the ILO proposes the Productivity Ecosystems for Decent Work Programme. The Programme is built on the recognition that productivity growth is determined by a myriad of interfacing dynamics across policy, markets and enterprises. Furthermore, the virtuous cycle between productivity and decent work, where productivity growth leads to decent job creation and vice-versa, is not automatic.

Therefore, rather than using a “one size fits all” approach or intervening at a single level, the Programme will address productivity and decent work deficits across policy, sector and enterprise levels for win-win solutions that improve productivity and that ensure, through social dialogue and workplace cooperation, that gains from productivity growth and decent work are distributed equitably. For this purpose, the Programme will select a “slice” of the local productivity ecosystem, i.e., a sector and associated segment of the overall ecosystem in which the potential for productivity growth and decent job creation are aligned with feasibility to intervene.

In Vietnam the productivity agenda has high priority for the Government, where national productivity programme (Nb 712) was declared almost 10 years ago, and extended in Aug 2020 by the decision of Prime Minister (Nb. 1322) for 2020-2030. A separate national productivity programme on science and technology was developed in 2021 (Nb. 36). However, despite this declared political will to promote productivity growth, the results of policies remain unclear for variety of reasons; among them lack of tangible incentives for firms and workers, but essentially there is a need for precise design and detailed plan on how to achieve the productivity goal. The

ILO's PE4DW programme therefore aims to engage stakeholders into testing and piloting approaches at all 3 layers of intervention, and offering evidence-based advice for effective policy making for Government and social partners in Vietnam.

The Department of Employment under Ministry of Labour, Invalids, and Social Affairs (MOLISA) has recently approached the ILO Vietnam's new Productivity Ecosystem for Decent Work project in April 2022 with a request to support the revision of employment law. Preliminary work was already implemented jointly by ILO Vietnam and MOLISA in 2021 on the assessment of application of international labour standards, on employment law implementation, credit policies for job creation, public employment services' organization, etc. ILO Vietnam's social protection project is currently supporting the Government with the revision of related social insurance legislation.

The Productivity Ecosystems for Decent Work Programme (PE4DW), in the Inception Phase, has started the review of all existing policies related to labour and employment to assess the presence and effectiveness of any productivity-related policy to identify an orientation for the work on productivity of the Project. PE4DW also comes at the right moment when the Government of Viet Nam is undertaking a revision of the Law on Employment, under the leadership and coordination of the Ministry of Labour, Invalids and Social Affairs. The Employment Law, enacted in 2014, has been providing a framework to implement job creation and employment services programs; increase the coverage of the unemployment insurance, and identify the roles of different stakeholders in promoting decent work in Viet Nam. However, the 2013 employment law needs to be upgraded in view of the growing challenge to build resilient and productive economy, and to introduce lessons learned from the impact of the COVID-19 crisis on the Vietnam's labour market, the need for scaling up the recovery measures as part of further employment policy reforms. The revision of the Employment Law will be an important platform for social dialogue and the development of policies supporting the growth of productivity. The ILO PE4DW project is engaging international expertise to support the Department of Employment of MOLISA's work on review of impact assessment reports of 2013 Employment Law.

The current assignment from PE4DW Project aims at engaging another international consultant on an Excoll basis to assist the Project through the process of policy orientation on productivity policy-making and advice, the detailed objectives and tasks of the assignment are provided further.

► 2. Objectives and tasks

Objectives

The objective of this assignment is to provide technical advice in identifying employment-related policies' orientation for the productivity focus of the PE4DW.

Tasks

The consultant will work in collaboration with PE4DW providing assistance to the Employment Law revision, as well as consult with relevant ILO specialists of labour standards, employment policy, labour economics in Hanoi, Bangkok, and Headquarters.

Provide technical advice in identifying employment-related policy orientation for the work on productivity in the Project. The consultant will be responsible for delivering on the following sub-tasks by performing a legal/policy review. This will entail:

(a) Policy mapping. Mapping 1) policies and legislation that are relevant to labour productivity and 2) main institutions whose work is critical to labour productivity. The consultant will undertake analysis of the materials and information provided by the ILO PE4DW team and stakeholders including key legislations, technical reports, and legal framework mapping, and considering relevant ILO standards and international best practices. Gaps in policy/legislation and institutional framework will need to be identified. List of policies to be reviewed (the list is not exclusive, and can be expanded along the mapping activity based on mutual decision of the consultant and the PE4DW):

- 2013 Employment Law;
- The 2021 – 2020 Socio-Economic Development Strategy;
- The 2021 – 2025 Socio-Economic Development Plan;
- National productivity programme (Nb 712) declared almost 10 years ago, and extended in Aug 2020 by the decision of Prime Minister (Nb. 1322) for 2020-2030;
- 2019 Labour Codes;
- Law on Occupational Safety and Hygiene (2015);
- Separate national productivity programme on science and technology was developed in 2021 (Nb. 36);
- Vocational Education and Training Law;
- Social Insurance Law;
- Unemployment Insurance Law;
- ILO conventions 122, 88, etc.;
- Other as relevant.

(b) Producing a theory of change. The consultant will produce a theory of change on how employment, labour and other related legislation (identified as a result of previous mapping), can support growth of labour productivity, including underlying assumptions.

(c) Providing recommendations. Based on the analysis of the policies/ regulations and the theory of change, the consultant will provide a set of action-focused and detailed recommendations on further improvement of policy and legislation for PE4DW Project to consider for the design of the Project implementation phase.

(d) Contribute to technical discussions on the definition of measurement of productivity: One of the important activities in the inception phase of the project is to start discussions around the national definition and measurement of productivity. The consultant is expected to contribute to these discussions, and share technical views on the topic.

► 3. Deliverables and timeline

The detailed set of recommendations on productivity-related labour and employment policy areas for PE4DW Project to consider for the design of the Project implementation phase on policy-making.

From the start of the assignment and until 31 Oct 2022, the consultants will produce the below-listed deliverables, where the distribution of workdays is tentative and subject to redistribution between outputs 1 and 2 depending on the actual need.

► Deliverables and timelines

#	Deliverables	Number of workdays	Date of completion
1	Policy mapping analysis	10	31 July 2022
2	A theory of change output	5	August 15, 2022
3	Recommendations on further improvement of policy and legislation for PE4DW Project	7	30 September
4	Presentations at two technical discussions on the definition and measurement of productivity (Dates will be informed separately)	3	31 October 2022

ILO will review all deliverables and provide feedback on whether the deliverables are in line with expectations. All deliverables should be in English.

► 4. Application process

Taking into consideration the information provided, international consultant interested in this assignment are asked to submit the following:

Up-to-date Curriculum Vitae (CV)

The documentation indicated above should be sent in English in electronic format to Mai Nguyen Thi Hong, International Labour Organization (main@ilo.org) by 25 June 2022.