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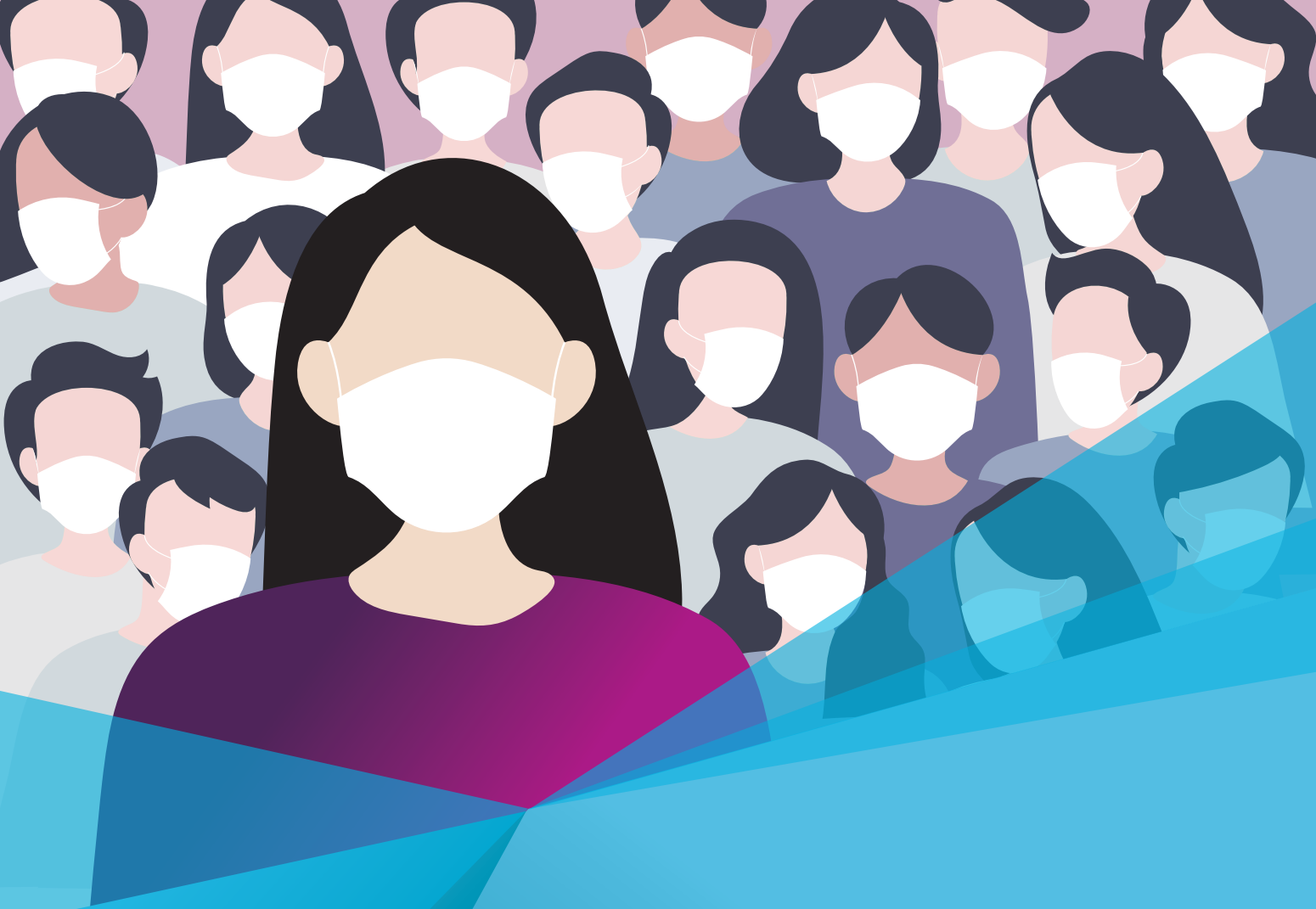
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THE COVID-19 OUTBREAK AND ITS SOCIAL IMPACTS

FOR INTERNAL USE



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FOREWORD

The years 2020 and 2021 may be labelled in the future “the Covid 19 years”. The Covid wave swept through the world from the beginning of 2020 and is not over yet in 2021, especially with the worldwide spreading of the Delta variant of the Covid 19 virus.

When Covid started hitting the world beginning 2020, Viet Nam activated its response with strong economic fundamentals: macroeconomic stability, acceptable inflation, decreasing public debt, stable exchange rate... Viet Nam introduced early a policy of restrictions, identification of cases, containment and isolation, which proved as one of the internationally most successful ones in 2020. Therefore, Viet Nam scored again one of the highest growth rates worldwide despite Covid 19 in 2020.

In order to sustain economic activity and alleviate the economic consequences of Covid 19, the Government of Viet Nam issued policies very much in line with the international standard, for example decreased fees and interest rates for bank credits, decreased administrative fees and postponed payment of taxes, established cash handouts for unemployed and other groups of needy persons, and sped up the implementation of the national and provincial investment programmes to foster the demand side.

In 2020 the Government of Germany decided to help its development partners in their efforts to tackle the Covid 19 crisis with additional funds in the framework of its development cooperation for the response to the Covid 19. Some of the funds earmarked for Viet Nam have been channelled through the projects and programmes of the Sustainable Economic Development cluster of German Technical Cooperation implemented by GIZ. The funds were used for studies which

provide international experience of the response to the Covid 19, analyse the economic and environmental impacts by Covid 19, analyse the social impacts, the repercussions of Covid on the private sector and the efficiency of the respective government programmes. The studies are written by the Central Institute of Economic Management and the by individual consultants, one in collaboration with the Viet Nam Chamber of Commerce and Industry. The studies have been designated to the partners institutions of the Sustainable Economic Development Cluster, namely Office of the Government, Central Institute of Economic Management, Ministry for Planning and Investment, Ministry of Finance, State Bank of Viet Nam and Ministry of Labour, Invalids and Social Affairs.

The studies have been conducted in 2020 and beginning of 2021 and shared with our partners at that time. We chose to publish them as well for a wider public as the efforts to come to grips with this Pandemic crisis are not yet over and the lessons for future pandemics are not yet fully translated into policies and laws. This process will accompany us for some more years and the Sustainable Economic Development Cluster is prepared to cooperate with our partners in this process.

I would like to thank our partner institutions and the staff of the Sustainable Economic Development cluster for their good collaboration and intense work to make this publication possible.

Michael Krakowski

Cluster Coordinator “Sustainable Economic Development”

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

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01

**BRIEF ON
THE OVERALL ASSESSMENT
OF THE SOCIAL IMPACT
OF COVID-19 (SARS-CoV-2)
IN VIET NAM**

Consultant:

Assoc. Prof. Nguyen Tuan Anh

June, 2020

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FOREWORD

Humanity is facing a global health crisis due to the Covid-19 pandemic (SARS-CoV-2)¹. According to the United Nations, the pandemic is a crisis unprecedented in the 75-year history of the world's largest international organisation². The evolution and impact of Covid-19 is much more complicated and broader than that of SARS in 2002, or H1N1 or Ebola in 2014³. Overall, this is not merely a global health crisis but rather a comprehensive social and economic crisis on a global scale due to its multidimensional impacts and wide-ranging consequences for most countries. As of 22 May 2020, 5,232,413 people have been infected, 335,635 have died, and 215 countries and territories have reported Covid-19 cases⁴.

Viet Nam is no exception. The country has been suffering from multifaceted impacts of the Covid-19 pandemic and has been making the greatest efforts to respond effectively to the crisis. As a result, the pandemic has almost been brought under control with the number of infections as of 22 May 2020 at 324 with zero fatalities. Since 11 May 2020, people have returned to normal life, and schools, businesses and offices across the country have resumed normal operations. This is attributed to the people's solidarity and resourcefulness, which have established the collective strength of the people and the country to cope with the pandemic. Viet Nam is not only endeavouring to improve its response and resilience, but also working hard on social and economic post-pandemic recovery plans⁵.

-
- [1] The official name of Covid-19, according to the World Health Organization (WHO). The Corona 2 virus that causes severe acute respiratory syndrome SARS-CoV-2 ([https://www.who.int/emergencies/diseases/novel-coronavirus-2019/technical-guidance/naming-the-coronavirus-disease-\(covid-2019\)-and-the-virus-that-causes-it](https://www.who.int/emergencies/diseases/novel-coronavirus-2019/technical-guidance/naming-the-coronavirus-disease-(covid-2019)-and-the-virus-that-causes-it))
- [2] United Nations. 2020. "SHARED RESPONSIBILITY, GLOBAL SOLIDARITY: Responding to the socio-economic impacts of COVID-19." United Nations (<https://unsdg.un.org/sites/default/files/2020-03/SG-Report-Socio-Economic-Impact-of-Covid19.pdf>). Retrieved on 18 April 2020
- [3] Health News. 2020. "Here's How COVID-19 Compares to Past Outbreaks." healthline (<https://www.healthline.com/health-news/how-deadly-is-the-coronavirus-compared-to-past-outbreaks>). Retrieved on 4 May 2020
- [4] World Health Organization. 2020a. "Coronavirus disease (COVID-19) pandemic." World Health Organization (https://www.who.int/emergencies/diseases/novel-coronavirus-2019?fbclid=IwAR3i6yXPvG8na6mLLu5EEyEXjC4K_D4Op1ZAFZCbY7PZejg4hcf-fOTM3FU). Retrieved 6 May 2020
- [5] Duc Tuan 2020, The Prime Minister "Bring up the economy quickly after the pandemic" The Ministry of Health's Portal on Covid-19 (<https://ncov.moh.gov.vn/web/guest/-/thu-tuong-ua-nen-kinh-te-bat-day-nhanh-sau-dich>). Retrieved in August 2020

Therefore, it is necessary to conduct an assessment of the overall socio-economic impact of Covid-19 in Viet Nam. Such an assessment will help to generate data and evidence to inform the development and implementation of response policies and solutions for the current time, as well as to shape future socio-economic recovery strategies and plans for implementation when the pandemic is over. A socio-economic impact assessment requires efforts from numerous government and non-government agencies and, to ensure reliability, should be based on different data sources, including larger sociological surveys in different sectors.

Due to time and resource constraints, this report will only provide a quick consolidation of the information and data available in the local and international press, as well as research results of the Covid-19 impact in Viet Nam as reported by several agencies and organisations (please refer to Annex 1). This report details an initial summary of labour, employment, and other social issues, as well as how the Covid-19 pandemic has impacted several groups of labourers and disadvantaged groups in Viet Nam.

The structure of the report is as follows:

1. Overview of the Covid-19 pandemic and Viet Nam's response
2. The Covid-19 pandemic's social impact regarding employment and incomes in Viet Nam
3. The Covid-19 pandemic's impact on other social issues
4. Recommendations

This report was produced by the GIZ Social Dimension of Sustainable Green Growth in Viet Nam project⁶ based on a broader report by Associate Professor Doctor Nguyễn Tuấn Anh, Deputy Dean of the Department of Sociology, University of Social Sciences and Humanity, Viet Nam National University, Hanoi.

[6] Members of the technical team who contributed to finalizing the report: Ms. Tran Thi Huong Giang – Project Coordinator, Mr. Nguyen Thanh Vinh and Ms. Tran Huong Giang – Project staff of GIZ Social Dimension of Sustainable Green Growth project in Vietnam.

1. Overview of the Covid-19 pandemic in Viet Nam and the country's response

1.1. Developments of Covid-19 in Viet Nam

The first Covid-19 case was discovered in Viet Nam on 23 January 2020. Statistics as of 22 May 2020 show that the number of Covid-19 patients in Viet Nam was 324, of which 266 have been cured, and 58 are being treated (Figure 1). It is particularly noteworthy that Viet Nam has zero fatalities (Viet Nam Ministry of Health, 2020)⁷. As the number of

cases is controlled at a very low level compared to elsewhere in the world and there have been zero fatalities, Viet Nam is well-regarded by the international community for its efforts to prevent and control of the pandemic (Fleming, 2020)⁸.

[7] Ministry of Health. <https://ncov.moh.gov.vn/> . Retrieved May 4, 2020.

[8] Fleming, Sean. 2020. "Viet Nam shows how you can contain COVID-19 with limited resources." World Economic Forum (<https://www.weforum.org/agenda/2020/03/vietnam-contain-covid-19-limited-resources/>). Visited 18 April 2020



VIETNAM

Total cases

324

Under treatment

58

Cured

266

Deaths

0

Statistics pandemic Covid-19

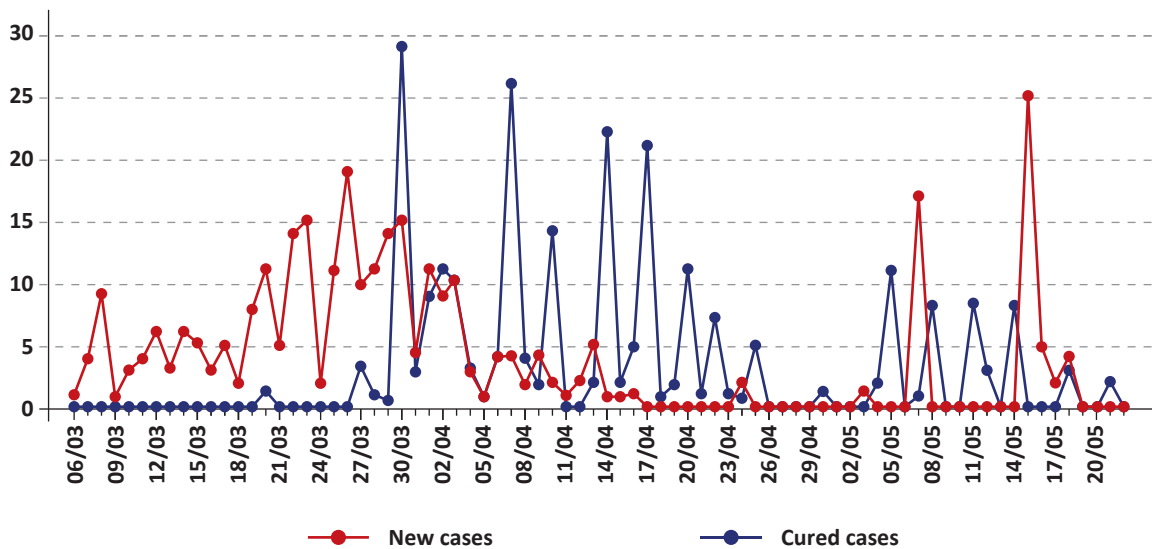


Figure 1: Covid-19 data for Viet Nam⁹

1.2. Viet Nam’s response to the Covid-19 pandemic

Viet Nam has taken early and radical measures to fight and prevent Covid-19 from spreading even before its outbreak in China and the rest of the world. The Government of Viet Nam (GoV) issued various documents on the prevention and control of Covid-19 under the motto "Proactive prevention - Early detection - Prompt isolation - Strict zoning - Complete elimination - Successful

treatment"¹⁰. Two documents should be particularly noted, namely:

- Directive 15/CT-TTg dated 27 March 2020 of the Prime Minister on the final stage of Covid-19 control efforts; and
- Directive 16/CT-TTg dated 31 March 2020 on the implementation of urgent measures against the Covid-19 pandemic.

As a follow-up to these directives, ministries and

[9] Ministry of Health. <https://ncov.moh.gov.vn/> . Retrieved May 4, 2020

[10] Ibid

agencies of the National Steering Committee for Covid-19 Prevention and Control, particularly the Ministry of Health (MOH), issued over 600 implementing documents¹¹. From 6 February 2020, right after the lunar New Year holiday, students across the country were allowed to stay at home¹², and people were encouraged not to expose themselves to crowds and informed how to identify the disease’s symptoms and prevent infection. Aggressive action was taken on 31 March 2020, when the Prime Minister issued directive 16/Ct-TTg on “social isolation”. Accordingly, from 1 April 2020, “people (are required) to stay at home, and should go out only in cases of real necessity”; “officials and state employees work from home using IT”; “travel/movement from one area to another, one region to another is minimised”; “main border

gates are temporarily closed”; “public transport is suspended”; and “all efforts and resources are to be exerted to completely handle the outbreak hotspots”¹³. This directive was strictly implemented throughout the country for 15 days (and extended for seven additional days in 12 high-risk provinces), and helped Viet Nam to basically curb the spread and control the sources of the disease¹⁴. With these results, Viet Nam is in the process of adjusting society to enable disease control, safe cohabitation and active adjustment¹⁵. Since 11 May 2020, people’s daily activities have returned to normal. Schools, offices, and businesses have reopened. Strict compliance with social distancing measures is no longer required, but people are still advised to regularly wash their hands, use disinfectant, and wear masks in public places.

Table 1: Milestones in Viet Nam’s fight against Covid-19¹⁶

Date	Confirmed cases	Policy actions
16/1/2020	0 infected cases.	MOH issued a warning and recommended people against a strange pneumonia disease from China (then called Covid-19) ¹⁷
23/1/2020	Viet Nam confirmed the first 2 Covid-19 cases (two Chinese people) hospitalised in HCMC.	All flights to/from Wuhan were suspended ¹⁸

[11] Ministry of Health. 2020. "Prevent and Stamp out Covid 19." MOH Web Portal (<https://moh.gov.vn/web/dich-benh/cac-van-ban-chi-dao-cua-dang-nha-nuoc>). Retrieved 18 April 2020. Luatvietnam.vn. 2020d "All documents relating to Covid-19". Vietnamese Law (<https://luatvietnam.vn/covid-19/van-ban.html>). Retrieved 22 May 2020.

[12] Center for Educational Communication. 2020a. "63/63 provinces and cities allow students to stay at home to prevent nCoV epidemic." Ministry of Education and Training (<https://moet.gov.vn/tintuc/Pages/tin-hoat-dong-cua-bo.aspx?ItemID=6454>). Retrieved May 23, 2020

[13] Prime Minister. 2020c. "Directive No. 16 / CT-TTg of the Prime Minister: On the implementation of urgent measures to prevent and combat COVID-19 epidemic." (http://vanban.chinhphu.vn/portal/page/portal/chinhphu/hethongvanban?class_id=2&_page=1&mode=detail&document_id=199607). Retrieved April 22, 2020

[14] Ministry of Health – Disseminating page on the acute respiratory infection Covid-19 (<https://ncov.moh.gov.vn/>). Retrieved May 4, 2020

[15] Chinhphu.vn. 2020e. "Disease control - Safe living together - Active adjustment.

[16] Ministry of Health. <https://ncov.moh.gov.vn/>. Retrieved May 4, 2020.

[17] Bach Mai Hospital. 2020. "Ministry of Health recommends prevention of strange pneumonia." (<http://bachmai.gov.vn/tin-dich/52-canh-bao-dich-benh/5959-bo-y-te-khuyen-cao-phong-benh-viem-phoi-la.html>). Retrieved May 23, 2020

[18] Vietnam Aviation Department. 2020. "Vietnam Aviation Administration implements prevention of acute respiratory infections caused by new strains of Corona virus in aviation activities in Vietnam." Vietnam Aviation Administration (<https://caa.gov.vn/hoat-dong-nganh/cuc-hang-khong-viet-nam-trien-khai-cong-tac-phong-chong-dich-benh-viem-duong-ho-hap-cap-do-chung-moi-cua-vi-rut-corona-gay-ra-trong-hoat-dong-hang-khong-tai-viet-nam-20200123193656294.html>) Retrieved May 23, 2020

(Table 1 - Continued)

Date	Confirmed cases	Policy actions
1/2/2020	The first community infection case was confirmed. Six patients nationwide, none in Hanoi.	Prime Minister, Nguyễn Xuân Phúc, declared a national epidemic ¹⁹ , and decided to impose strict border measures, withdraw flight licenses and limit visa issuance. Viet Nam suspended all flights to and from China ²⁰ . Students in Hanoi, HCMC and several provinces started studying from home.
6/2/2020	12 cases nationwide	Students and pupils nationwide studying from home ²¹ .
12/2/2020	15 cases nationwide of which 10 cases are from Vĩnh Phúc.	Vĩnh Phúc province isolated Sơn Lôi commune, Bình Xuyên district, because 5 of the total of 10 SARS-CoV-2 patients in the province live in this commune. Isolated people had living expense support during the isolation period ²² .
23/2/2020		Due to a rapidly increasing number of cases in some countries, Viet Nam required compulsory quarantine of people coming from Korea ²³ , Italy and Iran ²⁴ .
6/3/2020	17 cases nationwide. Patient 17 is the first case in Hanoi, putting an end to a 22-day period with no new cases.	People were advised (not yet required) to wear masks in public places. Upon entry to Viet Nam people must fill in compulsory health declaration forms ²⁵ .

[19] Department of Preventive Medicine. 2020. "Decision No. 173 / QĐ-TTg about the announcement of acute respiratory infections caused by new strains of Corona virus" (<http://vncdc.gov.vn/vi/phong-chong-dich-benh-viem-phoi-cap-ncov/9643/quyet-dinh-so-173-qd-ttg-ve-viec-cong-bo-dich-viem-duong-ho-hap-cap-d-o-chung-moi-cua-vi-rut-corona-gay-ra>). Retrieved May 23, 2020

[20] Tuấn Phùng. 2020a. "Stop all flight between Vietnam and China from this afternoon." Youth Newspaper (<https://tuoitre.vn/dung-toan-bo-chuyen-bay-giua-viet-nam-va-trung-quoc-tu-chieu-nay-20200201155919672.html>). Retrieved May 23, 2020.

[21] Center for Educational Communication. 2020a. "63/63 provinces and cities allow students to leave school to prevent nCoV epidemic." Ministry of Education and Training (<https://moet.gov.vn/tintuc/Pages/tin-hoat-dong-cua-bo.aspx?ItemID=6454>). Retrieved May 23, 2020.

[22] Xuan Long. "Vinh Phuc isolates the entire Son Loi commune, supporting each citizen VND 40,000 / day." Youth Newspaper (<https://tuoitre.vn/vinh-phuc-cach-ly-toan-xa-son-loi-ho-tro-moi-nguoi-dan-40-000-dong-ngay-20200212205333222.html>). Retrieved May 23, 2020

[23] Chinhphu.vn. 2020b. "COVID-19 anti-epidemic: Mandatory medical declaration for entry from Korea." (https://moh.gov.vn/hoat-dong-cua-lanh-dao-bo/-/asset_publisher/TW6LTp1ZtwaN/content/chong-dich-covid-19-bat-buoc-khai-bao-y-te-oi-voi-nguoi-i-nhap-can-h-tu-han-quoc). Retrieved April 23, 2020.

[24] Hoai Vu. 2020. "Italians entering Vietnam must be isolated for 14 days." Zingnews (<https://zingnews.vn/nguoi-italy-nhap-can-h-viet-nam-phai-cach-ly-14-ngay-post1052977.html>). Retrieved May 23, 2020

[25] Government (2020). "Medical declarations required for all passengers who enter Vietnam." Ministry of Health web portal (https://moh.gov.vn/hoat-dong-cua-dia-phuong/-/asset_publisher/gHbla8vOQDuS/content/khai-bao-y-te-bat-buoc-moi-hanh-khach-nhap-can-h-vao-viet-na). Retrieved May 23, 2020

(Table 1 - Continued)

Date	Confirmed cases	Policy actions
16/3/2020	61 cases nationwide.	Viet Nam requested foreign nationals in Viet Nam as well as Vietnamese citizens to wear masks in public places ²⁶ .
22/3/2020	Viet Nam reported over 100 cases with a daily rate of infection of over 19 people.	Temporary entry suspensions applied to foreigners, people with Vietnamese origin with visa exemptions (except for Vietnamese citizens and those who enter for diplomatic purposes, public affairs and special cases) ²⁷ .
28/3/2020	174 cases nationwide.	Directive 15/CT-TTg of the Prime Minister took effect, accordingly all gatherings of over 20 people were stopped including religious rituals; gatherings of more than 10 people outside of offices, schools and hospitals were banned including all cultural, sports and recreational activities in public places; a minimum distance of 2 m to be maintained in public places; non-essential services, except for those selling food and essential goods were also suspended, as well as limiting travel, especially from provinces and cities hit by the epidemic to other localities ²⁸ .
1/4/2020	218 cases nationwide	Directive 16/CT-TTg of the Prime Minister on social distancing took effect. Accordingly, people should be distanced from each other, and communities should be distanced from communities. All people are required to stay at home and should go out only in extremely urgent cases. Only premises offering essential services were allowed to operate. Officials in state agencies, businesses and organisations were required to work online from home ²⁹ . All flights to Viet Nam by both domestic and international airlines were suspended ³⁰ .

[26] Duong Ngoc. 2020. "Must wear a mask in public place from March 16." Soc Trang online (<http://baosoctrang.org.vn/suc-khoe-va-doi-song/bat-buoc-deo-khau-trang-tai-noi-cong-cong-tu-16-3-36100.html>). Retrieved May 23, 2020

[27] Pham Thao. 2020. "Suspension of entry with foreigners and Vietnamese nationals with visa exemption documents." Vietnam Immigration Portal - Ministry of Public Security (Tạm dừng nhập cảnh với người nước ngoài, người gốc Việt có giấy miễn thị thực | Cục xuất nhập cảnh Việt Nam (<http://vanban.chinhphu.vn>). Retrieved May 23, 2020

[28] Prime Minister. 2020a. "Directive No. 15 / CT-TTg of the Prime Minister: On drastically implementing the peak phase of COVID-19 disease prevention and control." Government web portal of the Socialist Republic of Vietnam (http://vanban.chinhphu.vn/portal/page/portal/chinhphu/hethongvanban?class_id=2&_page=1&mode=detail&document_id=199574). Retrieved May 23, 2020

[29] 2020d. "Directive No. 16 / CT-TTg of the Prime Minister: On the implementation of urgent measures to prevent and combat COVID-19 epidemic." Government web portal of the Socialist Republic of Vietnam (http://vanban.chinhphu.vn/portal/page/portal/chinhphu/hethongvanban?class_id=2&_page=1&mode=detail&document_id=199607). Retrieved May 23, 2020

[30] VnExpress. 2020. "Stop international flights to Vietnam from 1/4." VnExpress (<https://vnexpress.net/dung-bay-quoc-te-den-viet-nam-tu-1-4-4077684.html>). Retrieved May 23, 2020.

(Table 1 - Continued)

Date	Confirmed cases	Policy actions
23/4/2020	268 cases nationwide (no new cases for 7 consecutive days from 16 April 2020)	Social distancing under Directive 16 was removed except for some districts of Hanoi, Hà Giang and Bắc Ninh as high-risk locations. Directive 15 continued in some at-risk locations. Several kinds of activities such as festivals, crowded sports events, discotheques, karaoke, massage, makeup parlours, florists, and zoos remain completely banned. Unrestricted entry to Viet Nam was not yet allowed; foreign tourists were not yet accepted; single flights were authorised from time to time to repatriate citizens ³¹ ; domestic flight routes were reopened, and trans-provincial transportation recommenced ³² .
4/5/2020	271 cases nationwide, no new cases in the community.	Social distancing was removed ³³ . Students in 63 provinces/cities returned to schools gradually by educational levels with strict application of preventive measures such as disinfection, distancing, and mask wearing (during breaks) ³⁴ . Offices returned to normal. Production of medical facemasks and protective gear for export is allowed ³⁵ . Medical support to other countries has been strengthened ³⁶ .

[31] Government 2020h. "While implementing social spacing, creating favourable conditions for production and business development." Ministry of Health web portal (https://moh.gov.vn/hoat-dong-cua-lanh-dao-bo/-/asset_publisher/k206Q9qkZ0qn/content/vua-thuc-hien-gian-cach-xa-hoi-vua-tao-ieu-kien-phan-tri-en-san-xuat-kinh-doanh). Retrieved May 23, 2020

[32] Tuấn Phùng. 2020b. "Restore nationwide traffic." Youth Newspaper (<https://tuoitre.vn/khoi-phuc-giao-thong-toan-quoc-20200424081114972.html>). Retrieved May 23, 2020

[33] Ngoc Anh (T.H). 2020. "From April 23, the country will basically stop the social gap." Cuocsongantoan (<https://cuocsongantoan.vn/tu-ngay-234-ca-nuoc-co-ban-se-dung-gian-cach-xa-hoi-44176.html>). Retrieved May 23, 2020.

[34] Youth Newspaper. 2020. "In the morning of 4/5, students from 63 provinces will return to school." (<https://tuoitre.vn/sang-nay-4-5-hoc-sinh-63-tinh-thanh-tro-lai-truong-20200503222911232.html>). Retrieved May 23, 2020

[35] Duc Tuan. 2020b. "Vietnam has essentially contained COVID-19." Government of the Socialist Republic of Vietnam Electronic Newspaper (<http://baochinhphu.vn/Suc-khoe/Viet-Nam-da-co-ban-day-lui-duoc-COVID19/394236.vgp>). Retrieved May 23, 2020

[36] VNA. 2020. "Vietnam gives medical equipment to support Laos and Cambodia against COVID-19." Gia Lai Provincial Party Committee Website (<http://tinhuylai.org.vn/asean/viet-nam-trao-trang-thiet-bi-y-te-ho-tro-lao-campuchia-chong-covid-19/en-VN-36951-389.html>). Retrieved May 23, 2020;

Chinhphu.vn. 2020a. "Ministry of National Defence provides equipment, materials to foreign countries military force to prevent and combat outbreaks" Government of the Socialist Republic of Vietnam Electronic Newspaper (<http://baochinhphu.vn/Hoat-dong-Bo-nganh/Bo-Quoc-phong-ho-tro-thiet-bi-vat-tu-phong-dich-cho-quan-doi-cac-nuoc/393677.vgp>). Retrieved May 23, 2020;

Nguyen Hanh. 2020. "Vietnamese masks spread to the world." Youth (<https://tuoitre.vn/khau-trang-viet-nam-toa-ra-the-gioi-20200410110930194.html>). Retrieved May 23, 2020; T.Hà. 2020d. "Vietnam donates 100,000 antibacterial cloth masks to India." Youth (<https://tuoitre.vn/viet-nam-tang-100-000-khau-trang-vai-khang-khuan-cho-an-do-20200421185927116.html>). Retrieved May 23, 2020.

(Table 1 - Continued)

Date	Confirmed cases	Policy actions
11/5/2020	288 cases nationwide, no new cases in the community.	Kindergartens and primary schools in Hanoi reopened ³⁷ . Outgoing international flights are licensed to repatriate citizens who want to return ³⁸ . Upon entry, returning citizens must undergo 14-day compulsory quarantine ³⁹ .
22/5/2020	324 cases nationwide, no new cases in the community for 36 consecutive days since 16 April 2020.	14-day compulsory quarantine is still applied for any entry.

[37] Thanh Hung - Le Huyen - Thuy Nga - Pham Hai - T. Tung. 2020. "Primary school students are eager to return to school." VietNamNet (<https://vietnamnet.vn/vn/giao-duc/goc-phu-huynh/be-mam-non-tieu-hoc-ha-noi-tro-lai-truong-sau-ky-nghi-phong-covid-19-640062.html>). Retrieved May 23, 2020

[38] T.Hà. 2020c. "Prime Minister: Gradually opening international routes, bringing citizens back to the country must have a suitable route." Youth (<https://tuoitre.vn/thu-tuong-mo-dan-cac-duong-bay-quoc-te-dua-cong-dan-ve-nuoc-phai-co-lo-trinh-phu-hop-20200515102245483.html>). Retrieved May 23, 2020

[39] Duong Hai. 2020. "Information on COVID-19 pandemic in the past 24 hours: Strict management of entry people, 26 days without infectious cases in the community." Covid 19 - Health Ministry's page on acute respiratory infections (<https://ncov.moh.gov.vn/web/guest/-/ban-tin-dich-covid-19-trong-24h-qua-quan-ly-chat-che-nguoi-nhap-canh-26-day-without-co-lay-em-in-cong-ong>). Retrieved May 23, 2020.

2. Covid-19's impact on labour and employment in Viet Nam

Before discussing the impact of Covid-19 on employment, it is necessary to highlight some noteworthy economic consequences of the pandemic that have impacted employment. Overall, Covid-19 has had a strong impact on the economy in many ways. According to research by the Asian Development Bank (ADB), due to the impact of Covid-19 and the global economic downturn, Viet Nam's GDP growth in 2020 is expected to decline to 4.8%. In particular, in the first quarter of 2020, it is estimated that Viet Nam's GDP growth rate for 2020 will fall to 4.8% while GDP in the first quarter will grow at only 3.8%⁴⁰. A study by the BIDV Research and Training Institute indicated that if Covid-19 was curbed in April 2020 or mid-May 2020 and production and

business activities recommenced immediately, Viet Nam's GDP in 2020 would grow at 5.4-5.6%. Conversely, if it is impossible to control the pandemic by end of the third quarter, Viet Nam's GDP growth rate for 2020 would be only 4.07-4.42%⁴¹. According to the Ministry of Planning and Investment's (MPI) forecast, Viet Nam's economy will grow at the rate of 5.32% if Covid-19 is under control in the second quarter of 2020 or at 5.05% if the epidemic persists until the third quarter of 2020⁴².

A study by the Central Institute for Economic Management (MI) on the Covid-19 outbreak and the government's policy response notes that the impact of Covid-19 has been evident in Viet Nam

[40] ADB. 2020. "Asian Development Outlook 2020: What drives innovation in Asia? Special Topic: The Impact of the Coronavirus Outbreak—An Update." Asian Development Bank (<https://www.adb.org/sites/default/files/publication/575626/ado2020.pdf>). Retrieved April 22, 2020

[41] Can Van Luc and authors from BIDV Training and Research Institute. 2020. "What economic sector of Vietnam does the Covid-19 pandemic impact?" BIDV Institute of Training and Research (<http://btri.bidv.com.vn/en-vn/News/Detail/197/1234/daidichocovid19tacdongmanhdennganhkinhtenaocuavietsam.aspx>). Retrieved April 22, 2020.

[42] CIEM. 2020. "COVID-19 outbreak and policies responses by Government of Viet Nam." Hanoi: CIEM, GIZ

since February 2020 with signs of declined consumption, and delays and declines in various industries such as manufacturing, tourism, and transportation. Almost every economic sector has been hit by Covid-19 with manufacturing industries hardest hit due to difficulties with both input materials and product outputs. Regarding the Consumer Price Index (CPI), domestic consumer prices of several key essential commodities increased significantly due to high demand and shortages of supplies (such as medical equipment, disinfectants, and fresh food). Therefore, average inflation for 2020 may be higher than the target (below 4%) if the pandemic is under control in the second quarter of 2020. Investment, particularly in non-public sectors, may slow because businesses cannot expand or deploy new projects due to the reduction in demand, not to mention the shortage of raw materials and skilled labour due to travel restrictions and isolation. In the business sector, microenterprises and household businesses have been severely affected by the Covid-19 pandemic⁴³.

The Advisory Council for Administrative Procedures Reform conducted a business survey and found that 74% of companies said they would have to suspend operations if Covid-19 could not be controlled by June 2020⁴⁴. According to a government report to the Standing Committee of the National Assembly dated 8 April 2020, 19% of businesses have suspended their operations⁴⁵. Thus, with the economic slowdown, many businesses have been facing difficulties and have to either reduce production or even close down. Negative impacts on employment, incomes and on the lives of workers will be an unavoidable result of this decline.

2.1. Impact on employment

Covid-19 has had a devastating effect on workers worldwide. According to International Labour Organisation (ILO) data, lockdown measures have either partially or comprehensively affected 2.7 billion workers, accounting for about 81% of the world's workforce⁴⁶. Through a specific lens, three negative impacts of Covid-19 on the labour market have been observed in Viet Nam.

First, a proportion of workers have permanently lost their jobs. These are people working for enterprises that have had to suspend or cannot resume operations due to Covid-19. This category of workers also consists of individuals and households that cannot resume their businesses due to the pandemic.

Second, a proportion of workers has become temporarily unemployed, but can return to work when the situation allows. This category consists of workers in enterprises that can return to normal business operations as soon as the social distancing period is over, and/or because they can recover. This category also includes self-employed workers whose business and production activities can recover from the impacts of the pandemic.

Third, a group of workers have remained employed, but their working hours have been reduced due to social distancing measures and/or due to reduced production/business capacity.

A government report to the Standing Committee of the National Assembly on 8 April 2020 reveals that 98% of workers in the tourism and service sectors are not working; 78% of workers in the transportation, leather, and textile industries have had their working hours reduced, been laid off, or suspended; and 98% of workers in the aviation

[43] Ibid

[44] ADB. 2020. "Asian Development Outlook 2020: What drives innovation in Asia? Special Topic: The Impact of the Coronavirus Outbreak—An Update." Asian Development Bank (<https://www.adb.org/sites/default/files/publication/575626/ado2020.pdf>). Retrieved April 22, 2020; Huy Thăng. 2020. "ADB: Vietnam has slowed down due to COVID-19 but will soon recover." Government e-newspaper of the Socialist Republic of Vietnam (<http://baochinhphu.vn/Kinh-te/ADB-Viet-Nam-giam-toc-do-COVID19-nhung-se-som-hoi-phuc/391959.vgp>). Retrieved May 23, 2020

[45] Trong Quynh. 2020a. "The Government reports to the Standing Committee of the National Assembly on measures to support people in difficulties due to the Covid pandemic 19." Portal of the National Assembly of the Socialist Republic of Vietnam (<http://quochoi.vn/tintuc/Pages/tin-hoat-dong-cua-quoc-hoi.aspx?ItemID=44701>). Retrieved April 22, 2020.

[46] International Labour Organization. 2020a. "ILO No. 2 Snapshot Report: COVID-19 and the World of Work Updated forecasts and analysis." International Labour Organization (www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-hanoi/documents/briefingnote/wcms_741174.pdf). Retrieved April 22, 2020

industry have become temporarily jobless. The report also emphasised that millions of workers have been severely hit by the pandemic, particularly unskilled, low-income and irregular workers. The report forecasts that if the pandemic becomes complicated in April and May, an estimated 2 million workers will have to stop work or lose their jobs. This figure could reach 3.5 million if the pandemic worsens⁴⁷.

Data from the General Statistics Office (GSO) on the labour market and employment situation in the first 4 months of 2020 show that as of mid-April 2020, nearly 5 million workers were affected by Covid-19, with workers in manufacturing and processing industries the hardest hit (more than 1.2 million people), followed by workers in the wholesale and retail sectors (over 1.1 million) and workers in the accommodation and catering industries (nearly 740,000 people)⁴⁸.

In an MPI survey in March 2020, most of the respondent businesses said that their turnover for 2020 would be reduced by 40-50%. Most said they could only sustain this for a short time: 35% of respondents said they could continue operations for 3 months; 38% for 6 months; 13% for one year; and only 14% said they could maintain operations for more than one year⁴⁹.

According to a smaller survey conducted by VCCI with 700 businesses in 46 provinces and cities, as many as 76% of respondents said that they had to lay off between 10% and 50% of their workers, including 10% that had to make reductions of 50%. The highest rate of layoffs is seen among local private enterprises (71.18%). Data desegregated by sectors show that most layoffs took place in

enterprises/institutions in the education and training sector (83%), accommodation and food service sector (81%), and manufacturing (78%)⁵⁰.

Another noteworthy point relates to employees' psychological state. The VCCI survey noted a lack of jobs as the main reason (61.50%) for worker's unemployment during the pandemic. In addition, 39.35% were anxious about the pandemic, including 38.50% who worry about having to stay at home to take care of their children due to school closures and 27.94% concerned about social distancing and quarantine⁵¹. This anxiety affects the quality of work and productivity and creates mental instability among both employees and employers.

2.2. Impact on workers' lives and incomes

Fluctuations in employment lead to changes in workers' incomes. A majority of workers will lose their income or suffer from reductions either completely or for a certain period of time depending on how their employment is affected by the pandemic (i.e. permanent or temporary unemployment, reduced working hours, reduced productivity during and after the pandemic). According to a survey by VCCI, about 76% of businesses said that the number of employees will decrease. On average, the labour rate will decrease by 10-50%, and nearly 10% of enterprises interviewed said they will reduce their labour force by more than 50%⁵². There is also part of the labour force that remains employed but suffers from reduced incomes due to declines in business performance or losses. In rural areas, unconsumed agricultural products also lead to reductions in workers' incomes. Below are examples that reflect this reality^{53 54}.

[47] Trong Quynh. 2020a. "The Government reports to the Standing Committee of the National Assembly on measures to support people in difficulties due to the Covid pandemic 19." Portal of the National Assembly of the Socialist Republic of Vietnam (<http://quochoi.vn/tintuc/Pages/tin-hoat-dong-cua-quoc-hoi.aspx?ItemID=44701>). Retrieved April 22, 2020

[48] General Statistics Office - Ministry of Planning and Investment. 2020. "Press release on employment situation in the first quarter and the first 4 months of 2020."

[49] CIEM. 2020. "COVID-19 outbreak and policies responses by Government of Viet Nam." Hanoi: CIEM, GIZ

[50] VCCI. 2020. "Executive summary report: The impact of COVID-19 pandemic on labour and employment in enterprises in Vietnam." Hanoi: VCCI

[51] Ibid

[52] Ibid

[53] Viêt Đào. 2020. "Chicken breeders struggled during the Covid-19 epidemic." Hoa Binh e-newspaper (<http://www.baohoa binh.com.vn/12/141039/Nguoi-nuoi-galao-dao-tr111ng-dich-Covid-19.htm>). Retrieved 6 May 2020

[54] Baothaibinh.com.vn. 2020. "Consumption in the times of Covid-19 outbreak." Thai Binh Province Web Portal (<https://thaibinh.gov.vn/tin-tuc/tin-kinh-te/tieu-thu-nong-san-trong-thoi-diem-dich-covid-19-lay-lan.html>). Retrieved 6 May 2020

In Lac Son district, Hòa Bình province, there are five chicken farming cooperatives with a scale of 15,000 chickens/brood/cooperative. Before the pandemic, private traders bought live hybrid species of chicken at a price of VND 80,000/kg. Due to Covid-19, no traders come to buy, and farmers have to sell their chickens at wet markets and to small-scale traders at only VND 50,000/kg. This has caused losses to farmers.

Covid-19 has made lives of the mulberry farmers in Hồng Phong commune, Vũ Thư district, Thái Bình province “miserable” as they cannot sell cocoons or pupae. Before the Covid-19 pandemic, cocoons were sold at VND 100,000-110,000/kg, while pupae fetched VND 250,000-300,000/kg. Due to Covid-19 both cocoons and pupae are sold at just 50-60% of their previous prices.

There is no research assessing the concrete implications of income fluctuations due to Covid-19 on people’s and workers’ daily lives. However, implicit consequences thereof are inevitable. In particular, the impact of decreased incomes on a significant number of workers who belong to vulnerable groups living under difficult circumstances, or who are migrant and freelance workers, is especially severe.

In addition to the economic consequences, the Covid-19 crisis has also negatively affected workers’ psychological states. Feelings of insecurity in the current situation are common in domestic private enterprises (66.0%). The figures are lower in state-owned enterprises (59.52%) and FDI enterprises (52.38%). Workers shared concerns about the risk of infection, health and life-related issues, family issues, unemployment risks and income insecurity, as well as concerns on how to organise their daily lives when faced with school closures, and restrictions on travel and visiting relatives⁵⁵.

In this situation, the negative impacts of Covid-19 on workers’ employment and incomes would likely lead to social stratification in labour-employment (i.e. into regular, irregular employment or seasonal employment among numerous social groups and in different regions). Differences in income, especially the widening of the income gap between different groups in society and across regions, will deepen differences among social groups. In other words, Covid-19 will lead to ***segregation and social stratification in a negative way.***

To look at this more deeply, it is crucial to have a broader and more comprehensive survey-based study to identify and measure the extent of the increase in inequality among various groups in society, and to assess vulnerability in terms of social welfare and risks to social security caused by the bridging implications of Covid-19 on labour, employment, and incomes in Viet Nam.

2.3. Social impacts of Covid-19 on selected groups of workers and employers

2.3.1. Workers in factories and industrial zones (IZs)

Covid-19 will affect workers in the industrial sector, factories and IZs in different ways.

First, they have to partly share the burden caused by the economic decline because their incomes depend on their enterprise’s performance and productivity, which is fluctuating due to the pandemic. Control measures such as border closures, transport restrictions, and trade distancing have led to disruptions in the supply chains of raw materials/spare parts and distribution channels, and have posed great challenges to manufacturing and processing industries and their workers. This stems from Covid-19 developments not only nationally but also in international markets where Viet Nam’s

[55] VCCI. 2020. "Executive summary report: The impact of COVID-19 pandemic on labour and employment in enterprises in Vietnam." Hanoi: VCCI

three major suppliers – China, South Korea and Japan – are also heavily influenced by Covid-19⁵⁶.

Due to technological requirements, there are more factory workers in industrial and construction sectors than in agriculture, forestry and fishery sectors⁵⁷. GSO statistics for 2019 show

the highest proportion of labourers at working age are employed in the service sector at nearly 19.6 million (35.9%); however, other sectors also account for high numbers. The industrial and construction sectors employ 16.1% and 29.4%, while about 19 million workers are employed in the agro-forestry and fisheries sector (34.7%)⁵⁸.

Number of workers distributed by sectors in 2019 (million people)

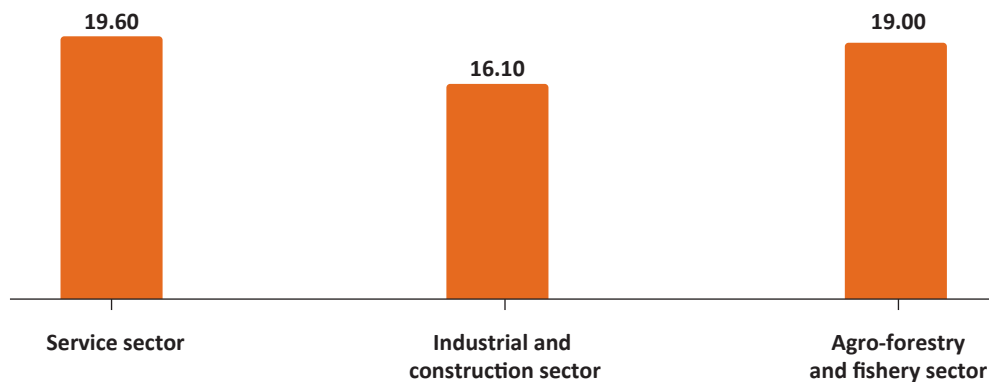


Figure 2: Number of workers distributed by sector in 2019

However, the actual performance indicators of the industries with a large number of workers in factories and IZs are not satisfactory. As noted by the Ministry of Industry and Trade, industrial output in the first quarter of 2020 decreased at its fastest pace in the last six and a half years. Specifically, the industry-wide production index increased by 5.8%, much lower than the 12.7% and 9.2% recorded in the same period in 2018 and 2019, respectively. Accordingly, processing and manufacturing industries, as hardest hit by the pandemic, only grew at 7.2% compared to 10.9% in the same period in the previous year⁵⁹. This decline in performance naturally leads to a drop in employment and productivity as well as workers' incomes: in these sectors incomes are not based on a basic wage but fluctuate according to the

revenue and profits of the business.

In addition, the low consumption index and high inventory index show a potential for a drop in workers' incomes in manufacturing and processing enterprises as the consumption index for the whole industry increased by 2.8% compared with 8% in the same period in 2019. Meanwhile, the estimated industry-wide inventory index increased by 24.9% compared to 15.6% in the same period in 2019. In particular, certain commodity industries have a high inventory index, such as food production and processing – up to 27.5%; textiles 36.2%; production of precast metal products 45.4%; production of coke and refined petroleum products 47.2%; metal production 48.8%; and production of motor vehicles 122.5%⁶⁰.

[56] Tô Uyên. 2020. "Quarter I: A number of sectors are heavily affected by Covid-19 pandemic" Vietnamese Financial Time (<http://thoibaotaichinhvietnam.vn/pages/kinh-doanh/2020-04-01/quy-i-nhieucong-nghiep-bi-tac-dong-nang-ne-boi-dai-dich-covid-19-84726.aspx>). Retrieved 23 May 2020.

[57] Ngọc An - Chí Tuệ. 2020. "Mapping strategy for processing industry." Youth newspaper (<https://tuoitre.vn/vach-chien-luoc-cho-cong-nghiep-che-bien-20200221223944858.html>). Retrieved 23 May 2020

[58] GSO. 2020. "Employment situation in 2019." Con số & Sự kiện (<http://consosukien.vn/tinh-hinh-lao-dong-viec-lam-nam-2019.htm>). Retrieved 23 May 2020.

[59] Tô Uyên. 2020. "Quarter I: A number of sectors are heavily affected by Covid-19 pandemic" Vietnamese Financial Time (<http://thoibaotaichinhvietnam.vn/pages/kinh-doanh/2020-04-01/quy-i-nhieucong-nghiep-bi-tac-dong-nang-ne-boi-dai-dich-covid-19-84726.aspx>). Retrieved 23 May 2020

[60] Tô Uyên. 2020. "Quarter I: A number of sectors are heavily affected by Covid-19 pandemic" Vietnamese Financial Time (<http://thoibaotaichinhvietnam.vn/pages/kinh-doanh/2020-04-01/quy-i-nhieucong-nghiep-bi-tac-dong-nang-ne-boi-dai-dich-covid-19-84726.aspx>). Retrieved 23 May 2020.

From another angle, the risk of infection in factory and plant premises in Viet Nam is managed quite strictly thanks to both workers' and factory owners' proactive measures, including the reasonable rearrangement of production lines and working shifts to comply with the regulations on distancing and disinfection. Thanks to this, Viet Nam has only reported one case – at a Samsung factory (in Bac Ninh) on 13 April 2020 – when one worker was infected with Covid-19 (Patient 262). Immediately after discovery, zoning and isolation work was carried out thoroughly, preventing further infection in the factory or the community⁶¹.

2.3.2. Freelance workers and informal workers

Freelance and informal workers are most affected by the economic impact caused by the administrative measures taken to curb and prevent Covid-19 from spreading, particularly in developing countries like Viet Nam, where most of the poor work in the informal economy. In 2019,

informal workers made up 54.6% of the total workforce. In rural areas in particular, informal workers accounted for 61.7%, 15.4 percentage points higher than informal workers in urban areas (46,3%)⁶².

ILO envisage two scenarios for Covid-19 impact⁶³, according to which informal workers and contributing family workers are seen as the most vulnerable. This group represents a large share (almost 9 million) and work in various sectors such as accommodation and food; manufacturing; wholesale and retail; repairs; transport and storage; and arts and entertainment (Figure 3). Around 2 million contributing family workers are employed in these sectors, showing that family businesses provide an important share of livelihoods in the aforementioned industries. However, this vulnerable group is less likely to have formal employment or access to social protections from economic shocks. It is also less capable of saving. Therefore, the impact on this vulnerable group is even worse than for regular workers.

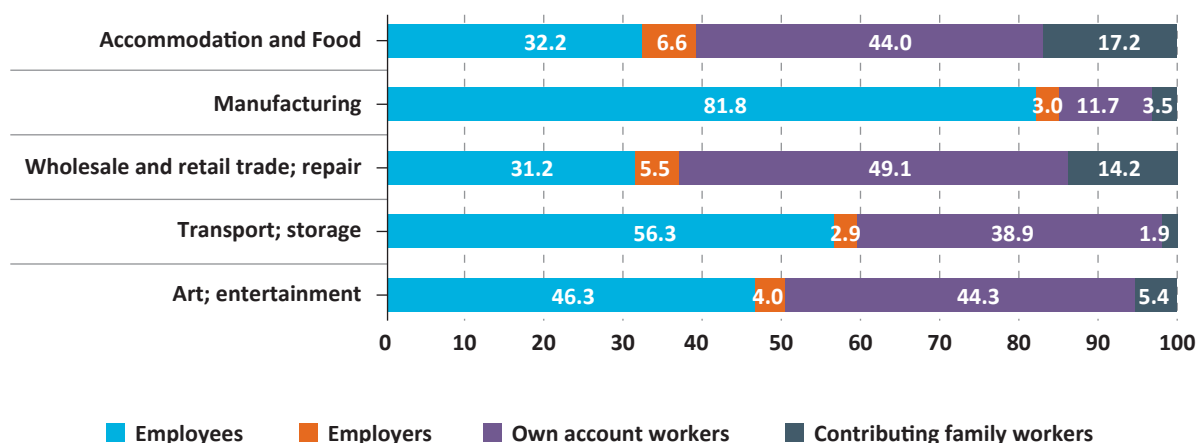


Figure 3: Employment status in the five hardest hit sectors under ILO's two scenarios of impact⁶⁴

Source: ILO calculations based on Vietnam's General Statistics Office, Labour Force Survey, 2019

[61] Ngọc An - Lan Anh. 2020. "Covid-19 infection case at Sam Sung factory: Isolate a factory site." Youth ([https](https://www.youth.vn))

[62] GSO. 2020. "Employment situation in 2019." Con số & Sự kiện (<http://consosukien.vn/tinh-hinh-lao-dong-viec-lam-nam-2019.htm>). Retrieved 23 May 2020.

[63] ILO. 2020b. "COVID-19 pandemic on Vietnamese labour force" International Labour Organisation (https://www.ilo.org/hanoi/Whatwedo/Publications/WCMS_742136/lang--vi/index.html). Retrieved May 6, 2020

[64] ILO calculations based on Labour Force Survey data, GSO Vietnam, 2019 (International Labour Organisation) 2020b. "COVID-19 pandemic on Vietnamese labour force" International Labour Organisation (https://www.ilo.org/hanoi/Whatwedo/Publications/WCMS_742136/lang--vi/index.html). Retrieved May 6, 2020

Addressing the aftermath of Covid-19 is not something that can be done in the short term but requires the government's post-Covid-19 interventions to help people overcome the losses and stabilise their lives in the long term. For the time being, the GIZ Social Dimension of Sustainable Green Growth project in Viet Nam is working with the Institute of Labour Science and Social Affairs at the Ministry of Labour, Invalids and Social Affairs (MOLISA) on an in-depth study to document the impact of Covid-19 on informal workers. The outcome of this study will provide information and data to MOLISA leaders to develop solutions and direction to improve the policy framework for labour and social welfare in the medium and long term focusing on dealing with the consequences of Covid-19 and improving resilience to similar shocks in the future.

2.3.3. Migrant workers

Similarly, it is not difficult to see that migrant workers from rural to urban areas and freelance workers (in rural and urban areas) are also among the most vulnerable groups on the labour-employment and income dimension due to the Covid-19 pandemic, particularly during social distancing and transportation restrictions. A story shared by a family where both spouses are migrant workers published in Thanh Nien Newspaper is an example of how Covid-19 has impacted this group of workers⁶⁵.

The most common problems faced by migrant workers are unemployment, reduced incomes, or no income at all while they still have to live their lives. In particular, unskilled migrant workers is the group with the highest percentage living in rented accommodation⁶⁶.

The family of Đinh Anh Hòa, a Grab biker in Long Biên District, Hanoi, was almost turned upside down by Covid-19. Some years ago, Hoa and his wife left Phu Tho - their hometown - to take up a job in Hanoi. He works as a Grab biker and his wife works in a kitchen in a kindergarten. The couple work very hard and can ensure a normal life for their two kids in Hanoi. However, when the pandemic outbreak occurred, his family of four could only stay in a 16m² rented room. There was no way to make an income. Hoa said, *"In the early days of the pandemic, the kindergarten closed, and my wife stayed at home to take care of the two kids. I worked for 10-12 hours per day and earned about VND 200,000/day for the whole family. For the last two weeks, all app-based bikers like me have had to stay at home and aren't able to earn a single Dong. If the pandemic continues, we will not know how to live"*.

During the pandemic, some still have to pay the rent because they cannot return to their hometowns due to a fear of getting infected or because of social distancing measures. It is worth mentioning that many migrant workers are unskilled and freelancers; therefore, their income is very low. Many of them come from poor or near-poor households and so Covid-19 has pushed them further into poverty. As published by the website of the Centre for Information and National Economic Forecast, MPI, most informal workers (97.9%) do not have social insurance. Only 0.2% are covered and only 1.9% pays social insurance premiums voluntarily. Even pre-pandemic, this group of workers had difficulties getting access to social services. Up to

[65] Thu Hằng. 2020. "Free labour suffers from epidemics" Thanh niên (<https://thanhnien.vn/thoi-su/lao-dong-tu-do-dieu-dung-vi-dich-1210046.html>). Retrieved May 6, 2020

[66] GSO. 2019. "Press Release The 2019 Population and Housing Census Results." General Statistics Office (<https://www.gso.gov.vn/default.aspx?tabid=382&idmid=2&ItemID=19440>). Retrieved May 6, 2020

90% of migrant workers find it difficult to access to public social welfare services, 70% cannot access public health care services, and only 44% have health insurance coverage and use health insurance cards⁶⁷.

This is not to mention the fact that the number of migrant workers from ethnic minorities has been increasing over recent years. According to a survey conducted by CARE International in Viet Nam in 2019 in several locations including Điện Biên, Bắc Kạn, Quảng Trị, Kon Tum and Trà Vinh, in 2018 and 2019, the number of ethnic minority people working away from home increased by 148% among Tày and Nùng ethnicities in Bắc Kạn; 178% for the Khmer ethnicity in Trà Vinh; and by 198% for Thái and Mường people in Điện Biên⁶⁸. Ethnic migrant workers usually work for factories in IZs⁶⁹, or in the informal economy as bricklayers, scrap-iron dealers, masons, carpenters, etc.⁷⁰. In addition, a proportion of ethnic minority people, particularly in areas with border-crossings, rely on cross-border jobs or cross-border trades. Border closures and travel restrictions due to the pandemic make it difficult for them to get a job and generate income⁷¹.

Thus, it can be seen that Covid-19 has adversely affected employment and the lives not only of

people in large cities with high levels of commerce, but also of ethnic minority people and families because they cannot relocate to city areas for employment, they cannot find work, or they are migrant workers in urban areas during the pandemic.

2.3.4. Female workers

Indeed, the Covid-19 pandemic has resulted in negative impacts on freelance workers in rural and urban areas, on migrant workers in urban areas, and the poor and near-poor, the majority of which are women. According to the GSO, domestic migration tends to be “feminised” with women accounting for 52.4% of migrants⁷². According to an ILO report, the four sectors hit hardest by the pandemic include accommodation and food; manufacturing; wholesale and retail; and real estate – sectors that currently employ 44.1% of female workers in Viet Nam⁷³. Particularly, in segments where a serious drop in productivity is recorded, such as wholesale and retail, or textiles, female workers account for almost 64% and over 77%, respectively⁷⁴.

In the box below, female workers reflect on their difficulties in the context of Covid-19⁷⁵:

[67] Dang Duc Anh. 2020. "Social security for migrant workers." National Center for Socio-Economic Information and Forecast - Ministry of Planning and Investment (<http://ncif.gov.vn/Pages/NewsDetail.aspx?newid=21375>). Retrieved May 6, 2020

[68] Thiên Phương. 2020. "Supporting migrant worker who are ethnic minority." Thời Nay - issue from Nhân dân newspaper (<https://www.nhandan.com.vn/baothoinay/baothoinay-xahoi/item/43306002-ho-tro-lao-dong-di-cu-nguoi-dan-toc-thieu-so.html>). Retrieved May 6, 2020

[69] Thế Bình. 2020. "Thái Nguyên actively create jobs for ethnic minorities." Nhân Dân điện tử (<https://nhandan.com.vn/chinhtri/item/43478702-thai-nguyen-tich-cuc-cao-viec-lam-cho-nguoi-dan-toc-thieu-so.html>). Retrieved May 6, 2020

[70] *ibid.*, Thiên Phương. 2020. "Supporting migrant worker who are ethnic minority." Thời Nay - issue from Nhân dân newspaper (<https://www.nhandan.com.vn/baothoinay/baothoinay-xahoi/item/43306002-ho-tro-lao-dong-di-cu-nguoi-dan-toc-thieu-so.html>). Retrieved May 6, 2020

[71] Hải Ngọc, and Châu Tuấn. 2020. "Prevent and combat Covid-19 in ethnic minority area, highland area: focus on communication". Resrouce and Environment (<https://baotainguyenmoitruong.vn/phong-chong-covid-19-o-vung-dan-toc-thieu-so-mien-nui-trong-tam-la-cong-tac-tuyen-truyen-302408.html>). Retrieved May 6, 2020

[72] Dang Duc Anh. 2020. "Social security for migrant workers." National Center for Socio-Economic Information and Forecast - Ministry of Planning and Investment (<http://ncif.gov.vn/Pages/NewsDetail.aspx?newid=21375>). Retrieved May 6, 2020.

[73] Lee, Chang-Hee 2020. "It is time to show that Viet Nam is also brilliant in solving economic issues" International Labour Organisation (https://www.ilo.org/hanoi/Informationresources/Publicinformation/comments-and-analysis/WCMS_741637/lang--vi/index.htm). Retrieved April 22, 2020

[74] International Labour Organisation. 2020b. "COVID-19 pandemic on Vietnamese labour force" International Labour Organisation (https://www.ilo.org/hanoi/Whatwedo/Publications/WCMS_742136/lang--vi/index.html). Retrieved May 6, 2020.

[75] Thu Hằng. 2020. "Freelance labour struggle due to pandemic." Thanh niên (<https://thanhnien.vn/thoi-su/lao-dong-tu-do-dieu-dung-vi-dich-1210046.html>). Retrieved May 6, 2020

Another female labourer from Nam Dinh earns her living from collecting and selling iron scrap. She talked about the difficulties she had to go through during the pandemic *"I do not dare to return to my hometown due to the fear of being put under quarantine, which would affect my family. The hostel owner was sorry for my situation and agreed to reduce the rent from VND 1.5 million to VND 1 million. For the last couple of days, people also came to distribute instant noodles and eggs. Such gifts saved us from eating only two meals per day"*.

"Employee in a massage parlour (female migrant worker from Thanh Hoa to Hà Nội): my salary is very low, about VND 1.5 million/month. Income comes mostly from customers' tips. Due to the pandemic, no one dares to go the parlour. Therefore, the owner asked us to stay at home. My parents are old and weak, and I am the bread winner in the family, I've never felt the burden of "making ends meet" so heavily. I hope the pandemic ends soon. We have been holding out in the city for months and we are exhausted".

It is important to also mention a particular group of female workers who are hit seriously by Covid-19. They are the women working in the health and social field who, according to the World Health Organisation (WHO), make up 70% of this workforce globally⁷⁶. Working in the front line in the fight against Covid-19, these female workers are not only exposed to infection, but also have to work at a high intensity under hardship as they are not always fully protected and are often short of basic hygiene items⁷⁷. In Viet Nam, there is no detailed report available on the physical and mental health of female workers in the health and social front lines who are directly engaged in the fight against the pandemic. However, Viet Nam has reported that two nurses at Bạch Mai hospital⁷⁸, and three female flight attendants

became infected with Covid-19⁷⁹. Hence, it is obvious that Covid-19 has upset the lives of almost every worker, with female workers even more vulnerable.

2.3.5. Workers with disabilities

According to the 2016 census, the proportion of people with disabilities aged 2 and over accounted for about 7% of the population, equivalent to almost 6.2 million people⁸⁰. Besides, around 13% of the population (i.e. almost 12 million people) are living in households with people with disabilities. More than 80% live in the community⁸¹. A recent survey by the United Nations Development Program (UNDP) revealed that 82% of people with disabilities are concerned

[76] Boniol, Mathieu, Michelle McIsaac, Lihui Xu, Tana Wuliji, Khassoum Diallo, and Jim Campbell. 2019. "Gender equity in the health workforce: Analysis of 104 countries" World Health Organization (<https://apps.who.int/iris/bitstream/handle/10665/311314/WHO-HIS-HWF-Gender-WP1-2019.1-eng.pdf?sequence=1&isAllowed=y>). Retrieved May 23, 2020

[77] Hải Nam. 2020. "Covid-19 outbreak and gender issues." Nhân Dân điện tử (<https://www.nhandan.com.vn/xahoi/item/44015402-dich-covid-19-va-nhung-van-de-gioi.html>). Retrieved May 23, 2020

[78] Lê Nga - Chi Lê. 2020. "Two nurses of the Bạch Mai Hospital are confirmed with nCoV infection" (<http://www.medinet.hochiminhcity.gov.vn/chuyen-muc/hai-dieu-duong-benh-vien-bach-mai-nhiem-ncov-cmobile1780-26007.aspx>). Retrieved May 23, 2020

[79] Kiều Trang. 2020. "Flight attendant wishes to continue her job after being recovered from nCov infection" Zingnews (<https://zingnews.vn/tiep-vien-hang-khong-chua-khoi-covid-19-minh-mong-tiep-tuc-duoc-bay-post1071124.html>). Retrieved 23 May 2020; Thùy Linh. 2020. "4 ca mắc COVID-19 mới, có 2 tiếp viên hàng không của Vietnam Airlines." (New 4 cases of Covid-19 confirmed, of which 2 are flight attendants) The Labour newspaper (<https://laodong.vn/xa-hoi/4-ca-mac-covid-19-moi-co-2-tiep-vien-hang-khong-cua-vietnam-airlines-806288.lido>). Retrieved May 23, 2020

[80] GSO. 2020. "Vietnam National survey on people with disabilities 2016." General Statistics Office Of Vietnam (https://www.gso.gov.vn/default_en.aspx?tabid=515&idmid=5&ItemID=19055). Retrieved May 23, 2020

[81] Trần Ngọc Nghị. 2020. "People with disabilities are taken cared of during Covid-19" (<https://ncov.moh.gov.vn/-/nguoi-khuyet-tat-uoc-quan-tam-phong-chong-ay-lui-va-chien-thang-dich-covid-19>). Retrieved May 23, 2020.

about health protection and 96% are worried about financial security during the Covid-19 pandemic⁸².

Up to March 2020, 72% of respondents said their monthly income was less than VND 1 million, 30% said they became unemployed due to the Covid-19 pandemic, and 49% had their working hours reduced. Among those who still have jobs, 59% receive a reduced income, and 71% are doing seasonal/informal jobs or are working in the informal economy. Therefore, they are at risk of being excluded from the list of people entitled to support under the government's social welfare package⁸³.

Ms Nguyễn Thị Thu Thương, Director of Thuong Handmade, a social enterprise said: *"These days are really terrible for workers with disabilities. Due to the physical impediments, they cannot even buy masks to protect themselves"*.

Liability Company for Safety Equipment and Products – Protec – has been proactive in taking measures to protect their workers and their workers with disabilities by providing multi-layer medical face masks to their employees, regularly keeping the working environment hygienic and taking other monitoring measures⁸⁵. In addition, various assistance funds have been launched including the Assistance Fund of the Viet Nam Social Welfare Program (AFV), which has been working with its partners to deliver assistance packages to people with disabilities and their families⁸⁶.

On 20 April 2020, MOH issued a "Guidebook on the Prevention of SARS-CoV-2 (COVID-19) for People with Disabilities in the Community" applicable to people with disabilities, their family members, their care givers, health workers, and organisations for people with disabilities⁸⁴. Enterprises that employ workers with disabilities need to take practical and effective measures to protect the health of their employees in general and workers with disabilities in particular during the pandemic. For example, the Viet Nam Limited

[82] T.P. 2020. "UNDP: People with disabilities are hit the most by the Covid-19 pandemic". (<https://baoquocte.vn/undp-nguoi-khuyet-tat-bi-anh-huong-nhieu-nhat-boi-dich-benh-covid-19-115469.html>). Retrieved May 23, 2020

[83] UNDP Viet Nam. 2020. "Rapid Assessment of the Socio-economic impact of COVID-19 on persons with disabilities in Viet Nam." UNDP Viet Nam (https://www.vn.undp.org/content/vietnam/en/home/library/democratic_governance/ImpactPwDs.html). Retrieved May 23, 2020

[84] Trần Ngọc Nghị. 2020. "People with disabilities are taken cared of during Covid-19". (<https://ncov.moh.gov.vn/-/nguoi-khuyet-tat-uoc-quan-tam-phong-chong-ay-lui-va-chien-thang-dich-covid-19>). Retrieved 23 May 2020

[85] Công Đoàn. 2020. "Corona virus, a threat to the people with disabilities, was over" Cuocsongantoan.vn (Virus corona, nỗi sợ hãi của người lao động khuyết tật đã qua (cuocsongantoan.vn). Retrieved May 23, 2020

[86] Hiền Ngân. 2020. "Create conditions for the people with disabilities to proactively support each other to overcome the Covid-19 pandemic." Lao dong newspaper (<https://laodong.vn/y-te/de-nguoi-khuyet-tat-chu-dong-giup-nhau-vuot-qua-covid-19-801552.laod>). Retrieved May 23, 2020

3. The Covid-19 pandemic's impact on other social issues in Viet Nam

3.1. The social responsibilities of people, enterprises and employers

In the pandemic context, one of the highlights is the social responsibility shown by the people, the business community and employers.

The businesses' actual response to the Covid-19 pandemic shows a high level of corporate social responsibility and cooperation. It can be said that most businesses immediately took measures to focus on hygiene and occupational safety in their plants and factories to prevent the spread of coronavirus. Among the 700 enterprises surveyed by VCCI, 78% confirmed that the costs of occupational safety and health would increase by at least 10% (1/3 of the enterprises), between 10% -30% (1/3). Eight percent are even prepared to increase their budget by over 30%. Up to 99% of

the surveyed businesses provided masks, hand-washing liquid, and disinfectants to their employees while 96% of respondents had quickly arranged to reduce travel and avoid crowded gatherings⁸⁷. Most enterprises proactively kept themselves updated on the Covid-19 situation and complied with preventative and control measures as advised by MOH. Businesses very much focus on information updates internally.

Another noteworthy highlight is that up to 85% of the surveyed businesses have adopted a policy to discuss and consult with labour union officers or employees' representatives before applying any policy related to the rights and benefits of their employees⁸⁸. This shows that amid a pandemic, businesses show a spirit of cooperation instead of striving for profits. They have considered the need to maintain a balance in industrial relations,

[87] VCCI. 2020. "Executive summary report: The impact of COVID-19 pandemic on labour and employment in enterprises in Vietnam." Hanoi: VCCI

[88] Ibid

ensuring the rights and interests of their workers. They believe this approach will contribute to mitigating the negative effects of the pandemic on their workers.

In addition, the business community was very flexible in adopting the new working modality of working from home (62% of the surveyed enterprises) or reducing working hours instead of cutting employment (47%). Besides, 41% of the businesses made use of the Covid-19 time to turn production difficulties into opportunities to train their workers to prepare for better performance after the pandemic. Job cuts and termination of labour contracts were only recorded in 19.42% of the surveyed businesses. The survey also shows that working from home is most popular in the wholesale, retail and repair sectors (60.78%), followed by training and science and technology sectors (58.62%). In the accommodation and food sector, 50% of businesses applied the work-from-home method and around 52% encouraged their employees to either take annual leave or take unpaid leave for a certain period of time⁸⁹. This shows the flexibility of enterprises in solving employment problems for workers.

Because the figures above are the results of a small survey of enterprises (700), they may not represent the situation of the overall labour market. However, the survey demonstrates the important social role of enterprises in applying flexible business management models and their contribution to social responsibility. This will not only help businesses reduce or better respond to pandemics, it will also help mitigate the consequences arising if workers lose their jobs and incomes. This is not to mention the remarkable

contribution, interest and cooperation of the business community in joining hands in solving social problems arising from the Covid-19 pandemic. There are many businesses donating funds to support charitable activities in the community. Various initiatives of "Good leaves protect torn leaves" are organised and spreaded throughout the country to support hospitals, schools, children and the elderly caring centers, such as sharing facemasks, giving free personal protective equipment, rice ATM, zero-dong supermarkets⁹⁰.

This spirit of solidarity has been spreading not only within the business community but also to local communities as different programmes were launched and effectively implemented to raise funds and food. In a very short time, from 19 March 2020 through 9 April 2020, there were over 2.2 million messages sent by private subscribers in response to a fundraising initiative by the Ministry of Information and Communication. The amount of money raised from mobile subscribers reached over VND 133 billion (~ USD 6 million)⁹¹. By 29 April 2020, the Viet Nam Fatherland Front has received a total of VND 1,900 billion (equivalent to USD 82 million)⁹² in cash and goods from organisations, individuals and enterprises. These resources have resulted in timely help and support to people in difficult circumstances during Covid-19 times. Thus, the role of the state as a coordinator and policy maker is essential to encourage and set up a mechanism to engage enterprises, charity organisations and individuals to join the effort. This is particularly needed as Viet Nam is a poor country with limited funds and the number of people living under difficult conditions remains high nationwide⁹³.

[89] Ibid

[90] K.T. 2020. "Providing poor people with rice at 0d". (<https://thanhnien.vn/doi-song/cu-dan-mang-quan-tam-phat-gao-mien-phi-cho-nguoi-ngheo-no-ro-1212539.html>). Truy cập ngày 5-5-2020

[91] T.Hà. 2020b. "VND133 billion for the Covid-19 prevention are mobilised through sms" (<https://tuoitre.vn/nhan-tin-ung-ho-phong-chong-covid-19-duoc-133-ti-dong-20200410191725541.htm>). Retrieved 23 May 2020

[92] Nguyễn Minh. 2020. "More than VND 1.900 billion for the Covid-19 pandemic prevention and fighting" Nhân Dân newspaper (<https://www.nhandan.com.vn/xahoi/item/44278702-hon-1-900-ty-dong-ung-ho-phong-chong-dich-covid-19.html>). Retrieved 23 May 2020.

[93] Xuân Anh. 2019. "The nationwide poor household average rate is below 4%" Nhân Dân newspaper (<https://www.nhandan.org.vn/xahoi/item/42750402-ty-le-ho-ngheo-binh-quan-ca-nuoc-con-duoi-4.html>). Retrieved 6 May 2020.

According to a ranking of countries in the world based on FocusEconomics poverty criteria, in 2017 Vietnam's GDP per capita ranked 20th and is expected to rank 23rd from the lowest to the highest in 2023. FocusEconomics. 2018. "The Poorest Countries in the World." FocusEconomics, (<https://www.focus-economics.com/blog/the-poorest-countries-in-the-world#GDP%20per%20capita%202016-2022>). Retrieved 6 May 2020

3.2. Covid-19's impact on the education and training sector

The education and training sector has been hit quite hard in Viet Nam since the early days of the Covid-19 pandemic. Due to the complicated developments of the pandemic, all schools throughout the country were closed immediately after the 2020 lunar New Year holiday. However, many training institutions and schools in the big cities and privately run entities have quickly turned to online learning. According to assessments by the National University of Economics, the education sector suffered an immediate economic decline, the worst of all the sectors. As the pandemic lasted until April 2020, that decline was estimated at 35% as long as online learning was applied. If the pandemic lasts to June, the rate might be as high as 60% (the highest of all sectors) and the sector would require restructuring⁹⁴. Covid-19's impact on the education and training sector varies across groups of students and teachers by educational level and across geographical regions.

3.2.1. Impact on students

3.2.1.1 Kindergarten and primary pupils

Kindergarten children and primary pupils had to suffer from the longest period of interruption in schooling activities. In some cities/provinces, this group had to stay off school from 1 February 2020 until 11 May 2020 (4 months and 10 days). In particular, children of preschool age are too young to interact online without adult support, therefore their learning programmes were almost completely interrupted. When preschools and

childcare facilities are closed, care for children becomes the responsibility of families and relatives. Many parents found it hard because they have no one to rely on to care for their children while they are at work. According to the VCCI survey results mentioned above, the reason for 38.5% people stayed at home due to Covid-19 was to look after their children because of school closures⁹⁵. Some families had to send their kids to stay with their grandparents in their hometowns⁹⁶. However, due to travel restrictions and social distancing measures, they cannot frequently visit their children. This does not only upset the family lives of many people but also leads to unwanted distance within families.

Children at an active age need to play and explore the world. The fact that their movement is restricted because they are confined to their homes without any interaction with their friends over a long period of time has created psychological problems for many students and their parents⁹⁷. At this time, children, particularly those living in cities and urban areas, stay at home and spend most of their time eating, sleeping, watching TV and playing on electronic devices⁹⁸. Being confined to their homes without physical movement and with long hours exposed to electronic devices over a long period of time might negatively affect children's psychological and physical development as well as their communication skills.

For primary students, their interaction with teachers mainly goes through the parents. To ensure children's continued learning, many schools adopted a method using work

[94] National Economic University. 2020b. "Report on impact by the Covid-19 pandemic on the economy and policy recommendations" VCCI (<http://trungtamwto.vn/an-pham/15196-bao-cao-danh-gia-tac-dong-cua-covid-19-den-nen-kinh-te-va-cac-khuyen-nghi-chinh-sach>). Retrieved 10 April 2020

[95] VCCI. 2020. "Executive summary report: The impact of COVID-19 pandemic on labour and employment in enterprises in Vietnam." Hanoi: VCCI

[96] Ibid

[97] UNICEF Việt Nam. 2020. "6 cách để cha mẹ giúp con vượt qua dịch COVID-19." UNICEF Việt Nam (<https://www.unicef.org/vietnam/vi/nh%E1%BB%AFng-c%C3%A2u-chuy%E1%BB%87n/6-c%C3%A1ch-%C4%91%E1%BB%83-cha-m%E1%BA%B9-gi%C3%BAp-con-v%C6%B0%E1%BB%A3t-qua-d%E1%BB%8Bch-covid-19>). Retrieved 24 April 2020 (6 ways for parent to help their children to overcome the Covid-19"

[98] Bàn đọc Nguyễn Thị Loan. 2020. "Nguy hiểm khi để con trẻ "vùi đầu" vào điện thoại trong mùa dịch." Lao động (<https://laodong.vn/ban-doc/nguy-hiem-khi-de-con-tre-vui-dau-va-oi-dien-toai-trong-mua-dich-801137.lido>). (Reader's opinion – Ms Nguyen Thi Loan. 2020. "It is dangerous to let our children "being drown" in electric devices during stay-home"). Accessed on 23 May 2020

assignments and online communication either via e-mails or chat groups established using parents' phone numbers. However, it is challenging to maintain class order and discipline among children of this age when they study from home. Private and international schools apply online learning more routinely. Despite this, due to children's limited ability to interact and use electronic devices, learning quality and the transfer of knowledge is limited. A report by the Ho Chi Minh City Department of Education and Training revealed that there is a number of Grade 1 students in the city who would find it difficult to learn how to read and write easily at the end of this school year⁹⁹.

3.2.1.2. Secondary students

For students at higher education levels such as lower and upper secondary schools, Covid-19 has also affected their learning process negatively due to the interruption of class time as well as changes to training programmes, which have been streamlined and simplified in response to the pandemic¹⁰⁰. During the school closures, television and online teaching have been implemented. Online learning is more popular among private schools and is applied to a number of subjects at public schools in urban areas. For example, in Lao Cai, in average just about 6% of total training session was delivered via online learning; and this figure increased to only 20%, if taking into account all forms of distance learning, including giving homework to students to do at home during the epidemic. Apart from some schools in the city centre that maintain 100% online learning, district schools are facing difficulties. Most the schools in

highlands and remote areas have to close until the pandemic is over¹⁰¹.

Although Covid-19 contributes to promoting IT applications in learning/teaching toward moving closer to industrial revolution 4.0, this also implies several social problems. Specifically, when it comes to online learning, **many students from poor families or families in mountainous and remote areas are not in the position to purchase equipment to access the internet for learning purposes**. In fact, not every family can buy devices and install internet for their children to learn online. Not every student can follow all the lectures on television. In big cities, almost 100% of students in private schools have access to smart electronic devices such as desktops, tablets or smart phones. In public schools, some provide teaching online, others adopt a method of distributing homework/assignments to students after each lecture on television, and then teachers request students or their parents to send the homework via images or email for marking. Moreover, the quality of online learning also depends very much on the economic ability of each family as well as the IT skills of each student and even their parents, which is particularly the case for children at lower educational levels¹⁰². In many cases, students share electronic devices with their parents (such as smartphones), so any incoming calls can interrupt the learning process. Problems with transmission lines and a lack of IT skills can also lead to disruption during learning. If gaps in knowledge are not filled in good time, students can be left discouraged and less active. Therefore, most teachers and parents see online

[99] Bích Thanh. 2020. "Gần 42.000 giáo viên bị ảnh hưởng thu nhập vì Covid-19." (Income of nearly 42,000 teachers is affected by the Covid-19) Thanh niên (<https://thanhnien.vn/giao-duc/gan-42000-giao-vien-bi-anh-huong-thu-nhap-vi-covid-19-1215966.html>). Retrieved 4 May 2020

[100] Ministry of Education and Training. 2020b. "Công văn số: 1113/BGDĐT-GDTrH về việc hướng dẫn thực hiện điều chỉnh nội dung dạy học học kỳ II năm học 2019-2020." (The Official letter No. 1113/BGDĐT-GDTrH on adjusting the curriculum for the second semester of the 2019-2020 academic year) Thư viện Pháp luật (<https://thuvienphapluat.vn/cong-van/giao-duc/Cong-van-1113-BGDĐT-GDTrH-2020-huong-dan-dieu-chinh-day-hoc-hoc-ki-II-nam-hoc-2019-2020-438693.aspx>). Retrieved 22 April 2020

[101] Nghiêâm Huê. 2020. "Trường có 99% học sinh là người dân tộc: Tỷ lệ học online đạt 98%." (A school with 99% students are of ethnic minorities: the percentage of online learning reaches 98%) The Tiền phong newspaper (<https://www.tienphong.vn/giao-duc/truong-co-99-hoc-sinh-la-nguoi-dan-toc-ty-le-hoc-online-dat-98-1644996.tpo>). Retrieved 23 May 2020

[102] Nguyễn Loan. 2020. "Học sinh 'gian nan' học trực tuyến: Giáo viên, phụ huynh phối hợp sao cho hiệu quả?" Thanh niên (<https://thanhnien.vn/giao-duc/hoc-sinh-gian-nan-hoc-truc-tuyen-giao-vien-phu-huynh-phoi-hop-sao-cho-hieu-qua-1211842.html>). Retrieved 23 May 2020. (Students are facing with difficulties in online learning – How to ensure effective cooperation between teachers and parents)

learning as a temporary solution, which is ineffective in Viet Nam's current situation¹⁰³.

In addition to physical difficulties, for several reasons, many students cannot follow online study during the school closures. For example, in Ho Chi Minh City, about 15-20% of students cannot attend online classes because they are not present in the city as they have to move with their parents to neighbouring provinces. Meanwhile, a small number of students in the city cannot come back to school because their parents have lost their jobs (Bích Thanh, 2020).

Thus, Covid-19 has created a difference in learning opportunities between students who are in a good position to study online via internet and television and those who are not; between students in rural and urban areas; and between students in private and public schools. In the other words, Covid-19 has sharpened social inequality in terms of learning opportunities for students.

3.2.1.3. University students

Similar to other students, Covid-19 has also negatively affected university students' learning process due to the interruption of learning and the adjustment of education programmes (Ministry of Education and Training, 2020b). However, online teaching and learning has been deployed routinely in universities and colleges during the epidemic. Applying technology and using electronic devices to study online is not a major challenge for university students. However, the limitation lies in

the economic conditions of many students, especially students from disadvantaged backgrounds or from mountainous and remote areas, who do not have the equipment or infrastructure to study online. The press has reported on the difficulty of some students in remote areas, who have had to set up tents on tall mountains to catch signals for online learning¹⁰⁴. Therefore, some universities and colleges have been practical and developed different curriculums; one for students who can participate in online courses, and one for students who cannot.

Many universities have launched student support programmes and have raised funds to provide computers for disadvantaged students. For example, Hanoi University of Science and Technology has urged officials, lecturers and alumni to donate and provide support to about 3,000 students, who will each receive VND 1 million to buy devices to study. The school also engaged with businesses to donate 75 laptops for poor students¹⁰⁵. However, in reality, many university students do not have devices to study online¹⁰⁶.

Another difficulty that students had to face during Covid-19 was travelling to school and accommodation arrangements when class schedules were constantly changing due to the evolution of the epidemic¹⁰⁷. The announcement of teaching and learning policies at all levels was determined by the developments of the pandemic and were therefore difficult to predict. Many students in remote areas had returned to

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- [103] Việt Đông. 2020. "Dạy học trực tuyến-chỉ là giải pháp tình thế." Tây Ninh online (<https://baotayninh.vn/day-hoc-truc-tuyen-chi-la-giai-phap-tinh-the-a121396.html>). Retrieved 23 May 2020 (Online learning is just a temporary solution)
- [104] Thu Thảo (T/h). 2020. "Dựng lều để học trực tuyến trong mùa dịch Covid -19 của nữ sinh người Tày." (A student of Tay minority pitched a tent for online learning during the Covid-19). Đồng hành Việt (http://donghanhviet.vn/news/1922/391/Dung-leu-de-hoc-truc-tuyen-trong-mua-dich-Covid-19-cua-nu-sinh-nguoi-Tay/d,news_detail_tpl). Retrieved 6 May 2020
- [105] Hà Cường. 2020. "Đại học Bách khoa Hà Nội tặng laptop cho sinh viên nghèo để học online." (The Hanoi University of Science and Technology provides poor students with laptops for online learning) VTC News (<https://vtc.vn/tin-tuc-su-kien/dai-hoc-bach-khoa-ha-noi-tang-laptop-cho-sinh-vien-ngheo-de-hoc-online-ar540377.html>). Retrieved 6 May 2020
- [106] Hoàng Phương. 2020. "Chật vật với học trực tuyến." (Struggling with online learning) Tuổi trẻ (<https://tuoitre.vn/chat-vat-voi-hoc-truc-tuyen-20200409102715854.htm>). Retrieved 6 May 2020
- [107] Thanh Hùng. 2020. "Sinh viên tiếp tục nghỉ học, hoãn thi." (Students continue not to go to school and postpone exams) The online newspaper Sài Gòn Giải phóng (<https://www.sggp.org.vn/sinh-vien-tiep-tuc-nghi-hoc-hoan-thi-645500.html>); Retrieved 6 May 2020

universities and colleges when they received a notice about university closures and had to leave again. This occurred repeatedly, making it difficult for students in terms of funding as well as stability and planning. Moreover, a number of students had returned to school when the social isolation measure was implemented and thus could not return home. Those students had to stay at hostels and cover the cost of accommodation and meals themselves during this time. Many poor students have to do part-time jobs to earn extra money but had to take time off or reduce their working hours due to social distancing regulations. In recognition of this, many universities launched support programmes during and after the pandemic for students facing difficulties to buy electronic devices to participate in online learning and/or reduce school fees and grant scholarships¹⁰⁸. However, there are a number of students who are still affected by the epidemic to such a degree that they have fallen into economic difficulty and may have to drop out of school.

This paper does not detail information about the situation of Vietnamese students studying abroad.

3.2.2. Teachers

Covid-19 does not only affect students but also teachers and lecturers. One of the most significant social impacts on this category relates to the psychological aspect. Like their students, teachers were put in a difficult position when planning their work both in the long and short term because decisions on when to allow students to return to

school changed on a weekly basis depending on the pandemic. From the early days of the outbreak, the preparation of lecture outlines was interrupted because both educational management agencies and teachers were surprised by the risk of outbreaks. However, the education sector adopted adaptive measures very quickly by shifting to online teaching, particularly private schools and urban schools¹⁰⁹.

On one hand, this is an opportunity for teachers to improve their knowledge and shift from a traditional teaching method to a modern one by applying digital technology¹¹⁰. On the other hand, this shift is a challenge to almost every teacher and lecturer¹¹¹, because they have to adjust courses and lecture outlines, and at the same time prepare online equipment and facilities. They also have to learn new skills to convey knowledge via screens and videos without adequate advance training¹¹². This is not to mention the pressure of ensuring lecture quality, particularly to senior students about to take final examinations, and the difficulties managing student attendance, marking and returning homework online. These are new challenges that teachers and lecturers have had to adjust to in a short period of time.

In addition to the impact of Covid-19 on the psychological state of teachers and opportunities for their professional development, the lives of teachers and workers in the education sector are also affected as a proportion of them have lost their jobs or have had their incomes reduced, especially teachers at private schools and teachers with short-term contracts. Research by the

[108] Hà Ánh. 2020. "Trường đại học triển khai các gói hỗ trợ sinh viên trong mùa dịch Covid-19." (Various packages are implemented by universities to support students during the Covid-19 pandemic) The Thanh niên newspaper (<https://thanhnien.vn/giao-duc/truong-dai-hoc-trien-khai-cac-goi-ho-tro-sinh-vien-trong-mua-dich-covid-19-1207423.html>). Retrieved 22 April 2020

[109] H. Thanh H. Thu. 2020 "Nền rộ hình thức học online". (Various forms of online learning). The Công an nhân dân newspaper (<http://cand.com.vn/giao-duc/No-ro-hinh-thuc-hoc-online-581354/>). Retrieved 1 June 2020

[110] Ministry of Education and Training . 2020a. "Công văn Số: 1061/BGDĐT-GDTrH về việc hướng dẫn dạy học qua Internet, trên truyền hình đối với CSGD phổ thông, CSGD thường xuyên trong thời gian học sinh nghỉ học ở trường vì Covid-19 năm học 2019-2020." (Official letter No. 1061/BGDĐT-GDTrH on training delivery via internet, TV by schools during stay-at-home due to the Covid-19 pandemic) The Luật Việt Nam page (<https://luatvietnam.vn/giao-duc/cong-van-1061-bgddt-gdtrh-2020-huong-dan-day-hoc-qua-internet-181917-d6.html>). Retrieved 22 April 2020

[111] Mạnh Tùng and Thanh Hằng 2020. "Giáo viên vất vả dạy online." (Teachers are struggling with online teaching). VnExpress (<https://vnexpress.net/giao-vien-vat-va-day-online-4082468.html>). Retrieved 6 May 2020

[112] Hoàng Hà. 2020. "Dạy học thời kỳ dịch bệnh Covid-19, thầy cô biến thách thức thành cơ hội." (Teaching in the Covid-19 time, turning challenges into opportunities). The Law and Society Newspaper (<https://phapluatxahoi.vn/day-hoc-thoi-ky-dich-benh-covid-19-thay-co-bien-thach-thuc-thanh-co-hoi-188474.html>). Retrieved 23 May 2020

National University of Economics shows that education is one of the sectors hardest hit by Covid-19. This is because education and training institutions, particularly private ones, have to suffer from a decline in revenue during school closures while they still have to pay maintenance and operating costs, such as salaries for staff and teachers, rent for premises, investment in learning tools, not to mention the costs of disinfection and disease prevention over several months. Estimates by the Ministry of Education and Training show that the salaries of 103,863 managerial staff and non-public teachers at the regional average minimum salary cost VND 400 billion/month; rental premises of 3,702 non-public education institutions from preschool, elementary, junior high school and high school to pedagogical colleges and universities cost between VND 450-500 billion/month¹¹³. As a result of Covid-19, in Ho Chi Minh city, about 39,000 teachers and workers in the education sector had their labour contracts suspended or took unpaid leave, and more than 2,000 teachers had their labour contracts terminated but are not yet eligible for unemployment allowances. More than 400 people who signed labour contracts lost their jobs at education institutions¹¹⁴.

From a gender perspective, the percentage of female workers in the education sector is very high. Data from 2017 show that the total number of female teachers and lecturers was 849,377. The percentage of female teachers at pre-schools was 96.48%, female primary teachers accounted for 99.87%, female secondary school teachers 99.58%, and female high school teachers 99.55%. In higher education institutions, there were 32,690

female lecturers, accounting for 46.9% of the teaching staff¹¹⁵. Thus, besides the pressures and uncertainties about work and professional skills, female workers in the education sector have to bear other pressures, including arranging family life and housework during the pandemic – in Viet Nam most of these jobs are done by women.

In order to generalise the impact of Covid-19 on pupils and students, it is necessary to conduct specific studies to summarise the challenges of students, pupils, and teachers, and the education sector in general to prepare for situations that may arise in the future.

3.2.3. Impact on schools, training establishments and the educational system

In addition to the economic losses that need to be addressed by policy makers to facilitate training institutions to recover, maintain and strengthen the quality of their activities after Covid-19, the social impact of the pandemic also needs to be analysed. Socially, it is possible to say that Covid-19 has heightened the reputation of the education sector for its effective efforts to curb the spread of the pandemic among students and teachers, and also for its flexibility in changing teaching and learning methods and putting the interest of students and teachers first.

The commitment of the entire educational system to maintain a regular connection between schools and students should be acknowledged. Frequent updates on the movement of students and their relatives have also contributed to the successful control of Covid-19 in Viet Nam. For example, if a student is infected by a relative¹¹⁶, any possible

[113] The Education Communication Center. 2020. "Tìm giải pháp tháo gỡ khó khăn cho các cơ sở giáo dục." (Looking for solutions to address difficulties faced by training and educational institutions). Ministry of Education and Training (<https://moet.gov.vn/tintuc/Pages/tin-tong-hop.aspx?ItemID=6598>). Retrieved 22 April 2020

[114] Bích Thanh. 2020. "Gần 42.000 giáo viên bị ảnh hưởng thu nhập vì Covid-19." (Nearly 42,000 teachers are affected by the Covid-19 pandemic). The Thanh nien Magazine (<https://thanhnien.vn/giao-duc/gan-42000-giao-vien-bi-anh-huong-thu-nhap-vi-covid-19-1215966.html>). Retrieved 4 May 2020

[115] Nguyễn Thị Nghĩa. 2020. "Đóng góp của đội ngũ nhà giáo đối với sự nghiệp giáo dục đào tạo." (Contributions by teachers to the course of training and education). The Vietnam Women's Union (http://hoilhn.org.vn/images_upload/files_692.pdf). Retrieved 23 May 2020

[116] Quý Hiền. 2020. "Học sinh lớp 10 ở Vĩnh Phúc dương tính với virus Corona sức khỏe đang ổn định." (The 10th grade student in Vinh Phuc tested positive for SARS-CoV-2 is recovering). The Thanh nien Magazine (<https://thanhnien.vn/giao-duc/hoc-sinh-lop-10-o-vinh-phuc-duong-tinh-voi-virus-corona-suc-khoe-dang-on-dinh-1180027.html>). Retrieved 23 May 2020

outbreak is identified, located and controlled immediately.

The reputation of the training and education sector has also been strengthened through policies introduced in response to the Covid-19 pandemic that prioritised health and education quality, while at the same time alleviating the economic burden on parents by reducing or withdrawing tuition fees during the pandemic¹¹⁷. In fact, some schools, for example Luong The Vinh Secondary and High schools in Hanoi¹¹⁸, have proactively exercised social responsibility, sharing losses with parents and the government by not collecting tuition fees during school closures. Other schools only collected part of the tuition fees even before the Ministry of Education and Training issued regulations to do so¹¹⁹.

Regarding the quality of online learning as seen from another dimension, Covid-19 has created a push for schools across the country to apply IT and modernise their learning/teaching methods. Despite their limited and inconsistent infrastructure facilities, many localities, including those in mountainous and remote areas, have set targets for online training aiming at 100% attendance^{120 121}.

However, as per the above analysis, this form of online learning also exposes many shortcomings

and problems creating pressure on teachers, students and even parents. A survey of around 4,000 students at Nha Trang University showed that 90% are taking all their classes online. Students commented that online learning helps improve their IT capacity and build a proactive learning culture. However, as many as 85% of the students agreed that online learning is not as effective as traditional learning methods. Almost 80% complained about weak connections, low quality Zoom sessions and intermittent audio or video quality, all of which lead to limitations in their online learning. Many students reported headaches, earaches, or eye problems due to sitting and looking at screens for too long. This has made online learning unsatisfactory¹²², for both teachers and learners despite their great efforts. At the provincial level, a report from the Son La Department of Education and Training on 16 April 2020 states the implementation of teaching via the internet and television encountered many difficulties, especially in remote areas. A survey of each individual school, including students and their families, shows that only 40% of students in Son La are able to study online and learn via television. However, among those who have the means to study online, some have a smart phone without internet connection or with a poor 3G signal while others have equipment but no electricity¹²³.

[117] Ministry of Education and Training. 2020b. The inter-ministerial circular to guide implementation of selected articles in the Decree No. 86/2015/ND-CP dated October 2, 2015 of the Government on mechanism for collection and management of tuition fees applicable to educational institution in the national education system and policies on tuition fee exemption and reduction and financial support from academic year 2015-2016 to 2020 – 2021. Ministry of Education and Training (<https://moet.gov.vn/van-ban/vanban/Pages/chi-tiet-van-ban.aspx?ItemID=1150>). Retrieved 4 May 2020

[118] Oanh Trần. 2020b. "Phụ huynh bất ngờ, trân trọng khi trường THCS & THPT Lương Thế Vinh (Hà Nội) không thu học phí 3 tháng." (Parent are surprised by and give appreciation to the decision by the Luong The Vinh School not to collect tuition fee for 3 months) (<http://kinhntedothi.vn/phu-huynh-bat-ngo-tran-trong-khi-truong-thcs-thpt-luong-the-vinh-ha-noi-khong-thu-hoc-phi-3-thang-380210.html>). Retrieved 4 May 2020.

[119] Official letter No. 1620/BGDĐT-KHTC dated 11 May 2020 on Collection of various funds in the education and training field – academic years of 2019 – 2020 and 2020 – 20121

[120] T.Fan.2020b. "Hà Nội : Phân đầu mục tiêu 100% trường học tổ chức dạy học trực tuyến." (Ha Noi: aiming at the target of having 100% school providing online learning). The Pháp luật xã hội newspaper (<https://phapluatxahoi.vn/ha-noi-phan-dau-muc-tieu-100-truong-hoc-to-chuc-day-hoc-truc-tuyen-187210.html>) Retrieved 6 May 2020

[121] Thu Hương.2020b. "100% các đơn vị tổ chức dạy, học trực tuyến cho đến khi học sinh trở lại trường." (100% of schools arrange online teaching/learning until back-to-school day) The Lào Cai TV (<http://laocaitv.vn/chinh-tri-xa-hoi/100-cac-don-vi-to-chuc-day-hoc-truc-tuyen-cho-den-khi-hoc-sinh-tro-lai-truong>) Retrieved 4 May 2020

[122] Laodong.vn. 2020. "Dạy học trực tuyến: Hiệu quả chưa cao, khó đủ bề." (Online teaching: efficiency and difficulties) The Văn hóa newspaper (<http://baovanhoa.vn/doi-song/giao-duc/artmid/583/articleid/29050/day-hoc-truc-tuyen-hieu-qua-chua-cao-kho-du-be>). Retrieved 23 May 2020

[123] Ibid

3.3. Impact on healthcare and the health sector

Covid-19 was declared a global pandemic by the World Health Organisation¹²⁴. Therefore, its social impact on the healthcare sector is of great concern. The consequences for specific groups are as follows:

3.3.1. Patients

First, there must be a recognition of Viet Nam's excellence in the detection, care and treatment of patients infected with coronavirus. There were 324 Covid-19 cases as of 22 May 2020. Of these, 266¹²⁵, were cured and no deaths have been reported. The cost of treatment for Vietnamese Covid-19 patients is covered by the state budget and health insurance fund¹²⁶. Thus, Covid-19 patients have received attention and care from both society and the health system. The impact of the pandemic on this group of patients is positive.

However, the Covid-19 pandemic has negatively affected the rights of other patients. Due to the mobilisation of human and material resources to fight the pandemic and the distancing policy, regular medical examination and treatment activities have been disrupted in terms of timeliness and quality. For those groups of patients with chronic diseases, such as cardiovascular disease, diabetes, kidney disease, or elderly and sick patients and people living with HIV who need to be regularly examined and treated, the Covid-19 pandemic has negatively affected their treatment and health¹²⁷. Social distancing measures and concerns about risks of infection have meant people have delayed visiting

health facilities. In fact, the number of visitors to health facilities for medical examination and treatment fell sharply during the Covid-19 pandemic. For example, at some hospitals in Hanoi, such as Bach Mai, Thanh Nhan, and Viet Nam-Cuba, the number of visiting patients decreased by 30%-50%¹²⁸.

In short, the Covid-19 pandemic has greatly affected the treatment of many patients. There are no statistics on mortalities due to other diseases during Covid-19 for comparative purposes, but given the context of limited physical and human resources, the priority on Covid-19 patients will certainly affect the timeliness and quality of treatment for many patients. Therefore, the fatality rate due to other diseases may actually be higher than expected.

3.3.2. Healthcare workers

Healthcare workers are the most vulnerable group and have had to suffer from the most severe social impacts of the Covid-19 pandemic.

First, health workers are most at risk of infection as they contact large numbers of people, not only patients but also the relatives of patients. Many hospitals have been sealed off completely or partially due to the presence of Covid-19 patients; two nurses in Bach Mai hospital – the largest in the country – were infected with the virus. Doctors becoming infected is extremely worrying. Bach Mai hospital had to stop accepting patients for 14 days, while the hospital usually receives an average of 4,000-6,000 inpatients every day, not to mention 4,000 family members who come to

[124] WHO Director-General. 2020. "WHO Director-General's opening remarks at the media briefing on COVID-19 - 11 March 2020." World Health Organization (<https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>). Retrieved 11 March 2020

[125] Ministry of Health <https://ncov.moh.gov.vn/>. Retrieved 22 May 2020

[126] The Thanh niên Magazine. 2020. "Người nước ngoài chữa Covid-19 ở Việt Nam phải trả phí." (Foreigners nationals in Viet Nam are required to pay for their own Covid-19 treatment) <https://thanhnien.vn/thoi-su/nguoi-nuoc-ngoai-chua-covid-19-o-viet-nam-phai-tra-phi-1196094.html>). Retrieved 23 May 2020.

[127] PV. 2020. "Người cao tuổi quản lý và nâng cao sức khỏe trong bối cảnh dịch COVID-19." (Helath management and improvemet by the elderly people during the Covid-19 pandemic). The Medical Services Administration - Ministry of Health (<https://kcb.vn/nguoi-cao-tuoi-quan-ly-va-nang-cao-suc-khoe-trong-boi-can-h-dich-covid-19.html>). Retrieved 22 May 2020

[128] Trọng Quỳnh. 2020b. "Tác động của dịch bệnh Covid - 19 đối với một số lĩnh vực xã hội." (Impacts by the Covid-19 on selected social aspects) The e-portal of the Viet Nam National Assembly (<http://quochoi.vn/tintuc/Pages/tin-hoat-dong-cua-quoc-hoi.aspx?ItemID=44379>)

take care of their loved ones¹²⁹. The fact that Bach Mai hospital was the centre of an outbreak put more than 4,000 staff members¹³⁰ as well as tens of thousands of patients and visitors at risk¹³¹.

Second, the impact of Covid-19 has placed psychological pressure on health workers in Viet Nam. Although the number of cases is not high, the number of people subject to testing, examination and monitoring is larger than the current capacity of the health system. As a result, most health workers and physicians have to work at a high intensity for extended periods¹³². Many have to stay at hospitals for months and cannot return home due to their job requirements and a fear of spreading the disease to their relatives.

In particular, stigma is also a kind of psychological impact on health workers during the pandemic when shortcomings and problems with Covid-19 control in the community remain. This has led to excessive anxiety and fear. In fact, there are cases where relatives of healthcare workers are cautious and keep their distance. In some cases, the public avoid contact with health workers and even their relatives¹³³.

Thus, the Covid-19 pandemic has negatively affected health workers both physically and mentally. This is not just a problem in Viet Nam. A survey in China of 1,257 health workers in 34 hospitals indicated that the majority of respondents said they had experienced various

psychological burdens, with 50.4% suffering depression, 44.6% anxiety and 34% insomnia. In particular, the survey recorded that 71.5% of health workers were in a state of extreme anxiety and fatigue¹³⁴. In developed countries, some doctors have committed suicide due to the stress caused by the pandemic. However, no studies are yet available to assess the impact of Covid-19 on the mental health of healthcare workers in Viet Nam.

3.4. Impact on people's ordinary lives and livelihoods

The Covid-19 pandemic has disrupted people's daily lives in many ways, most notably travel restrictions, family relations, social relations/contact, and emotional life.

3.4.1. Transportation and travel restrictions

Social distancing requires people to restrict their travel and keep their physical distance from each other, and thus affects the lives of all people, especially during implementation of Directive 15 and 16/CT-TTg of the Prime Minister on measures to prevent and control Covid-19 under which people were required to stay indoors and only go out for special reasons or for essential services. In addition, those who were in direct contact with Covid-19 patients (F1) were put under quarantine in health facilities. People in contact with F1

[129] L.Anh. 2020. "Yêu cầu xét nghiệm toàn bộ người có mặt tại Bệnh viện Bạch Mai." (All recent visitors at the Bach Mai hospital are required to perform Corona virus test). The Tuổi trẻ newspaper (<https://tuoitre.vn/yeu-cau-xet-nghiem-toan-bo-nguoi-co-mat-tai-benh-vien-bach-mai-20200325201152797.htm>). Retrieved 23 May 2020

[130] Thu Hiền. 2020. "Chính thức gỡ bỏ phong tỏa tại Bệnh viện Bạch Mai sau 2 tuần cách ly." (2-week lockdown is officially removed at the Bach Mai hospital). The World & Vietnam Report (<https://baoquocte.vn/chinh-thuc-go-bo-phong-toa-tai-benh-vien-bach-mai-sau-2-tuan-cach-ly-113466.html>). Retrieved 12 April 2020

[131] Chinhphu.vn. 2020b. "Ổ dịch tại BV Bạch Mai cơ bản đã được kiểm soát." (The Covid-19 outbreak the Bach Mai Hospital is in general under control). Ministry of Health portal (https://moh.gov.vn/tin-tong-hop/-/asset_publisher/k206Q9qkZ0qn/content/o-dich-tai-bv-bach-mai-co-ban-a-uoc-kiem-soat). Retrieved 1 April 2020.

[132] Trọng Quỳnh. 2020b. "Tác động của dịch bệnh Covid - 19 đối với một số lĩnh vực xã hội." (Impacts by the Covid-19 on selected social aspects) The e-portal of the Viet Nam National Assembly (<http://quochoi.vn/tintuc/Pages/tin-hoat-dong-cua-quoc-hoi.aspx?ItemID=44379>). Retrieved 22 April 2020

[133] "Chặn đứng "virus kỳ thị" nhân viên y tế đang chống dịch." (To stop "discrimination" against the healthcare workers during the Covid-19 pandemic). Ha Noi Department of Tourism (<https://sodulich.hanoi.gov.vn/tin-tuc-su-kien/tin-tuc-du-lich-ha-noi/chan-dung-virus-ky-thi-nhan-vien-y-te-dang-chong-dich.html>). Retrieved 28 March 2020

[134] Thanh Hà. 2020. "Nghiên cứu về tác động của dịch COVID-19 với sức khỏe tâm thần y bác sĩ." (Research on impacts by the Covid-19 pandemic on mental health of medical workers). The Lao động newspaper (<https://laodong.vn/the-gioi/nguyen-cuu-ve-tac-dong-cua-dich-covid-19-voi-suc-khoe-tam-than-y-bac-si-793372.ldo>). Retrieved 27 March 2020

people (F2) were also listed and put under quarantine as required by the government¹³⁵. Many agencies and offices shifted to working from home and requested F3 and F4 people to work from home and avoid contact with others. The number of people in this category was huge. In particular, there were communities, neighbourhoods, and apartment buildings where people infected with Covid-19 were isolated and sealed off to prevent spread of the disease to the community¹³⁶. The isolation of entire communities took place in many locations such as Vinh Phuc, Hanoi, Ninh Thuan, and Ha Giang, with tens of thousands of people prevented from leaving their residences¹³⁷.

As such, the Covid-19 pandemic has had very negative consequences on travel, the extent of which varies from group to group. In fact, travel restrictions have also led to many other consequences related to all areas of social life.

3.4.2. Family relations and social contact

Mass quarantine, home quarantines and restricted travel for tens of millions of people have changed the daily lives and family relationships of a large part of the population. The reality is that many households have to cope with difficulties in arranging their daily lives when their children have

to stay off school. Parents who still have to work – remotely or at work premises – have no one to look after their children. As noted above, many health workers have to work days and nights and cannot reunite with their families or stay home to care for their children¹³⁸. Civil servants and teachers, especially female workers, have to work from home under high pressure and at the same time have to do housework.

Other social-specific interactions in Viet Nam such as kinship and visiting relatives or friends are also disrupted or suffer from travel restrictions, the 2m-distance rule, and limited gatherings. Families cannot get together due to geographical distance. Elderly parents living on their own have no children or relatives to visit or care for them. This is not to mention the fact that the outbreak and the uncontrollable spread of Covid-19 have adversely affected many people's mental states as shown through anxiety in the population, although this phenomenon varies. People are concerned about the risk of infection for themselves and their families, and about the impact on jobs along with insecurities about health, employment, incomes and living conditions when the pandemic ends. Some have behaved irrationally, rushing out to buy and stockpile essential goods as soon as Hanoi announced its first case, Covid-19 patient no.17¹³⁹. This is an example of how Covid-19 affects people's psychological states.

[135] Ministry of Health portal. 2020. (<https://moh.gov.vn/web/dich-benh/huong-dan-chuyen-mon>). Retrieved 24 April 2020

[136] Ibid

[137] The Communist Party of Viet Nam online newspaper. 2020. "Vinh Phúc: Cách ly khu vực có dịch Covid-19 tại xã Sơn Lôi." (Vinh Phuc: Isolation of the Covid-19 infected area at the Son Loi commune). <http://dangcongsan.vn/phong-chong-dich-covid-19/vinh-phuc-cach-ly-khu-vuc-co-dich-covid-19-tai-xa-son-loi-548426.html>. Retrieved 22 April 2020

Chinhphu.vn. 2020a. "Hà Nội dỡ lệnh cách ly phố Trúc Bạch sau 14 ngày." (Hanoi removes quarantine on the Truc Bach street after 14 days). The Online Newspaper of the Government <http://baochinhphu.vn/Hoat-dong-dia-phuong/Ha-Noi-do-lenh-cach-ly-pho-Truc-Bach-sau-14-ngay/390509.vgp>). Retrieved 22 April 2020

Minh Trân. 2020. "Ninh Thuận cách ly thôn có bệnh nhân COVID-19 thứ 61 cư trú." (Ninh Thuan to isolate a village where the 61th covid patient lives) The Tuổi trẻ newspaper (<https://tuoitre.vn/ninh-thuan-cach-ly-thon-co-benh-nhan-covid-19-thu-61-cu-tru-20200317142048679.htm>). Retrieved 22 April 2020

Nguyễn Trường. 2020. "Hà Giang cách ly toàn huyện Đồng Văn." (The whole Dong Van district of Ha Giang province is lockdown). The Dân trí newspaper (<https://dantri.com.vn/xa-hoi/ha-giang-cach-ly-toan-huyen-dong-van-20200423093424057.htm>). Retrieved 22 April 2020

Thu Hà. 2020. "Thôn Hạ Lôi những ngày cách ly." (Ha Loi village during lockdown). The Communist Party of Viet Nam online newspaper (<http://dangcongsan.vn/thoi-su/thon-ha-loi-nhung-ngay-cach-ly-552654.html>). Retrieved 22 April 2020

[138] Dạ Thảo. 2020. "Gia đình trẻ kể chuyện trông con trong mùa dịch Covid-19." (Young families share their experiences in children caring during the covid-19 pandemic). The Thanh niên Magazine (<https://thanhnien.vn/gioi-tre/gia-dinh-tre-ke-chuyen-trong-con-trong-mua-dich-covid-19-1183312.html>). Retrieved 24 April 2020

[139] Đỗ Thoa. 2020. "Niềm tin thắng dịch COVID-19." (A believe in the final win over the Covid-19 pandemic) The Communist Party of Viet Nam online newspaper (<http://dangcongsan.vn/thoi-su/niem-tin-thang-dich-covid-19-549876.html>). Retrieved 24 April 2020

The impact of Covid-19 on family relations is also a problem. Changing habits and daily routines, and being confined to the home together for days has created stress, which has led to conflict. Data from across the world shows an increase in domestic violence during social distancing, which led to a statement on 5 April 2020 by UN Secretary General António Manuel de Oliveira Guterres on Twitter calling on countries to take urgent action to combat the increase in domestic violence, putting the safety of women and children first¹⁴⁰.

In Viet Nam, information from Peaceful House (under the Centre for Women and Development of the Viet Nam Women's Union), which provides free counselling, consultations and shelters for women and child victims of domestic violence, showed that during social distancing the number of calls to the House's hotline increased daily and the number of cases admitted to the House in February and March 2020 increased by 50% compared to the same period in 2019¹⁴¹. A consultant shared the following experience:

"It is usually difficult to handle domestic violence, which is even more difficult during the Covid-19 pandemic. Most of the domestic violence cases during this time were attributed to the fact that family members spend too much time together at home, income is reduced and anxiety increases. A patriarchal man, who is addicted to alcohol, gambling or doing nothing, will tend to use violence towards women and girls if they have to stay in the home for long periods."

Social engagement restrictions and prolonged isolation in response to Covid-19 and the economic downturn have had a huge and severe impact on mental health.

According to experts, this phenomenon is called "social recession", causing complex effects on human health and psychology, which can even lead to early death¹⁴².

To better clarify the extent and consequences of the social changes that have resulted from the impact of Covid-19 in Viet Nam and its impact on human psychology, family relationships, social interactions and contact, it is necessary to conduct an in-depth study. Such a study would provide evidence to identify potential bottlenecks and suggest solutions for agencies to strengthen

healthy relationships and prevent domestic violence and inequality, as well as to protect the interests and safety of vulnerable groups, like women and children.

3.5. Impact on culture, beliefs, entertainment and sport

The Covid-19 pandemic has greatly influenced the social lives of Vietnamese people regarding culture, beliefs, sport and entertainment.

First, under Prime Minister's Directive 15 dated 27 March 2020 "all religious activities, gatherings of 20 or more people at religious sites; all cultural, sports and recreational activities in public places will be stopped"¹⁴³. Subsequently, Directive 16,

[140] KA. 2020. "Ở nhà giãn cách xã hội thời COVID-19: Tăng đột biến bạo lực gia đình." (More family violence caused by stay-at-home during social distancing). The Tuổi trẻ newspaper (<https://tuoitre.vn/o-nha-gian-cach-xa-hoi-thoi-covid-19-tang-dot-bien-bao-luc-gia-dinh-20200411114552052.htm>). Retrieved 24 April 2020.

[141] Linh Anh. 2020. "Nhiều nạn nhân bị bạo hành gọi đến tổng đài." (There are lots of calls from the victims of family violence) The Pháp luật và Xã hội page (<https://phapluatxahoi.vn/nhieu-nan-nhan-bi-bao-hanh-goi-den-tong-dai-187750.html>). Retrieved 22 May 2020

[142] Huyền Chi. 2020. "COVID-19: Cách ly gây ảnh hưởng tới sức khỏe và tâm lý con người như thế nào?" (Covid-19: how quarantine and social distancing affect people's health and mentality) VietTimes (<https://viettimes.vn/covid19-cach-ly-gay-anh-huong-toi-suc-khoe-va-tam-ly-con-nguoi-nhu-the-nao-383902.html>). Retrieved 22 May 2020

[143] 2020a. Directive No. 15 / CT-TTg of the Prime Minister: On drastically implementing the peak phase of COVID-19 disease prevention and control. Ministry of Health (<https://moh.gov.vn/documents/176127/356256/27.3.2020+CT+15+CT-TTg.pdf/9c07d0c0-3bde-4003-a605-786b752f335c>). Retrieved 27 March 2020

issued on 31 March 2020, required people to stay at home except for cases of urgent need, so they could not participate in any outdoor recreational activities. Facilities providing these activities were forced to close. This can be seen as a serious influence on the recreational and physical habits of the Vietnamese people, who are generally keen participants of outdoor physical activities and sporting events.

Second, the ban on gatherings and the decision to close restaurants have affected the wedding plans of many families. Before the pandemic, weddings in Viet Nam were often held on a large scale with hundreds, even thousands of guests. This is usually an event of happy reunion for families, relatives, siblings and friends, and a cultural activity that contributes to strengthening social cohesion and family relations. The life of newly wed couples in Viet Nam is usually arranged and prepared so they cohabitate in one house after marriage. However, during Covid-19, weddings had to be postponed even though plans and arrangements had been made¹⁴⁴. This was especially the case for those couples where either spouse was a member of the pandemic prevention teams (doctors, soldiers, police officers, etc.) who had to postpone their weddings due to their public duties¹⁴⁵.

Third, the Covid-19 pandemic has also greatly influenced how funerals are organised. Around the world, funeral homes have become overloaded due to the rapidly increasing number of deaths due to Covid-19. This is not to mention the

shortage of cemeteries, facilities to preserve dead bodies, and even workers to bury the dead. It is even more painful to witness lonely deaths without relatives and loved ones present. This has created one of the worst tragedies in contemporary society¹⁴⁶.

In Viet Nam, there have been no reports of fatalities from Covid-19. However, due to social distancing measures, organising funerals has become more challenging. Most funerals must be simplified, with attendees limited to a small number of close relatives. Many people, due to the social distancing measures, cannot travel to attend the funerals of their relatives even though they may have been parents, close relatives, colleagues, and friends¹⁴⁷. This has caused emotional and spiritual suffering.

Fourth, in order to limit the spread of the virus, large gatherings at religious sites were suspended. Therefore, many people could not perform regular rituals as they did before the pandemic¹⁴⁸. The organising of commemorations, visits to graves and ancestor worship, which are part of Vietnamese people's cultural and belief system, have also been disrupted due to the pandemic. Spiritual and religious activities must be conducted in the home.

Covid-19 has had a very negative impact on the spiritual and emotional lives and beliefs of a significant part of the population.

[144] Kim Liễu. 2020. "Hoãn cưới vì dịch bệnh." (Wedding is postponed due to the pandemic) The Đồng Nai newspaper (<http://www.baodongnai.com.vn/bandoc/202003/hoan-cuoi-vi-dich-benh-2995291/index.htm>). Retrieved 28 May 2020

[145] Công Nguyễn. 2020. "Hủy tiệc cưới vì Covid-19, cô dâu chú rể buồn, nhà hàng cũng 'khóc'." (Wedding is postponed due to the Covid-19: groom and bride, and also restaurant are suffered) The Thanh niên newspaper (<https://thanhnien.vn/thoi-su/huy-tiec-cuoi-vi-covid-19-co-dau-chu-re-buon-nha-hang-cung-khoc-1203352.html>). Retrieved 24 April 2020.

[146] AP. 2020. "Nhà tang lễ ở New York cầu cứu khi số người tử vong vì nhiễm Covid-19 tăng lên quá nhanh, đau lòng từ chối gia đình các nạn nhân." (New York funeral homes overwhelmed by coronavirus). The Tổ quốc newspaper (<http://toquoc.vn/nha-tang-le-o-new-york-cau-cuu-khi-so-nguoi-tu-vong-vi-nhiem-covid-19-tang-len-qua-nhanh-dau-long-tu-choi-gia-dinh-cac-nan-nhan-220204401031950.htm>). Retrieved 24 May 2020

[147] Hoàng Lộc, and Tiến Long. 2020. "Đi viếng đám tang, 53 cán bộ nhân viên Bệnh viện huyện Bình Chánh bị cách ly." (53 public servants in the Binh Chanh district are isolated after participating in a funeral). The Tuổi trẻ newspaper (<https://tuoitre.vn/di-vieng-dam-tang-53-can-bo-nhan-vien-benh-vien-huyen-binh-chanh-bi-cach-ly-20200325162748583.htm>). Retrieved 6 May 2020.

Minh Hải. 2020. "14 người trốn trong thùng xe tải 'né' chốt phòng dịch Covid-19 đi dự đám tang." (14 persons hiding in a van to bypass the Covid-19 control point). The Thanh niên Newspaper (<https://thanhnien.vn/thoi-su/14-nguoi-tron-trong-thung-xe-tai-ne-chot-phong-dich-covid-19-di-du-dam-tang-1207071.html>). Retrieved 6 May 2020.

Oanh Trần. 2020a. "Giảm tiền tối đa tang lễ thời dịch Covid-19." (Minimising all procedures in funeral during the Covid-19 pandemic). The Kinh tế và Đô thị newspaper (<http://kinhthedoithi.vn/gian-tien-toi-da-tang-le-thoi-dich-covid-19-379579.html>). Retrieved 6 May 2020

[148] Trần Trọng Hiếu. 2020. "Hủy tổ chức Đại lễ Vesak LHQ 2020 vì dịch Covid-19." (The 2020 United Nations Day of Vesak event is cancelled due to the Covid-19). The Giác Ngộ Online (<https://giacngo.vn/vanhua/phatgiao/2020/03/09/12CODA/>). Retrieved 6 May 2020

3.6. Impact on access to information and the right to privacy

3.6.1. Access to information

The Covid-19 pandemic has affected people's right of access to information and privacy both in positive and negative ways. First, it can be said that the government has done a good job in propagandising about the pandemic situation. People's knowledge and awareness on how Covid-19 is spread has been increased and the whole population has been informed on how to take appropriate measures to protect themselves, their relatives and the community. Information on the pandemic's developments in Viet Nam and worldwide is constantly updated by the mass media and through contact points in small groups of the population. Information about patients (F0) is updated immediately on the official webpages of functional departments, and the people are informed on how to take measures to check, test, and isolate if they belong to at-risk groups (F1-F4). In addition to hotlines and constantly updated information in the press, citizens also receive messages sent to their mobile phones from central agencies, such as the prime minister's office and the Ministry of Health, about important developments, such as the implementation of Directive 16 or information to encourage people to wear masks or take measures to prevent infection. Some messages are also sent in English so that foreigners in Viet Nam also stay informed.

State management policies have been put in place in response to the pandemic, including school closures, contact restrictions, bans of gatherings, and social distancing, which are conveyed promptly to the authorities and the public, improving application and compliance. Prime

Minister's Directives 15 and 16 were released late in the day but were immediately and widely applied nationwide from 00:00h the next day with almost total compliance¹⁴⁹. Thus, it is true that a thorough knowledge about the risks has contributed to building and promoting solidarity of the entire population to control and push back the pandemic in Viet Nam with astonishing results.

3.6.2. Right to privacy

The transparency of information about infections and the disease situation, as well as the propaganda and dissemination of government policies through the press as well as text messages, has contributed to ensuring access to information for the Vietnamese people and strengthened public trust, spreading a spirit of solidarity to join in efforts to combat the pandemic.

However, information and public opinion on the internet have greatly affected the privacy of many individuals. First, epidemiological investigations identify individuals infected by Covid-19 and their contacts. The monitoring process may lead to public disclosure of information about their personal life and their work or business, and thus they may be adversely affected. In many countries around the world, the risk to privacy is a big problem in the prevention of Covid-19, especially when IT is used to monitor and track the spread of the disease¹⁵⁰.

In Viet Nam, a large number of people are put under control measures and monitored to prevent the spread of Covid-19¹⁵¹, and IT is applied to different extents to control information. However, it is very common for personal information about

[149] Đỗ Bình. 2020. "Cách ly toàn xã hội chống COVID-19: Chính phủ quyết liệt, toàn dân đồng lòng." (Social distancing as a Covid-19 counter measure: commitments and agreement by the Government and the whole nation) The Dân tộc và Miền núi newspaper (<https://dantocmiennui.vn/cach-ly-toan-xa-hoi-chong-covid19-chinh-phu-quyet-liet-toan-dan-dong-long/287116.html>). Retrieved 6 May 2020

[150] Đạo, Tạ Quang. 2020. "Mạnh tay xử lý hành vi đưa thông tin sai sự thật liên quan đến dịch Covid-19." (Strict punishments for dissemination fault information relating to the Covid-19 pandemic). The Communist Party of Viet Nam online newspaper (<http://dangcongsan.vn/ban-doc/luat-su-cua-ban/manh-tay-xu-ly-hanh-vi-dua-thong-tin-sai-su-that-lien-quan-den-dich-covid-19-550424.html>). Retrieved 25 April 2020;

Đức Trí. 2020. "Sau Covid-19 sẽ là cuộc chiến về quyền riêng tư." (Question of privacy during the Covid-19 pandemic). VNExpress (<https://vnexpress.net/sau-covid-19-se-la-cuoc-chien-ve-quyen-rieng-tu-4076770.html>). Retrieved 25 April 2020

[151] Ministry of Health. <https://ncov.moh.gov.vn/>. Retrieved 4 May 2020

Covid-19 patients to be looked up and distributed on social networks¹⁵², whether it is verified or not. A mixture of accurate and inaccurate information about Covid-19 patients and suspect cases may pose a risk to their privacy and damage the spiritual lives of the people involved. Vietnamese authorities have worked on, handled, and fined a number of people for spreading inaccurate and fake news/information related to Covid-19¹⁵³. This shows that the protection of privacy in the context of disease prevention is a matter of great concern.

3.7. Impact on crime prevention and security and order

One of the great concerns is the negative impact of Covid-19 on efforts to prevent crime and ensure social security and safety in Viet Nam.

A major concern is the spread of fake news online causing political instability, social disorder and insecurity. Statistics from the Department of Cyber Security and High-tech Crime Prevention show

that since the outbreak of Covid-19 there have been more than 900,000 pieces of news about the pandemic in cyberspace in Viet Nam. In particular, local police authorities throughout the country have identified 700 cases of false reporting and have dealt with more than 300 offenders¹⁵⁴. By mid-April 2020, in Hanoi alone, the police had sanctioned nearly 80 people for posting fake news related to Covid-19¹⁵⁵.

In reality, fake news about Covid-19 has become a worldwide problem¹⁵⁶. The consequences of fake news about Covid-19 vary. Some make it difficult for authorities to localise the source of infection and promote prevention measures. Others have caused panic or social disorder; for example, information about the number of deaths or about the blockade of entire cities for disinfection from the sky¹⁵⁷. Particularly, there have been pieces of information about miracle prescriptions or panaceas that can cure Covid-19, such as a combination of urine and macrobiotic food¹⁵⁸, advice which went viral on social networks and would have seriously affected people's health if

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- [152] Hoàng Trọng. 2020. "Tỉnh Bình Định bảo mật thông tin cá nhân người cách ly phòng bệnh Covid -19." (Bình Định province to ensure private information confidentiality of the persons isolated during Covid-19 pandemic). The Thanh niên newspaper (<https://thanhnien.vn/thoi-su/tinh-binh-dinh-bao-mat-thong-tin-ca-nhan-nguoi-cach-ly-phong-benh-covid-19-1195569.html>). Retrieved 6 May 2020; Mỹ Quỳnh. 2020. "Cần dừng việc công khai danh tính, hình ảnh bệnh nhân và người liên quan Covid-19." (It is necessary to stop publicising names and images of the Covid-19 patients and their related persons) Thanh niên (<https://thanhnien.vn/gioi-tre/can-dung-viec-cong-khai-danh-tinh-hinh-anh-benh-nhan-va-nguoi-lien-quan-covid-19-1193766.html>). Retrieved 6 May 2020
- [153] Danh Trong. 2020. "Công an sẽ khởi tố hình sự người tung tin giả COVID-19." (The act of dissemination fake news about covid-19 will be prosecuted). The Tuổi trẻ newspaper (<https://tuoitre.vn/cong-an-se-khoi-to-hinh-su-nguoi-tung-tin-gia-covid-19-20200407112527912.htm>). Retrieved 6 May 2020; Ngọc Lê. 2020. "Tung tin giả về Covid-19: Phải xử lý hình sự, đừng chỉ phạt hành chính." (The act of dissemination fake news about covid-19 should be treated as criminal offence, instead of as an administrative violation) The Thanh niên newspaper (<https://thanhnien.vn/thoi-su/tung-tin-gia-ve-covid-19-phai-xu-ly-hinh-su-chu-dung-chi-phat-hanh-chinh-1203514.html>). Retrieved 6 May 2020
- [154] VOV.VN. 2020. "Công an làm việc với gần 700 trường hợp tung tin sai về Covid-19." (Nearly 700 cases of fault information dissemination about Covid-19 are addressed by the police). The online newspaper Kiểm sát Online (<https://kiemsat.vn/cong-an-lam-viec-voi-gan-700-truong-hop-tung-tin-sai-ve-covid-19-56977.html>). Retrieved 23 May 2020
- [155] Bình An. 2020. "Công an Hà Nội xử phạt gần 80 trường hợp tung tin sai sự thật về dịch Covid-19." (The Hanoi Police addressed nearly 80 cases of fault information dissemination about Covid-19) The Thanh tra newspaper (<https://thanhtra.com.vn/xa-hoi/doi-song/cong-an-ha-noi-xu-phat-gan-80-truong-hop-tung-tin-sai-su-that-ve-dich-covid-19-163628.html>). Retrieved 6 May 2020
- [156] Đạo, Tạ Quang. 2020. "Mạnh tay xử lý hành vi đưa thông tin sai sự thật liên quan đến dịch Covid-19." (Strict punishments for dissemination fault information relating to the Covid-19 pandemic). The Communist Party of Viet Nam online newspaper (<http://dangcongsan.vn/ban-doc/luat-su-cua-ban/manh-tay-xu-ly-hanh-vi-dua-thong-tin-sai-su-that-lien-quan-den-dich-covid-19-550424.html>). Retrieved 25 April 2020; Phạm Tấn Lộc. 2020. "Mạng xã hội và vấn nạn tin giả thời Covid-19: Cuộc chiến chưa hồi kết." (The social networks and problems of fake news during the Covid-19). The World and Viet Nam newspaper (<https://baoquocte.vn/mang-xa-hoi-va-van-nan-tin-gia-thoi-covid-19-cuoc-chien-cha-hoi-ket-114122.html>). Retrieved 25 April 2020; Thu Lan. 2020. "Liên hợp quốc cảnh báo nạn thông tin sai lệch về COVID-19." (The UN gives warning signal on the problem of fake Covid-19 news) The online newspaper of the Communist Party (<http://dangcongsan.vn/the-gioi/tin-tuc/lien-hop-quoc-can-bao-nan-thong-tin-sai-lech-ve-covid-19-552826.html>). Retrieved 25 April 2020
- [157] Quốc Lập. 2020. "Bác tin "Phun thuốc ngừa dịch nCoV trên bầu trời toàn quốc"." (Rumour about anti-nCov chemical spray is disacknowledged). The Sài Gòn Giải phóng Online (<https://www.sggp.org.vn/bac-tin-phun-thuoc-ngua-dich-ncov-tren-bau-troi-toan-quoc-642970.html>). Retrieved 23 May 2020
- [158] Ngọc Dung. 2020. "Cẩn trọng với bài thuốc chữa Covid-19 trên mạng" (Be careful with methods of the Covid-19 treatment disseminated via internet) The Labour newspaper (<https://nld.com.vn/suc-khoe/can-trong-voi-bai-thuoc-choa-covid-19-tren-mang-20200309211540322.html>). Retrieved 20 May 2020

followed¹⁵⁹. Many others took advantage of the pandemic situation to spread fake or unverified news and personal assumptions to get 'views' or 'likes' for profit. This act of spreading fake news has incited people to close businesses or hoard food¹⁶⁰. Information of this kind has seriously affected efforts to ensure social security and order.

Another noted phenomenon is the appearance of anonymous emails from agencies and organisations calling for donations/contributions to control the pandemic, or to buy fake products. This is taking advantage of the pandemic context to commit online fraud. This has caused damage to victims and negatively affected crime prevention and security efforts¹⁶¹. Statistics on online pandemic-related fraud have not been published. However, this is probably one of the most concerning social consequences of Covid-19.

Increasing cyber-attacks for various purposes during the Covid-19 period pose a problem for cyber security. As Covid-19 spreads, agencies, companies and businesses have started to adopt social distancing and have required their employees to use information technology to work from home. This has made it challenging to protect data and information security when

data is distributed via many home computers with different remote installation systems. Working from home through personal internet connections and inconsistent levels of IT knowledge will lead to a higher risk of cyber-attack¹⁶².

At the same time, loopholes in non-security software used for online working and studying have been exploited while agencies are not yet prepared to give instructions to users on how to control and prevent harm. For example, over 500,000 Zoom accounts have been exposed¹⁶³. On one hand, the positive side of working online is that a large number of workers have improved their IT skills. However, on the other hand, this has led to many negative broader social consequences for millions of pupils, students, officials and employees at companies and businesses¹⁶⁴. The processes of normal business, control, and approval for many agencies have been shortened, simplified, and minimised, which in the long run can be abused if no efforts to standardise the new processes are made.

The negative impact of Covid-19 on security and crime is extremely varied. There are many cases where people do not strictly comply with anti-pandemic measures or even oppose law enforcement officials. This is quite common in

[159] Mai Hoa. 2020. "Tỏi và hàng loạt thực phẩm tin đồn chống virus corona." (Garlic and dozen of other types of food are rumoured as useful for fighting against corona virus) The Zingnews (<https://zingnews.vn/toi-va-hang-loat-thuc-pham-tin-don-chong-virus-corona-post1051104.html>). Retrieved 23 May 2020

[160] E-portal of the Binh Phuoc province. 2020. "Người dân cần cảnh giác trước những thông tin sai sự thật về dịch bệnh Covid-19." (Cautious with faulty news about the Covid-19 pandemic) <https://binhphuoc.gov.vn/phong-chong-dich-benh/nguoi-dan-can-can-giac-truoc-nhung-thong-tin-sai-su-that-ve-dich-benh-covid-19-22667.html> , Retrieved 24 April 2020

[161] Đạo, Tạ Quang. 2020. "Mạnh tay xử lý hành vi đưa thông tin sai sự thật liên quan đến dịch Covid-19." (Strict punishments for dissemination fault information relating to the Covid-19 pandemic). The Communist Party of Viet Nam online newspaper (<http://dangcongsan.vn/ban-doc/luat-su-cua-ban/manh-tay-xu-ly-hanh-vi-dua-thong-tin-sai-su-that-lien-quan-den-dich-covid-19-550424.html>). Retrieved 25 April 2020; T.Anh. 2020. "Tăng cường công tác an ninh mạng thời điểm dịch Covid-19." (Enhancing cyber security during the Covid-19 pandemic) – The Viet Nam Sport page (<https://tdtt.gov.vn/chuyen-nganh/khoa-hoc-cong-nghe/tang-cuong-cong-tac-an-ninh-mang-thoi-diem-dich-covid-19>). Retrieved 25 April 2020

[162] Bùi Huyền. 2020. "Diễn biến dịch Covid-19 và mối tương quan với tấn công mạng." (Covid-19 and its relations to cyber attacks). The Thông tin và Truyền thông online newspaper (<http://ictvietnam.vn/dien-bien-dich-covid-19-va-moi-tuong-quan-voi-tan-cong-mang-20200421111548022.htm>). Retrieved 24 April 2020; QT. 2020. "Lấy nỗi lo sợ dịch Covid-19 làm mồi nhử, tấn công mạng tăng mạnh khi nhân viên làm việc tại nhà." (Increase in cyber attack during working from home, making use of threats about the Covid-19 as a trap) The World and Viet Nam newspaper (<https://baoquocte.vn/lay-noi-lo-so-dich-covid-19-lam-moi-nhu-tan-cong-mang-tang-manh-khi-nhan-vien-lam-viec-tai-nha-113986.html>). Retrieved 25 April 2020

[163] T.Hà. 2020a. "Bộ cảnh báo: Lọt hơn 500.000 tài khoản Zoom, lọt thông tin người sử dụng." Tuổi trẻ (<https://congnghe.tuoiitre.vn/bo-can-gi-bao-lo-hon-500-000-tai-khoan-zoom-lot-thong-tin-nguoi-su-dung-20200414224111876.htm>). Retrieved 23 May 2020.

[164] An Binh. 2020. "Lo ngại an ninh mạng, đã có chính quyền đầu tiên cấm dùng Zoom." (Zoom application is forbidden for the first time due to cyber security concerns) The Tổ quốc newspaper (<http://toquoc.vn/lo-ngai-an-ninh-mang-da-co-chinh-quyen-dau-tien-cam-dung-zoom-20200407155039234.htm>). Retrieved 24 April 2020A

certain locations and several people have been prosecuted and imprisoned^{165 166}.

As seen from the angle of corruption or financial crimes, Covid-19 has limited accessibility to information for financial institutions and monitoring/evaluation organisations. The loosening of reporting and the extension of report submission deadlines by agencies, organisations and companies may affect the ability of competent agencies, social activists, associations and the mass media to detect violations¹⁶⁷. This is also a notable social consequence of the Covid-19 pandemic.

[165] Lâm Viên. 2020. "Đà Lạt: Thêm vụ chống đối người thi hành công vụ phòng chống dịch Covid-19." (Da Lat: a case of Resisting and obstructing officer on duty) The Thanh niên newspaper (<https://thanhnien.vn/thoi-su/da-lat-them-vu-chong-doi-nguoi-thi-hanh-cong-vu-phong-chong-dich-covid-19-1213898.html>). Retrieved 24 April 2020; Lê Trung. 2020. "'Quậy' chốt kiểm soát COVID-19 còn đánh công an, lãnh 9 tháng tù." (9 month prison sentence is charged on the act of beating policemen at the Covid-19 control point) The Tuổi trẻ newspaper (<https://tuoitre.vn/quay-chot-kiem-soat-covid-19-con-danh-cong-an-lanh-9-thang-tu-20200417091749439.htm>). Retrieved 24 April 2020

[166] Phạm Văn Chung. 2020. "Tuân thủ nghiêm các quy định phòng chống dịch." (Strict compliance with rules on the pandemic prevention) The online newspaper Sài Gòn giải phóng (<https://www.sggp.org.vn/tuan-thu-nghiem-cac-quy-dinh-phong-chong-dich-655656.html>). Retrieved 24 April 2020; Sỹ Đông. 2020. "TP.HCM mạnh tay xử lý 4 hành vi vi phạm phòng chống dịch Covid-19." (Hochiminh city applies serious punishment on acts of violating rules on Covid-19 prevention) The Thanh niên newspaper (<https://thanhnien.vn/thoi-su/tpHCM-manh-tay-xu-ly-4-hanh-vi-vi-pham-phong-chong-dich-covid-19-1212472.html>). Retrieved 24 April 2020

[167] Hoài Phương. 2020. "Xu hướng của tội phạm tài chính trong khủng hoảng Covid-19." (Trends of financial criminal during the Covid-19). The Thanh tra newspaper (<https://thanhtra.com.vn/phong-chong-tham-nhung/ho-so-tu-lieu/xu-huong-cua-toi-pham-tai-chinh-trong-khung-hoang-covid-19-164341.html>). Retrieved 23 May 2020

4. Policy recommendations and recommendations for future studies

On the basis of the above initial general assessment of the social impact of the Covid-19 pandemic in Viet Nam, this section summarises the key take-away messages, which will serve as the starting point for our specific recommendations.

First, per the above analysis, due to the Covid-19 pandemic, a large number of workers have become unemployed, worked reduced hours with reduced incomes, and have even lost their incomes altogether. This impact is particularly significant among the poor and freelance workers and migrant workers in urban areas, as well as among domestic workers and ethnic minority workers whose livelihoods depend on seasonal work, cross-border jobs or cross-border

trade. This situation has led to **social separation, social stratification, and social inequality in terms of labour and employment among various groups of the population and across geographical regions**.

In terms of research, it is specifically recommended that more studies should be conducted on these issues in order to generate evidence and data to describe the impact of Covid-19 on the most notable social dimensions – labour, employment and incomes – and their effects on social stratification, separation and inequality. In terms of policies, as the state is implementing a VND 62 trillion relief package for the most affected people, it is specifically recommended that special focus should be paid

to vulnerable groups. This includes poor communities, freelance workers, migrant workers (from rural to urban areas), domestic workers, and ethnic minority workers who have to rely on cross-border work. Anti-corruption measures and policies should be adopted to ensure the effectiveness of the relief programme to provide real benefit to the people.

Second, the above analysis shows that Covid-19 has disrupted learning for many students. It has changed their study and examination plans, and led to streamlined curricula that have caused difficulties for training facilities, particularly financial challenges to non-public training institutions. This, in turn, has negatively affected students' learning and affected the physical and mental health of a proportion of students and their parents. Moreover, students need to study online, which, apart from several advantages, has resulted in ***unfair learning opportunities for ethnic minority students, and for those who live in remote regions or come from poor households, and thus do not have the conditions to study online***. Therefore, in terms of research, it is specifically recommended that studies should be conducted into social inequality in terms of learning opportunities, psychological problems and social changes caused by a shift from traditional learning methods due to Covid-19. In terms of policies, it is specifically recommended that policies should be adopted to promote online learning as part of the digital transformation and to cope with social change due to pandemics. It is necessary to pay special attention to ensuring training quality in parallel with reducing social inequality in terms of learning opportunities among various groups of students.

Third, Covid-19 has changed people's daily activity, imposing great pressure on the health system and causing negative impacts on the physical and mental health of healthcare

officers. The pandemic has exposed the preventive health system and the whole healthcare system to risks. Another important point is that under the impact of Covid-19, ordinary medical examination and treatment activities are frequently affected. Thus, the rate of fatalities due to other diseases during the Covid-19 period may be higher. The time for treatment for many patients is longer and patients do not receive timely medical examination or treatment. This is especially significant for patients with chronic diseases who need regular treatment, such as patients with cardiovascular disease and diabetes, the elderly, and people living with HIV. In terms of research, this is only an initial assessment; therefore, it is specifically recommended that more in-depth studies should be conducted to properly understand the impact of Covid-19 on regular medical examination and treatment activities. In terms of policies, a specific recommendation is to develop policies on physical and particularly mental health for healthcare workers at the forefront in the fight against the pandemic, and on the development of social workers and to professionalise social work to assist hospitals in their activities to fight and prevent the pandemic.

Fourth, the Covid-19 epidemic has disrupted daily life in many ways, especially people's travel, family lives, social relations/contacts, and emotional lives. Notable consequences include family conflict; the risk of increased domestic violence and threats to the safety of women and children; disruptions in social interaction/contacts due to social distancing; anxiety in a large proportion of the population; and students' mental health due to social isolation. Therefore, in terms of research, a specific recommendation is to conduct in-depth studies on the psychological impact of Covid-19 on different social groups, particularly vulnerable groups, such as women and children. In terms of policies, it is specifically

recommended to put in place intervention programmes to provide psychological support to affected people.

Fifth, Covid-19 has also upset many cultural and entertainment activities, sports events, and religious and spiritual activities due to social distancing measures. Important life events, such as weddings, funerals, and death anniversaries have either been delayed or simplified. This has negatively affected the spiritual and emotional lives of large numbers of people. Therefore, in terms of research, a specific recommendation is to conduct in-depth studies on the impact of Covid-19 on cultural, spiritual, sport and entertainment activities. In terms of policies, there should be specific communications policies to raise people's awareness and develop positive attitudes during the pandemic.

Sixth, in the Covid-19 context, access to information and privacy has also been seriously affected. Regarding access to information, the spread of toxic and fake news on the internet, which has misled a large number of people, has made it difficult for authorities to carry out their prevention work and has at times caused panic among part of the population. Regarding the right to privacy, information technology is used to monitor and trace the spread of the pandemic; therefore, information and opinions shared on social networks, including inaccurate rumours and distorted information about infected cases or suspects, have violated many people's privacy, harming their private lives. Therefore, in terms of research, it is specifically recommended that studies should be conducted on access to information and the right to privacy in the context of the pandemic. In terms of policies, it is necessary to implement, in a better and more proactive manner, existing policies on protection of the right to privacy and on combatting fake news on the internet by better and more effective coordination between state management

agencies and key social network platforms.

Seventh, the above analysis has shown that Covid-19 has adversely affected efforts to prevent and fight crime and ensure security. Specifically, much online information is fake and thus causes instability in terms of the political situation, social order and safety. Anonymous information to swindle people online has undermined efforts to prevent and fight crime and ensure security and order. Due to social distancing and remote working, there have been an increased number of cyber-attacks due to loopholes in the application of programmes and data security. In addition, public officers on duty have been challenged and there have been several cases where individuals have failed to comply with regulations on pandemic prevention, which poses a big concern. Therefore, in terms of research, it is necessary to conduct studies on how to ensure cyber security, social stability, social order and safety in the context of the pandemic. More generally, it is necessary to promote research and develop training courses on ecological security in contemporary society. In terms of policies, it is necessary to implement the Law on Cyber Security effectively and to study the development and promulgation of the Law on Ecological Security to cope with crises caused by pandemics or other natural/human-made emergencies.

ANNEX

List of rapid reports on the impact of Covid-19 in Viet Nam

No.	Implementing organisations/agencies	Topics	Publication
1	United Nations Development Program (UNDP)	Rapid assessment of the socio-economic impact of Covid-19 on persons with disabilities in Viet Nam ¹⁶⁸	5/2020
2	International Labour Organisation (ILO)	The Covid-19 pandemic and the labour market in Viet Nam ¹⁶⁹	4/2020
3	The United Nations Children's Fund (UNICEF)	Key messages and actions to respond to, prevent and control Covid-19 at schools ¹⁷⁰	3/2020
4	Viet Nam Chamber of Commerce and Industry (VCCI)	The impact of the Covid-19 pandemic on labour and employment in enterprises in Viet Nam	4/2020
5	Viet Nam General Confederation of Labour (VGCL)	Study and assessment of the Covid-19 pandemic on workers' lives and trade union organisations	Under development
6	National University of Economics	Assessment report on Covid-19's economic impact and policy recommendations ¹⁷¹	3/2020
7	CIEM	Covid-19 outbreak and policy responses by the Government of Viet Nam	4/2020
8	CARE International	Covid-19's impact on women in the textile industry	Under development
9	Ha Noi Women's Union	Survey of Covid-19 impacts on people's livelihoods	Under development
10	GIZ	Covid-19 impact assessment report on informal workers	Under development

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Report

02

**IMPACT ASSESSMENT
OF COVID-19 ON
INFORMAL WORKERS
IN VIET NAM**

Consultant:
Institute of Labor Science and Social Affairs

August, 2020

ACKNOWLEDGEMENTS

Since late 2019, Viet Nam and the rest of the world have had to cope with unexpected and unpredictable difficulties and challenges due to Covid-19. The pandemic has not only caused a health crisis but has also resulted in negative socio-economic impacts. Its impacts on income generation activities have been severe, especially for unprotected labourers and vulnerable groups in the informal economic sector.

The Institute of Labour Science and Social Affairs (under the Ministry of Labour, Invalids, and Social Affairs) conducted this research **“Impact Assessment of Covid-19 on Informal Workers”** with the following objectives: to identify how informal labour groups are impacted, and through which direct and indirect channels; to identify the level of impacts on their lives and on their families; identify measures that households

can take to adapt to socio-economic changes; identify the most vulnerable groups; and identify the role of the current social welfare system and newly-issued supportive measures. On that basis, the research provides policy recommendations to support vulnerable groups now and in the post-pandemic period, with a focus on identifying points to be improved in the social policy system so that people in general and disadvantaged groups in particular are able to adapt to future shocks.

The research is conducted by the research group at the Institute of Labour Science and Social Affairs under the direction of Dr. Bui Ton Hien and members, including Luu Quang Tuan, Nguyen Thi Vinh Ha, Nguyen Bich Ngoc, Pham Thi Bao Ha, Quach Thi Que, Hoang Quynh Le, and Tran Viet Dung. The research group received technical support from the “Social Dimension of Sustainable Green Growth in Viet Nam” project implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

We would like to express our gratitude to the ideas and contributions of specialists throughout the research process. Contributors include: Dr. Doan Mau Diep, Former Vice Minister of Labour, Invalids, and Social Affairs; Dr. Nguyen Thang, President of the Centre for Analysis and Forecasting; and Dr. Michael Krakowski, Director of the GIZ Macroeconomic Reform /Green Growth programme. We would also like to extend our gratitude for the active support of Ms. Tran Thi Huong Giang and staff of the GIZ project “Social Dimension of Sustainable Green Growth in Viet Nam”. This research would not have been possible without the active support of the Departments of Labour, Invalids, and Social Affairs of Hanoi, Hoa Binh and Quang Ninh provinces, and the People’s Committees at the communes where the field research was conducted.

This research report reflects the views of the research group based on evidence gathered from field surveys and does not necessarily reflect the views of the Institute of Labour Science and Social Affairs or GIZ. We hope that the findings are a useful source of information for policymakers and contribute to improving social policies in Viet Nam.

All comments and requests for further information are welcome at: tuanlq@ilssa.org.vn or haptb@ilssa.org.vn, and at the Institute of Labour Science and Social Affairs, No. 2, Dinh Le St., Hanoi. Tel: 024.382422074; Fax: 024.38269733.

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ABBREVIATIONS

EMG Ethnic Minority Group

ILO International Labour Organisation

LISA Labour, Invalids, and Social Affairs

EP Elderly People

PWD People With Disabilities

RIM Rapid Impact Monitoring

WB World Bank

INTERPRETATION OF TERMS

The Informal Sector is defined as the area of operations of all production and business establishments that have no legal status, produce at least some of their goods and services for sale or barter, and are not registered (have no business license). In Viet Nam, production and business establishments in the informal sector are mostly non-agricultural individual business households and cooperative groups.

Informal Employment is defined as employment for at least one month with no social insurance, especially compulsory social insurance, and no labour contract. In Viet Nam, most employment in the informal sector is considered informal employment.

Informal Workers are defined as workers in informal employment.

The General Statistics Office's (GSO) figures identify informal workers as those who work in non-agricultural, forestry and fisheries, and those who work in agriculture, forestry, and fisheries for enterprises with business licenses and belong to one of the four following groups: (i) unpaid family workers; (ii) owners of the establishment, self-employed workers in IS; (iii) wage and salaried workers without labour contracts, or with term labour contracts but without compulsory social insurance paid by employers; (iv) cooperative members who do not pay compulsory social insurance. According to this definition, informal workers exclude those working in agricultural, forestry, and fisheries production households that don't have business licenses (following ILO's recommendations for underdeveloped countries where agricultural production is dominant).

However, we believe that workers in agricultural, forestry, and fisheries production households also participate in the labour market and the commodity supply market, and suffer direct and indirect impacts of Covid-19. They are extremely vulnerable to economic shocks and other social impacts. Therefore, for this research, informal workers include those who work in unregistered agricultural, forestry, and fisheries production households.

Timeline: Based on official documents and the actual situation, the timeline for this research is identified as follows:

Before the epidemic: Before 23 January 2020 (Viet Nam declared the Covid-19 epidemic on 23 January 2020 in Decision No.173/QD-TTg dated 1 February 2020 and Decision No. 447/QD-TTg dated 1 April 2020).

During the epidemic: From 23 January 2020-23 April 2020 (at a government meeting on 22 April 2020, the Prime Minister decided to halt social distancing from 23 April 2020).

Particularly, social distancing was applied from 1 April 2020 (Directive No.16/CT-TTg dated on 31 March 2020) to 22 April 2020.

The period following social distancing: from 23 April 2020 to 30 June 2020, when the field survey was completed.

KEY FINDINGS

The Covid-19 epidemic had severe impacts on economic sectors. Most production and business activities in all economic sectors were affected with the loss of both supply and demand in import-export activities. The market was stagnant due to a decrease in consumption and use of domestic products and services. In comparison with formal workers, informal workers had more difficulties due to their poor capacity to respond to the situation; for example, unstable employment and incomes. When the pandemic struck, they were not eligible to receive social support or access social insurance.

Agriculture: The production groups which produce short-term crops or crops that were due to be harvested during the epidemic suffered the most. Although agricultural workers didn't suffer badly in terms of employment, their incomes

were at risk because they could not sell their products, or they had to sell them at much lower prices. This was especially severe for those that had made significant financial and labour investments; for example, in aquaculture and fisheries.

Processing Industry: The inability to sell goods due to decreased domestic demand and reduced imports/exports meant that many workers in the processing industry were laid off temporarily, or even lost their jobs permanently. However, businesses producing protective equipment and medical supplies saw opportunities thanks to the increased demand. Many enterprises quickly adapted to changes in production to serve domestic demand and exports, leading to the expansion of small-scale factories and the recruitment of more seasonal workers.

Construction: Informal workers in the construction sector suffered badly in terms of employment and incomes during and after social distancing. Their employment greatly depended on the number of small and medium-scale civil construction projects and their wages were calculated based on actual workdays. In the construction supply chain, private establishments/households that trade in construction materials were also severely affected.

Retail sales: Reduced tourism, tightened domestic spending, and fear of a prolonged epidemic severely affected retail enterprises, especially those trading non-essential goods such as clothes, footwear, and home appliances, etc. However, e-commerce tended to develop thanks to the dramatic change in consumer shopping habits. This was the beginning of a contactless economy, addressing employment and incomes for part of the workforce. E-commerce activities which were more developed challenged traditional markets and strongly affected employment and incomes for informal workers in the conventional retail sector.

Travel, restaurant, and accommodation services: This was the sector that suffered the most because the number of international tourists and domestic tourists decreased drastically. This resulted in workers in this sector being forced to take unpaid leaves during and after social distancing.

Transportation services: Following social distancing, the transportation of goods, passengers, and tourists gradually recovered but at a much lower level than before the epidemic. Thanks to the development of e-commerce, delivery services developed and became a source of employment for a large part of the workforce in need of employment.

Other sectors (scrap collection, hairdressing, beauty care, domestic workers): These sectors employ a lot of informal workers, especially

female workers. These workers suffered job stoppages and job losses as well as reduced incomes during the social distancing period. After social distancing, production and business activities recovered. However, the speed of recovery in urban areas was faster than in rural areas.

Employment and incomes of informal workers were seriously affected during the epidemic and recovered slowly after social distancing.

Most workers and employers had to suffer the shocks of job cuts and loss of income. Informal female workers lost their jobs and had their work hours reduced more than informal male workers because they were mainly employed in the hardest hit sectors, such as garments and apparel, footwear, handicrafts, retail, and as domestic workers, etc. When they stopped working, most (self-employed workers, domestic workers, and daily wage workers) had no other sources of income. Wage and salaried workers also did not receive support in any form from their employers. Because they had not joined social insurance, they did not receive support from the social welfare system.

The prolonged Covid-19 epidemic created a heavy burden on spending and borrowing.

Incomes decreased while spending on necessary items such as rent, food, education, and healthcare, etc., remained the same. Households with savings could count on their savings or other financial support. For those struggling to make ends meet every day, it was a huge burden.

Among production and business household groups in the informal sector, short-term borrowing to “afford their business” was very common. In the context that employment and incomes were in decline, term borrowing was a growing burden. Those eligible to access formal credit channels through banks or community-based micro-credit funds could be considered for debt rescheduling, refinancing, or delays in loan repayments. However, the number

of such cases was very low in comparison with the number of people who had to borrow “illegally” or borrow from individuals.

Most informal workers were less active in responding to employment difficulties in the face of a large-scale shock. Workers responded to the shock in various ways, depending on their available resources and ability to respond. Limited financial capacity and expertise was the main cause of informal workers’ poor capacity to respond. The general reaction of informal workers was not to look for a new job but to wait for the difficulties to end. It is easy for workers in rural areas to change jobs or find temporary work (in agricultural production, joining household economic activity, expanding farming and husbandry activities, etc.). However, after social distancing when production and business activities recovered, informal workers in urban areas found it easier to be re-employed by their previous employer or find new jobs than those in rural areas because unskilled non-agricultural jobs were in demand in urban areas (market porters, motorbike taxi drivers, street vendors, domestic workers, etc.).

Household expenditure depended on their reserves and financial capacity. Informal workers had more limited financial resources than formal workers. Therefore, managing expenditures for daily life was very important. 97% of the surveyed households cut down on their spending; those who had spent at the minimum level could not reduce their spending further; more than 60% had to use savings while the rest had no savings to rely on; 45% of the surveyed low-income households had to buy everyday necessities on credit; 30% in rural and peri-urban areas had land on which to carry out additional economic activities; 30% of young families, especially in urban areas, had to receive support from their families; 20% of the households, who had to spend a large amount of money, had to borrow; and nearly 10% of the households received community assistance or charity support. In

contrast, nearly 5% of households (with better conditions) gave specific support to those having difficulties (lending money, providing food, etc.).

The Covid-19 epidemic had strong social impacts. Public activities on small or large scales were reduced to a minimum level. However, community cohesion was strengthened through charity, humanitarian, and mutual support activities such as job sharing, providing food and necessary items, and borrowing/lending money among family members and neighbours. People were active in adjusting their behaviour, changing from direct to indirect modes of communication, focusing on their families and relatives, and mainly staying at home to work and study. Despite this, the epidemic and its severe impacts on employment and incomes created psychological pressure, causing stress, anxiety, and triggering conflicts within families. It even resulted in violence and abuse against children and women.

The Covid-19 epidemic had direct and indirect impacts on people’s ability to access healthcare services. Families were more concerned about health protection, especially personal hygiene (regularly washing hands and wearing face masks when going outside) and giving priority to taking care of those with underlying illnesses, elderly people, and children. On the other hand, most people were afraid of coronavirus infection at health centres and clinics and therefore only visited for medical examination and treatment when experiencing acute and dangerous symptoms.

The Covid-19 epidemic helped create a remarkable transformation in education. Social distancing impacted the education of more than 21 million Vietnamese students because schools were closed for a long period. Kindergarten children had to stay at home and schools from at least primary level had to organise e-learning activities on digital platforms to assure learning. Children had opportunities to use

computer-based applications and the internet. However, e-learning has certain limitations: i) it's hard to ensure learning quality because some children could not adapt to the new learning methods, especially those at lower levels; ii) education costs increased to equip teachers and students with suitable equipment and devices; for example, at a minimum students had to have access to a smartphone with an internet connection; iii) gaps in access to education between groups with and without digital accessibility and applications increased; and iv) the risks of harassment and abuse on the internet became more severe.

The Covid-19 epidemic increased housework loads drastically, most of which fell on women's shoulders. This work included cooking, cleaning, and instructing and supervising children studying at home using the new methods; and taking care of young children, sick people, the elderly, and people with disabilities, etc. Men played an inactive role whether they were at home or not. Men were allowed to feel "upset, stressed, and bored" while women had to "encourage, cheer up, and comfort" them to keep the family atmosphere warm and harmonious.

Disadvantaged workers, including workers from poor and near poor households, households under social protection, workers with disabilities, migrant workers, and low-income workers in urban areas suffered the same impacts regarding employment and incomes by industry and sector as non-disadvantaged workers in other industries and sectors. As they were the most vulnerable individuals, the negative impacts were more severe. They found it more difficult to respond and fell into poverty and hunger. Poor households, households under social protection, and households with difficulties were given priority for humanitarian assistance and charity programmes. Workers with disabilities had to consider both assuring an income and taking care of their health. Elderly workers had a harder time finding and keeping jobs. Most migrant workers

had to return to their hometowns to save money; those who could not return home for various reasons faced the most difficulty. Despite having worked for an enterprise for long periods, informal workers in the formal sector received no support from employers or the social insurance system because they didn't have labour contracts, didn't pay social insurance, and didn't join a trade union. Low-income workers in urban areas who had to pay for expensive goods and services but are not considered poor households according to national standards, did not receive support from the state system. Thus, they became exhausted and had to continue working despite the social distancing policy.

The current social welfare system has not yet brought positive impacts for informal workers who experienced employment-related shocks. Informal workers had almost no access to social insurance, unemployment insurance, or even formal employment placement channels. Thus, workers and households could not rely much on support from formal systems but were forced to manage by themselves, to "self-help"; for example, counting on personal relationships and other informal sources. ***Community assistance programmes*** (financial and physical assistance resources from the community: Rice ATMs, the "Happy Store" model, "Zero Dong Store", etc.) were deployed in a timely fashion and brought positive impacts, creating a consensus among people and helping to stabilise social order and security. ***Resolution No 42/NQ-CP*** on measures to support people in difficulty during Covid-19 was issued on 9 April 2020. The unprecedented subsidy package, despite its limitations in organisation and implementation, brought about positive socio-economic impacts. It proved effective in supporting poor and near poor households, people with meritorious service, and social security beneficiaries.

I. BACKGROUND

1. Overview

Since late 2019, Viet Nam and the rest of the world have had to cope with unexpected and unpredictable difficulties and challenges due to Covid-19. The pandemic has not only caused a health crisis but has also resulted in negative socio-economic impacts. Lockdown and social distancing measures have been applied in various ways to respond to the pandemic. The world is suffering a large-scale socio-economic crisis. Covid-19 has severely influenced all income-generating activities, especially impacting unprotected workers and the most vulnerable groups in the informal sector.

In economic crises, especially in developing countries such as Viet Nam, the informal sector is considered a cushion to eliminate the impacts of sudden change. During the Covid-19 epidemic, Viet Nam and other countries have applied social distancing; workers in the informal sector and their families have been affected. First, the direct social impacts of Covid-19 on every member of a family are clear, particularly the shortage or reduction in access to social services due to epidemic risks and social distancing. These are general impacts on people; however, informal workers and their families have to face additional risks and difficulties because of the nature of their work and their lack of capacity to respond to

shocks. Second, the impacts of the epidemic and social distancing on employment and incomes of workers and their families are also evident. Most informal workers do not participate in social insurance. If they have to stop work, they don't receive social security based on social insurance contributions.

The Covid-19 epidemic is still complicated. Previously predicted scenarios may quickly become obsolete. Viet Nam has initially controlled the epidemic. However, the consequences are prolonged and extremely serious. Therefore, there should be post-Covid-19 interventions to help people recover in the long term.

Thus, it is necessary to conduct in-depth research to assess the impacts of the epidemic on informal workers and to evaluate the support they have been receiving as well as their ability to respond to the epidemic and recover once it has passed. On that basis, there will be recommendations to complete the policy system in the medium and long term to support people more actively and effectively to overcome the consequences of Covid-19 and most importantly, strengthen their ability to respond to similar shocks.

2. Overview of the socio-economic situation

2.1. The macro-economic situation

In 2019, the socio-economic situation continued to see positive changes. The GDP growth rate was impressive, at 7.02% (6.82% in the first quarter, 6.73% in the second; 7.48% in the third; and 6.97% in the fourth), surpassing the target of 6.6%-6.8% set by the National Assembly. According to the General Department of Statistics, the GDP growth rate was lower than in 2018 (7.08%) but higher than for the years 2011-2017. For specific economic sectors, the growth rate of the agro-forestry-fisheries sector was 2.01%, contributing 4.6% to the overall growth rate; the industrial and construction sector was 8.9%, contributing 50.4%; and the growth rate of the

services sector was 7.3%, contributing 45% (GSO, 2019a).

However, in 2020, the outbreaks of Covid-19 on a global scale have severely affected the socio-economic conditions in all countries, including Viet Nam. Despite a stable macro-economic situation and inherited advantages thanks to positive economic growth in 2019, the national economy has still had to cope with numerous difficulties and challenges. Most industries and sectors have slowed, and the unemployment and job shortage rates have increased. In addition, drought and saline intrusion took place early, badly affecting crop productivity and yields, and African swine fever has not been completely controlled. The GDP growth rate in the first quarter of 2020 was estimated at 3.82% year-on-year (y-o-y), the lowest level for first quarters during the 2011-2020 period. In the second quarter, the impacts were most severe when the government strongly directed the implementation of social distancing, which was continued with epidemic prevention and control measures, assuring public health, preventing economic downturn and maintaining social stability. The GDP growth rate in the second quarter of 2020 was estimated at 0.36% y-o-y, the lowest level for the 2011-2020 period. In particular, the growth rate of the agro-forestry-fisheries sector was 1.72%; for the industrial and construction sector the growth rate was 1.38%; and the service sector contracted by 1.76%. In general, socio-economic indicators in the first half of 2020 were down or increased at lower rates compared to the same period in 2019 (See Appendix 1) (GSO, 2020a).

2.2. Labour, employment and the situation for informal workers

In the fourth quarter of 2019, the number of workers aged 15 and over was estimated at 56.1 million, up by 472,200 thousand compared to the previous quarter and 501,800 thousand y-o-y (GSO, 2019a). In second quarter of 2020, the number of workers aged 15 and over was

estimated at 51.8 million, down by 2.4 million compared to the previous quarter and 2.6 million y-o-y. This was a record decline in the past 10 years. The complicated development of the Covid-19 epidemic and the serious and thorough application of social distancing in April 2020 caused the number of workers to drop sharply in most provinces and cities across many industries and sectors; workers most affected by job losses were in rural areas and female. The number of workers in rural areas was down by 1.8 million compared to the previous quarter and nearly 2.1 million y-o-y; the number of female workers decreased by 1.2 million compared to the previous quarter and by 1.5 million y-o-y. The sectors with the most drastic declines in the number of workers year-on-year were in the processing industry and manufacturing (down by 324,600); accommodation and catering services (down by 156,900); education and training (down by 122,000); and wholesale and retail, automobiles and motorcycles (down by 120,000).

The national unemployment rate in the first half of the year was 2.26%; specifically, for urban areas it was 3.62% and for rural areas 1.59%. In particular, in the second quarter, the national unemployment rate was 2.73% with the unemployment rate in urban areas at 4.46%. That was the highest unemployment rate in the past 10 years and the biggest increase among workers with low professional qualifications. The underemployment rate among working-age workers in the second quarter of 2020 was 2.97% (around 1.4 million), up by 0.76 percentage points compared to the previous quarter and 1.5 percentage points y-o-y. The underemployment rate among working-age workers in rural areas (3.36%) was 1.5 times higher than in urban areas (2.22%). Nearly half of underemployed workers of working age were active in the agro-forestry-fisheries sector (48.2%).

Informal workers in Viet Nam still account for a large proportion of the total workforce. In 2019,

the rate of workers in informal employment outside agro-forestry-fisheries was estimated at 54.6%. This is a vulnerable group in the labour market when the economy experiences shocks. The rate of workers in informal employment in rural areas was 15.1 percentage points higher than in urban areas, at 62.6% and 47.5%, respectively. The rate of female workers in informal employment in the service sector was relatively high (domestic workers: 97.7%; education and training: 79.5%; and accommodation and catering services: 69.0%).

The informal sector has certain characteristics: jobs are unstable and there are no official labour contracts, just verbal agreements. Incomes are low and working hours long. Production and business establishments are small or micro in size and do not have business licenses. Payments are not made for social or health insurance and workers receive no allowances or other social benefits. Informal workers are more vulnerable than those in the formal sector. The average monthly income of an informal worker in the second quarter of 2020 was VND 5.1 million, which is equivalent to more than 60% of 1.6 times lower than that of formal workers. Especially, during the pandemic, the average monthly income of informal workers decreased more than it did for formal workers, by 8.4% and 4.7%, respectively, compared to the same period last year (GSO, 2020b).

2.3. Vulnerable groups

Poverty: By 2019, according to MOLISA, the rate of national multidimensional poor households under the national standards¹ was 3.75%². According to the General Statistics Office's calculations from the Viet Nam Household Living Standards Survey (VHLSS), the rate of national multidimensional poor households was 5.7% (GSO, 2019a). By either of the calculation methods, the poverty rate

[1] Multidimensional Poverty Line according to Decision. No 59/QĐ-TTg dated on November 15, 2015.

[2] <http://www.molisa.gov.vn/Pages/tintuc/chitiet.aspx?tintucID=222875>

dropped dramatically for the 2015-2019 period³. By the end of 2019, Viet Nam had nearly 2 million poor and near poor households under the national poverty standards, equivalent to nearly 8 million people, of which nearly 2.3 million were children. The subjects were limited not only in terms of income but also access to fundamental social services. The poor household group was concentrated in rural areas (92% in 2018). Ethnic minorities accounted for about 14% of the total number of surveyed households. However, poor ethnic households made up 55% of the total number of poor households and the total number of poor households and the pace of poverty reduction was slower than for Kinh and Hoa ethnic groups⁴.

Social protection: By June 2020, there were more than 3 million social protection beneficiaries⁵ across the country, including more than 40,000 people being taken care of in social protection establishments and more than 3 million people under the social assistance regime in the community, who are orphans with no resources, elderly people with no pension or social insurance benefits, people with severe and particularly severe disabilities, poor single parents raising children, and poor people with HIV. Social protection beneficiaries, for various reasons, are incapable of or limited in accessing income-generating activities. The monthly allowance is calculated based on the standard rate of VND 270,000 multiplied by the corresponding coefficient (from 1 to 3) depending on the type of beneficiary.

People with disabilities (PWD): According to the results of the Population and Housing Census 2019 (GSO, 2019c), the rate of people with disabilities aged 5 and over was 3.7%. Besides, households that have members with disabilities were often poorer and employment opportunities for people with disabilities were fewer than those for people without disabilities; just 2.3% of people with

disabilities had access to rehabilitation services⁶. Now, as regulated, only people with severe and particularly severe disabilities are social protection beneficiaries under the regular social assistance regime (nearly 1 million people). According to the Labour Code and the Law on People with Disabilities, the State protects the right of PWDs to work and self-employment and has policies to encourage employers to hire and create jobs for people with disabilities. According to incomplete reports from ministries, branches, and localities, in 2019, throughout the country about 20,000 PWDs were provided with primary-level vocational training (under 3 months); approximately 150,000 PWDs received job offers; and the Viet Nam Bank for Social Policies (VBSP) provided support to 2,277 PWDs with loans to create, maintain, and expand jobs (Viet Nam National Committee for People with Disabilities, 2020).

Elderly People: Viet Nam officially entered the population ageing period from 2011 with the rate of elderly people aged over 65 at 7%. According to the Population and Housing Census 2019, the population aged over 65 accounted for 7.7%. When the rate reaches 14%, Viet Nam will enter the aged population period. In fact, it will not take up to 20 years for Viet Nam to get to that stage (GSO, 2019c). Now, across the country, there are more than 11 million elderly people, two million of whom are 80 years old and over. Most elderly people don't have material savings; just 3.1 million elderly people have pensions and social insurance benefits. Thus, about 30% of elderly people still have to continue working. The rate of elderly people aged over 80 that have to continue to work is 5%. In particular, the rate of elderly people in rural areas that have to continue working is higher than in urban areas (GSO, 2012). According to the General Statistics Office, the rate of people over the working age⁷ who are participating in production and business activities is relatively high – 8.2% of the population is over 15 years old and 42.4% of the population is of working age.

[3] The rate of multidimensional poor households under the national standards in 2015 was 9.6%, down to under 4% in 2019; the rate of multidimensional poor households calculated from VHLSS 2016 by the General Statistics Office was 9.2%, down to under 5.7% in 2019.

[4] The rate of poor EMG households tends to increase, i.e. 55.27%, 52.66% and 48.16% for the years of 2018, 2017, 2016, respectively.

[5] <http://www.molisa.gov.vn/Pages/tintuc/chitiet.aspx?tintucID=222875>

[6] People with disabilities are people with some disability of one or more body parts or a functional impairment manifested in the form of a disability, making their working, living or studying difficult.

[7] People of working age according to the Labour Code of Vietnam are those who are aged 15-60 for men and 15-55 for women.

3. The Covid-19 epidemic

According to the most recent statistics, by 7 September 2020, more than 27 million people had been infected with Covid-19 and nearly 900,000 had died. Viet Nam is considered to be controlling the epidemic well with just over 1,000 cases and 35 deaths⁸. The first death occurred when Viet Nam recorded its second wave with the first new case of local transmission detected in Da Nang on 24 June 2020. The outbreak then spread to other cities and provinces.

Two of the measures adopted by countries to prevent spread of the disease are lockdown and social distancing. These policies have been applied at different levels, including limited travel and public transportation; limited gatherings at public places; minimum distances between people; school closures; and the suspension of non-essential activities, such as production and service activities. Viet Nam also conducted 22 days of social distancing in April 2020 to prevent an outbreak of Covid-19 from worsening. From 23 April, social distancing measures were gradually relaxed. On 8 May, the whole country moved to another stage in the prevention of the pandemic to an economic recovery stage and the establishment of “a new normal situation in socio-economic activities”⁹. Entering the second wave, Viet Nam’s main prevention plan was early detection, tracing, and timely isolation. Thus, social distancing was not applied on a large scale but only in provinces with severe outbreaks.

International organisations and financial institutions estimated that in 2020 the global economy would fall into its most severe recession in decades due to the serious impacts of the epidemic¹⁰. Covid-19 had negative impacts on labour and employment. In the first quarter of 2020, the total number of working hours was

down by 5.4% compared to the fourth quarter of 2019, equivalent to 155 million full-time jobs. By the second quarter of this year, the rate increased to 14.0%, equivalent to 400 million full-time jobs, surpassing the previously predicted rate of 10.7%. Even if the most positive scenario in which the economy recovers rapidly takes place, by the end of 2020, the total number of working hours would not return to the levels seen before the crisis (ILO, 2020a). The unemployment situation has become worse in most countries, especially in developed economies such as Canada, the US, and China; in particular, their unemployment rates in May 2020 were 13.7%; 13.3%; and 5.9%, respectively, much higher than for the same period in the year before¹¹.

According to the General Statistics Office, of the 51.8 million workers with jobs in the second quarter this year, 30.8 million were impacted by the epidemic (i.e. job losses, layoffs, rotational leave, reduced working hours and reduced incomes). Workers in the service sector suffered most (72%), followed by those in the industry and construction sector (67.8%), and those in agro-forestry-fisheries (25.1%) (GSO, 2020c).

According to a study by ILO (2020b) (Figure 1), most informal workers are active in sectors in service of the domestic market and the sectors suffering most from the crisis. After the epidemic, the formal sector with its stronger resources and capacity will be able to recover more rapidly. Meanwhile, the informal sector will find it more difficult to do so, especially for those sectors suffering the most. Thus, without appropriate measures and policies, informal workers will likely fall into poverty and have to cope with greater challenges to make a living in the post-epidemic recovery period.

[8] Source: <https://ncov.moh.gov.vn/>

[9] According to Notice No.177/TB-VPCP on the conclusion of Prime Minister Nguyen Xuan Phuc at the Standing Meeting of the Government on the prevention and fight against Covid-19 dated on May 8, 2020.

[10] International Monetary Fund has lowered its global growth forecast by more than 1.9 percentage points compared to that in April 2020, to -4.9%; World Bank has forecast that the global growth rate would be -5.2%, the largest decline since the Great Depression in the 1930s.

[11] Source: <https://tradingeconomics.com>, updated in June 15, 2020.

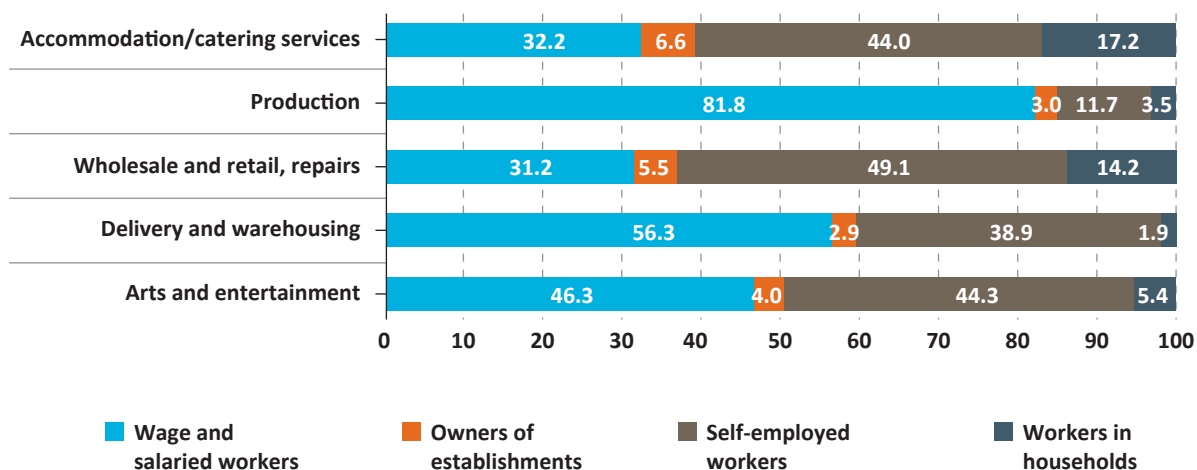


Figure 1: Employment in the five sectors most affected by Covid-19

Source: ILO's calculations based on the Survey on Labour and Employment, Vietnam General Statistics Office, 2019.

Given the impacts of Covid-19, international organisations have given recommendations for supporting workers, especially low-income workers. Accordingly, governments have actively implemented measures at all levels to provide support. According to the World Bank (2020), 176 countries have applied support measures, including 298 conditional and unconditional cash-based support programmes in 153 countries in which six programmes are one-time assistance (universal programmes); 25 social pension programmes in 22 countries; 117 food and in-kind assistance programmes in 88 countries; 27 meal support programmes for schools in 25 countries; 156 programmes on exempting compulsory financial contributions and charges in 94 countries; and 15 public employment programmes in 12 countries.

In Viet Nam, the government has had a timely response to support people having difficulties due to Covid-19 as stipulated in Resolution No. 42/NQ-CP dated 9 April 2020. Accordingly, a budget of about VND 62 trillion was earmarked to be used to give direct support to certain groups. As of the time of the field survey (mid-June 2020), most provinces had completed disbursement of the financial support to people with meritorious

services, poor and near poor households, and social protection beneficiaries, and were conducting a review to support freelance workers with employment difficulties.

II. RESEARCH DESIGN

1. Objectives

1) Overview of objectives: To provide qualitative information about the socio-economic impacts of Covid-19 on informal workers and suggest appropriate social welfare solutions in order to help them recover after Covid-19.

2) Specific objectives: This rapid assessment report focuses on addressing the following problems:

(i) Which groups of informal workers are affected and in what ways and channels (both direct social impacts and indirect employment and income impacts)? How

much does Covid-19 affect the lives of informal workers and their families, and who are the most vulnerable groups?

(ii) How do households of informal workers respond to impacts? What solutions do they have to respond to social changes? Do they have to cut back on essential expenses on key goods and basic services, including education and healthcare, for their family members?

(iii) How do the existing social security system and newly issued support measures work for the groups? How do low-income households perceive access to the existing social welfare system? And what is the system's capacity (usefulness and effectiveness)?

On that basis, the research provides recommendations on social welfare policies to continue supporting the groups during the pandemic and in the post-epidemic period. It also asks the question: What are the weaknesses that need addressing in the existing social welfare system for people in general and for vulnerable groups in particular to be able respond to shocks similar to Covid-19?

2. Methodology

The Rapid Impact Monitoring (RIM) mechanism offers an innovative, qualitative research approach that investigates household and individual responses to social-economic changes or shocks. The aim is to supplement quantitative studies by triangulating findings and answering causal questions. By conducting Key Informant Interviews in severely affected areas, the method offers highly accurate and timely information at a reasonable cost.

In fact, statistical indicators cannot fully and faithfully reflect the employment-income picture or the impacts of the current context on households' livelihoods. Distributional differences and time lag ensure that there is a gap between aggregate trends and the real life expenses of most ordinary people, especially vulnerable people. The RIM allows us to review the problems of workers (in selected sectors) and vulnerable groups (which are identified), discover their problems, and track how they have responded to the current context and if and how official responses have helped them eliminate the pressures they have faced. Therefore, the RIM is able to allow an examination of the causal processes at work. Thus, in addition, the assessment assists policymakers in framing longer term solutions and operational managers to deliver support (notably via social protection).

The RIM approach is based on the three following steps:

a. Identify the most affected sectors:

The results of quantitative analysis and an overview of previous research show the sectors that are most affected. In the framework of the research, whose target object is informal workers, the selected sectors are agricultural production, restaurants, accommodation, retail, and transportation

b. Identify the most affected community

Even though the effected population groups are spread extensively across many regions of the nation, for the survey's effectiveness and efficiency with regard to costs and progress, locations for the survey were purposively selected. The locations were selected through reviews at provincial, district, and commune levels. The reviews identified poor and low-income workers in certain communes/wards suffering from extensive shocks, but receiving decreased social welfare in certain fields (quality of meals, nutrition, education and healthcare services, etc.).

Table 1: RIM locations

Selected location	Province/city
I. Rural areas:	
1. Rural areas with industrial parks or factories with high densities of seasonal workers.	Hanoi (1 district – 2 communes)
2. Rural areas producing agricultural goods for domestic consumption and export.	Hoa Binh (1 district – 1 commune)
3. Semi-rural areas with a large number of production and business establishments/households that provide products and services for urban areas.	Quang Ninh (1 district – 2 communes)
II. Urban areas:	
1. Urban areas with high population densities and diverse service business activities.	Hanoi (1 ward)
2. Adjacent urban areas with many household service business activities.	Hoa Binh (1 ward)
3. Industrially developed urban areas with many groups of populations and workers.	Quang Ninh (1 ward)
Total	8 communes/wards

c. Identify and interview extremely affected households and/or individuals

On the basis of the communes/wards' characteristics and in the process of preparing the locations and working with local authorities at all levels, the review aimed to identify the major problems faced and the sectors obviously affected in order to select appropriate interviewees. In-depth interviews¹² were conducted with the most affected informal workers in urban and rural areas. In addition, the research also carried out in-depth interviews with owners of production and business establishments where the informal

workers were working: owners of restaurants, accommodation facilities, retail sales, and transportation establishments, etc., to identify the relationships and social support among labour groups in society.

During the interviewee selection process, the research team tried to balance the number of men and women to understand the differences between males and females in terms of impact levels, capacity to respond to shocks, and sources of support. Therefore, the assessment and policy recommendations also ensure a gender integrated approach. In addition, within the permissible capacity and together with the

[12] Group discussion is an effective method. However, because social distancing might be applied for a long period, the organisation of group discussions was not practical in terms of the safety of interviewees.

coordination of local officials, we tried to select representatives of informal workers in the most

vulnerable groups; i.e. workers from poor households and people with disabilities, etc.

Table 2: Targeted groups in the survey

Target group	Interviewees	Hanoi	Hoa Binh	Quang Ninh	Total
I. Rural areas:					
Local leaders	(1) Commune and hamlet leaders	3	3	4	10
Households with informal workers (agriculture, retail, restaurants, accommodation, transportation)	(2) Households with informal workers in other provinces	2	3	2	7
	(3) Households with unemployed workers, laid off workers, workers who had to find other jobs due to Covid-19	4	2	2	8
	(4) Households with members working in industrial parks and craft villages	10	7	0	17
Owners/ self-employed	(5) Agricultural producers	2	6	13	21
	(6) Retailers	9	4	6	19
	(7) Owners of restaurants, accommodation facilities and transportation service providers	13	2	13	28
Specific groups in each location	(8) Determined through interviews with commune and hamlet leaders	4	0	3	7
II. Urban areas:					
Informal wage and salaried workers	(1) Households with members working in retail businesses, restaurants, accommodation facilities, and transportation service businesses who are local people	3	3	3	9
	(2) Households with members working in retail businesses, restaurants, accommodation facilities and transportation service businesses from other provinces	3	0	0	3
Owners/ self-employed	(3) Retail sellers, owners of restaurants, accommodation facilities, and owners of transportation service businesses who are local people	7	14	15	36
	(4) Retail sellers, owners of restaurants, accommodation facilities, and owners of transportation service businesses who are from other provinces	7	2	0	9
	(5) Others	0	1	5	6
Total:		67	47	64	178

3. Analytical Framework

a) Risk management approach framework

Epidemic risk is one of the seven main groups of risks and includes covariate/common and sudden risks (sudden occurrence/detection of sudden symptoms) with consequences that cannot be addressed by individuals, households, or communities themselves. With regards to social welfare, the aim of risk management is to assure effective implementation of risk prevention, mitigation, and response strategies to protect basic livelihoods¹³, including: (i) Risk prevention:

supporting people to proactively prevent risks related to daily life, health, production and business, and the natural environment; (ii) Risk mitigation: helping people to obtain sufficient resources to compensate for income gaps due to shocks related to daily life, health, production and business, and the natural environment; and (iii) Overcoming risks: giving timely support to minimise unpredictable and uncontrollable impacts due to shocks related to daily life, health, production and business, and the natural environment and assure minimum living conditions.

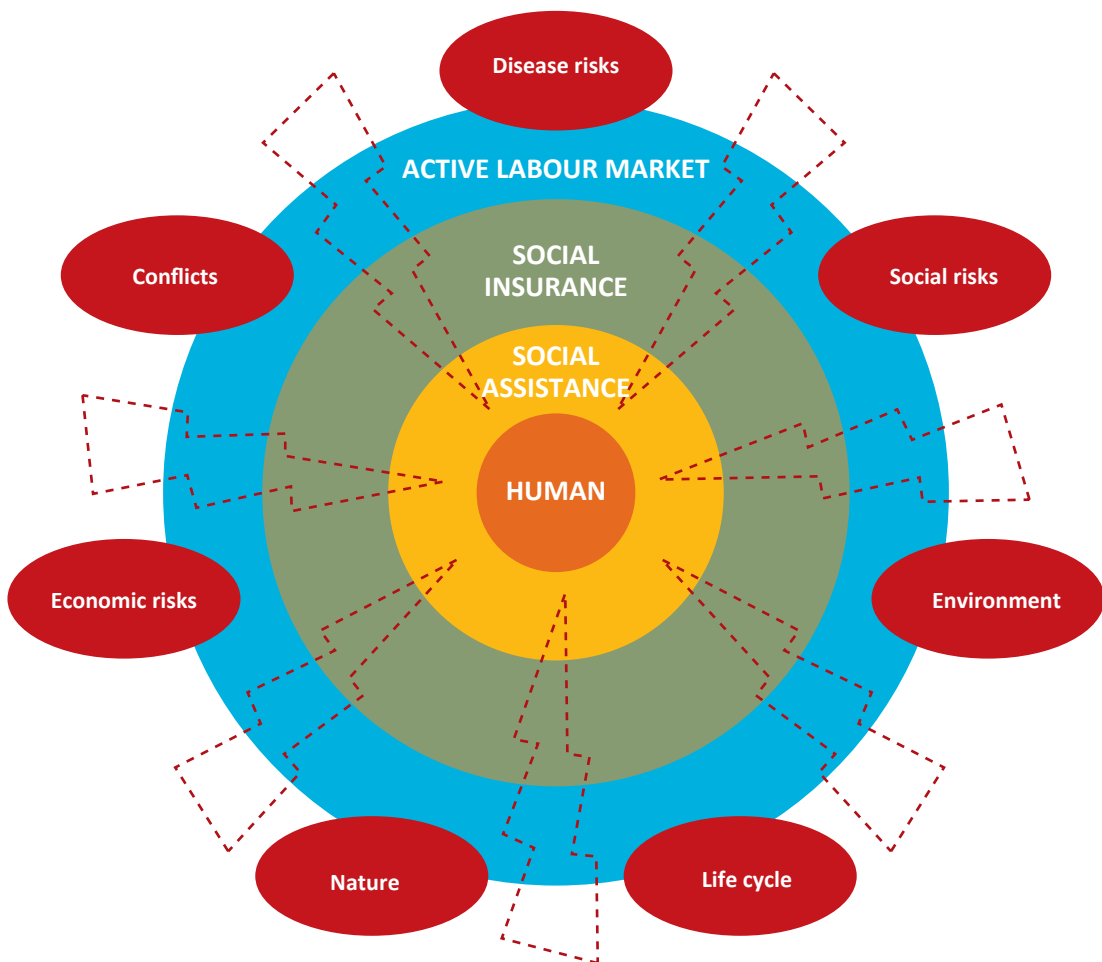


Figure 2: Risk management approach framework

[13] For example, vaccination and improvement of living conditions such as housing, clean water, sanitation, and waste treatment, etc., can protect the community from diseases. Social insurance can compensate for a portion of incomes in the case of job losses or illness. Labour market programmes can protect workers from job losses and support them to adapt to the labour market. Poverty reduction and hunger elimination policies support workers in terms of income so that they can escape poverty or be prevented from falling into poverty.

The research reviewed social welfare solutions that help people overcome the consequences of Covid-19 through three channels: active labour market measures, social insurance, and social assistance.

b) Covid-19 impact analytical framework

The analytical framework is designed to review and generalise the impacts described below.

Covid-19 impacts are analysed through different channels. In addition, the report focuses on researching and evaluating the most disadvantaged and vulnerable groups: poor workers, social protection beneficiaries, migrant workers, and low-income workers in urban areas.

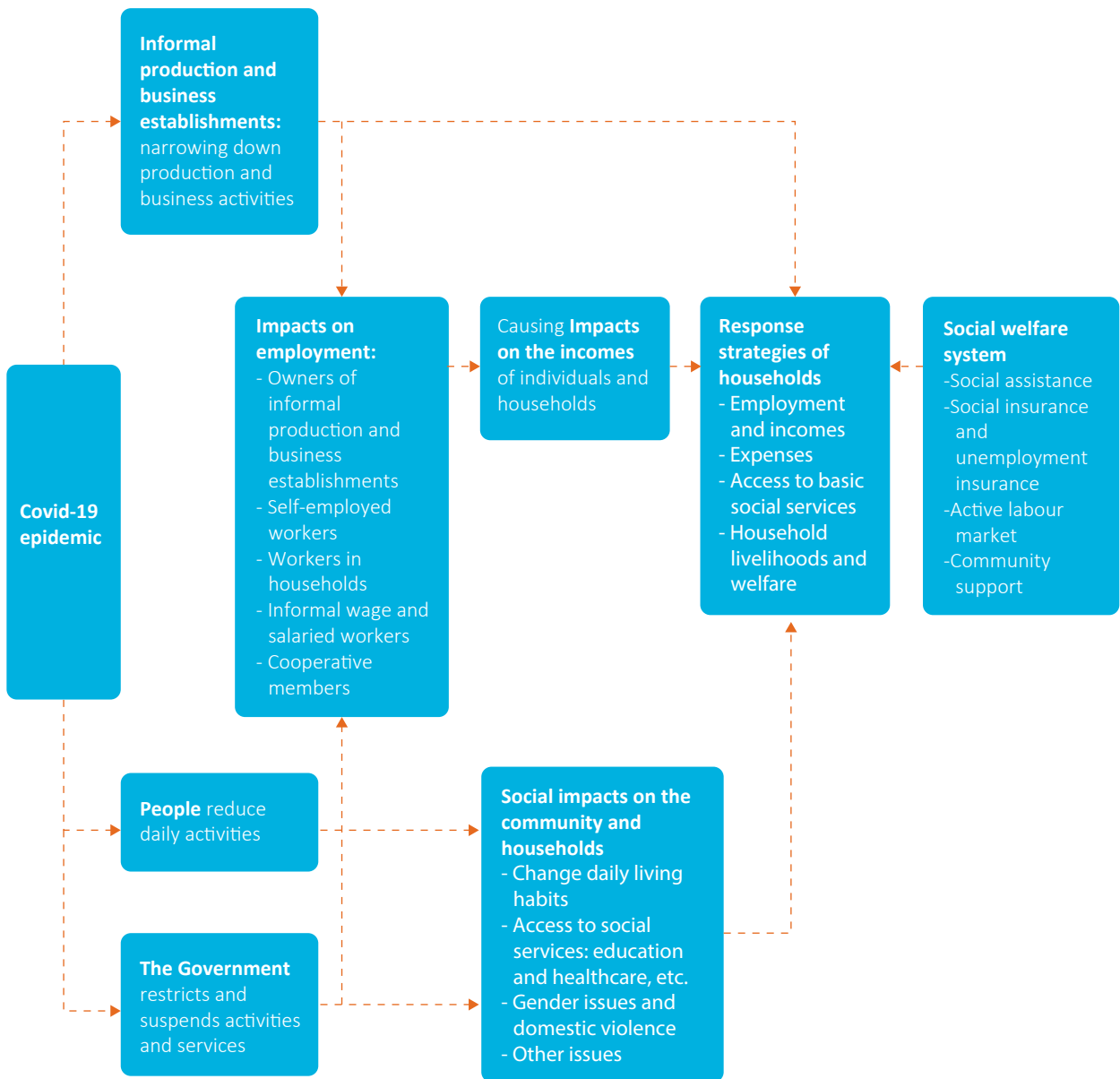


Figure 3: Analytical framework of the impacts of Covid-19 on informal workers

4. Advantages and disadvantages of the research process

Advantages and strengths:

The survey on informal workers received very good coordination and support from provincial-level Departments of Labour, Invalids, and Social Affairs (DOLISA) and district-level Offices of Labour, Invalids, and Social Affairs, commune leaders, LISA officials, heads of villages, and local people. Thus, all of the activities were carried out on schedule and as planned. Surveyed locations in rural and urban areas were selected appropriately, meeting the requirements for diversity, characteristics, and representativeness to fully reflect all aspects and problems.

The field survey was conducted in mid-June 2020 when all economic activities and people's lives had stabilised. Interviewees had time to step back and reflect on the epidemic and social distancing period. At the same time, the long-term impacts of the epidemic on society, the economy, and people's lives were more apparent.

The interviewees were appropriate to the research objective and plan. They were cooperative and well organised, which made for good quality interviews. We collected quality and trustworthy information. Besides collecting information from the targeted groups, we interviewed members of their families. Thus, the information collected covered various areas such as labour, employment, and incomes of informal workers in most fields.

The research team met and collected information from workers in all sectors according to the research design, including agricultural production, transportation, retail, accommodation, and restaurant sectors. Additionally, we collected information about

other sectors, such as construction, manufacturing, processing, scrap collection, education and personal healthcare, etc. This provided a relatively full picture of informal workers in most economic sectors.

The research team also had full access to informal worker groups, including self-employed workers, domestic workers, and wage workers in the informal sector as well as workers in informal jobs in the formal sector. The surveyed groups also include the most disadvantaged and vulnerable workers, such as those from poor and near poor households, social protection beneficiaries, elderly workers, and ethnic minority workers.

Disadvantages and limitations:

Interviewees were mostly women. Of the 168 workers who participated in the direct interviews, just 33% were men. The reasons were that male workers were often busier in their economic activities than females and the females found it easier to talk about their lives and the economic conditions of their families. The young workers group (under 25 years old) accounted for a small proportion (2%) because this group does not often represent their households. In addition, young workers tend to work in the formal sector.

The research team did not approach many migrant workers (under 10%). The reason was that selected locations (except for Hanoi) did not have many migrant workers. In contrast, due to the epidemic and the disrupted economy, migrant workers had to return to their hometowns or relocate. Also, the research team did not assess or reflect on the problems of ethnic minority groups. The surveyed commune with ethnic minority communities in Hoa Binh province (Mong Hoa commune) was adjacent to Hoa Binh city and was planned for industrial park development. In reality, these were the two groups – migrant workers and ethnic minorities –

most affected by the epidemic. We therefore suggest more in-depth research on these two groups.

At the time of the survey, the localities were reviewing the freelance worker group affected by the epidemic to provide support in accordance with Resolution No. 42/NQ-CP; thus, most subjects who were arranged to participate in the interviews were in this group. Although we could not approach other informal worker groups, the interviewees provided a lot of information about other members of their families who were not beneficiaries of Resolution No. 42. Thus, the interviewees still met the requirements of the survey.

Some interviewees hesitated to engage, forcing the research team to apply all their skills and techniques to persuade them to be more active and cooperative. To conduct the field survey on informal workers in urban areas, the research team had to visit every household to meet the interviewees at night because they all worked late, even on the weekends.

III. RESEARCH FINDINGS

1. Channels of impacts on informal workers

The Covid-19 epidemic has affected most economic activities. Although the epidemic has been basically controlled in Viet Nam, the world is experiencing further complicated effects, especially in countries that have significant trade relations with Viet Nam. This has caused damage to production and business activities because of the limitation or loss of import-export supply and demand for many kinds of goods and services. In addition, domestic consumption has been stagnant, leading to a surplus due to a decrease in demand for goods and services.

The level of impact varies by sector and time period. Some industries and sectors have been stagnant or frozen with no production activities during outbreaks or social distancing. After social distancing ended, some sectors began to recover. However, some sectors were severely affected and have not shown any sign of recovery, and have even become worse. Thus, the employment situation and incomes of workers in both informal and formal sectors have been severely affected.

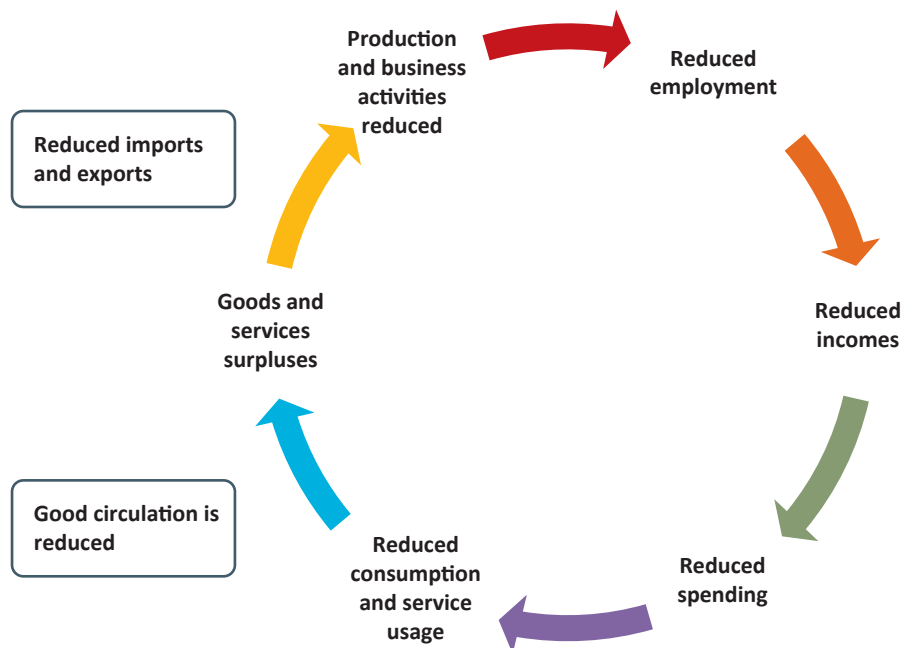


Figure 4: Economic sectors impacted by Covid-19

Agriculture

Agriculture has the largest proportion of informal workers (GSO, 2016a); it is considered a basic livelihood for workers. At times when they have difficulties in maintaining or finding new jobs, most workers return home to do agricultural work as a last resort.

Agricultural production is seasonal and risky because of natural disasters, diseases, price fluctuations, price pressure, and severe competition with Chinese produces, etc. In 2020, droughts and saline intrusion occurred early and were especially serious in the Mekong Delta. The African swine fever epidemic was controlled but the speed of re-establishing herds was slow and pork prices were high, all of which prevented livestock farmers from returning to normal levels of production. Covid-19 has increased difficulties in agricultural production. According to evaluations by the General Statistics Office (2020a), the agriculture sector implemented

effective response solutions. Thus, production output was relatively good; the yield of the 2020 winter-spring crops increased compared to the same period in 2019 and animal husbandry developed well. Forestry production began to recover in May. Fisheries production continued to be difficult due to a sharp decrease in the exports and prices of material fish and shrimps (GSO, 2020a).

In terms of their seasonal characteristics, agricultural activities suffered at different levels. The least affected workers were those who produced products for home consumption for themselves and their relatives. Another least affected group was workers who produced long-term agricultural products whose harvesting period did not fall during Covid-19 outbreaks.

The most affected workers were those who produced short-term agricultural products or products whose harvesting period fell during Covid-19 outbreaks. If left unharvested, the

products spoiled. If harvested, they could not be sold. Meanwhile, it was costly for farmers to apply pre-processing and storing techniques, particularly with the reduced market prices. It is extremely

serious for production activities that involve huge financial and labour investment, such as aquaculture.

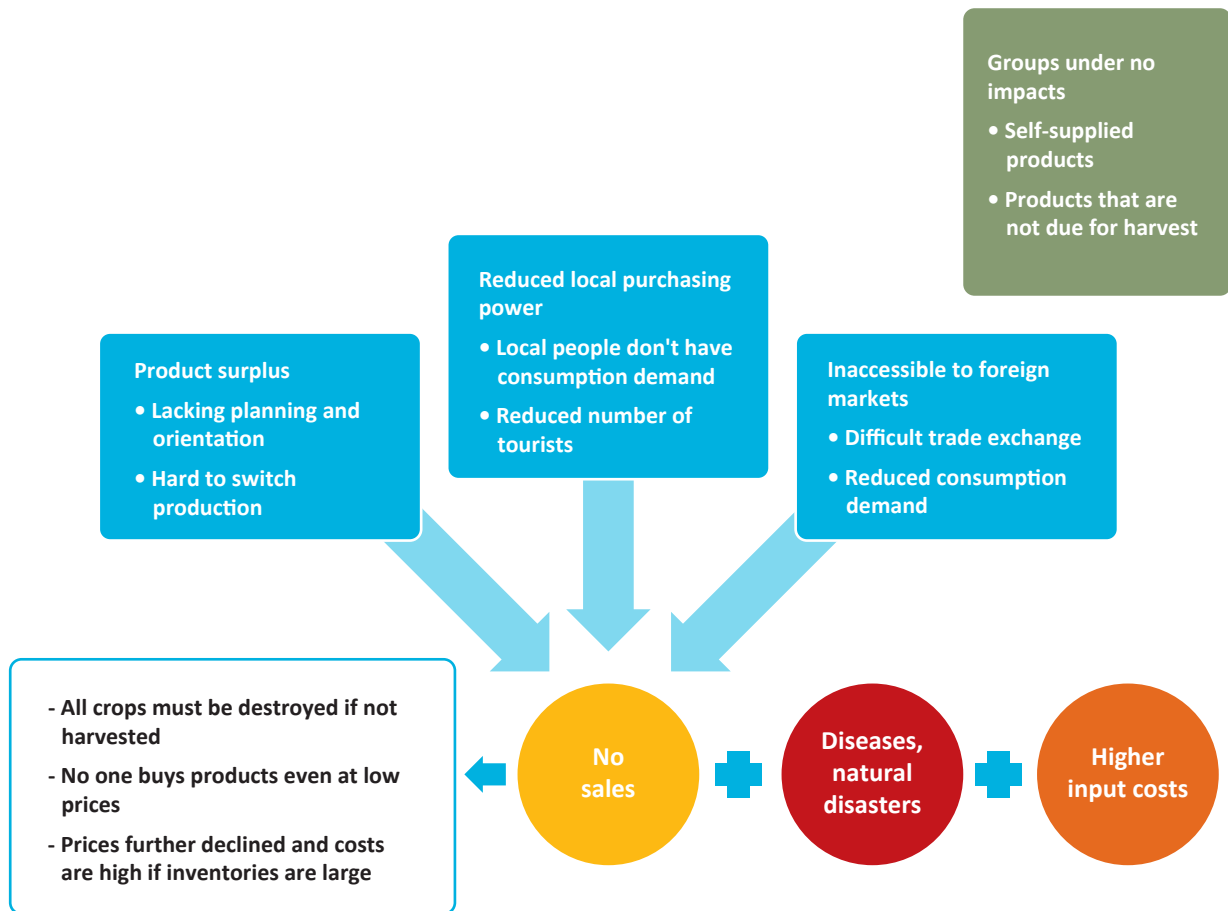


Figure 5: Channels of impacts on agricultural production

Many reasons are given for the fact that agricultural products are not consumed. First, indigenous people don't have demand while the number of tourists and visitors declined sharply during and after social distancing. Second, it is difficult to approach domestic and foreign markets because of limited trade and travel as well as declining demand for many kinds of commodities. Third, the traditional reason is the lack of

agricultural production planning and orientation. Farmers conduct agriculture in a spontaneous manner, leading to a surplus of products after several successful crops. What to raise and what to plant are always hard questions for farmers.

“My family is on a contract for raising shrimps, crabs, and fish on an area of 80 hectares at a value of VND 1,625 billion/year with the cooperative. During the epidemic, restaurants did not import our products, leading to a sharp decline in prices; for example, prices for crabs were down from VND 400,000/kg to VND 100,000/kg. We could not sell shrimps and we lost the crops. Fish productivity decreased as well. Now, although tourists are returning to Quang Ninh, the number is not large, and the prices are not as high as in other years; i.e. VND 200,000 /kg.”

Ms. PTM, born in 1979, Lien Hoa commune, Quang Yen district, Quang Ninh province.

“The hamlet is close to the sea. We have more than 20 households with fishing boats. During the epidemic, we could still go fishing but we did not know where to sell our catches. Large-sized mantis shrimp were priced at VND 100,000/kg but could not be sold. The bigger the shrimps and fish, the harder it is for us to sell them due to the limited number of open restaurants. Seafood filled the freezers, which haunted us. Freezers have consumed a lot of electricity, but the prices are half of what they are for fresh seafood.”

Mr. TVM, born in 1967, Lien Vi commune, Quang Yen district, Quang Ninh province.

“My family has four labourers who farm on an area of three “mẫu” (one “mẫu” is equivalent to 3,600 m²). On half of the land, we grow rice and on the other half, we plant apples and sugarcane. Apples were harvested and sold during the Tet holiday. The apple price this year was not as high as last year because there are more apple growers. The sugarcane was exported to Hanoi to supply sugarcane juice shops. During social distancing, no one came to buy them. And even now in June, nothing has changed. Every year, we were busy buying and selling. But this year, there is nothing. I feel sorry for our efforts this whole year. If we cannot sell the sugarcane by August, we have to hire workers to cut down dry sugarcane so we can replant it next year.”

Mr. NVT, born in 1956, Mong Hoa commune, Hoa Binh province.

“My family raises quails to supply quail eggs for collective kitchens in schools and factories, etc. We have been doing this business for years. Due to the epidemic, schools and factories are closed and so collective kitchens have shut down their operations. We are stuck with our products. We cannot earn much by selling them at markets. Now the kitchens have reopened, we can sell all our inventory.”

Mr. NTMP, born in 1982, Thuong Tin district, Hanoi.

Therefore, agricultural production mostly suffers from indirect impacts due to declining purchasing power and difficulties transporting goods. Although workers in this sector are not much affected in terms of employment, they have to cope with the risk to their incomes. This is because products cannot be sold or they lose their crops, especially in activities with large financial and labour investment such as aquaculture.

Processing industry

With regards to the processing industry, informal workers are mostly concentrated in small-scale production establishments, handicraft establishments, household workshops, and craft villages. There are also a number of informal

workers with labour contracts of less than one month and without social insurance in enterprises in the formal sector. The decline in industrial production has seriously affected their employment and incomes.

Enterprises that produce essential goods or that were able to implement the two-meter rule were allowed to operate during social distancing. However, the processing industry was strongly influenced by Covid-19's effects on input materials and output markets. Industries using imported materials and producing goods for export were affected due to limited trade. Enterprises use a large number of informal workers to do simple jobs. This was the group cut first once industrial production declined.

"I am a freelance worker. I used to be a worker in Mong Hoa Industrial Park. In January this year, our Chinese owner returned to China and could not come back to Viet Nam. The factory had to shut down. It was an establishment that produced votive items for export to China. But now, it remains closed. I received salary in the Tet holiday but now I am unemployed and get no support.

My wife works as a bamboo plywood worker. She used to have to work on Sundays. She worked 11 hours each shift, working one week on the day shift and the next on the night shift. After the Tet holiday, her workload gradually declined and after several working days, she had to take leave due to social distancing. After social distancing, she was underemployed because the outbreaks of the epidemic in the US made exports difficult. My wife went back to work on 20 May. I don't know if it is stable or not."

Mr. DVT, born in 1963, Mong Hoa commune, Hoa Binh province.

Handicraft production and business establishments and craft villages attract large numbers of local workers. They are a channel that generates jobs and incomes for workers besides agricultural production. During social distancing, most of the establishments had to stop operations. In addition, after social distancing they

could not sell their products due to a sharp decline in demand. They were left with large inventories, which meant they were unable to return to normal levels of production. Both owners and workers at enterprises did not return to work or were laid off.

"I am an owner of a factory producing garment accessories. Before the outbreak of the epidemic, I employed 10 workers. During the epidemic, I had to cut back due to social distancing, a lack of work, and a large inventory. Up to now, I cannot re-employ them."

"My family works on embroidery. During social distancing, I had to cut back on worker numbers. I cannot re-employ them because I cannot pay them. I have lost many business contacts and contracts. I have to shut down my business."

"My family and others in the village make ceremonial clothes. I used to employ more than 30 workers from other communes and pay them VND 6-8 million per month. Due to the epidemic, all activities had to stop; no one bought the products and we could not sell them."

Owners of production and business establishments in Thuong Tin district, Hanoi.

Thus, during social distancing, enterprises had to suspend operations. However, after social distancing ended, many did not return to their previous levels of production, especially those in the export, handicraft, and home appliance industries. The notable thing is that the owners did not see any positive signs because of low demand and large inventories.

In the context of the epidemic in Viet Nam and across the world, the manufacturing of medical

protective equipment, especially facial masks, had opportunities to develop. Enterprises in the garment and apparel sector rapidly adapted to produce medical masks and antibacterial masks to serve domestic and international markets. Accordingly, a number of factories expanded and hired more workers to produce and meet the orders. This was one of the few positive impacts of Covid-19.

“Previously, we specialised in producing face towels to export to Japan. Given the increasing demand for antibacterial face masks, we immediately bought a production assembly line and registered our trademark and testing standards as required. In late February, we hired 30 additional local workers and by March we provided products to the market. After the government allowed exports, we ran the assembly line at maximum capacity with three shifts a day and we had to hire 30 more workers.”

Ms. HVTD, born 1980, Manager of V.B. Garment Company, Hanoi.

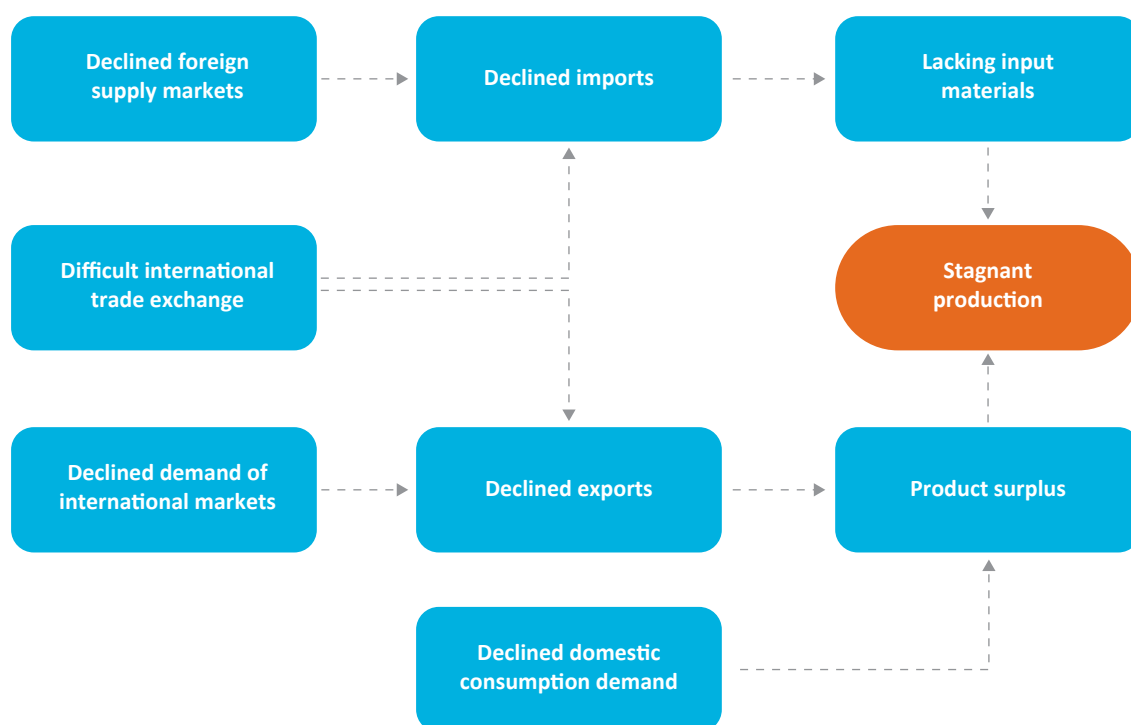


Figure 6: Channels of impacts on the processing industry

Construction

Construction is one of the sectors with large numbers of informal workers (GSO, 2016a). They are freelance workers engaged in small and medium-sized civil construction projects, and manual workers in large construction sites hired by contractors and subcontractors. Their employment depends on the construction they are working on; they are employed when there is work and unemployed when there is not. They are

paid on a daily basis. As noted by construction workers, every year their work is often reduced in “tháng Ngâu” or on rainy days if work is outdoors. However, due to the epidemic and social distancing, they had to stop working in the first three weeks of April. This happened in both rural and urban areas. However, in many localities, after the period of compulsory leave, construction activities did not return to normal, so the workers were unable to get jobs.

“My husband is a construction worker. Before the Tet holiday, he could earn VND 300,000/day and even did not have enough time to do all of his work. Afterwards, he was paid higher at the rate of VND 320,000/day but had no work to do. Since the Tet holiday, he has just worked 40-50 days. During this time, he has to maintain all the construction machines and tools, or they will be damaged”.

Ms. NTN, born in 1975, Quang Yen district, Quang Ninh province.

Due to a decline in construction activities, construction material shops have been affected accordingly. They did not have difficulty regarding

inputs but suffered a decline in the number of customers even two months after social distancing ended.

“I sell construction materials. I had to borrow VND 500 million from the bank at an interest rate of 0.8%. Last year, I repaid VND 100 million and I had to pay rent of VND 1.5 million. I hired two workers but had to let them go after the Tet holiday because of the epidemic. After the epidemic, few people came to buy construction materials so I could not re-employ them”.

Mr. PHB, born in 1979, Quang Yen district, Quang Ninh province.

Retail sales

According to the General Statistics Office, total retail sales in the first quarter were worth VND 985.8 trillion, up by 7.7% y-o-y. In the second quarter, the figure was VND 928.5 trillion, down 4% compared to the previous quarter, but up by 1.2% y-o-y. The good news was that in May – the first month after social distancing ended – and for Liberation Day on April 30 and International Labour Day on May 1, consumption and shopping activities increased. Trade and service activities in May soared by 26.9% compared to the previous month. Following the momentum in May, retail sales continued to increase in June, rising by 6.2% compared to the previous month and 5.3% y-o-y.

In the whole of 2018, there were 8,475 traditional markets, 1,009 supermarkets, and 210 trade

centres¹⁴. The statistics do not include “spontaneous” local markets within residential areas and street vendors, especially in urban areas. Most labourers in the markets and street vendors are informal workers who were self-employed or household workers.

Shops selling essential goods, such as food and foodstuffs, were not required to close during social distancing but received fewer customers in March and April. Although people stopped their shopping activities, because of the certain demand for necessities, they bought more goods each time they shopped. After social distancing ended, most households with lower-middle incomes and lower still limited their expenditure, especially on expensive foodstuffs. In particular, the price of pork soared during this time¹⁵, making demand drop sharply.

[14] Source: <https://www.gso.gov.vn/SLTK/>

[15] <http://baochinhphu.vn/Thi-truong/Gia-thit-lon-o-muc-cao-se-la-ap-luc-doi-voi-lam-phat-nam-2020/395539.vgp>

“We make tofu to sell. In the same period last year, we made 1,100 pieces of tofu and soymilk from 50 kg of soybeans and we often sold out. This year, due to the epidemic, restaurants were closed, and people bought less. Even now when the restaurants are open again, we cannot sell much. We can sell just 700 pieces of tofu a day maximum”.

Ms. TTH, born in 1983, Huu Nghi ward, Hoa Binh city.

Buying on credit was very popular, especially in grocery stores both in rural and urban areas because of the relationship between sellers and buyers. It was believed that “without selling on credit, we cannot sell products; but if we accept,

we don’t know when we can collect the money”. This phenomenon was very common during social distancing and continued until the epidemic was basically controlled.

“We have had a grocery store at an intersection for many years. The business was running well at the end of the first lunar month. It slowly went down after the second lunar month. After social distancing ended, we returned to the business, but the revenue was one third of what it was. We have products to sell but customers buy much less. Tourism is frozen this year so we cannot sell. It’s a common situation for everybody.”

Ms. NTL, born in 1977, Lien Hoa commune, Quang Ninh province.

Stores that sell unessential products such as clothes, footwear, and home appliances, etc., had to stop operations during social distancing. However, after social distancing, the demand was much lower because people had to reduce their

expenses and were worried about the epidemic. All of the stores said that they had large inventories and that their businesses might not be able to recover until the end of the year.

“Stores that provide electronic products, mobile phones, and computer repair services had to close from February to April. Clothes stores had to close for two months due to social distancing. After social distancing ended, business performance was still poor at just 60-70% of what it was before the Tet holiday.”

Interviews with business households in districts in Hanoi.

“I have been selling votive items since 1994. Earlier, I could raise my kids on the money I made. But now, I cannot feed myself. When the social distancing policy was applied, I had to stop my business. Since Covid-19, I have been selling very little. A lot of expensive votive items are in stock.”

Ms. DTL, born in 1957, Huu Nghi ward, Hoa Binh province.

Notably, e-commerce was not affected and saw an increase. The Covid-19 epidemic and social distancing measures caused changes to the

shopping habits of consumers, especially in big cities. Products were delivered quickly and conveniently. Many retail enterprises took

advantage of the opportunity to restructure their operations, running more online sales channels or telesales campaigns. According to the latest survey by Shopee, there is a noticeable change in food product categories and department stores with Vietnamese people tending to shop online for food products. In particular, they prioritise buying food online more than before; the number of

consumers placing orders for food products using Shopee increased by 3.5 times¹⁶. Stores on e-commerce websites, business websites, and social networks have had opportunities to develop and increase their sales and customers. Online business used to be a part-time job for many people. But now, many people do it full time.

“It has been nearly four years since I ran an online business selling frozen and other products. I don’t have to pay rent and cover advertising costs. I sell my products on Facebook, Zalo, and run some stores on e-commerce websites. Because of the epidemic, more people have switched to buying products online. Word-of-mouth marketing helps me win more customers, even from other provinces. I have to rent another room to stock my products and one worker to support me.”

Ms. BTT, born in 1990, Cau Giay district, Hanoi.

With or without Covid-19, e-commerce will become an indispensable mode of business and achieve remarkable growth rates¹⁷. This will then put pressure on traditional markets and traditional retailers.

Because the epidemic has been controlled, business activities in local markets, supermarkets, and convenience stores in urban areas have recently increased. However, in rural areas, business activities have recovered more slowly, especially when it comes to inessential goods, such as electronic products and home appliances.

Tourism, restaurant and accommodation services

Tourism is an integrated economic sector that has a close relationship with other sectors such as transportation, accommodation, catering and entertainment services. The tourism sector has achieved major breakthroughs in recent years; international tourist arrivals increased from 8

million in 2015 to 18 million in 2019. Domestic tourists also increased from 57 to 80 million during the 2015-2018 period. However, tourism is one of the sectors most affected by Covid-19. Accordingly, international tourist arrivals to Viet Nam fell sharply from 1.9 million in January 2020 to more than 400,000 in March 2020 and just 22,700 in May 2020 (Le Kim Anh, 2020). Viet Nam has launched the programme “Vietnamese people travel around Viet Nam” to promote tourism. However, the second wave of the epidemic broke out in the country’s most popular tourist destination, Da Nang, causing the tourism sector to stagnate once again.

Accommodation and restaurant services have been strongly affected. According to the General Statistics Office, sales of accommodation and catering services in the first half of the year were worth VND 234.7 trillion, accounting for 9.9% of total sales and down by 18.1% y-o-y (while in the same period in 2019 it was up by 10.2%). Notably, in the second quarter of 2020, the figure fell

[16] Source: <http://hiephoibanle.com.vn/nguoi-tieu-dung-viet-gia-tang-mua-sam-thuc-pham-qua-kenh-online/>

[17] According to a report by Google Temasek, it is expected that the growth rate of e-commerce in Vietnam will rise from 43% in 2018 and reach VND 15 billion in 2025. This is due to the fact that 66% of Vietnamese people often use the internet, 72% of the population use smartphones, and most significantly 35% of the population are millennials. They are aged 22-37, which is generally marked by elevated use of digital apps and they are influencers of online and in-store shopping.

sharply by 26.11% due to social distancing. Large enterprises and small or household-scale business facilities were both affected by the dramatic

reduction in tourist arrivals. Most workers in the industry had to take leave or became unemployed.

“My children are tour guides for Chinese visitors. Since the Tet holiday, there have been no tourists. They have had no work since the 15th day of the first lunar month. My daughter-in-law works for a hotel, but she just works 14-15 days a month because there are only a few guests.”

Mr. NVN, born in 1957, Quang Yen district, Quang Ninh province.

“In February since the outbreak of the epidemic, there have been few guests. Since Viet Nam suspended entry for foreigners and exercised social distancing, we have had no guests. After the Tet holiday, the bookings were down 50%. Some guests who had made bookings cancelled. And during social distancing, we had no guests. As you know about the developments of the epidemic in western countries, many guests have to cancel their bookings and we have to make full refunds.”

Ms. NTL, born in 1970, Homestay owner in Hanoi.

Accommodation and catering facilities that do not target tourists also suffered due to a decline in demand. This was a common phenomenon in both rural and urban areas. After the epidemic and social distancing, people’s habits have changed.

For example, they often eat at home rather than eating out, which is difficult for restaurants. Lower incomes are a reason for people to tighten spending on unnecessary services, such as eating out and entertainment.

“I sell crab noodle soup. In April, I had to close the stall for a month. I and my husband re-opened in May after social distancing, but the number of diners was just 70% compared to before the epidemic. People tightened spending because of lower incomes.”

Ms. LTBH, born in 1960, Ba Dinh district, Hanoi.

“I have run a guest house since 2008. I did not hire any labourers but shared work among family members. I had to suspend the business in March due to the outbreak of the epidemic, which meant that I earned no money. During the epidemic, even those who travelled from afar did not want to stay here. Now I have re-opened the guest house for almost a month but receive few guests.”

Ms. LTH, born in 1974, Lien Hoa commune, Quang Ninh province.

“I and my husband came here from Thai Binh and rent a house. I am a street vendor selling tea by the lake. After the Tet holiday, the number of customers began to drop. I had to stop selling from 25 March because I was afraid of infection. I re-opened the shop from 25 April. Until now, the number of guests has been small; down by 50% compared to before Tet. Input costs (cigarettes, tea) are higher but selling prices are unchanged. Most of my customers are motorbike taxi drivers who would not be able to afford it if I increase prices.”

Ms. NTT, born in 1987, Cam Pha district, Quang Ninh province.

"I and my wife are street vendors who sell steamed sticky rice. I sell in front of Song Da school from 5-7:30 a.m. My wife sells in Tan Thinh gas station during from 5-10 a.m. In the afternoon, we prepare for the next day. Due to the outbreak of the Covid-19 epidemic, we had to suspend sales for a month as regulated. After the epidemic, our sales were very poor. We could only sell to students and local residents. For more than a month now, we have been banned from selling steamed sticky rice in front of the school so we can only keep one selling spot. Earlier, we could sell 15 kg of rice, 70 sandwiches, 5 kg of pork, and 40 sausages (at both stalls). But now, we can only sell 5 kg of rice, 50 sandwiches, 3 kg of pork, and 20 sausages (at one stall)."

Mr. NTV, born in 1976, Huu Nghi ward, Hoa Binh city.

In general, along with the economic recovery, tourism, accommodation and catering services have also recovered. Informal workers in the sector return to their business activities.

Transportation services

Transportation services were strongly affected due to social distancing and the "to stay home is to love the country" campaign. In May and June, freight, passenger, and tourism transport

rebounded but remained low compared to before the epidemic. Passenger transportation did not return to normal due to declining travel demand and fear of the epidemic. Freight transportation declined due to unrecovered trade activities, weak purchasing power, and large inventories that were not delivered to distributors. Similarly, tourism transportation, for example, trains and buses, suffered when the number of tourists declined.

"I am a motorbike taxi driver of 14 years. I also work as a freelance porter and shipper. Before the epidemic, I could earn VND 4-5 million a month. During the epidemic, I could not do anything. No matter how much I tried, there was no work. After a month of unemployment, I returned to work. It is more stable now. I can earn VND 100,000-200,000 a day. But sometimes I earn nothing. In total, I can earn VND 3 million net."

Mr. DQT, born in 1977, Huu Nghi ward, Hoa Binh city.

"I am captain of a passenger ship that takes Chinese visitors to tour Ha Long Bay. I am employed by the owner of the ship who signs a contract with a company. Before the pandemic, I often worked 20-25 days per month and had about 4 days off. But when the pandemic hit, I was idle all the time. Most workers on the ship had to stop work. They went to find new jobs. We just receive Vietnamese passengers on the weekends. If we just work on the weekends, the income cannot help us cover our living costs. We cannot work for the owner that way."

Mr. NVT, born in 1974, Quang Yen district, Quang Ninh province.

Along with the boom in e-commerce, shipping services have increased strongly. This has become

a means of employment for a large proportion of motorbike taxi drivers.

"I used to be a motorbike taxi driver at the bus station and other familiar spots. When social distancing was applied, people travelled less so I worked as a shipper for some online shops. I travel all day on the roads around Hanoi."

Mr. TTH, born in 1960, motorbike taxi driver, Hanoi.

Other sectors

Scrap collection is a popular job in suburban areas. Scrap collectors mostly work on construction sites,

factories, restaurants, hotels, and landfills. The industry was affected due to suspended/declining production and business activities and lower demand.

"I have collected scrap for more than 10 years. I often come to restaurants to collect beer cans and plastic containers, categorise them and sell them to buying agents. Even after the epidemic, there is much less work than before. Few customers go to restaurants, which means there is little scrap for me to collect. Before the epidemic, I could earn several hundred dong a day. But now, it's just VND 100,000."

Ms. NTT, born in 1952, Cam Trung ward, Cam Pha city, Quang Ninh province.

Hairdressing, hair washing, and beauty services were suspended during social distancing. The facilities are often on a small scale with one to five workers. The owners are key workers and they recruit workers cum trainees to pass on their professional skills. The facilities are near

residential areas, so they have to rent premises. The owners can cut back on workers' salaries but cannot do so with the rent. Now in most areas, activities have returned to normal because when life is stable again, people have a higher demand for these services.

"Hairdressing, makeup and nail care activities gradually decreased when the epidemic began in several areas in Hanoi. In April, when social distancing was applied, beauty care facilities were forced to close. Wedding and other events were banned so I had to stop work completely. My employees stayed in Hanoi instead of returning to their hometowns. I did not pay their salaries but provided them with food and accommodation. I paid the rent early this year and the landlord did not reduce the rate for me. If I don't pay, the premises will be immediately rented by other people. Now, my business runs normally but the number of clients is much less than before Tet."

Mr. TNT, born in 1984, Cau Giay district, Hanoi.

Many domestic workers are informal workers, and many are females (GSO, 2016a). The demand for domestic workers is on the rise, especially in urban

areas. Domestic workers who worked on a shift or daily basis had to stop working during social distancing.

"I am a domestic worker who has been cleaning houses for three years. I registered for the app "jupviec.vn" for shift work and some households asked me to help them with house cleaning. In April, the company informed me that work would be suspended until the end of the social distancing period. The families who hired me before did not call me and I have had no contact with them since."

Ms. NTT, born in 1988, Thanh Xuan district, Hanoi.

In conclusion, most economic sectors and production and business activities across the country were affected by Covid-19. However, different sectors suffered at different levels at particular times, which led to impacts on employment and incomes for workers and employers.

2. Impacts on employment and incomes of informal workers

As most economic sectors are strongly affected by Covid-19, workers and especially informal workers, have had to suffer the shock of job losses and reduced incomes. After 168 interviews, the research team collected information about employment regarding the interviewees and their family members, and recorded information about employment and incomes of approximately 400 workers in the informal sector. Of this figure, 18% were not affected in terms of employment (agricultural activities, food retail sales, grocery sales, motorbike taxi driving), and the remaining 82% were affected to different levels depending on their status and field.

For owners of production and business households, the epidemic forced the suspension of their business. They were strongly affected but those who suffered most were their employees. The owners had the capacity to respond to the shocks, but they could not easily ensure jobs for their employees. Dismissal or temporary work leave was a hard decision for them to make but they had no other option. Despite great economic losses, thanks to their ability to respond, this group did not have many difficulties.

For domestic workers, they were proactive in working and even ready to share work with other family members who had lost their jobs. The most common phenomenon was that domestic workers who lost their jobs returned to work in their household business. However, because the livelihoods of their family depended largely on production and business activities, in case of declining work in the epidemic, it was hard for domestic workers to find new jobs. Middle- and low-income households found it difficult to get by when their employment and incomes were negatively affected by the epidemic.

Wage and salaried informal workers in the formal sector account for a large proportion of workers in sectors such as manufacturing, processing, and construction. Their work is unstable and seasonal, or based on workdays and workloads. Despite working in the formal sector and receiving monthly salaries, they are not protected by labour contracts or legal regulations; they don't join social insurance or unemployment insurance. Compared to formal workers in the same production and business establishments, they are less protected and have almost no benefits besides the agreed wage. They are the first group of workers to suffer cuts and they receive no allowances or support.

The wage and salaried workers in the informal sector have the most precarious jobs. If production and business activities are suspended, they immediately lose their jobs. When the establishments return to operation, to save costs the owners don't recruit employees but handle the work by themselves. Only when the operations of the business resume, do the owners begin to

hire more workers. In other words, this is the group that is affected first and recovers last.

• Employment was reduced severely in the epidemic and recovered slowly afterwards

According to the survey, most groups of informal workers suffered from negative impacts of Covid-19, such as reduced working hours, layoffs, work suspension, and unemployment

Table 3: Employment of informal worker groups

	Before the epidemic	During the epidemic	After social distancing	Note
Agriculture				
Cultivation and animal husbandry	Seasonal	Operated normally	Operated normally	No sales/low prices
Aquaculture	Seasonal	Operated normally	Operated normally	No sales/low prices
Fishing	By fishing trip	70% suspended	Moderate (30-50%)	No output/low prices
Industry				
Votive items production for export	23-26 workdays a month	Suspended	Not operating	
Garment and apparel production	23-26 workdays a month	Suspended	Employment down 30-40%	Except for face masks and medical protective equipment
Hand embroidered products	23-26 workdays a month	Suspended	70% not operating; for the others, employment down 70%	
Production of mats for export	28-30 workdays a month	Suspended	Employment down 30-40%	
Handicraft production	23-26 workdays a month	Work from home	Employment down 30-40%	
Packaging production	26 workdays a month	Suspended	50% not operating; for the others, employment down 50%	

	Before the epidemic	During the epidemic	After social distancing	Note
Food preliminary processing and processing	28-30 workdays a month	Suspended	Employment down 10-30%	
Construction				
Building	25-26 workdays a month	Suspended	Employment down 50-60%	
Construction materials	30 workdays a month	Suspended	Return to operations	
Retail sales				
Grocery	30 workdays a month	Operated normally	Operating normally	
Foodstuff	30 workdays a month	Operated normally	Operating normally	
Clothes	30 workdays a month	Suspended	Employment down 30-60%, not recruiting staff yet	Better recovery in urban areas than in rural areas
Home appliances	30 workdays a month	Suspended	Employment down 30-60%, not recruiting staff yet	Better recovery in urban areas than in rural areas
Electronic products	30 workdays a month	Suspended	Employment down 30%	Better recovery in urban areas than in rural areas
Online business	30 workdays a month	Operated normally	Operating normally	Increased number of customers
Tourism, restaurants, and accommodation				
Tour guiding	25-26 workdays a month	Suspended	Not operating	
Hotels	25-26 workdays a month	Suspended	Employment down 50%	

	Before the epidemic	During the epidemic	After social distancing	Note
Restaurants	28-30 workdays a month	Suspended	30% not operating, employment down 50-60%	
Karaoke parlours	28-30 workdays a month	Suspended	Not operating, employment down 60-70% due to a decrease in the number of customers	
Tea street vendors, cafés	28-30 workdays a month	Suspended	Return to operations/no staff recruitment	Better recovery in urban areas than in rural areas
Breakfast shops	28-30 workdays a month	Suspended	Return to operations/no staff recruitment	Better recovery in urban areas than in rural areas
Transportation				
Motorbike taxi drivers, cab drivers	28-30 workdays a month	Limited operation	Waiting time increased by 50-60%	
Passenger drivers	28-30 workdays a month	Suspended	Employment down 50-60%	
Goods drivers	28-30 workdays a month	Limited operation	Employment down 30-40%	
Seamen on cruise ships	25-30 workdays a month	Suspended	70% not operating, mostly working on the weekends	
Other sectors				
Scrap collection	28-30 workdays a month	Suspended	Employment down 60-70%	

	Before the epidemic	During the epidemic	After social distancing	Note
Hairdressing, hair washing, makeup	28-30 workdays a month	Suspended	Employment down 30-40%	
Domestic workers	23-30 workdays a month	Suspended	Employment down 10-20%	
Photocopying and printing	28-30 workdays a month	Suspended	Return to operations	

According to interviews, the construction and transportation sectors had more male workers than females. While in retail sales, domestic work, and beauty sectors, etc., female workers were dominant. Employment was reduced by sector, which meant that a worker lost his/her job purely

because of objective reasons. Production and business establishments cut back on labour and working hours based on labour demand. No one reported that employers gave priority to male workers, cut jobs of female workers, or pushed female workers to leave their jobs.

“Women and men are equal in recruitment. When the workload is heavy, we alternate with each other for day and night shifts. Everyone is off work when we have to take leave. And afterwards, we come back to work normally.”

Ms. LTH, born in 1986, worker in Mong Hoa Industrial Park, Hoa Binh.

However, many female workers were concentrated in the sectors strongly affected by the epidemic and social distancing measures such as garment and apparel, footwear, handicrafts, retail, domestic work, and beauty care, etc. Thus, in the informal economy as a whole, female workers were more affected in terms of

employment than their male counterparts. In addition, in the household, if husband and wife share economic responsibilities, when employment is reduced, men will be the ones who continue working. Meanwhile, women automatically accept to stay home and take care of their family.

“Previously, we made and sold tofu together. Now we sell less so he continues working while I stay at home to take care of our family.”

Ms. TTH, born in 1983, Huu Nghi ward, Hoa Binh city.

For these reasons, in the informal sector in general, female workers lost their jobs more than male workers. This is in line with the results of labour market research conducted in the second quarter by the General Statistics Office.

• Workers' incomes were reduced severely

Self-employed workers and household workers did not have other sources of income, so they had to stop work. Wage and salaried workers in the

formal sector still received allowances and unemployment insurance when they were laid off or took compulsory leave. Meanwhile, those in the informal sector did not receive any form of support either from their employers or from the social insurance system. This meant that if a worker in this group lost their job, they had no income. Incomes for this group were strongly affected by job cuts, as described in the table below:

Table 4: Incomes of informal worker groups

	Before the epidemic	During the epidemic	After social distancing
Agriculture			
Cultivation and animal husbandry	By yield and selling price	Down 40-90% due to no sales	
Aquaculture	By yield and selling price	Down 40-90% due to no sales	
Fishing	By yield and selling price	Down 40-90% due to no sales	
Industry			
Workers producing votive items for export	VND 7-10 million/month	No income	No income
Garment and apparel workers (except for face masks and medical protective equipment)	VND 5-10 million/month	No income	Income down 30-40%
Workers producing hand embroidered products	VND 7-10 million/month	No income	Income down 80%
Workers producing mats for export	VND 7-10 million/month	No income	Income down 30-40%
Handicraft workers	VND 4-8 million/month	Working from home	Income down 30-40%
Packing workers	VND 5-8 million/month	No income	Income down 60%
Food preliminary processing and processing workers	VND 4-7 million/month	No income	Income down 50%
Construction			
Builders	VND 250,000-300,000/ workday	No income	Income down 60%

	Before the epidemic	During the epidemic	After social distancing
Owners of construction material shops	VND 4- 20 million/month depending on the size of the shop	No income	Income down 30-50%
Retail sales			
Owners of grocery shops	VND 7-10 million/month	Down 50%, many customers buy on credit	Income down 30-50%, and many customers still buy on credit
Owners of foodstuff shops	VND 5-10 million/month	Income down 50%	Income down 30%
Owners of clothing shops	VND 4-10 million/month	No income	Income down 30-70%
Owners of home appliance shops	VND 4-10 million/month	No income	Income down 30-70%
Owners of electronic products shop	VND 7-20 million/month	No income	Income down 50%
Tourism, restaurants, and accommodation			
Tour guides	VND 300,000-500,000/ workday	No income	No income
Owners of private hotels	VND 10-50 million/month	No income	Income down 60-70%
Hotel staff	VND 4-8 million/month	No income	Income down 40-60%
Owners of restaurants	VND 3-7 million/month	No income	Income down 60-70%
Owners of karaoke clubs	VND 10-30 million/month	No income	Income down 70-80%
Tea street vendors, café owners	VND 3-10 million/month	No income	Income down 30-50%
Owners of breakfast shops	VND 3-10 million/month	No income	Income down 30-40%
Transportation			
Motorbike taxi drivers, cab drivers	VND 5-20 million/month	Limited activities	Income down 50%
Passenger drivers	VND 10-15 million/month	No income	Income down 50-60%

	Before the epidemic	During the epidemic	After social distancing
Goods drivers	VND 12-20 million/month	Limited activities	Income down 30-40%
Seamen on cruise ships	VND 7-15 million/month	No income	70% of the workers don't have income; other workers have a 50% reduction in income
Other sectors			
Scrap collectors	VND 5-8 million/month	No income	Income down 60-70%
Photocopy and printing workers	VND 8-15 million/month	No income	A slight reduction in income
Owners of hairdressing, hair wash, and beauty care shops	VND 5-15 million/month	No income	Income down 30-40%

Income differences between groups of workers were mainly by industry and sector. Whether wage and salaries were paid on a monthly or daily basis was not based on gender characteristics but workload and work performance. In reality, in some particular industries and sectors, men performed better than women and vice versa. There were some income differences between male and female worker groups due to the nature and characteristics of their work. No case was given in which male workers were paid higher wages than female workers for the same job and vice versa. Changes in incomes were similar. Job reductions led to a decrease in incomes; men and

women suffered the same income decreases in the same jobs.

• Covid-19 created a heavy burden of spending and borrowing

Income dropped but fixed expenses could not be cut back, including house rental, food and foodstuffs, tuition fees, medicines, etc. For those who have savings, these expenses were covered by savings and financial backups. But for those who have to make both ends meet every day in the informal sector, the fixed expenses were already a serious problem.

“I had savings to cover a training course on nail care and eyelashes after the Tet holiday, then I would run a small beauty care shop to earn money and take care of my grandmother. But due to the epidemic, the plan was destroyed, and I ran out of money. I don't know when I can do it.”

Ms. NTT, born in 2001, Cam Pha city, Quang Ninh province.

“After the Tet holiday, I and my wife had no work and earned nothing. We still have to cover house rental and the tuition fees for my daughter in Hanoi. We can cut back on food costs, but we cannot do it with the fixed expenses. I have to borrow money to pay her tuition fees.”

Mr. VXH, born in 1968, Mong Hoa commune, Hoa Binh.

For informal workers, short-term borrowing to “make investments in business” were common. In the context of declining employment and incomes, term debts added more burdens to their existing problems. Self-employed owners of production and business establishments who are eligible to access formal credit channels by the VBSP,

commercial banks, or micro-credit funds in the community, were considered for debt rescheduling, refinancing, and loan repayment delays. However, the number of borrowers was smaller than those who had to borrow “illegally” or borrow from individuals, which incurred much heavier pressures for repayment.

“Earlier this year, I bought a truck to carry paddy and construction materials to earn more money. The truck weighed two tonnes and could access small alleys. My father had to mortgage our red book to borrow from the Agriculture Bank (Viet Nam Bank for Agriculture and Rural Development). We borrowed VND 100 million and had to pay VND 2.4 million/3 months as interest. I was off work in April and had little work in May. I wanted to sell the truck to cover the debts, but my father encouraged me to wait for the epidemic to end. Things have become better this month [June].”

Mr. HVS, born in 1994, unemployed seaman, Lien Hoa district, Quang Ninh province.

“Most owners of small businesses have to borrow money. We cannot borrow from banks but friends and relatives then we repay later. We even have to borrow “illegally” with very high interest rates. Sometimes I can ask debt owners for repayment delays of 1-2 weeks. But sometimes they don’t agree so I have to borrow from someone else to cover that debt.”

Ms. LTH, born in 1983, clothing saleswoman, Cau Giay district, Hanoi.

• Most informal workers were not active in responding to the decline in employment

Despite suffering a remarkable reduction in employment and incomes, according to the survey, informal workers were inactive in responding to the situation. The main reason was that most informal workers had limited resources and were not professionally trained (GSO, 2019b)¹⁸, which meant they had limited capacity to respond to

shocks. Except for the groups not seriously affected as mentioned above, the other groups, no matter how much they were affected due to the epidemic, had the same attitude regarding their response (i.e. waiting until after social distancing). In addition, during social distancing, it was hard for anyone to find a new job because just few industries and sectors were operating normally and “almost everyone had to take leave”.

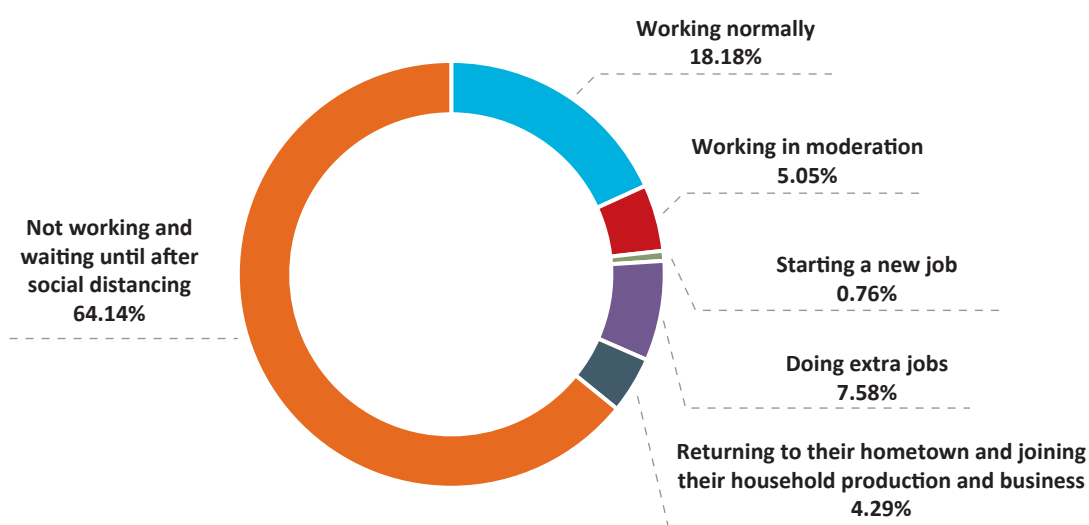


Figure 7: Informal workers’ responses to employment during social distancing

[18] According to the 2019 Labour and Employment Survey by the General Statistics Office, among informal workers, the workers with secondary education account for the largest proportion (34.0%), followed by those with primary- education (23.5%) and high school education (17.4%). Trained workers with certificates and degrees from primary level onwards account for 15.2% of the total number of informal workers.

After social distancing ended, the responses were not different: 86% of respondents said that they returned to their previous jobs; they did not want to change jobs despite numerous difficulties. The first reason was that they were familiar with these jobs and had no other skills. The second reason was that the prospect of economic recovery might bring production and business establishments back to levels before the epidemic even though they did not know when. “It might be next month or next year,” they said. The other groups of workers could not return to their previous jobs despite their wish to do so. The reasons varied: the employers did not contact them, or production and business activities were still frozen. Among the groups, just 3% could find new

stable jobs; 5% took temporary jobs to wait for more stable jobs; just 2% were unemployed and continued to look for new jobs; and about 3,74% returned to their hometowns to join their household production activities. Notably, despite accounting for a small proportion, most respondents who moved to another job or tried to apply for another job were men (only two women).

In particular, the survey team did not record any case of workers in informal employment changing to formal employment after the epidemic. In contrast, among workers in formal employment, three lost their jobs and had to take informal employment.

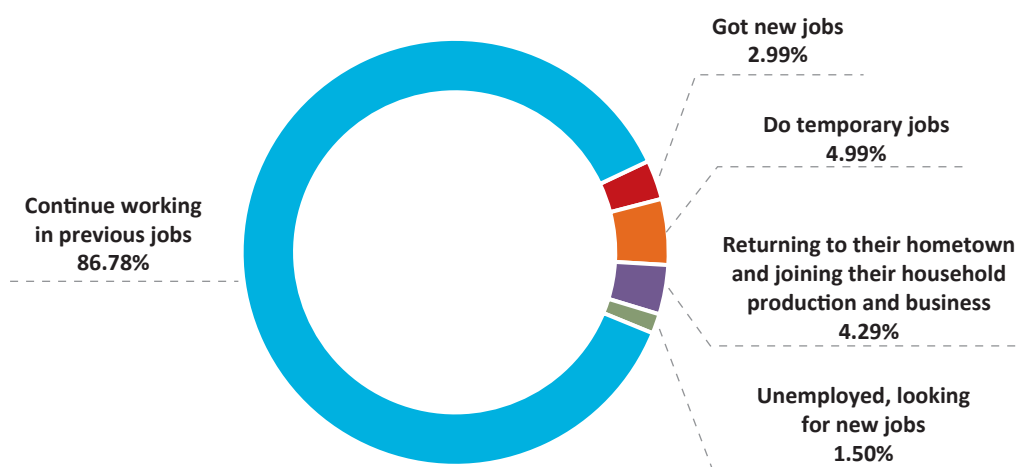


Figure 8: Informal workers’ responses to employment after social distancing

Economic activities in both rural and urban areas were affected. However, during social distancing when most economic activities in urban areas were suspended, workers in rural area found it easier to change to or find temporary jobs in agricultural production, engaging in household economic activities, and if possible, expanding cultivation and animal husbandry production, etc.,

to use the free time made available due to job cuts and earn additional income. Meanwhile, workers in urban areas found it harder to begin economic activities of that kind. Most male workers “went around the house and did nothing”, and female workers “followed a routine of cleaning the house and taking care of the family and children”. However, after social distancing, when production

and business activities recovered, workers in urban areas returned to normal more quickly. Informal workers in urban areas found it easier to return to their previous jobs or look for new jobs because non-agricultural jobs are very common in urban areas, including market porters, waiters, motorbike taxi drivers, salesmen, domestic workers, etc.

In conclusion, each economic sector suffered different impacts of the epidemic, leading to different impacts on different groups of workers. Workers had different responses to the shocks, depending on their available resources and capacity to respond. Some groups were strongly affected yet had better responses thanks to more abundant human and financial resources.

Nevertheless, some groups and their families with poorer backgrounds and financial resources had their living standards and welfare strongly affected although the shocks were not too great (on a general level). They were easily affected, became vulnerable and fell into poverty.

3. Responses in terms of household spending

With complicated developments, Covid-19 has turned people's lives upside down with the most serious impacts on the financial situation of each household. Informal workers generally have more limited financial resources than formal workers; thus, responses in terms of household spending and welfare are a big issue.

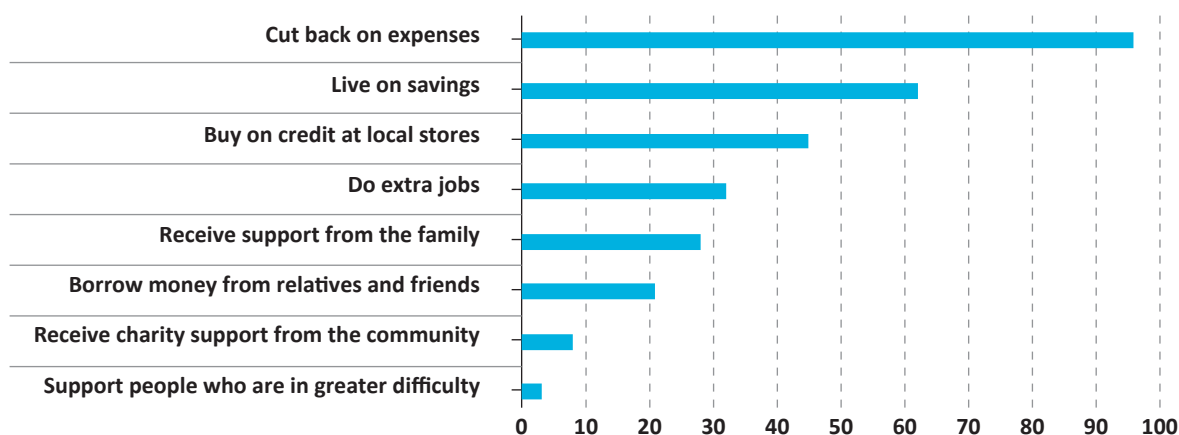


Figure 9: Responses in terms of household spending (%)

Responses in terms of household spending depended on savings and financial capacity. Most households (97%) said that they had to cut back on unnecessary expenses; more than 60% of the surveyed households lived on their savings; low-income households had to buy essential goods on credit (45%); some households in rural areas and suburban areas that had land could do extra jobs (more than 30% of the total number of

households); many young families, especially in urban areas had to receive support from their wider families (nearly 30%); some households in extreme difficulty with large compulsory expenses had to borrow money (about 20%), and some received charity support from the community (nearly 10%); meanwhile, some households with better conditions supported those with poorer conditions (up to 5%).

Responses in terms of household spending do not rely on job- and income-generating activities of members in a particular household but on the economic conditions, level of regular income, and savings and financial capacity. Households with different living standards have different responses in terms of spending before employment-related shocks. Given the same spending response, for example, cutting down on unnecessary expenses, living on savings, or borrowing money, etc., different households have different levels of responses depending on the economic conditions of the individual households.

Cutting down on expenses was the main measure

In the context where prices increased sharply¹⁹ and the epidemic continued to affect incomes, households tended to cut down on unnecessary expenses. This response measure directly affected their living standards and the welfare of the households. Households with favourable economic conditions stopped travelling and

entertainment activities and stopped buying large assets. Middle-income households generally cut down on clothing and utensils. Low-income households had to cut spending as much as possible and even cut down on food. Households with difficult economic conditions had cut down spending as much as possible and could not further reduce it; instead, they relied on alternative resources such as gifts, charity support, and extra jobs, etc. The spending cuts continued even after social distancing ended.

In general, food, foodstuffs, and daily meals were assured. Expensive food was cut down in many households; snacks, junk food, and even milk were reduced. However, households tried to assure adequate food for children and people in need of special treatment. Electricity, water, and fuel expenses were cut down in both rural and urban areas. Some households in rural areas had favourable conditions to do extra jobs, such as growing vegetables and raising chickens, etc., as a way of cutting down on expenses.

“Cutting down expenses by skipping breakfast, having brunch and not having snacks, etc. Things are not as good as before the epidemic. We give priority to education and healthcare for our children.”

“It’s better to live in rural areas because we have rice and vegetables, and we can buy food at lower prices. I could have bought some clothes and shoes but now I cannot. I have to cut down on daily living expenses.”

“We have to cut food expenses by half. All of our living expenses are cut. We grow vegetables and raise chickens for eggs and meat to save money.”

“My family have to cut down on expenses, including food expenses. However, we try to assure adequate food for the children. We are enjoying a 10% reduction in electricity bills provided by the State. We don’t buy clothes if we don’t need to. We can save money we’d usually spend on funerals or weddings because many weddings are cancelled.”

“We can handle the situation without too many difficulties. We have to cut down food expenses from VND 200,000/day to VND 150,000/day. We are trying to save electricity. We don’t go to weddings or parties, except for funerals.”

“Previously, we were relaxed at covering expenses for food, travelling, etc., but now, we have to cut down because we don’t know when we can earn as much as we used to.”

Extracts from interviews with several households.

[19] According to the General Statistics Office, food prices went up by 3.38% y-o-y; foodstuff prices increased by 14.28% y-o-y. Particularly pork prices were 68.2% higher. Drinks, cigarettes, and ready-to-wear clothing prices increased by 1.7% and 0.93% y-o-y, respectively.

Not all informal workers had savings to live on

Most households with informal workers had low incomes. For this reason, in response to income reduction, households had to live on their savings. However, there are households who did not have any savings to cover their living expenses. This was the most disadvantaged group of households as

they did not have any financial backup in case of income reduction or loss. On other hand, a number of households still have other sources of income to support their living expenses, thus didn't touch their savings. More than half of the cases with savings said that they had used them and could not afford to continue if there was another large-scale social distancing period or job losses.

“For more than a month I was on leave and could not earn any money, so I had to live on savings. My father passed away right before the Tet holiday, so we received VND 14 million as death gratuity near the outbreak of the epidemic. At that time, we wanted to open a savings book for my son. But then we had to live on that money.”

Mr. DQT, born in 1964, Huu Nghi ward, Hoa Binh.

Support from families and friends was an important resource

Material and mental support from parents, siblings, relatives, and friends were very important. The most popular example was of people in rural areas sending food and foodstuffs to their family members in urban areas. Another common example was that when they could not

provide support in money and in kind, they could share their houses and food, and take care of children. Because schools were forced to close long term, children were sent to their grandparents so their parents could go to work. For poor households in urban areas, children were sent to relatives so that they could join e-learning classes because their parents could not afford learning devices and access to the internet.

“I and my children have to ask for help from my mother.”

“My children don't go to school, so I have to send them back to Thai Binh for my mother to take care of them. My mother also sends rice and vegetables to me, so I don't have to buy them in the market.”

“During the epidemic, I have to provide food for the families of my two sons and two daughters because they have been laid off. Every week, I send them rice and other kinds of food. We have run out of everything and have no savings. I try my best to support them and they have to try harder to find new jobs.”

“My family does farm and runs a business, so we have good economic conditions. In the epidemic, many families have difficulties, so we lend them money at no interest. I want to help them get out of difficulty.”

Interview extracts.

Buying on credit and borrowing were common

The workers with no support from their families and who had run out of financial resources had to borrow to get by, especially migrant workers living far from their hometowns. Buying on credit was one of the common measures taken by low-income households in difficulty. Sellers agreed

to sell on credit, sometimes at higher prices than market prices although the increase was not substantial. Even households which were not in financial difficulty had to borrow to cover immediate expenses such as house rent, rent for business premises, tuition fees, and medical treatment fees and charges.

“In the epidemic, I had to close my shop, but I had to pay rent without any discount. I had to borrow from my relatives to cover the expenses.”

“I had no income, so I had to borrow from my relatives to cover living expenses. I have not settled all the debt so far because my business is unstable now.”

“I was laid off in the epidemic. After the epidemic, I just did half of my usual workload. The salary was sent to feed my children. I had to live with my relatives and bought food on credit. When work gets better next month, I will repay them.”

Interview extracts.

Receiving charity support was the last resort

The workers in most difficulty who could not borrow from anyone or receive support from family and friends, etc., had to seek help from charity programmes such as “Zero Dong

Supermarket”, or “Rice ATM”, etc. They were migrant workers in large urban areas who enjoyed no social benefits in their temporary residence. This was the group in most difficulty and was often left behind in general policies and formal support programmes in localities.

The first free “Rice ATM” in Hoa Binh province was launched by Luong Son District’s People’s Committee (Hoa Binh province) in coordination with Thai Ha Books JSC (Hanoi) on 16 April at Luong Son District’s Cultural Centre. About 30 tonnes of rice were distributed to poor people and people who lacked food.

Source: <https://vov.vn/xa-hoi/atm-gao-dau-tien-o-hoa-binh-se-ho-tro-30-tan-gao-cho-nguoi-ngheo-1038369.vov>

Because most informal workers had limited resources, their response in terms of spending was short-term. If the difficulties in employment and income are prolonged, the measures will become

ineffective or impractical. However, most of the interviewees said that they “did not know how to handle it if there was another outbreak of the epidemic and more social distancing”.

4. Social impacts on household life

Besides the medical and economic crisis, the Covid-19 epidemic had strong social impacts. In addition to impacts on public health, the epidemic affected household life.

- Public activities were reduced - community support was increased

Due to the fear of the epidemic and compliance with social distancing regulations, public activities were cancelled or held at minimum scales. At the

community scale, festivals, religious and cultural activities were stopped. On the family scale, there were no parties, gatherings, or anniversary parties, etc. People were active in cutting down entertainment activities to avoid gatherings. Weddings were delayed until after the epidemic and marriage registrations and wedding announcements were encouraged. Funerals were expected to be held in a simple manner, avoiding large gatherings and complying with regulations on the prevention and control of the epidemic.

“Weddings have been cancelled for months. We encourage people to wait until after the epidemic, or just perform a wedding ceremony without holding big parties. Young couples register their marriage and hold small parties for their families. Death anniversary parties are not held solemnly. People just come to offer incense to the deceased. Representatives of households attend funerals, wearing face masks and using hand sanitizers. Local police attend the events to ensure order and social distancing as regulated.”

Head of Vi Khe village, Lien Vi commune, Quang Ninh.

Although many public activities were stopped or reduced, which affected cultural and spiritual life in general, community unity and connection was strengthened thanks to mutual support activities such as sharing work, food, and necessities. Solidarity and mutual support for combating the epidemic were promoted, including sharing information and knowledge. In addition to the charity and humanitarian work in service of those in difficult conditions, borrowing among relatives and neighbours was enhanced to promote a tradition of “the good leaves protect the worn-out leaves” so that “no one was left behind”. People in quarantine were not discriminated against but supported with food, which consolidated community unity and solidarity.

- Family life was strengthened

Social distancing made people change their lifestyles. Most daily activities were conducted indoors, including studying.

The risk of infection made people live more slowly, reject outdoor gatherings, and spend time relaxing with family members. From a positive point of view, it meant more family bonding time. According to the results of a survey by Nielsen, the eating habits of Asian people may change after the epidemic. In Viet Nam, 62% of respondents said that they would eat at home more regularly.

“The epidemic helps change people’s lifestyles. Earlier, we used to go out and gather in crowds; but now we do not. It should be like this. I find that living that way is very good and avoids wastefulness. Gathering in crowd might lead to conflicts and gossip. We earn money to afford enjoyment. If everyone saves, it’s not good for production and business activities. But I would strongly support the closing of karaoke clubs and pubs.”

Ms. NTN, born in 1978, Quang Yen district, Quang Ninh.

“During social distancing, we often took time in the morning. Instead of buying breakfast outside, my wife cooked for everyone. For lunch and dinner, I and my wife made the dishes that normally we did not have time to make. Life was much slower. We were together when eating. We spend quality time with each other to watch movies, read books, or teach the children. Family connections were much strengthened during that time.”

Mr. NAT, born in 1977, Hoan Kiem district, Hanoi.

Direct (physical) contact such as meeting, shaking hands, hugging, and talking was eliminated and replaced with indirect contact, including

interactions via the internet, phone calls, and video calls, etc.

“I live about 1 km from my parents’ house. Despite this, I just called them via Zalo app. I wanted to prevent the disease for myself, my parents, and the community.”

Ms. NTA, born in 1983, Ba Dinh, Hanoi.

• Shopping and spending habits changed to enhance savings and convenience

In general, households cut down on expenses due to reduced incomes as mentioned above. Even households which were not greatly affected or had

the resources to respond to the crisis still tended to save more. The current context and worries about the future made labourers in general and young workers in particular better aware of money and savings.

“As a seaman, I can earn a lot. But I often spent it wastefully on gatherings. For years, I had no savings. It is said that only married people save. Now I think I should follow them. In difficult times, I can realise how important money is.”

Mr. HVS, born in 1994, Quang Yen district, Quang Ninh.

In addition, instead of shopping daily, people changed to shop weekly. They also chose to buy things online rather than at the market. Most people gave positive feedback on shopping on a

weekly basis and the advantages of e-commerce which helped them save time and eliminate direct social contact.

“Before, every day after work I went to the market to buy food for the next day’s meals. But now I go to the supermarket once a week to buy food. After that, I process the food and freeze it in advance. It’s much more convenient for me to cook like this. I also buy things online more. It’s easier for me to find what I want at better prices”.

Ms. TTTH, born in 1984, Ba Dinh, Hanoi.

The fear that a prolonged epidemic might lead to food shortages was shared by part of the population when the epidemic was announced in Viet Nam. However, thanks to careful preparation by the government and distributors, food insecurity and shortages of other necessities did not occur. Some medical supplies, such as face masks, hand sanitizers, etc., were scarce and the

prices rose sharply. The government conducted information propaganda and dissemination activities and price stabilisation measures, helping reassure people and stabilise society. Thus, the anxiety of storing food and necessities only occurred for a short time and did not affect the commodity market or daily life.

“After the announcement of 17 cases, people tried to store food and necessities in the first few days. The market ran out of food early at 7-8 a.m. I did not store food but bought face masks and hand sanitizers. Even though the prices were high, I had to buy them. Medical face masks were really expensive, so people had to use fabric masks. Then we had enough face masks.”

Ms. NTL, Quang Yen district, Quang Ninh.

In conclusion, the epidemic strongly affected people’s spending and shopping habits. This brought advantages and disadvantages. In particular, living conditions and the welfare of households were reduced further, which happened even to households with good economic conditions. The epidemic also led to a decrease in demand in general, affecting economic sectors and affecting economic recovery.

• Medicine and healthcare were directly and indirectly affected

Although the epidemic did not create a medical

crisis, it significantly affected the healthcare sector. Local transmissions, and especially quarantine cases, caused confusion and anxiety.

In Dung Tien commune, Thuong Tin district, Hanoi, a village was placed in quarantine because of one infected case. People in the village were confused and scared. However, proactive public health intervention measures, such as large-scale spraying of disinfectants, daily health checks, and double testing, etc., helped reassure people. Nevertheless, it was only after quarantine ended when people felt fully relieved and could return to normal life.

“In the first week, we were very scared of being infected. With the negative testing result, we felt secure about self-quarantine. My parents were not allowed to visit us. I stayed at home all the time and felt confused about everything. My husband and children were not calm. We came to appreciate freedom and good health more than ever”.

Ms. NTO, born in 1974, Thuong Tin district, Hanoi.

On a large scale, one indirect impact was that people stopped having medical examinations and treatment at hospitals and clinics due to fear of infection. People only visited hospitals and clinics when they had dangerous and acute symptoms.

Even pregnant women and children stopped having vaccinations and regular health checks; PWDs stopped having therapy and rehabilitation. This attitude meant that many cases were not promptly treated.

“The baby is seven months old. She did not have vaccinations or a regular health check last month. Now quarantine has ended, if the situation is secure, I will resume her vaccination schedule.”

Ms. PML, born in 1991, Thuong Tin district, Hanoi.

“I have a blocked tear duct which should be treated regularly but I did not dare to go to the hospital during the epidemic. My eyes are very bad now.”

Ms. DTL, born in 1957, Huu Nghi ward, Hoa Binh city.

Another positive point was that family members were more concerned about protecting their health. They were more active regarding sanitation, including handwashing, wearing face masks when outside, and keeping their distance when coughing and sneezing. People with underlying diseases, elderly people, and children are groups at higher risk of serious health problems in case of infection. Therefore, they are paid more attention to by their families, especially in relation to dietary nutrition.

• *Covid-19 made a remarkable transformation in the education sector*

Since early February 2020, social distancing policy has affected the learning of more than 21 million Vietnamese children due to school closures²⁰. This was a remarkable change that children and parents had to adapt to. Kindergarten children were separated totally from their schooling. They

either had to stay at home or were sent to the countryside so grandparents or relatives could take care of them. From primary level onwards, they received online homework sheets. Teachers encouraged students to self-study at home and submit homework on the internet. After more than a month of school closures, many schools provided e-learning services for students based on various technology platforms (Zoom, Microsoft Teams, and Zalo chat). However, e-learning was not easy to manage. In addition to teaching and learning quality, e-learning significantly increased education expenses because both students and teachers had to equip themselves with appropriate devices and an internet connection. E-learning also increased the gap between those that had access to e-learning devices and the internet and those that did not. In turn, this led to a disparity in accessing and applying digital technology.

“My children studied at home via the internet. I had to pay VND 3 million to buy a used smartphone for them to access e-learning. Despite the extra expenses, I had to do it to enable them to study.”

Mr. PVQ, born in 1979, Cau Giay district, Hanoi.

“We had neither smartphones nor an internet connection. My child had to go to my parents’ house to borrow his uncle’s smartphone to do e-learning. I had no idea if he studied well or not.”

Ms. TTT, born in 1978, Cam Pha city, Quang Ninh province.

[20] <https://www.unicef.org/vietnam/vi/nh%E1%BB%AFng-c%C3%A2u-chuy%E1%BB%87n/n%C4%91%C6%B0a-tr%E1%BA%BB-em-v%C3%A0o-v%E1%BB%8B-tr%C3%AD-tr%E1%BB%8Dng-t%C3%A2m-trong-%E1%BB%A9ng-ph%C3%B3-v%E1%BB%9B-d%E1%BB%8Bch-Covid-19-t%E1%BA%A1i-vi%E1%BB%87t-nam>

Children in cities and developed urban areas said that they had a heavy workload while knowledge was only partially absorbed because the work was assigned on a weekly basis and children “could not keep their concentration” using the new learning method. Primary students, especially first graders, could not handle e-learning because they are not literate. E-learning helped schools ensure children became familiar using computers and the internet. However, risks of online harassment and abuse, which had been hard to control in the past, became more severe²¹. After staying at home for more than three months, the students’

psychological condition was affected²². They “hesitated to return to school” and could not concentrate on studying.

• *Gender equality and domestic violence is a serious issue*

Due to the epidemic, housework increased sharply, including cooking, house cleaning, childcare and supervision of children’s e-learning as well as caring for elderly people, PWDs, and people with illnesses.

“I stayed at home during the epidemic. I had to take care of the children, buy food in the market and cook at home. I had to do all the work all day. My daughter is a fifth grader who could not handle online work alone, so I had to help her during her studies. My husband was not patient enough to teach her. I was often tired. Now, after the epidemic, she goes to school and I feel relieved”.

Ms. NTT, born in 1985, Ba Dinh, Hanoi.

The notable thing was that most housework was the responsibility of women. According to the survey, women said that they had to take charge of all the housework, which meant they were busy all day. Meanwhile, men played an inactive role

regardless of whether they were at home or not. While women were very busy, men felt “upset and bored” during social distancing. Most men just engaged in “playing games with children” at home.

“I left my job and ran a grocery business at home. My husband did nothing and even felt bored and upset. He complained all the time and I had to encourage him. If I complained about him, it would cause quarrels and conflicts.”

Ms. NTN, born in 1978, Quang Yen district, Quang Ninh.

In the situation where both men and women had lost their jobs or had their working hours reduced, women suffered more as men were still considered the main pillars of their families. Men were allowed to feel “upset, stressed, and bored”

while women were not encouraged to express themselves emotionally. They even had to “encourage, cheer up, and comfort” to encourage a harmonious atmosphere within their families.

“Quarantine strongly affected people’s lives. In my residence, there were families with poor financial conditions who experienced conflicts during that time.”

Ms. BTL, born in 1984, Mong Hoa district, Hoa Binh.

[21] Child harassment and abuse during e-learning was highlighted by the National Child Protection Hotline No.111 in a report in April 2020.

[22] From February to mid-May 2020.

Field interviews showed that most households attempted to keep their families harmonious to overcome the difficult time. However, there were still conflicts and quarrels. Social distancing, job losses, and reduced incomes caused stress, worry, and family conflicts which could result in domestic violence and the abuse of children and women. In April 2020 alone, the National Child Protection Hotline No. 111 received 750 calls asking for assistance, of which 200 calls asked for interventions on domestic violence, child abuse, and psychological problems²³.

5. Disadvantaged groups of workers

Disadvantaged groups of workers were affected by Covid-19. They suffered the same impacts by industry and sector as other groups of workers. As the most vulnerable group, the negative impacts were more severe, and they had less capacity to respond.

Workers in poor and near poor households:

Members of poor households have an average income below that required to ensure the minimum living standards and have limited access to basic social services. In other words, workers from poor and near poor households, who originally had limited income-generating activities, had to face greater difficulties during the epidemic. The group that was unable to work, despite not being directly affected in terms of

employment or income, had even more unstable lives. Poor and near poor households have a high dependency ratio²⁴. Respondents from poor and near poor households were the main providers of households with elderly people (over 60 years old), and (many) people with serious disabilities or chronic diseases. This group of workers had to do unstable jobs with unstable incomes, such as sandwich sellers, tea street vendors, and scrap collectors, etc. They had low incomes, no valuable assets, and no financial backup. Thus, when the workers (the sole providers of the families) lost jobs their jobs or had their working hours reduced, the households did not have any other sources of income, could not afford daily expenses, and fell into poverty. Covid-19 made it difficult for this group of households to escape poverty and made their situation worse.

Workers in households with social protection beneficiaries:

Similar to poor and near poor households, the households with social protection beneficiaries have limited labour capacity. The main labourers in this group had to cover the additional costs of taking care of social protection beneficiaries. Social protection beneficiaries still received monthly allowances during the epidemic. Due to social distancing, payment in some provinces was postponed until the end of the epidemic.

Ms. Dao Thi T born in 1956 lives with two daughters and a grandchild. She and her husband used to be workers in the Song Da Company who retired under the Decree No.176 mechanism²⁵. Her husband is severely diabetic. He cannot work, just stays at home and injects insulin every day. Her 41-year-old daughter is weak and cannot move or work normally. She has a 15-year-old son who is a student. Her second 36-year-old daughter has a neurological disease and is supported with VND 405,000/month from 2019 under the social protection system. Ms. T goes out to sell goods in the morning, earning about VND 20,000-30,000/day. In the afternoon, she works as a freelance domestic worker or takes care of her husband and daughters. She raises 4-5 chickens for eggs. Her house was built long ago and is in disrepair, but she cannot afford to replace the roof. She was off work for the whole of April due to the epidemic. During that time, her sole source of income was the State's subsidy for her second daughter. Her family was also given 20 kg of rice and a coupon for five essential goods: a bottle of fish sauce, 10 eggs, 0.4l of cooking oil, 0.5 kg of sugar, and five packs of instant noodles.

Summarised from household interviews, Huu Nghi ward, Hoa Binh.

[23] <http://tongdai111.vn/tin/bao-ve-tre-em-va-phu-nu-trong-cac-khu-cach-ly>

[24] The dependency ratio is calculated by the number of people beyond working age divided by the number of people at working age: 15-55 years old for women and 15-60 years old for men. According to the Survey on Household Living Standards 2018, the dependency ratio in 2018 was 0.69. The dependency ratio of the poorest household group was 0.96, 1.8 times higher than that of the richest household group (0.51).

[25] Decision No. 176/HDBT dated on Oct 9, 1989 of the Council of Ministers on rearranging labourers in state economic units. People retiring under the Decree No. 176 mechanism received lump-sum allowances paid by their employing units, and they were not entitled to any social protection and/or social assistance benefits.

To support poor and near poor households with social protection beneficiaries, the government provided cash support according to the regulations of Decree No. 42/NQ-CP). The allowances had a significant impact on this group. Besides, the community also prioritised this group in charity and humanitarian programmes.

Workers who are people with disabilities (PWD workers):

With great efforts from the authorities, the community and the people themselves, PWD workers have greater opportunities to join the

labour market, generate income and stabilise their lives. However, there are many obstacles to finding and keeping jobs. In the informal sector, PWD workers often take on jobs which suit their health conditions in households, cooperatives, and small-scale production establishments. Difficulties caused by Covid-19 seemed more serious for PWD workers than for other groups because of their limited health conditions and skills. According to a rapid evaluation of the socio-economic impacts of Covid-19 on PWD workers in Viet Nam, 82% were concerned about health during the epidemic and 96% were concerned about financial security (UNDP, 2020).

Ms. Dang Thi D, born in 1966, had arthritis when she was a child. She can hardly move on her own. Her husband passed away in 2017. She lives with a son who is unmarried. For almost ten years, she has traded agricultural materials to make ends meet. Trading partners take the agricultural materials to her house so that she can sell them. And buyers come to her house to buy what they need. She just watches the shop and collects money. In the epidemic, she had to close the shop. She was strong enough to do extra work at other households in the village. Only poor and near poor households were supported during the epidemic. In May, she returned to her business but there were few customers. She has to struggle but she does not know how to do other work.

Summarised from household interviews, Huu Nghi ward, Hoa Binh

During this research, we interviewed PWD workers in the informal sector. They said that they suffered the same impacts in terms of employment as other groups of workers. However, they have fewer chances to access other sources of income through extra work. This group did not receive any policy-based support in terms of employment and income if they were not social protection beneficiaries or from poor and near poor households. In terms of healthcare, the workers said that they were in a stable health condition and could work so they stopped having regular health checks because of the fear of infection. The Ministry of Health issued the “Guidance Handbook on Severe Acute Respiratory Syndrome Coronavirus 2 (Covid-19) for People with Disabilities in the Community” as a practical document for PWDs, families with PWDs, PWD

caregivers, health officials, etc. The document was circulated through different channels. However, the PWD respondents had no information about the document.

Elderly workers:

Despite rich work experience, elderly workers have limited health conditions. Elderly workers were in great difficulty in terms of income because they could not find alternative jobs. The surveyed elderly workers who had pensions (5 out of 21 cases) were owners of production and business establishments. They had assets and high incomes before the epidemic. The other elderly workers have no income if they do not work because they do not have a pension or other monthly allowances. They do not have children or

caregivers and have to work to earn money. They mostly do jobs such as agricultural production within households or simple non-agricultural work including motorbike taxi drivers, tea street

vendors, scrap collectors, etc. Those jobs were affected by Covid-19, impacting their spending and welfare.

Mr. Hoang Van G was born in 1958 and his wife was born in 1957. Their daughter has congenital heart disease. She cannot work and stays at home. Their elder son was studying in the medical college in Quang Ninh when he had to work to earn money. The second son is working in Japan. He sent money back home to cover what they borrowed to prepare him to work in Japan. The economic burden was on the shoulders of the elderly couple who are over 60. They did farm work on an area of more than one "mẫu" for rice cultivation and one "mẫu" for watermelons. They could not sell the watermelons. Previously in Thai Binh, Bac Giang, and Hung Yen, watermelons were collected by traders, but this was no longer the case. Overripe watermelons are ruined, and rain destroyed the crop, meaning they are unable to cover the costs of about VND10-15 million/crop. They had no way to deal with the situation.

Summarised from interviews with households with elderly people, Lien Vi commune, Quang Ninh

Similar to PWD workers, elderly workers did not receive any policy-based support or community support if they were not poor or near poor households or households with social protection beneficiaries. All they could do was wait for the difficult time to end.

Migrant workers:

A large number of migrant workers are concentrated in urban areas, industrial parks, and export zones. Compared to local workers, migrant workers face more difficulties because they have to cover house rent and have to pay more for

health and education services if they did not register for temporary residence. Among this group in the informal sector, many people struggle securing their daily food needs – some have to send money to their hometowns to feed their children or family members. Due to the epidemic, job losses and reduced incomes put a heavier burden on them, and their families had limited capacity to respond. While their incomes were affected, they had to cover fixed expenses such as house rent, electricity and water bills, etc., which remained unchanged.

"The outbreak of the epidemic was after the Tet holiday. My sandwich shop was still in operation in Hanoi. Since March 28, I have had to close the shop because of the social distancing policy. I and my wife had to return to our hometown because we had no livelihood here while living expenses in Hanoi are costly. I was lucky that my hometown is not very far from Hanoi. The scrap collectors whose hometowns are in Nghe An and Ha Tinh could not return because of the distance. They had to receive that charity rice. They had no work to do in the epidemic".

Ms. PVT, born in 1976, migrant worker, Hoang Mai district, Hanoi.

"Some landlords are so generous that they reduced the house rent but others increased it. We had to accept the fact. Single people can move out easily but it's not the case for big families".

Ms. TTD, born in 1968, migrant worker, Nam Tu Liem district, Hanoi.

A large proportion of this group returned to their hometowns to cut down on expenses or left for other localities to find new jobs. The most disadvantaged workers were those who could not return home due to various reasons while employment and incomes decreased.

The research team also approached households with members working overseas under contract. They said that they had to borrow a large amount

of money to send them overseas and realise the dream of escaping poverty. However, in a context in which the whole world is affected by Covid-19, overseas workers were not only left without work but also suffered a difficult life and high risk of infection without access to healthcare services. Overseas workers could not return home due to limited commercial flights and had to wait for rare rescue flights.

“My son used to be a bus conductor. Now he is working in Taiwan under the labour export mechanism. He has been there for several months. Due to the epidemic, he has no work there. He is waiting for a rescue flight to come back home. More than 8,000 workers in Taiwan protested; they wanted to return home because they had no work, no money, etc. They can only work several days a month to cover house rents and brokerage fees.”

Ms. LTT, born in 1959, Huu Nghi ward, Hoa Binh city.

Low-income workers in urban areas:

In urban areas, living expenses are high, causing more difficulties for low-income households. This group of households includes both migrant workers and local workers with different complicated backgrounds. As discussed above, migrant workers are a contributor to poverty in urban areas. However, this group has an option of returning home or leaving for another locality. Meanwhile, local workers are stuck and have few

chances to develop. They are mostly elderly people, children, people beyond working age, or people at working age but with disabilities or serious illnesses. Poor people in urban areas have very low daily incomes and expensive social services in urban areas use up their finances. As they are not recognised as poor households according to certain standards, they did not receive any policy-based support. They had to depend on community-based support and/or try to work despite social distancing regulations.

Ms. Nguyen Thi T, born in 1947, is a local woman who cannot read or write. Her son is in prison and she has to raise a grandchild born in 2008. Her house is so small that it just accommodates one double bed. Clothes and a study desk are placed upstairs. After her husband passed away, she washed dishes in restaurants and food shops. For the past three years, she has not been able to do this anymore and changed to collect scrap due to her poor health conditions. Despite harsh weather, she tries to earn VND 30,000-50,000/day. In the epidemic, elderly people were advised to stay home. However, she was worried about daily food, so she continued to work. In 2019, she was excluded from the near poor household list; no reasons were given. She and the grandchild did not receive health insurance cards. Luckily, the communal authorities still support the grandchild's tuition fees. Before and after the epidemic, the family has to struggle every day.

Summarised from household interviews, Cam Trung ward, Cam Pha city, Quang Ninh province.

The poverty rate in urban areas, especially in big cities, is very low. In many localities, there are no reported poor households according to the national poverty standards. The low poverty rate is partly due to the very low national poverty line. The national poverty line in 2019 and 2020 was issued in 2015 and has not been adjusted to CPI rates. Thus, many households theoretically “escape” poverty although their lives remain unchanged. This group struggles to make ends meet in urban areas, reflecting widening inequality. This is a common social problem in urban areas. This is a vulnerable group which is being left behind.

Informal workers in the formal sector:

In the formal sector, many processing, exploitation and construction enterprises recruit seasonal and temporary workers. They mostly do manual work

that does not require specific expertise or skills. The workers are attached to the enterprises for several years. They are paid monthly, even via the banking system, but do not have term contracts. They have not joined compulsory social insurance, unemployment insurance, or trade unions. The reasons for this stem from both employers and workers. First, from the perspective of employers, it is easy to recruit this group of workers and no training is needed. Thus, they do not need to secure their services with labour contracts. Having no labour contracts helps the enterprises eliminate administrative procedures and payments for social insurance and unemployment insurance, etc. Second, from the perspective of the workers, they have little knowledge about their rights and obligations and labour-related laws; thus, they just care about their monthly payment and ignore the importance of labour contracts.

“The company said that if we signed a labour contract, they had to cover insurance of all kinds. So, they offered me the salary of VND 7 million if a labour contract was signed. If not, the salary would be VND 8 million. At that time, I needed money so much that I had no idea about insurance, so I did not sign a labour contract. I just had a working agreement. I got an access card and opened a bank account to receive my monthly salary. It’s good enough.”

Ms.TTH, born in 1977, Mong Hoa commune, Hoa Binh province.

This phenomenon is very common for the following reasons: (1) the inspection, supervision, and implementation of labour laws and regulations are not strict, (2) there is agreement between employers and labourers; (3) and local authorities ignore the issue in order to keep the enterprises in the locality. Thus, despite working for a long time in the formal sector, this group of workers has no benefits as regulated, and they are not protected from employment-related risks. Typically, during social distancing and in the period of job losses and reduced working hours, the workers had to take unpaid leave. They received no allowances from the enterprises and no policy-based support from the government.

In general, this disadvantaged group of workers has poor response capacity. Job and income

shocks for long periods are unbearable for them. Many people said that after just a short social distancing period, they could not recover their economic conditions immediately and became exhausted in the following month, even falling into debt. They confirmed that if any other outbreak occurred, they would just “live on charity support”.

6. Policy-based support

6.1. Social insurance and unemployment insurance

Most informal workers do not have labour contracts but verbal working agreements instead. Many people think that: “It’s good to have a job. I don’t want to expect too much”. Owners of the

production and business establishments also explain that: “We are a small-scale business with no business license. We don’t sign labour contracts with workers.” Enterprises in the formal sector are willing to circumvent the law to eliminate social insurance and other benefits as regulated.

The compulsory social insurance policy is only applicable to workers with labour contracts or working contracts of at least one month. Voluntary social insurance, which was first launched in 2008, is considered a supplemental policy to compulsory social insurance in order to attract a larger proportion of the workforce.

However, voluntary social insurance has not reached informal workers. Unemployment insurance coverage has not been expanded to the group of informal workers²⁶. As of the end of June 2020, 15.17 million people had joined social insurance, down by 604,000 compared to the end of 2019 (of this figure, about 14.534 million people joined compulsory social insurance and 636,000 joined voluntary social insurance); and 12.773 people joined unemployment insurance, down by 656,000 compared to the figure at the end of 2019 (MOLISA, 2020). Due to this limitation, informal workers do not receive any policy-based support from the social insurance system in the face of serious employment shocks.

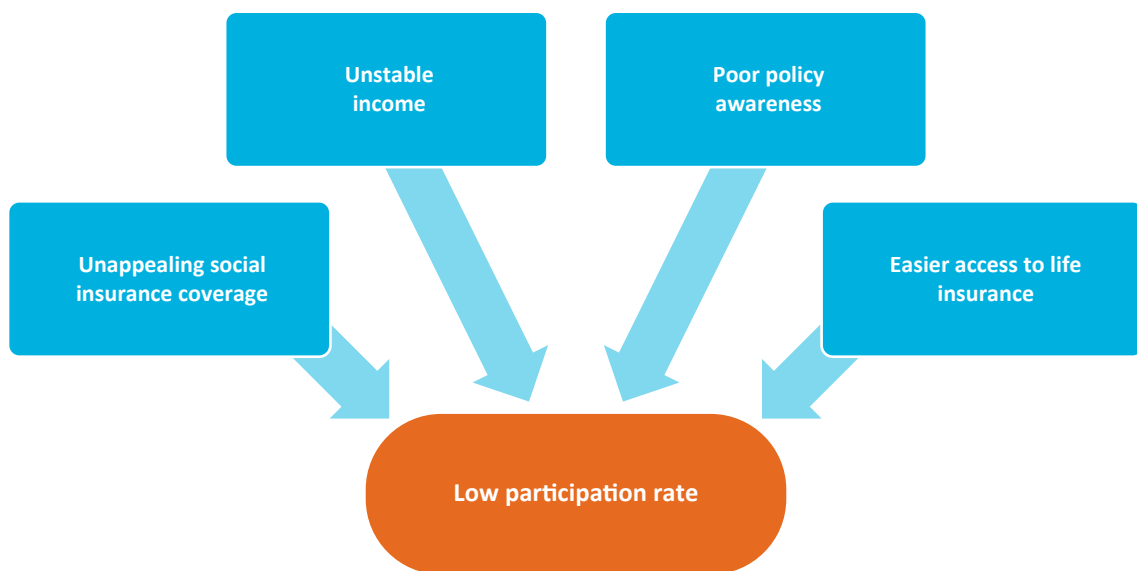


Figure 10: Informal workers are not attracted to participate in voluntary social insurance

The minimum monthly voluntary social insurance premium as prescribed is 22% of the standard of poor households in rural areas (VND 700,000/person/month). In addition, voluntary social insurance participants are supported by the State in which they just have to pay a percentage (%) of the monthly social insurance premium

based on the poverty line of rural areas (30% for participants of poor households; 25% for participants of near poor households; and 10% for other subjects). This minimum monthly premium (less than VND 150,000) is not high compared to the current income of informal workers.

[26] The current unemployment insurance policy is only applicable to workers with labour contracts and working contracts of at least 12 months in facilities with at least 10 labourers.

“I am middle-aged. I don’t think of joining social insurance.”

“My income is so unstable that I cannot afford social insurance payments. I have many things to purchase now.”

“I have joined life insurance.”

“It’s too long to receive the benefits from social insurance, not to mention the inflation rate.”

Interview extracts.

However, voluntary social insurance has not been attractive due to its unappealing coverage categories (retirement and death gratuity) and limited benefits. Many informal workers who have poor awareness of policies and unstable incomes are not willing to become familiar with and join these schemes. Life insurance companies with wider outreach networks and more effective marketing tools are more accessible. This shows that the propaganda and dissemination of legal knowledge about social insurance have many limitations.

6.2. Health insurance

Universal health insurance is a target that the government has been pursuing and has been formalised in law. With the current policies, poor

households, children under six years old, social protection beneficiaries, ethnic people living in ethnic minority areas, and some other objects are provided with free health insurance cards. Near poor households are supported with 70% of the health insurance premium; in some provinces, the rate is 100%. With outstanding efforts and the household health insurance policy, by 2019 health insurance coverage was extended to 90% of the population. The reason for this achievement is that propaganda and advocacy were conducted well so that people could understand the policies and have better awareness of the significant role of health insurance and its practical benefits. For many people, participation in health insurance has increased healthcare and financial security in case of diseases and accidents²⁷.

“Health insurance is very important, especially for elderly people and children.”

“Going to the hospital is costly. We may die without health insurance.”

Interview extracts.

However, those who did not participate in health insurance said that the health insurance premium was relatively high for households with low and unstable incomes. Because the premium rate is increased according to the minimum wage and insurance each year, people think that it is a big waste (they paid the premium but were not sick). Some groups that used to be supported to join

health insurance did not join once this support was removed. There are several other reasons related to policy for people not taking out health insurance. For example, if people want to have health insurance coverage, they have to register at the place of their permanent household registration.

[27] According to the Law on Prevention and Control of Infectious Diseases, Covid-19 infected patients (considered as group A disease) are eligible for free examinations and treatment. Thus, they do not need health insurance to cover these expenses.

“We are young and have good health. We don’t need to join health insurance. My children are required to buy health insurance at school”.

“We are no longer a near poor household, so we don’t have any support when it comes to health insurance. We have poor economic conditions, so we have to think it over.”

“Earlier, the commune enjoyed 100% support for health insurance premiums under the incentive mechanism for ethnic groups. Since 2016, the programme has not been applied. Now, 10% of the local population does not join health insurance.”

“We wanted to join health insurance. We waited to be recognised as a low-income agricultural household to enjoy favourable health insurance premiums, but we were not. So, we will not buy it anymore.”

Interview extracts.

6.3. Preferential credit

Preferential credit policies aim to provide financial support for people with special conditions, such as poor and near poor households, PWDs and other subjects. The financing of production and business activities under the credit lending mechanism through different programmes and policies has created opportunities for disadvantaged groups, such as poor workers, rural workers, overseas workers, and workers in localities with agricultural land conversion, etc. Credit at low interest rates from the VBSP is meant for various purposes: production (credit through unions and associations), schooling (applicable for poor households) and other purposes (housing, clean water, etc.). Credit regulations and procedures have been simplified yet have many limitations related to residence, evaluation and selection, and

guarantees of union or association, etc., which make it inaccessible to many people. Informal workers who are not from poor or near poor households find it difficult to access preferential credit because they are not priority subjects. Meanwhile, commercial banks ask for security (certificates of land-use rights, etc.), which is difficult for informal workers to provide.

Many interviewees reported that they had borrowed at preferential rates from the VBSP. VBSP rescheduled repayments for production and business households that had to close during the epidemic. However, the duration of debt rescheduling was for just one month while households are affected in the long term. Preferential credit then became a burden for borrowers.

“I borrowed from the VBSP to run the shop. The loan was worth VND 50 million over two years, which was guaranteed by the Women’s Union. Every month, I pay VND 2 million of the principal and more than VND 300,000 in interest. The VBSP rescheduled the repayments for me for the following month but I still had to pay the amount of the following month. I have had a lot of difficulties since the Tet holiday. Debt payments on a regular basis are now such a burden for me”

Ms. TTN, born in 1990, Cam Pha city, Quang Ninh province.

Workers know about banks’ credit programmes, especially the VBSP. However, many people

wonder: “can the credit help? What if I cannot repay? My job is unstable, so I have to think it over.”

6.4. Job placements

The Job placement centre system in the provinces attempts to connect labourers and employers. The main activities are job consultancy, job placement, organisation of job fairs and job exchange sessions on the fifteenth day of a month, and management

of the 24-hour online job trading floor. However, in-depth interviews show that most workers in the informal sector have never heard about provincial-level Job Placement Centres, except workers who used to work in the formal sector and needed to settle unemployment insurance.

“I have never heard about Job Placement Centres. If I need a job, I will ask my friends and relatives.”

“I followed neighbours in my village to Hanoi to look for work.”

“Many people in my village work in the industrial park so I joined them.”

“Seeing the job vacancy post, I applied for the position.”

Interview extracts.

Therefore, before employment shocks, workers do not rely on formal job placement channels but use their private contacts or find work by themselves.

In conclusion, many of the current social protection policies do not promote their role to the proportion of the workforce impacted by employment shocks, especially informal workers. To respond to shocks, workers and their families cannot rely on the formal social protection system but “struggle for their own security”. They have to ask for help from personal relationships and other informal resources.

6.5. Support from unions, associations, local authorities, and the community

With the spirit of fighting against the epidemic and assuring social protection, local authorities, unions, and associations have actively reviewed and promptly supported difficult cases with resources mobilised from the community. Along with the efforts of the government, mutual support activities are widely accepted and promoted with the engagement of the people,

and political and social organisations. By August 2020, according to the Viet Nam Fatherland Front, the total contributions in cash and in kind that agencies, units, organisations, enterprises, and individuals in and outside the country had donated was worth VND 2 trillion²⁸.

Local authorities and socio-political organisations at grassroots level are interested in and care for beneficiaries of poor and near poor households, disadvantaged people, and households in extremely difficult circumstances. The interviews also show that there were no cases of meals being missed during or after the epidemic. Households tried to assure adequate daily food for their members.

[28] Source: <http://danvan.vn/Home/Mat-tran-nhan-dan/12527/Mat-tran-To-quoc-Viet-Nam-tiep-tuc-keu-goi-nhan-dan-ung-ho-phong-chong-dich-Covid-19>

“We have directed the Fatherland Front, departments and branches, and associations, and the people to join hands to reduce people’s difficulties, especially to provide people with masks, hand washing gel, rice, cooking oil and other basic products to support them through this pandemic.

“We have developed a plan to review difficult households to call for sponsors and organisations to provide them with rice. Now, unions and associations are continuing to call for material and mental support for these households”.

“Food is always available. We are not afraid of food shortages. Even poor households don’t lack food. Poor households and difficult households are supported with rice, fish sauce, salt, and cooking oil. Even households in quarantine are provided with adequate daily food.”

Extracts from interviews with local officials of communes and villages.

With the participation of the whole political system, and the close supervision of departments and branches, unions, and organisations, the prevention and control of Covid-19 is widely believed to be successful and no one has been left behind. According to statistics from the General

Statistics Office in June, there were no cases of food shortages in any provinces. In the first half of 2020 as a whole, there were 16,500 households suffering food shortages, equivalent to 66,500 people, down by 74.6% y-o-y in terms of the number of households and the number of people.

“For several days, people have stayed at home to prevent Covid-19. The market has been empty. I want to return to my hometown, but I don’t dare to. I have some savings, but I have to save more in case the epidemic gets worse. Gifts from sponsors make me feel warm in this difficult time”.

Ms. BTH, born in 1977, Thuong Tin district, Hanoi.

In addition, many other charity programmes such as “Rice ATM” have been launched in many provinces. Accordingly, rice was distributed freely to households with food shortages due to job loss and reduced incomes during social distancing. In addition, the models of “Happy Store” and “Zero Dong Store”, etc., have been introduced from rural to urban areas. The slogan that “those who have things bring them in, those who lack things take them away” is a simple, friendly, and inspiring message to attract the engagement of the community. From such programmes, thousands of tonnes of rice and millions of tonnes of agricultural products, etc., have been mobilised to support poor people.

6.6. The support package under Resolution No. 42/NQ-CP

Being immediately aware of the Covid-19 epidemic and its negative consequences on people in society, including informal workers, the government worked out an unprecedented social protection support package under Resolution No. 42/NQ-CP on support measures for people in difficulty due to Covid-19 dated on 9 April 2020. Next, to cement the Resolution, on 24 April 2020, the Prime Minister issued Decision No. 15/QD-TTg on the implementation of support policies for people in difficulty due to Covid-19. These are an important basis to stabilise society and people’s lives.

Support for target groups according to Resolution No.42/NQ-CP

1. People with revolutionary merits: VND1.5 million;
2. People entitled to social protection: VND1.5 million;
3. People in poor and pro-poor households: VND750,000;
4. Individual business households: VND1 million;
5. Labourers with postponed labour contracts, taking unpaid leave: VND1.8 million;
6. Labourers without labour contracts: VND1 million.

The support package was worth VND 62 trillion targeting the most vulnerable and affected people. In addition to poor and near poor households, people entitled to social protection, people with revolutionary merits, and informal workers also received support. Quang Ninh Provincial People's Council issued Resolution No. 245/2020/NQ-HĐND dated 31 March 2020 on supporting people with difficulties due to Covid-19, including people outside the specified groups.

The support package is of great significance, demonstrating the humanistic policy of the Government of Viet Nam in taking care of people's lives, especially disadvantaged groups. For the people who are not entitled to the support package, it still has great value in motivating them to join hands with the whole country to overcome the epidemic, stabilise society and develop the economy.

"I can only rely on the support of relatives and people around me. We are running out of the few quintals of rice harvested on our land. Now I have state support. I feel moved. Now I have money to buy food."

Ms. NTT, born in 1964, poor household, Thuong Tin district, Hanoi.

However, urgent implementation of the support package among informal workers met certain difficulties. First, regulations on the criteria to identify target subjects were not clear or detailed, confusing local responsible officials. In particular, the most unclear criteria were on employment (among six groups of occupations as regulated in Decision No.15/2020/QĐ-TTg) and income (if the income level was below the poverty line).

Second, poor and near poor households, people entitled to social protection, and people with revolutionary merits were fully managed according to a specific list which was assigned to the district/communal level. Thus, the identification and listing of target subjects was conducted in an accurate and prompt manner. Therefore, in most provinces the disbursement of the support package was completed in May 2020. Meanwhile, freelance workers were not listed or managed at local level as were the groups mentioned above. Accordingly, local officials at grassroots level had to review, finalise, and make the list from the beginning, which was time- and labour-consuming for both local officials and the subjects.

Criteria for supporting labourers without labour contracts who lose their jobs

1. Lost their job and with an income level below the near-poverty line.
2. Lawfully residing in the locality.
3. Active in the non-agricultural sector:
 - street vendors, small business traders with no fixed places;
 - scrap collectors;
 - porters, shippers;
 - passenger motorbike drivers, and passenger cyclo riders;
 - mobile lottery sellers;
 - self-employed, or working in households providing catering, accommodation, tourism, and healthcare services.

"It's hard to implement Resolution No.42. The most difficult work is to identify the target subjects. It's easy to deal with poor and near poor households, and people entitled to social protection. But for freelance workers it is not the case. We need to do it carefully."

Responsible official, Huu Nghi ward, Hoa Binh city.

Third, the identification procedure for freelance workers was strict and required the verification of their residence and workplace. Thus, it was hard for those who did not work in the location that they registered as their permanent residence to

prove their employment and income status. The administrative procedures were complicated and time-consuming while economic activities returned to normal; thus, many labourers were not interested in accessing the allowances.

"I am a worker temporarily residing in Hanoi. I want to receive the job loss allowance in Hanoi, so I have to prove that I don't receive the allowance in the place where I register my permanent residence (my hometown) or vice versa."

Ms. LTL, born in 1988, migrant worker in Hanoi.

"That the allowance is disbursed in time is very important. But when we need it, it is somewhere else. It's so sad. Despite being entitled to the support package, I have received no allowance so far. But now, I am busy with work."

Ms. NTB, born in 1990, Cam Pha city, Quang Ninh province.

With such difficulties in implementation, there were just 30-50 cases in the group of freelance workers receiving support in each commune. This is a very small number compared to the actual number of employees that had been affected.

Fourth, some groups of informal workers also faced great difficulties during the epidemic but did not receive support. They were agricultural workers who were indirectly affected due to not being able to sell their produce and being at risk of losing their whole crops; small-scale business owners or lottery sellers at fixed spots but in temporary places; workers providing haircuts, beauty salons, car repair services, etc.; disadvantaged labour groups such as PWDs; elderly people; and single people who were not entitled to the support package.

In a nutshell, although the unprecedented support package had certain difficulties and obstacles in

implementation, it had a particularly positive socio-economic impact on people and households in difficulty during the epidemic.

In addition to the support package, the electricity price reduction programme for customers affected by Covid-19 was officially implemented by Electricity Viet Nam (EVN). The total period that clients were supported under the electricity price reduction programme was three months. In particular, there was a 10% discount in the retail price of electricity for daily use from level 1 to level 4. However, all the households said that they did not receive this information. One reason is that for households with high electricity consumption, the reduction was insignificant compared to the amount paid. Meanwhile, for households with low electricity consumption, the support was unremarkable in terms of price.

7. Conclusions

7.1. Lessons learnt

Viet Nam has initially controlled the epidemic and gradually gained social stability and economic development. This is a great success of the government and the people. This achievement is a result of drastic, close and timely direction and follow-up by authorities at all levels, as well as the involvement of socio-political organisations and the active participation of the community and the people. Directing, administration and guiding documents are regularly issued and relate closely to the actual situation (See Appendix 1). Epidemic

prevention measures have been carefully implemented together with support solutions issued in a timely manner to ensure stability across the country and help overcome these difficult times.

Propaganda activities that aim to raise public awareness have brought about great effects, creating a consensus among the people and helping to stabilise social order and security. A high level of consensus and unanimity among people of all classes has facilitated the implementation process with a very few number of violations, which were strongly condemned by the public.

“Quarantine affects people's lives, but it is the right thing to do. The government is doing very well and all the people are supportive. It is important to first prevent the epidemic and not let it break out like in other countries; otherwise the consequences would be unbearable.”

“My son should have got married, but due to the epidemic he had to postpone the wedding and only registered the marriage. All the preparations for the wedding had been completed, but due to the social distancing policy, I decided to postpone the wedding. I did not need any encouragement from the government to do so. The bride's family also shared this view.”

Interview extracts.

Propaganda and advocacy only are not enough. The implementation results in each locality have built trust and motivated people. The active involvement of authorities of all levels, their careful preparation and timely direction have also

contributed. Thanks to this, lessons have been learnt that have enabled authorities at all levels to cope with unexpected situations with large-scale negative impacts.

“As soon as the epidemic was announced, we held a meeting of the Commune Party Committee and worked on different scenarios, including the worst case. Over the past time, extensive experience has been acquired from the direction and administration work, ensuring security and order, and economic development. Generally speaking, it is crucial to take prompt action. Now that we have gained experience, we are confident we can cope with anything that might happen.”

Interview with leaders of Mong Hoa commune People's Committee, Hoa Binh.

The engagement of the entire society and the community consensus not only shows mutual assistance in the spirit of “the leaves protect tattered ones”, but more importantly also helps to

bridge the current policy gaps by providing timely support to those facing difficulties who are not covered by the social welfare system.

7.2. Recommendations

Workers in the informal economy are generally very vulnerable to shocks. They create an “overlooked middle group” as defined in the 2015 Viet Nam Human Development Report, who have unstable incomes but are not eligible for social welfare and unable to access social insurance. Therefore:

First, in this context, it is necessary to help workers maintain stable and sustainable jobs. In the short term, it is necessary to promote the implementation of a contactless economy based on internet infrastructure and information and telecommunications technology. This will help small producers and agricultural households quickly access consumer markets to improve consumption efficiency and reduce intermediate costs. In the long term, it is necessary to develop a strategy to promote the productivity of households and business facilities in the informal sector to address the vulnerability of workers. This is crucial for broad-based growth, stability and development. By doing this, these groups can improve their resilience in respect of both financial and human resources.

Second, it is necessary to ensure workers’ legal rights. Research shows that many informal workers are working in the formal economy (working without contracts or on seasonal contracts, even though working terms may last for up to a year), so they are not able to benefit from social insurance or welfare. Therefore, it is necessary in the immediate future to strengthen the state management of enterprises during implementation of the Labour Code (make sure they sign labour contracts and pay social insurance for their employees) through inspection, supervision, and the enhancement of sanctions. At the same time, in the long run continue to raise awareness and understanding of employees and promulgate mechanisms to encourage enterprises to effectively implement labour and insurance policies, such as: giving priority to renting premises; borrowing capital for production and business; tax incentives for small and micro

businesses that use labour effectively; and employment and social insurance policies, etc. A large proportion of the workforce will thus be protected from employment shocks similar to those caused by the Covid-19 epidemic.

Third, strengthen active labour market policies, including vocational training and job placements. In the immediate future, quickly complete a database and an information system on the labour market to manage labour supply and demand, which serves as a basis for making labour and employment policies associated with socio-economic development. Improve the operational efficiency of the job placement centre system to ensure support for workers by providing information and job advice to rural labour groups. In the long term, complete policies to connect labour supply and demand in a more proactive way for both employees and employers and take advantage of digital technology to help young workers make appropriate career choices.

Fourth, complete a system of social security policies for a new period, including assisting people in dealing with shocks and unexpected risks. The above evidence and analysis show that the current social security system is not strong enough to protect people in general, and informal workers in particular, from falling into poverty and vulnerable situations due to epidemic outbreaks. The social security system must be strengthened so it is capable of coping with similar shocks and minimise risks and damage to households. Specifically:

- Build a flexible, proactive, preventative and proactive social assistance system with built-in integrated mechanisms that can predict and respond to risks, and which is more adaptive to different types of climate change crises, economic crises and disease outbreaks according to the Declaration of the ASEAN Special Summit on Coronavirus 2019 (Covid-19) (April 14, 2020).
- Complete the social insurance pillar towards better outreach for all groups of subjects, ensuring fairness based on the payment-based

entitlement principle with state support for disadvantaged groups, attracting workers in the informal sector and seasonal workers in enterprises to join the system. Consider experiences from engaging people in health insurance to expand social insurance coverage and unemployment insurance, especially voluntary social insurance.

- Increase access to basic social services for all people, especially health and education, and ensure a minimum level for all while also providing high quality affordable services to those who are in need.

Fifth, in terms of implementation, it is necessary to strengthen the system's capacity so that all people can access and benefit from policy quickly, conveniently, and fairly, and to avoid abuses.

- Support programmes should be clearly defined with specific instructions and feasible criteria for identifying applicable subjects (as the case might be) that can avoid administrative burdens.
- Eliminate barriers related to paperwork and administrative procedures and create favourable conditions for all people to access voluntary health insurance and voluntary social insurance at their locality, especially for migrants with irregular temporary residence.
- Put in place a mechanism to control and coordinate support resources mobilised from the community, ensuring fairness and transparency in assisting people at risk.
- Modernise the management and operation system with flexible subject identification and registration mechanisms in order to facilitate extension as needed based on a database that is large and reliable enough for vulnerable groups to quickly verify information. In addition, there should be a flexible, diversified and automated payment mechanism so that beneficiaries can receive subsidies promptly. Transparent mechanisms should also be developed for monitoring, supervision, hearing complaints,

accountability, and the timely detection of problems.

- Continue to strengthen communication to households and vulnerable groups to enable policies to reach people and impact their lives.

APPENDICES

Appendix 1: Select macroeconomic indicators for the first 6 months of 2020

No.	Indicator	Unit	The first 6 months of 2020	Compared to 2019	Compared to the same period in 2019
1	GDP growth rate	%	1.81	-5.21	-4.96
2	Economic structure				
	- Agriculture	%	14.16	0.2	0.62
	- Industry and construction	%	33.44	-1.05	-0.76
	- Service	%	42.04	0.4	0.01
	- Product tax exclusive of product subsidies	%	10.36	0.45	0.13
3	Total retail sales of goods and revenues from consumer services	trillion	2380.8		-0.8%
4	Transportation				
	- Passenger transportation	million visitors	1812.6		-27.3%
	- Freight	million tons of goods	807.9		-8.1%
5	Social-wide investment capital	trillion	850.3		3.4%
	- Public sector	trillion	273.5		7.4%
	- Non-public sector	trillion	375.9		4.6%
	- Foreign direct investment sector	trillion	200.9		-3.8%
6	Total exports and imports	billion USD	238.4		-2.1%
	- Exports	billion USD	121.2		-1.1%
	- Imports	billion USD	117.2		-3.0%

Source: General Statistics Office (GSO)

Appendix 2: Relevant legal documents

1. Telegram No. 121/CĐ-TTg dated 23/01/2020 on prevention and control of acute respiratory infections caused by a new strain of Corona virus.
2. Directive No. 05/CT-TTg dated 28/1/2020 on prevention and control of acute respiratory infections caused by a new strain of Corona virus.
3. Official Letter No. 79-CV/TW dated 29/1/2020 on prevention and control of acute respiratory infections caused by Corona Virus.
4. Decision No. 173/QĐ-TTg dated 30/1/2020 of the Prime Minister on the establishment of a National Steering Committee for the prevention and control of acute respiratory infections caused by a new strain of Corona virus.
5. Directive No. 06/CT-TTg dated 31/01/2020 of the Prime Minister on strengthening prevention and control measures against new complicated developments of acute respiratory infections caused by a new strain of Corona virus.
6. Decision No. 173/QĐ-TTg dated 01/02/2020 on declaration of acute respiratory infections caused by new strains of Corona virus.
7. Telegram No. 156/CĐ-TTg dated 02/02/2020 on strengthening prevention and fighting against acute respiratory infections caused by a new strain of Corona virus.
8. Directive No. 10/CT-TTg dated 25/02/2020 on stepping up Covid-19 epidemic prevention and control.
9. Directive No. 11/CT-TTg dated 4/3/2020 on urgent tasks and solutions to address business and production difficulties and ensure social security in response to the Covid-19 epidemic.
10. Directive No. 13/CT-TTg dated 11/3/2020 on continuing to step up the prevention and control of Covid-19 epidemics in the new situation.
11. Directive No. 15/CT-TTg of the Prime Minister dated 27/3/2020 on drastically implementing the high peak wave of Covid-19 epidemic prevention and control.
12. Directive No. 16/CT-TTg dated 31/3/2020 of the Prime Minister on the implementation of urgent measures to prevent and control the Covid-19 epidemic.
13. Decision No. 447/QĐ-TTg dated 01/4/2020 of the Prime Minister on the announcement of the Covid-19 epidemic.
14. Resolution No. 42/NQ-CP on measures to support people facing difficulties during the Covid-19 epidemic.
15. Decision No. 15/QĐ-TTg dated 24/4/2020 of the Prime Minister on the implementation of policies to support people facing difficulties during the Covid-19 epidemic.
16. Directive No. 19/CT-TTg dated 24/4/2020 of the Prime Minister on continuing to take measures to prevent and control the Covid-19 epidemic in the new situation.

Appendix 3: Target groups for support under Resolution No. 42/NQ-CP

On 9 April 2020, the government issued Resolution No. 42/NQ-CP on direct support for people in difficulty due to Covid-19. Accordingly, an estimated budget of VND 62 trillion will be used to directly support different target groups. The supported target groups are as follows:

- (1) People with meritorious services to the revolution currently entitled to a monthly incentive will be supported with an additional amount of VND 500,000/person/month. The support will be applied for 3 months, from April to June 2020, and be paid in one lump sum.
- (2) Social protection beneficiaries who are currently entitled to a monthly social allowance will be supported with an additional amount of VND 500,000/person/month. The entitlement period is 3 months, from April to June 2020, and be paid in one lump sum.
- (3) Poor and near poor households defined according to national poverty standards on the list effective up to 31 December 2019 will be supported with VND 250,000/person/month. The entitlement period is 3 months from April to June 2020 and be paid in one lump sum.
- (4) Employees working under a labour contract who must agree to suspend the performance of the labour contract or take unpaid leave for 01 month or more as their businesses have to face difficulties due to the Covid-19 epidemic and do not generate any revenue or financial resources to pay wages, will be supported with VND 1.8 million VND/person/month. The entitlement period will correspond to the actual term of postponement of the labour contract or unpaid leave. The amount will be paid either monthly or depending on actual developments, effective from 1 April 2020 and not exceeding 3 months.
- (5) Individual business households that have declared revenue for tax purposes under 100 million/year and now temporarily suspend their business from 1 April 2020 will be supported with 1 million VND/household/month monthly depending on the actual developments but for not more than 3 months.
- (6) Employees whose labour contracts or employment contracts have been terminated but are ineligible for unemployment benefits; or who have not signed labour contracts and have now lost their jobs will be supported with 1 million VND/person/month monthly depending on the actual developments but not exceeding 3 months. Valid from April to June 2020.

In addition, with regard to those employers, who, due to the Covid-19 epidemic, had to reduce the number of employees participating in social insurance by 50% or

more, starting from the time of epidemic announcement by the competent agency (including the employees who cease or postpone the performance of labour contracts, or agree to take unpaid leave), they and their employees may temporarily cease paying into the retirement and survivorship fund for a maximum of 12 month. Employers encountering financial difficulties who have paid at least 50% of work stoppage salary to employees in accordance with Article 98.3 of the Labour Code for the period from April to June 2020 will be entitled to obtain loans without collateral at an interest rate of zero per cent for no more than 12 months from social policy banks, at a value of a maximum of 50% of the minimum zone-based wage rate for each employee according to the actual salary payment time but not more than 3 months, in order to pay the remaining salary amount directly to the affected employees.

Appendix 4: The shock and its impact by location and target group

1. Hanoi

Hanoi is the economic and political centre of the country. According to the results of the Population and Housing Census in 2019, the city's population is 8,053 million, of which females account for 50.4%, urban residents 49.2%; and people of working age make up 3.9 million people. The population density in urban areas is 9,343 people/km², 6.7 times higher than in rural areas. In the latter, the population density is 1,394 people/km², which is higher than the average population density of the Red River Delta (1,060 people/km²).

Hanoi has a large number of informal workers most of whom are self-employed selling vegetables and fruits, selling food products such as vermicelli, pho, coffee, or working as motorbike riders. Some people own small production and business establishments that do not have business registrations and do not have to pay tax such as: owners of motels, embroidery factories, paper factories, fashion shops, phone shops, etc. Some people are employees of small production and business establishments and households as builders, loaders, embroiders, duck feather pliers, etc. The proportion of poor households in the city has decreased from 3.64% (early 2016) to 0.42% (late 2019). Currently, there remain 8,754 poor households in Hanoi. There are about 200,000 of beneficiaries of social protection in Hanoi who receive monthly benefits.

In urban areas, the survey was conducted in many wards in districts such as Dien Bien (Ba Dinh), Van Mieu (Dong Da), Tan Dinh (Hoang Mai), and Phuc La, Kien Hung (Ha Dong), where many informal workers live and work. In rural areas, the surveyed area of Thuong Tin district is one of the southern suburban districts with a total population of over 240,000 in 48 villages, which are recognised by the People's Committee of Hanoi as craft villages with famous products. Among them, one village in Dung Tien commune was blockaded due to an infected Covid-19 patient; Le Loi commune is a busy trading area with a large poultry wholesale market with many informal labourers affected by Covid-19.

Surveyed subjects and key impacts

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
I	Retail sector					
	Building materials trading	Sales were halted for 2 months due to social distancing and quarantine of the whole village.	Two-month closure, no income gained.	Back to normal business at the end of May, but only 30% of what it was before.	Able to cover <i>daily living expenses</i> and ensure children have <i>adequate food</i> .	The households in the blocked village have declared but have not received any support.
	Preliminarily processed poultry trading	In early February, business declined by 60-70% due to a fall in consumer demand and fear. During the social distancing period, people stayed at home and received no income.	Jobless in April. People in a neighbourhood cared more for each other, although people stayed in their own houses. However, children got frustrated as they had to stay home all the time.	At present, slow sales and increases in prices resulted in a drop in income of 50% compared to the pre-epidemic rate.	During the social distancing period, people lived on their savings and could not make money. Some households owned rice fields and thus already had rice and vegetables. In case they could not buy food, they ate whatever was available at home. No more shopping for clothes or shoes. Utility bills reduced by 10%. Nevertheless, spending on children's study and other demands was assured.	None

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
	Owners of electronics, telephone, computer repair shops	Shops were closed in March and April. Communication was restricted.	Owners gained no income. One employee was made redundant for 2 months. My brother found it hard to understand lessons in online classes.	At present, I have returned to normal business, but it is not operating well, and the sales are only equal to 20% of the prior period. The employee has returned to work, but his salary is reduced to 80%.	Cut down on unnecessary purchases. For example, the plan to install an air conditioner for my brother's room was cancelled.	None
	Selling poultry	During the social distancing time, some still went out to sell, others stayed at home for 4 months.	While those who stayed at home did not generate any income, the others who still did business only generated 50% of their usual income.	Spend savings.	Daily living expenses were limited. Utility bills remained regular. It was necessary to still ensure that children have adequate food and milk. In the early days, due to miscommunication, people rushed out to stockpile. Face masks and hand washing liquid were out of stock as people were scared of the epidemic, making me confused.	None
	Selling vegetables, eggs and fruits (bananas and coconuts)	During the social distancing time, people restrict themselves from going to markets. In April, business was still going on, but income dropped by 50 -70%.	Some shop owners still did business, but income declined by 50 -70% due to a fall in the number of consumers. Some migrants stayed home for two months, because	Some people were still able to sell products but received a lower income.	Daily living expenses were limited. Migrants who were not allowed to sell goods on pavements went back to their hometowns to look after their children.	None

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
			the police closed the markets and did not allow goods to be sold on pavements.			
	Clothes Shops	Stayed at home for 2 months during social distancing.	No sale of goods for 2 months, No income during this time.	Local people closed shops. Migrants returned to their hometowns.	Cut down on unnecessary purchases	None
II Restaurant and accommodation services						
	Breakfast sales (Noodle, Phở, Sandwiches)	Stop selling from late March to late April.	No sales, no income.	Some stayed in rural areas to work in the fields. Other migrant workers worked as ploughmen in the countryside. Now they are back to normal business, but income is still low.	In rural areas, people got rice, home-grown vegetables and only went out to buy small amounts of fish and meat. In urban areas, people used their savings for daily expenses.	Some people have made a declaration under Resolution 42 but have not received any support.
	Selling cooked food	From February to 14 April, when the epidemic just broke out, business activities went on but at a slower pace as people ate less and stopped holding parties. When the village was blocked, shops were closed for a month.	From February to April, my income declined by 50%. From 15/4 to 15/5, I did not earn any money due to the shop's closure.	In mid-May, I returned to normal business after quarantine. The sales are 70% down from pre-Covid time, as many people limit their spending.	Spending less. Although spending on meat and fish was slightly reduced, nutrient-rich diet for family was still assured; no new clothes were bought if unnecessary. Budgets for wedding parties/funerals were also reduced because many families delayed their children's weddings.	Some people have made a declaration but have not received any support

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
	Selling cakes/cookies online	Social distancing	During the months of social distancing, income even increased as the more people stayed at home, the more they wanted to eat, sleep or shop online. I gained more from on-line sales. Shop owners only needed to contact shippers for delivery. Earning as much as VND 20 million in less than a month.	Not affected, on the contrary benefited more from increased numbers of orders.	As normal	None
	Homestay Owners	As soon as the epidemic broke out, there were fewer visitors and then there were no guests when the entry ban and social distancing policy were introduced.	No customers/guests during the lock-down.	Homestays now are reopened, there are some reservations up to August. Most of them are local guests, the business only regained 40% of the prior time	Spending on meals and medicine remains normal. Spending on others has been limited.	None
	Selling coffee	During social distancing in March and April, coffee shops were not allowed to open, so the business was halted.	Shops were closed in March and April.	Now coffee shops are reopened, but the business makes only 50% profit compared to the prior period.	Spending on new clothes is cut down.	None
III	Transportation					

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
	<p>Hired shippers</p> <p>Building material truck drivers</p>	<p>Workload started to decrease in February. No job when social distancing began.</p> <p>Construction sites were closed in April due to social distancing.</p>	<p>Workload decreased from February to late April. At that time, all restaurants were closed, no one hired them to deliver poultry.</p> <p>Jobless for one month (April).</p>	<p>Now they only get jobs occasionally. Income has dropped by more than half</p> <p>Back to work now.</p>	<p>Spending on children's needs still continued; they chatted with neighbours less, but stayed in touch by phone calls. People stayed home most of the time. Children sometimes found it distracted to focus on home schooling.</p> <p>Savings were used for daily expenses.</p>	<p>Some people with disabilities have received financial support under Resolution 42.</p> <p>Some people in the blocked village received charity support.</p>
IV Agricultural production						
	<p>Raising hens for eggs</p>	<p>In February and March, my family was still able to sell eggs, although our income reduced to nearly 70%, because many people stored eggs.</p> <p>However, on 15 April my village was blocked, and our egg sales almost completely halted.</p>	<p>We could not take the eggs out of the village for sale. There were only a few hundred households in our village, so they didn't buy many eggs.</p> <p>Meanwhile, I still had to feed the hens. Many customers, knowing that my village was blocked, were so scared and stopped buying my eggs. I have lost many frequent customers.</p>	<p>In mid-May, when the quarantine was over, the egg business did not completely recover. People in other places were still afraid of my village, so I asked egg sellers not to disclose our location. I had my eggs delivered to areas further away, finding new customers. My kids also helped sell eggs online in Hanoi.</p>	<p>Daily living expenses were cut down. Utility bills reduced by 10% due to state policy. No spending on clothing. No need to use money for weddings or funerals.</p> <p>Due to the isolation, no one had weddings or organised death commemorations.</p>	<p>People have made a declaration but not received any support.</p>

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
	Growing and selling vegetables	During social distancing, people did not go to market very often. Vegetables were still sold in April.	Some people still ran their business during the epidemic, but earned 50% less income due to the decreased number of consumers.	Some could still sell vegetables, but income dropped.	Daily living expenses were cut down.	None
V Other sectors						
	Owner of Packaging production facility	During social distancing, there was almost nothing to do. At that time, the production facility was not in the isolation area, but I asked my two nephews working there to clean up the building and run the machines for a while to prevent oil from drying, but in fact there were no business activities.	Revenue since the Tet holiday reduced by up to 50%; the business completely shut down when the epidemic broke out. When the nearby village was isolated, I could still operate by phone while staying at home. Employees became redundant. Before they left, I gave VND 1.5 million to each to help them find a new job.	I could maintain capital turnover on my own, but in the worst case, I may have to sell my cars. But at least my production facility keeps operating. Now that there are only a few orders, the maintenance costs take almost all my money. Now I need to hire 2 workers and reduce the working days, which means the labour cost remains but the number of working days declines.	Despite bad business, I still had my own savings. Unnecessary spending such as on clothes and other personal stuff was limited. But spending on eating and medicine for parents remains assured. During the quarantine time, utility and water bills were not collected, so I paid the bills for 2 months afterwards. They cost as much as usual.	Every household was provided with rice, noodles, and egg so there was sufficient food. Face masks were also provided by charity organisations.
	Making worship hats	Business shut down and the shop was closed. People stayed at home. My husband was sick when the lockdown started, but he was still taken to the hospital. Then he was quarantined in hospital and so was I, as I looked after him.	The goods must be sent to retail points, but without celebrating rituals, there were no orders. Even at present, if people know we are from Dong Cuu, they will hesitate to buy products from an isolated area.	We have many hats in stock but cannot sell them. Thus, we will keep them until people have the demand.	We harvested rice to eat. My children sent me several things, mainly food. During that time, money could not do anything.	I have made a declaration and am waiting for support. I was offered food support though.

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
	Owner of embroidery factory	The factory was closed. The whole village was blocked.	Income decreased by nearly 80%, the village was isolated, so my shop closed. As before the lockdown, social distancing was implemented, and my products couldn't be delivered to customers. Therefore, inventory remained high.	Now, the business is gradually getting back to normal, but it is only equal to 40% of the prior period. Some workers were asked to return to work.	Expenses for daily shopping must be minimised, but I still ensured children had enough food and studied well. Spending on clothes was reduced. There were almost no weddings or funerals. If someone had died, I would have sent some money to their family. Utility and water bills were paid as usual, even more than previously. As people stayed at home, more electronic devices were used such as lights and internet for children to study.	I have made a declaration and have been waiting for approval. Food aid was sent during the lockdown. In order to run the business, I still had to borrow money from a credit fund. Even though we do not make profit, we still have to pay interest. The interest rate declined by 1%, and 2% in April and May, respectively.
	Owner of garment accessories manufacturing factory	Factory was closed. The owner gained no income. Workers became redundant.	Company was closed during the epidemic.	In June, our factory reopened, but business is only 10% of what it was before. At present, only 3 employees were asked to come back to work.	My own savings were used. Spending for children's diet and study remained constant.	

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
	Wedding studio/ bridal makeup/ hair dressing	During social distancing, there were no weddings. The shop was closed in March and April.	Business paused for 3 months; employees became jobless; the shop rental still costs VND 7 million per month.	The studio was reopened in May and there were customers but less than before. As the wedding season has not begun yet, income declined by 50%.	Daily living expenses were limited. No travel, no trips to save money.	None
	Looking after elder people	Social distancing.	Jobless in March and April.	Now I have returned to work and I am paid as much as before.	No new furniture was bought.	None
	Scrap business	Covid-19 epidemic, social distancing.	Jobless, no income from February to May.	Migrant workers returned to their hometowns to live with their families.	Rice and vegetables were available in the hometown. Daily living expenses and unnecessary purchases were reduced.	None
	Embroiderer	Factory was closed. The whole village was blocked.	I was jobless and had no income since March. Ms. Ben's family, a poor household, had to borrow money to buy food during the epidemic.	Some people have returned to their prior work. Those who could not get a job started to work on the farm.	Food aid was provided by philanthropists. We had breakfast at home and did not buy clothes or footwear. My children's tutoring was cut down. Kids were unhappy with online classes. I lived on my own savings and borrowed from relatives at low interest rates. Some people had to borrow money to buy food and milk for their children.	I have made a declaration and have been waiting for approval. Food aid was sent during the lockdown.

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
	Workers in packaging production facility	Factory was closed. The whole village was blocked.	Jobless in March, April and May.	Now some people have been asked to return to work, but they take turns and income has dropped by 50%. Some started to work as builders and porters.	Stop buying clothes or footwear. My children's tutoring was cut down. Kids were unhappy with online classes. I lived on my own savings and borrowed from relatives at low interest rates."	I have made a declaration and have been waiting for approval. Food aid was sent during the lockdown.
	Builders	Builders were not hired for work in April due to social distancing.	Unemployed for one month (in April).	Now some have been asked to return to work.	Savings were used for daily living expenses.	Charity support was provided to the blocked village.
	Workers in poultry processing facility (plucking)	The facility operated at half capacity in February and March, then was closed in April. Many employees were fired, and only 10% of workers remained at work.	Income declined to 50% in February and March. Jobless in April due to social distancing. No income. Rural people switched to rice and vegetable cultivation.	Now some were asked to return to work but generated an income of only 70% compared to the prior period. In some families, only wives work, and husbands remain unemployed. Some men started to work as builders and porters. Women who are jobless have switched to farming.	Some households that own a rice field already had rice and vegetables. Some borrowed money from relatives to buy food. Some lived on family member's pension.	Not supported
	Garbage collectors at the market	Markets were still opened, so workers still had income.	Remained employed but salary fell to 70% due to less job.	Work as usual.	Limit spending on food.	Unsupported.

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
	Construction materials porters	Construction sites did not work in April due to social distancing	Jobless for one month (in April)	Now people have returned to work and are paid as usual.	Savings were used for daily living expenses.	Unsupported.
	Porters at markets	Business households did not work in April due to social distancing.	Jobless in April	They have returned to work, but their workload decreased. The income was only equal to 80% of the previous period.	Savings were used for daily living expenses.	Unsupported.
	Makeup artists	Shop was closed, so jobless and no income.	Jobless in March and April.	I have returned to work, but earn 50% less income.	Cut down on daily living expenses. Migrant workers returned to their hometowns and did not have to pay for food, because they enjoyed family meals.	Unsupported.

2. Hoa Binh

Hoa Binh is a mountainous province in the North-western region, but only 70 km from Hanoi. According to the 2019 Population and Housing Census, the population of the province is 846,000 thousand people. The whole province has 6 ethnic groups, the largest one is the Muong, accounting for 63.3%; Kinh accounts for 27.73%; Thai for 3.9%; Dao for 1.7%; Tay for 2.7%; and Mong accounts for 0,52%. There are also Hoa people living scattered across the province. The population is mainly engaged in agricultural activities. However, the province is planning to develop industrial zones, attracting both local workers and migrant workers.

As of the end of 2018, Hoa Binh province had 31,792 poor households, accounting for 14.74% of the total number of households (215,726 households) and 30,512 near poor households, accounting for 14.14%. In this figure, there are 639 poor households in urban areas (accounting for 1.80% of the total number of households) and 517 near-poor households (accounting for 1.46%). In rural areas, there are 31,153 poor households (accounting for 17.28%) and 29,995 near-poor households (accounting for 16.64%). Currently, the whole province has over 23,000 social protection beneficiaries enjoying monthly benefits.

The area selected for the study is one ward and one commune in Hoa Binh city. Huu Nghi ward is home to a lot of self-employed and low-income workers. In particular, a large number of workers in the construction site of Hoa Binh hydropower plant have resigned from their jobs and are mainly doing agricultural jobs running small businesses or as motorbike drivers. Mong Hoa commune formerly belonged to Ky Son district. Since December 2019, the whole district has been merged with Hoa Binh city and the commune was also merged with Dan Hoa commune. Mong Hoa commune is considered as a "cradle" of Muong culture; the Muong people in the area account for 70% of the total population. Economic activities, however, are characterised by the nature of a rural area adjacent to urban areas. The commune has implemented a plan for industrial park development and has attracted a number of businesses to come and build factories. Therefore, the local people have gradually reduced their agricultural activities and have become workers in factories. These two locations were both affected by the Covid-19 epidemic, which had an impact on people's employment and lives.

Surveyed subjects and key impacts

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
I	Retail sector					
	Grocery Store owners	This is a type of freelance business, so when the number of visitors reduced due to the epidemic, goods could not be sold, which disrupted lives, reduced the number of guests and reduced incomes. The epidemic has caused a huge economic loss and confusion.	Sales decreased by about 70% compared to before the epidemic. The number of customers is still low even after the epidemic till now, because these stores mostly serve people who are passing by.	No other options, but to try to survive the situation. I do not know what else to do because I've done nothing but selling. Doing some extra jobs such as gardening, raising cattle and poultry, etc., is for self-sufficiency, not for sales.	Cutting down on unnecessary expenses such as shopping for utensils or clothing. All expenses were just for food, education and healthcare. Good spirit of solidarity and compliance, despite the difficulties.	Have applied for support but still waiting.
	Hawkers and shopkeepers selling vegetables, fish, meat at streets or markets without kiosks	Became completely unemployed during the epidemic and had no goods to sell. There was a great reduction in the number of buyers after the epidemic, leading to a decreased income (50% compared to before).	Before Covid-19: earned VND 100,000/day. During: earned VND 70,000/day. Now (after Covid-19): income decreased and is worse than before and during the epidemic due to declined purchasing power, and children returning to school, which requires more expenses.	No other option but to try to survive the situation.	Cutting down on unnecessary expenses such as shopping for utensils or clothing due to decreased income. All expenses were just for food, education and healthcare. Borrowing from relatives if necessary.	Have applied for support but still waiting.

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
	Tofu makers and sellers	Not unemployed due to social distancing rules, but purchasing power obviously declined.	Produced about 1,000 pieces of tofu per day before, but now just around 500-700 pieces at most. Income halved.	Trying to survive; reducing the daily amount of tofu but still having to work every day to retain customers.	Cutting down on food expenses for adults but still spending the same amount for children.	None
II Restaurant and Accommodation services						
	Breakfast retailers	Completely unemployed during the social distancing period. No income, no alternative job.	Income fell by about 60%; unemployed for more than one month during the epidemic; reopened shops after that, but less customers.	No other options but keeping shops open for customers to come back, though the goods were still unmarketable.	Cutting down on unnecessary expenses; spending all savings.	Have applied for support but still waiting.
	Feast preparers	Completely unemployed for over a month during the epidemic when there were no weddings and no restaurants open. Remaining affected due to less customers, leading to an enormous fall in income.	No customers during the epidemic; just been back to work for 12. Earned VND 300,000-400,000/day on 2-3 occasions a week, so income fell by 50% compared to before.	Delivering vegetables, selling some extra goods, etc., to earn VND 100,000/day more.	Maintaining an average living standard compared to other people, and living on savings.	No support yet.
III Transportation						
	Excavator drivers	Work and main source of income declined significantly.	Excavators productivity was reduced by 70%. There was enough work to do for a whole month before, but now just 10	Accepting jobs with the lower payment in order to generate income. Living passively at this time and still having to	Living on savings during the epidemic. Having to spend money on all compulsory expenses (medicine, education).	No support yet.

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
			<p>days a month for the longest, or every 2-3 days for this unit, then off and worked for another unit. If contractors are happy, they will continue hiring us, but if not, they hire another team.</p>	<p>pursue the profession because of a bank loan of over 100 million to purchase the excavator still has to be paid.</p>		
	Motorbike drivers	<p>During social distancing period: totally unemployed. After that: work remained limited.</p>	<p>People travel less after the epidemic, so the income is much less. Only earn VND 100,000/day, a reduction of by 50% compared to. Back to work after Covid, but not as much as before.</p>	<p>Sometimes working as a porter or doing anything work available, but most of time for driving. Trying to find alternative jobs because there were few customers, but could not.</p>	<p>Existing income can just cover the minimum need for food. Receiving support from relatives.</p>	<p>No support yet.</p>
IV	Agricultural production					
	Agricultural producers	<p>Not much impact on agricultural production but products were not consumed.</p>	<p>It is a risk to lose all the sugar cane crop because this was the harvest time, but products could not be sold; and also for maize, so they were used to feed chickens.</p>	<p>Lost all if products could not be sold because agricultural production was the main source of income.</p>	<p>Relying on non-agricultural activities of the household's other members doing construction work, collecting scrap.</p>	<p>- From the Red Cross: rice and spices worth about VND 300,000 /household. - From the Youth Union: 3 kg of</p>

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
						<p>rice and spices worth about VND 200,000/ household.</p> <p>- From the Women's Union: face masks, soap and fish sauce, etc.</p> <p>- Most recently: 1 set of army clothes, 1 bottle of cooking oil, a pumpkin, 2 small packs of soap, etc.</p>
V Other sectors						
	Scrap collectors	Stayed at home during the epidemic. Not much scrap to collect after that.	<p>Before: VND 200,000/day</p> <p>During Covid: totally unemployed</p> <p>Now: maximum VND 100,000/day.</p>	Life was more difficult during the epidemic without alternative work or other sources of income.	Minimising spending and receiving extra support from children.	No support yet.
	Workers in industrial zones	Completely unemployed during social distancing period. After that, had to work on a rotating basis	<p>The more orders, the more products, which means the more income; and vice versa.</p>	The contract has not been signed, so there were no legal benefits. Now working on the field	Cutting down on expenses except for some fixed ones.	I've been working for almost a year without a contract while

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
		<p>because the export market to the US has been affected, and thus working hours have been reduced.</p>	<p>If full capacity is used, I earned VND 400,000/day, but I only worked half capacity. Jobless and no income during the epidemic.</p>	<p>of more than 2,000m² of rice, and the same area of sugar cane, fruit trees, etc.</p>		<p>the former workers had one. If there was a contract, I would benefit from the trade union, social insurance and health insurance, etc. The owner changes every year; this year I've worked for a whole year without a contract.</p>
Bamboo and rattan crafters		<p>Company was closed temporarily due to social distancing rules.</p>	<p>As a matter of practice, the company is in charge of collecting and delivering materials to crafters. If products are not required, the company does not work.</p>	<p>Company acts flexibly by allowing crafters to bring materials home to work. Earning just VND 100,000 for the whole day.</p>	<p>Spending so far has been very low and cannot be further reduced.</p>	

3. Quang Ninh

Quang Ninh is a coastal province in the Northeast region that is considered as a miniature Viet Nam because of the sea, islands, plains, midlands, hills and borders. Quang Ninh is an economic hub, a locomotive of the northern key economic region, and one of the four major tourist centres of Viet Nam. As of 1 April 2019, Quang Ninh province's population was 1,320,000 people, with a population density of 198 people/km², of which the population living in urban areas accounts for 64.1%. The male population is 671,522 [45], while the female population is 648,802. With a diverse economy comprising all major industries, agriculture and services, of which the focus is tourism, Quang Ninh attracts a large workforce of indigenous and migrant workers, currently estimated at 856,000 people.

By the end of 2018, the whole province had only 4,248 poor households, equivalent to 1.2% of the total. The number of beneficiaries of monthly social protection benefits is estimated at about 35,000 people. As a province proactively funded by budget sources and with good economic potential, it has always been proactive and raised the level of support for vulnerable groups in the area. During the Covid-19 epidemic, the province issued Resolution No. 245/NQ-HĐND dated 31 March 2020 of the Provincial People's Council supporting additional groups, including: workers of poor households and near poor households with permanent household registration in Quang Ninh province who lost their jobs due to the impact of the epidemic; and officials and workers in provincial public service delivery units assigned with 100% financial autonomy but have to quit their jobs without pay due to the effects of Covid-19. The support level is 1 million VND/person/month and the period of support is calculated according to the actual time that the employee loses his job but must not exceed 3 months from April 2020.

The surveyed areas include Cam Trung ward, Cam Pha city, which is home to informal workers, including migrant workers and the urban poor. The rural area includes 2 communes of Lien Hoa and Lien Vi in Quang Yen town, an adjacent area of the urban Ha Long city and VSIP Hai Phong industrial park. These two communes have many agricultural workers who serve the tourism industry in Ha Long city, workers in industrial zones and informal workers in the service sector. These groups are all very much affected by the Covid-19 epidemic.

Surveyed subjects and key impacts

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
I	Retail sector					
	Seafood hawkers; seafood sellers at markets	No tourists. Government's prohibition on gatherings for trade and spontaneous markets in localities.	Temporary suspension of daily business during social distancing. No income. The amount of goods consumed is low, the income is unstable and it decreased by about 50% - 70% compared to before.	Doing no alternative job to have more income.	Having to rely on family and relatives; cutting down on unnecessary spending; no shopping. Borrowing from others if in need; storing food (rice, instant noodles, spices, etc.) Self-supplying fresh food (vegetables, fish, chicken meat, etc.)	The enterprises support 10 kg of rice for 20 poor households in the locality. No support from the ward committee although an application has been filed. No support from government either.
	Permanent beverage hawkers on the sidewalks	Students stayed at home. Stayed at home to take care of the grandkids during that time. It was so difficult to live and travel, as having body temperature measured whenever we went to the market.	Stayed at home during the social distancing period, so no income. Now, the income has been reduced by 2/3. The selling price remains unchanged, while the input price has increased for cigarettes and tea, not to mention that some people even owe money.	N/A	Cutting down on expenses. Receiving more support from children. Borrowing if there are no savings. Receiving food such as rice, eggs, chickens, vegetables, etc. from relatives.	

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
	Grocery store, building material retailers, entertainment service providers	Changes in living habits: limited meals outside and communication. Shopping activities in stores, markets, etc., were reduced. Sale revenues dropped to about 70% after the epidemic. Minimise family activities (weddings) in the community.	Forced to stop business during the epidemic so no income. Current earnings are down about 1/3 compared to before. Still have to pay staff salaries to retain them.	Accept the situation because of difficulty in finding other part-time jobs.	Storing food. Buying face masks and hand sanitizers. Reduced spending on meals. No purchase of utensils, daily living equipment, clothing, etc. Self-supplying food such as rice, vegetables, etc. Spending savings.	Mr. Hong Tuyen Dao supported VND 2,000,000 for each poor and near poor household; disabled, old and childless people in hamlets 6, 7 and 8 of Lieu Khe village.
II	Restaurant and Accommodation services					
	Breakfast retailers on the sidewalks	More difficult to sell things in the morning. People no longer bought meals outside.	Shop closed for about 2 months (no income) during the epidemic. After that, reopened but few customers, so income decreased by about half. Still had to pay the cost of renting a store and payment for employees, while raw materials are more expensive.	Offered takeaway services at first, but customers were scared, so they came to the shop to buy. Paying the store rental by borrowing from relatives.	Cutting down on expenses; cannot spend as much as before. Trying to ensure eating and drinking expenses for the children.	Need to provide certification for the employees to get support from their locality.

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
	Restaurateurs	Completely having no customers during the social distancing period. Confused and worried about the death rate in Viet Nam, because if like in foreign countries Viet Nam's medical system is not as good and could not meet the need if there was an outbreak. Changes in citizens' eating habits, not eating outside.	The cost of raw materials increased (bone and meat costs as much as 3 times more, from VND 50,000/kg to VND 170,000/kg), while the number of customers decreased making the business unprofitable. Asking employees to stay at home.	No	Cutting down on food spending and all other expenses; do not dare to go to funeral ceremonies, just sending condolence money. Having used savings/borrowing on food. Supplying my own food: Sowing some vegetable seeds.	Households entitled to social protection, people with revolutionary merits, the poor and near poor were provided with cash support from the government.
III	Transportation					
	Motorbike drivers	There were limitations since the epidemic (not allowed to go out, business was inconvenient). People in poor health condition dared not go to the hospital for treatment during the epidemic due to fear of being infected.	The number of visitors decreased because fewer people travelled to the province. That started after Tet and became worse during the months of social distancing. Income decreased by about 50-70%. After the social distancing period, the number of visitors is still low.	Providing services to frequent passengers. Possibility to borrow from family and relatives in case of emergency.	Reducing food expenses most; also limiting travel costs. The cost of electricity, water, and education for children cannot be reduced. Using part of the savings. My wife received some salary advance from her company.	Local government: no support yet. Neighbourhood: rice and food support for some poor households.

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
	Transport dealers	Citizens limit their travel and communications. I should have got married in lunar April, but it was postponed till lunar October.	Jobless and no income as there were no orders during the epidemic.	No	Partly self-supplying for food because the family does farm work. Reducing expenses and no shopping for clothing. The electricity bill reduced from VND 500,000/month (before), to about VND 350,000/month (now).	
	Cruise ship servers	Limited travel and no gatherings.	Travel services stopped so jobless and with no income.	Knitting fishing nets for VND 100,000/day. Working as a mason when called upon by my uncle who is a construction contractor.	Could not cut down expenses on funerals and weddings. Trying to save money from electricity/water efficiency and food expenses.	
	Taxi drivers	No customers because people are limiting their travel and there are no tourists.	Unemployed for 3 months during the Covid epidemic; no income.	Helping family to sell goods.	No meals at restaurants to save money. Limiting shopping. More borrowing either to spend or repay bank loans.	

No.	Categories of workers	The shock and its social impact	Impact on employment and incomes	Responses in terms of employment and incomes	Responses in terms of household spending and welfare	Policy-based support
III	Agricultural production	A huge loss due to the inability to consume products at harvest time. People change their living habits; often wore face masks and washed hands.	Aquaculture: unable to sell products but feed costs increased. Still had to keep workers. Wholesaling to people at a discount price of 50%. Melon farmers: melons could not be sold because traders did not buy them, and they were at risk of going rotten.	Doing anything people need. No accumulative savings, so had to borrow or find other jobs if running out of money. Getting loans at an unofficial interest rate (vs. the usual rate of 3%/month) to maintain production, pay employees and to cover bidding costs to hire aquaculture lagoon.	Self-supplying for food. Supporting their children. Limiting expenses. Receiving support from children. Using cash support from the government.	The Women's Union of Lien Vi commune supported 8 kg of rice (1 month) for the disadvantaged families. Allowed to extend the payment of bidding cost of aquaculture lagoon for 1 month.
V	Other sectors					
	Scrap collectors	Stayed at home; there were no scraps to collect. Gaining the habit of wearing face masks.	Collecting scrap: sometimes going to work but not stably, so income reduced by about 50-60%.	No.	Borrowing from relatives to spend and gradually paying off then. Saving on utility costs, such as electricity and water; reducing meal costs.	10 kg of rice and 10 eggs and another 5 kg of rice for disadvantaged families.
	Construction contractors	Construction works were suspended.	Jobless, no income.	No.	Living on savings. Reducing expenses for food and shopping.	No support.
	Offshore fishermen	Jobless due to inability to sell caught products, despite being unaffected by the social distancing period.	Products could not be sold to restaurants and the sale price also dropped, leading to decreased income.	Still going offshore to fish to earn an income.	Limiting spending.	No support.

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Report

03

SURVEY ON THE IMPACT OF THE COVID-19 PANDEMIC ON ENTERPRISES AND WORKERS

Consultant:

Enterprise Development Foundation

September, 2020

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ACRONYMS

CIT Corporate Income Tax

FDI Foreign Direct Investment

GIZ German Development Cooperation

PIT Personal Income Tax

SME Small and Medium Enterprise

SOE State Own Enterprise

VAT Value Added Tax

VCCI Vietnam Chamber of Commerce and Industry

VND Viet Nam Dong

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FOREWORD

At the beginning of 2020, Covid-19 emerged and in less than 2 months quickly spread to countries in Asia, America and Europe. It severely impacted economies and caused social disruption for more than 200 countries and territories, including powerful nations such as the US, Japan, China, and the UK. Right at the beginning, the Covid-19 pandemic froze most commercial production and business activities, causing negative impacts on economies around the world, including Viet Nam. The impact of Covid-19 affected all industries and sectors of Viet Nam's economy.

According to VCCI survey results, Covid-19 reduces business revenue firstly by narrowing consumption; secondly, by affecting liquidity; and thirdly, by causing shortages of input materials for production and business activities. In addition,

Covid-19 has other negative effects, such as making it difficult for enterprises to maintain production and fulfil contracts and labour shortages.

The Covid-19 pandemic is having a negative impact on enterprises of all types: SMEs, large enterprises, domestic, and FDI enterprises. SMEs, which account for 98% of the total number of Vietnamese enterprises, are affected mainly by cash flow issues and a shrinking domestic market, while large and FDI enterprises are affected by supply chain disruption. These negative impacts make it difficult for businesses to maintain operations. The first consequence of this is job cuts (termination of contracts, reduction of working hours, and reduction of incomes) in all industries and all types of business.

As of June 2020, 30.8 million people aged 15 and over were negatively impacted by COVID-19, including those who lost their jobs, or had their working hours or income reduced. The impact of reduced income accounted for the highest proportion at 57.3% (equivalent to 17.6 million people). Of the 30.8 million people impacted, 28.7 million are still employed, 897.5 thousand are unemployed, and 1.2 million people have withdrawn from the workforce (economically inactive). (General Statistics Office of Viet Nam (GSO).

Therefore, support to enterprises is not only about economic development goals, but also social goals. Supporting businesses, not only SMEs but also large and FDI enterprises, will help maintain and create jobs as well as ensure incomes for employees. SMEs are the most vulnerable, but large and FDI enterprises employ large numbers of workers and cutting a small proportion of jobs in these enterprises leads to a large number of unemployed people; therefore, support should be provided to all businesses to avoid negative consequences to society.

In the face of business difficulties due to the impact of Covid-19, the government has provided timely support for businesses through Directive No. 11/CT-TTg and Directive 15/CT-TTg, Directive 16/CT-TTg, Decree No. 41/2020/ND-CP, Resolution No. 42/NQ-CP, Decision No. 15/2020/QD-TTg, Resolution 84/NQ-CP, and over 20 other guiding documents. In particular, support for businesses to ensure employment and incomes include: suspension of payments into social insurance retirement and death gratuity funds (Decision No. 1511/LĐTBXH-BHXH dated 4 May 2020 of the Ministry of Labour, War Invalids and Social Affairs), and assistance for employees who lose their jobs and assistance for employers to borrow capital to pay workers (Decision No. 15/2020/QD-TTg 24 April 2020 of the Prime Minister). However, as pointed out by businesses, access to these measures remains difficult, especially obtaining 0% interest loans from the Vietnam Bank for Social Policies to support the payment of employees suspended from work. The main reason why enterprises have

not been able to access government support is mainly due to strict conditions that are difficult for businesses to satisfy.

In order to build a rapid update report on the impacts of the Covid-19 pandemic on enterprises and their performance, as well as problems faced by employees, and to provide recommendations for businesses to access government support, the Vietnam Chamber of Commerce and Industry (VCCI) in cooperation with the “Social Objective in Sustainable Green Growth in Viet Nam” project of German Development Cooperation (GIZ) conducted a "Survey on the impact of the Covid-19 pandemic on enterprises and workers".

This survey collected information on businesses' difficulties, especially in relation to employment, caused by the Covid-19 pandemic, and efforts to overcome these difficulties. In addition, the survey also evaluated the status of enterprises' access to support policies, especially the government's labour support policies according to issued documents such as Decision No. 1511/LĐTBXH -BHXH, Resolution No. 42/NQ-CP, Resolution No. 15/2020/QD-TTg, etc., from which solutions are proposed to improve policies to support businesses affected by Covid-19.

The analysis in this report is based on online survey data collected from 26 August to 21 September 2020 from 550 enterprises in 40 provinces and cities, representing 6 different socio-economic regions and economic sectors, and business community in Viet Nam. The survey was unable to collect sufficient information to analyse each province and industry in detail because of the online survey method, limited resources and time. However, with the representation of socio-economic regions and the main business sectors, the research results can be generalised to all enterprises.

EXECUTIVE SUMMARY

This report shows the negative impacts of the Covid-19 pandemic on enterprises and workers, solutions for businesses to maintain employee numbers and incomes for their employees, and the status regarding access to government support policies. Some of the main findings are as follows:

- The Covid-19 pandemic has had many negative impacts on business operations, not only narrowing the current market, but also making it difficult for businesses to find markets in the future. This has led to a decrease in turnover and difficulties maintaining jobs and incomes for employees in the first 6 months of 2020.
- Accommodation and food services, logistics and transportation are the most heavily affected industries. The proportion of businesses in these industries with reduced revenue and reduced labour is also the highest of all industries.
- The larger the enterprises are, the more they are affected by the narrowing of foreign markets and difficulties finding raw materials; smaller enterprises suffered more due to the narrowing of domestic markets.
- Although up to 75% of the surveyed enterprises have seen reductions in revenue, only about 45% have cut employee numbers and 40% have reduced working hours; 56% have made no changes to their employment structure or salaries.
- In the case of forced labour termination, enterprises try to provide certification to their

employees so they can receive support according to regulations and prioritise their re-recruitment. In addition, enterprises also have policies to support employees who are suspected to have Covid-19 and for workers in difficult circumstances. This shows enterprises' commitment to social responsibility, especially in the difficult context of Covid-19.

- The proportion of enterprises implementing solutions to support their employees to overcome Covid-19 is higher for large enterprises. The proportion declines in relation to the size of enterprises.
- Although the government has numerous packages to support businesses, the proportion of enterprises that have managed to access these policies is still limited, especially policies relating to labour.
- The main reason given by businesses is that the conditions for enjoying these support policies are too strict and do not take into account the difficulties that businesses are facing. In addition, the procedures and time required to apply for these preferential policies are also long and complicated, discouraging many enterprises.
- The rate of enterprises planning to reduce the scale of their operations is lower than the rate of enterprises planning an increase. This shows that the most difficult period for businesses has passed. However, the fact that nearly 70% of enterprises plan to maintain their current scale, which has already been reduced due to the impact of Covid-19, shows that the majority of enterprises cannot resume their operations to the levels they were at before Covid-19 until the end of 2020.
- In the context of complicated Covid-19 developments in the world, supporting businesses in disease prevention is a recommendation that many businesses are interested in to ensure their production and business activities, as well as employment and incomes for their employees. In addition, businesses also expect to receive government

support to pay salaries and secure jobs for employees.

- In addition to postponing all kinds of fee payments, businesses also suggest policies to exempt or reduce social security contributions as well as contributions to trade union funds. This would help to reduce the burden on both enterprises and employees, especially in the context of reduced cash flow and employee incomes.
- To reduce negative impacts on society, besides support to industries heavily influenced by Covid-19 and SMEs with low resilience, attention should also be paid to industries and businesses that use large amounts of labour.

I. OVERVIEW OF ENTERPRISES PARTICIPATING IN THE SURVEY

1.1. Distribution of surveyed companies by geographical region, type of ownership and scale of business

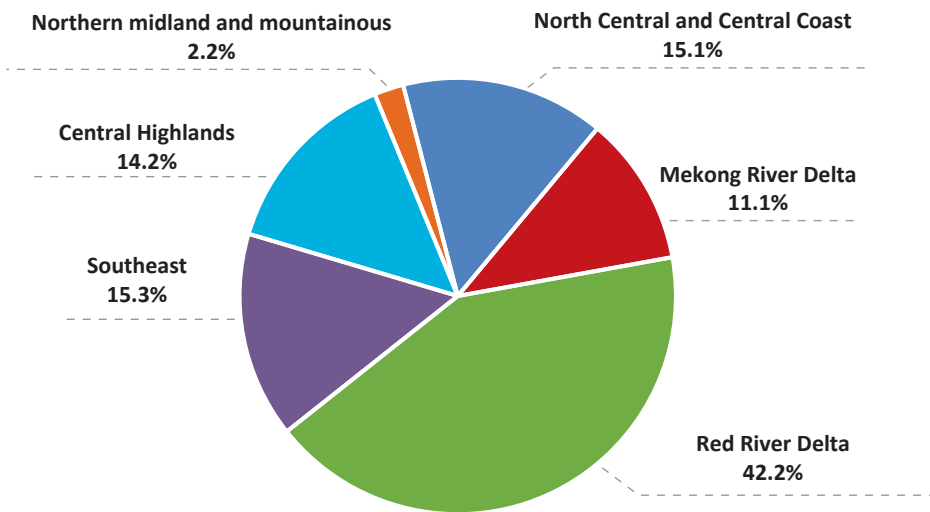


Figure 1: Distribution of businesses by geographical area

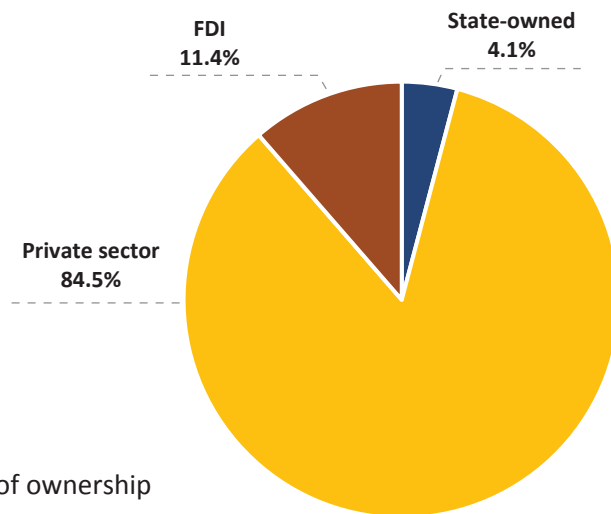


Figure 2: Type of ownership

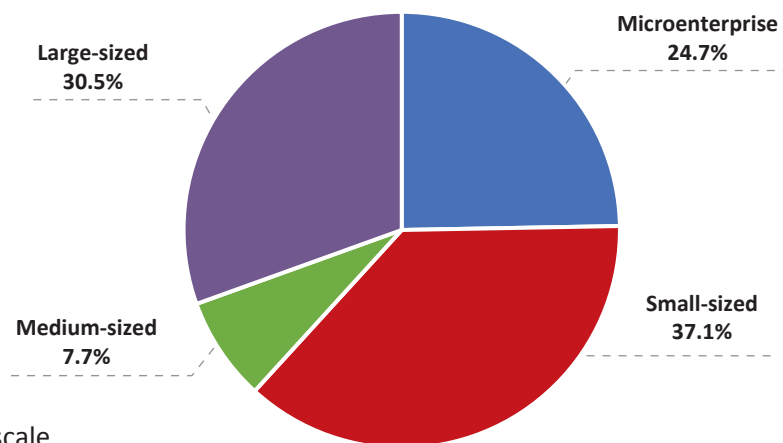


Figure 3: Firm scale

The survey was conducted across Viet Nam, with the highest concentration of enterprises in the Red River Delta (42.2%), followed by the Southeast (15.3%) and North Central and Central Coast regions (15.1%). These are the three economic centres where active businesses are highly concentrated. The Central Highlands and Mekong River Delta account for 14.2% and 11.1% respectively; the Northern Midlands and Mountainous region is the geographical area with the lowest number of enterprises participating in the survey, accounting for only 2.2%. Compared to data from the National Business Registration Database (Ministry of Planning and Investment) in 2019, the number of surveyed enterprises in the Southeast (15.3%) is not really commensurate with the proportion of businesses operating in this area, where Ho Chi Minh city accounts for 31.6% of the number of operating businesses in the country. In contrast, the Red River Delta region has a rather high proportion of surveyed enterprises with 42.2% although the respondents are mainly from Hanoi, which accounts for 20.6% of the country's enterprises. The number of surveyed enterprises in the remaining areas is reflective of the proportion of businesses operating across the country.

accounting for 84.5%. The remaining two sectors are FDI and state-owned enterprises (SOEs), accounting for 11.4% and 4.1%, respectively. This result is consistent with the fact that most enterprises in Viet Nam are in the private sector; however, this rate is still low compared to the proportion of non-state enterprises according to the Vietnam Enterprise White Book (96.9%).

In terms of business scale, micro (24.7%) and small (37.1%) enterprises account for the highest proportion with a total of 61.8%. Of the remainder, large enterprises account for 30.5% and medium enterprises 7.7%. It can be seen that the subjects of the survey that are medium and large companies account for quite a large proportion. This proportion is different compared to the Vietnam Enterprise White Book, where micro enterprises account for 62.6% and small enterprises 31.1% of enterprises nationwide. Medium enterprises account for 3.5% and large enterprises 2.8% of the total number of enterprises nationwide. This can be explained by the fact that medium and large enterprises are more interested in policy recommendations and spend time to participate in surveys.

In terms of type of ownership, the survey respondents are mainly from the private sector,

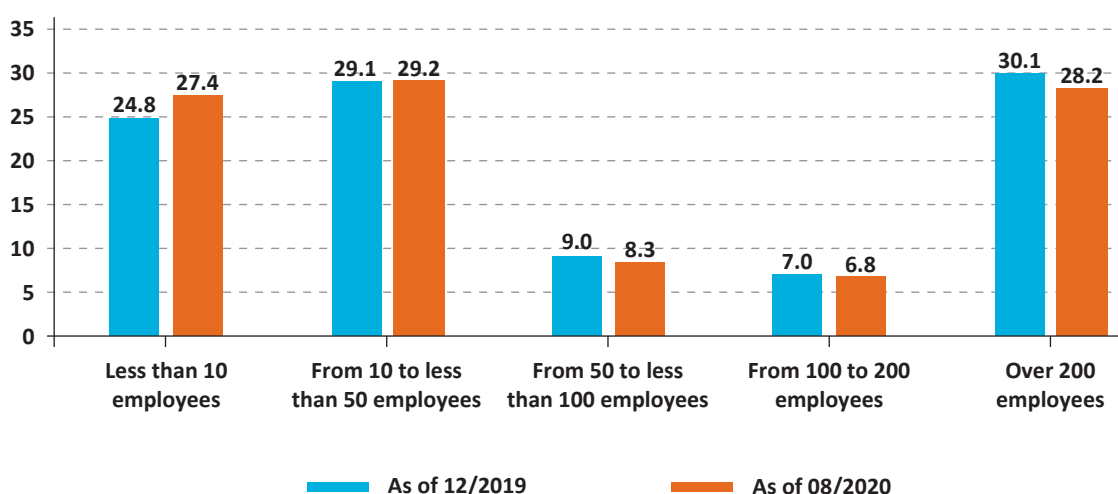


Figure 4: Comparison of employee numbers as of December 2019 and August 2020 (Unit: %)

A detailed comparison of employee numbers shows slight changes in scale according to a comparison of the number of employees in the current period of 2020 and as of 31 December 2019. Accordingly, the rate of enterprises with employee numbers from 50 to less than 100 employees, from 100 employees to less than 200 employees, and 200 employees or more, decreased from 9%, 7%, and 30.1% to 8.3%, 6.8%, 28.2%, respectively. In the opposite direction, the proportion of businesses with less than 10 employees increased from 24.8% to 27.4% and the proportion of businesses with 10 to less than 50 employees increased slightly from 29.1% to 29.2%. Thus, Covid-19 had an impact on the enterprises participating in the survey. In general, enterprises had to reduce their scale in terms of employees.

1.2. Distribution of surveyed companies by industry

In terms of business field, the survey respondents operate mainly in the industry and construction sectors followed by commerce and services at 54.2% and 43.8%, respectively. Enterprises in the agriculture, forestry and fisheries sector account for only about 2%. This figure is approximately equivalent to the enterprise allocation in Vietnam Enterprise White Book, in which the number of Vietnamese enterprises in the agriculture, forestry and fisheries sector only accounts for a small proportion, with the remainder operating mainly in the commerce/services and industry/construction sectors.

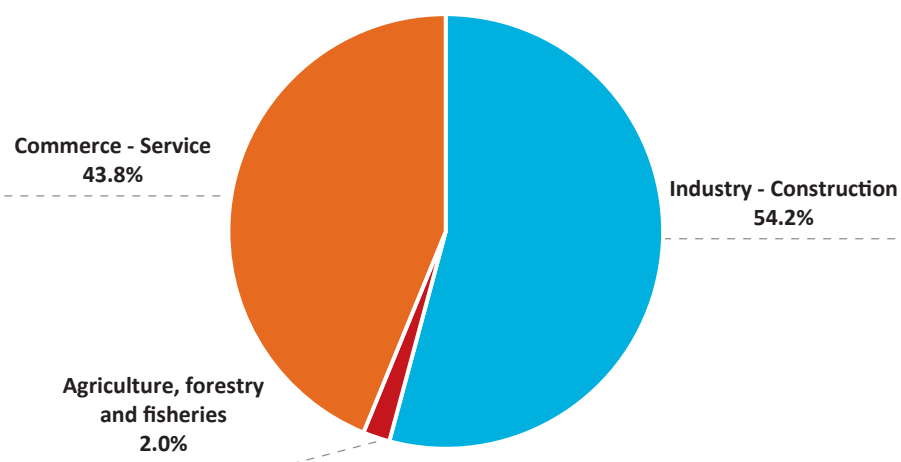


Figure 5: Surveyed enterprises by industry (Unit: %)

Within the industry sector, the most surveyed enterprises operate in the manufacturing and processing industry, accounting for 44.2%; followed by retail and wholesale industries, automobile repairs, motors, motorbikes and other vehicles at 22.9%; and construction at 8%. The proportions of firms participating in the survey in the remaining 13 sub-sectors ranged from 0.4% to 5.3%.

Among enterprises in the manufacturing industry, more than one-fifth operate in the textile and garment sector, and 15% in the food processing sector. The number of enterprises operating in the rubber/plastic/leather and related products sector accounts for about 10% of the total number of processing and manufacturing enterprises. These are fields that use a large number of labourers, especially unskilled labour.

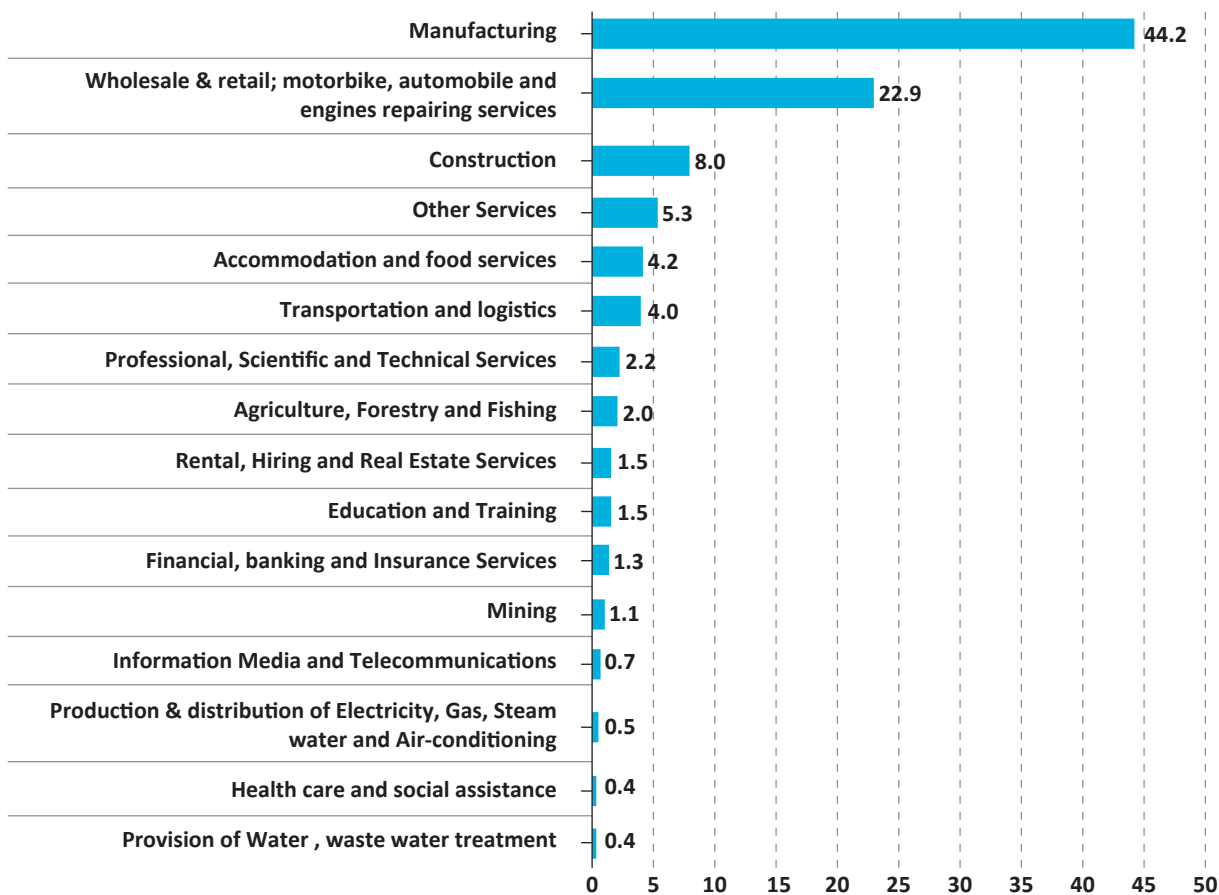


Figure 6: Firms surveyed by industry (Unit: Score %)

1.3. Distribution of surveyed enterprises by market

The Covid-19 pandemic has spread to over 220 countries around the world, affecting global trade. Therefore, this survey compares the impact of Covid-19 on the international integration of enterprises. Among the surveyed enterprises, 47.5% only operate in domestic markets; 31.2% operate in both domestic and export markets, and 20.4% only in the export market.

Thus, the proportion of enterprises with both import and export activities is quite large due to the fact that many large and medium enterprises

participated in the survey. This shows that the Vietnamese economy is increasingly integrating into the global economy and is currently very open. However, the majority of domestic firms are not yet able to participate further or faster in the global supply chain because of numerous barriers, especially technical barriers.

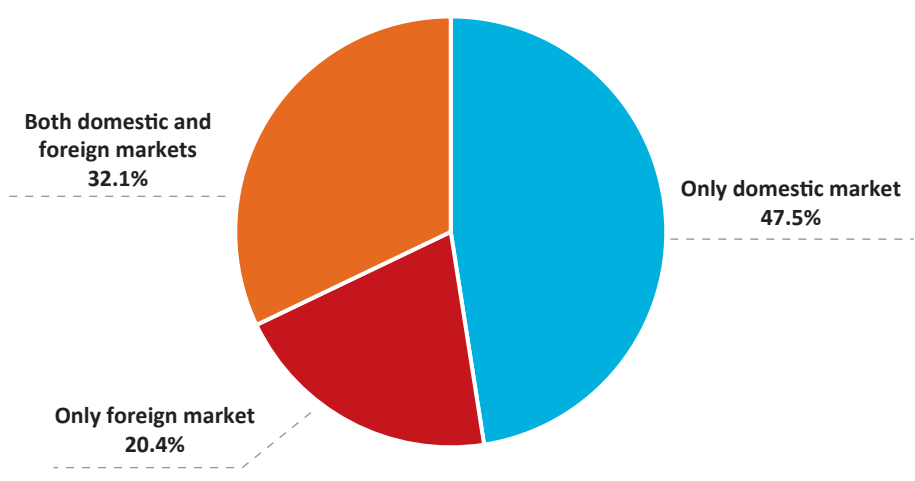


Figure 7: Enterprise output markets (Unit: Score %)

Specifically, by scale of operation, 82% of micro and 59.7% of small enterprises operate only in the domestic market while the proportion for medium and large enterprises accounts for 36% and 12.2%, respectively. Meanwhile, the proportion of medium and large enterprises only operating in the export market was 13.2% and 46.2%, respectively

compared to 5.5% for micro and 10.5% for small enterprises. Medium and large enterprises operating in both domestic and export markets account for a large proportion at 50% and 41.7%, respectively; this is also much higher than small and micro enterprises, which account for 29.8% and 12.5%.

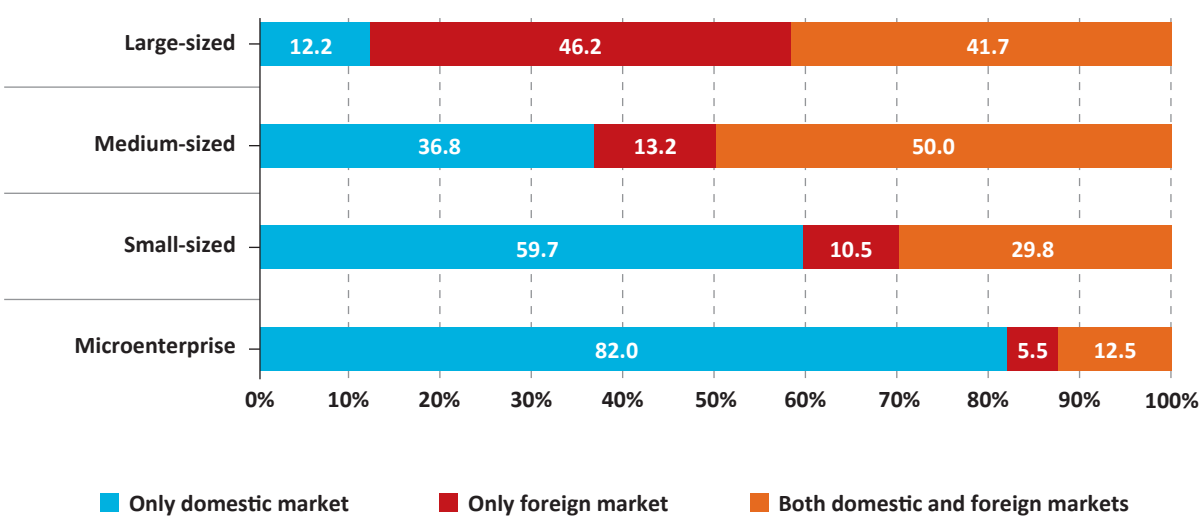


Figure 8: Firms' output markets by scale of operation (Unit: Score %)

1.4. Proportions of female employees, migrant workers, female business owners and vulnerable workers

In general, enterprises participating in the survey have a lower percentage of female workers than men; only 35.6% of enterprises have a higher rate

of female workers than men, of which 21.4% have a female labour rate of between 50% and 75%, and 14.2% of enterprises more than 75%. Meanwhile, the proportion of enterprises with female employees below 10% accounts for 13.7%, from 10% to less than 25% for 16.7% and from 25% to less than 50%, 34%.

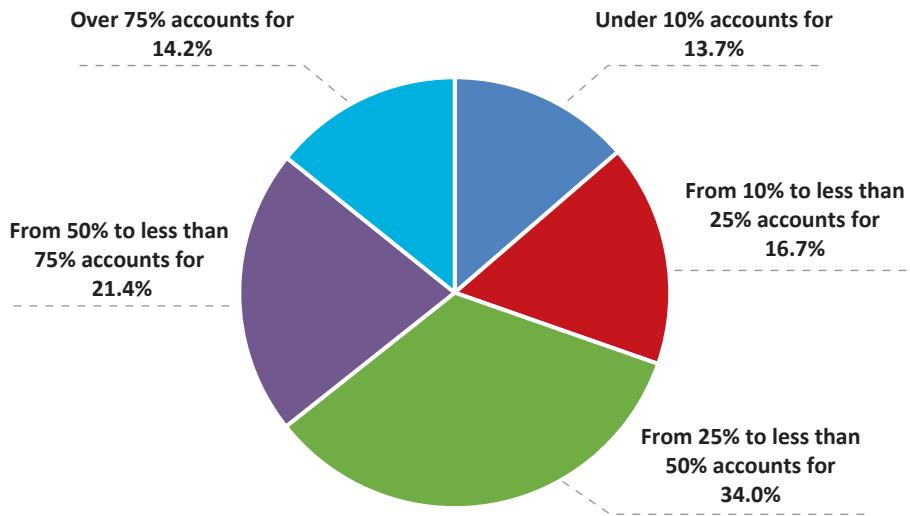


Figure 9: Proportion of female employees by enterprise (Unit: Score %)

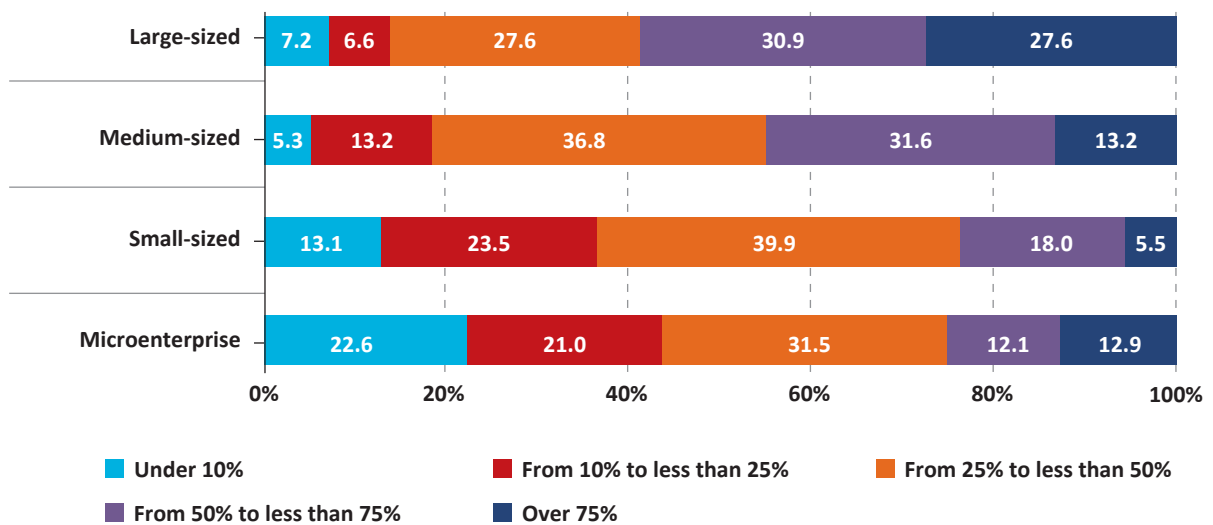


Figure 10: Proportion of female employees by firms' scale of operations (Unit: Score %)

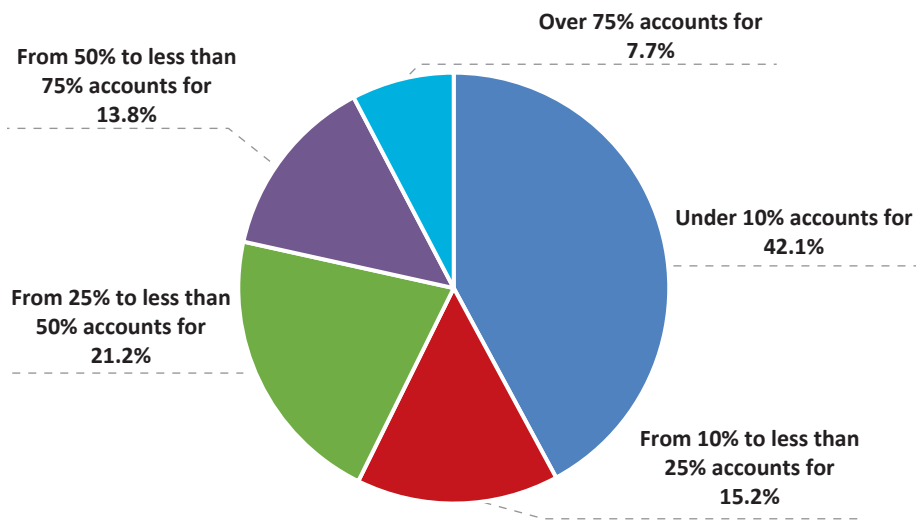


Figure 11: Percentage of migrant employees (Unit: %)

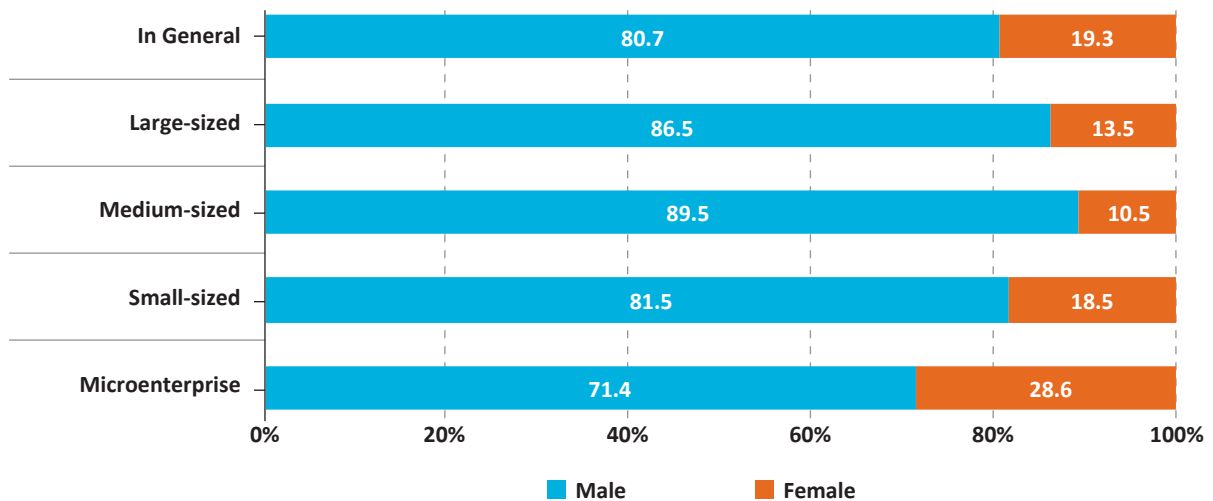


Figure 12: Gender of business owners (Unit: %)

When disaggregating by scale of operation, the survey data shows that medium and large enterprises have a much higher ratio of female workers in their total number of employees than micro and small enterprises. Specifically, 44.8% of medium and 58.5% of large firms have a female employment rate of 50%-75%

compared to 25% of micro and 23.5% of small firms. In which, 27.6% of large enterprises have more than 75% female employees. This is due to the fact that companies participating in survey are mainly large enterprises in the textile, garment and footwear industries, which employ mostly female workers.

Regarding the gender of business owners, the survey shows that the majority of enterprises participating in the survey have male owners (80.7%); only 19.3% of business owners are female. This rate is also quite close to the VCCI “Doing Business in Vietnam: Evaluation of Women-Owned Enterprises” report data. As of the end of September 2020, Viet Nam has more than 285,700 women-owned businesses, accounting for 24% of the total. Thus, although the proportion of enterprises owned by women has tended to increase over the years, the gap remains large. The survey results also show that the proportion of female business owners in micro and small enterprises is higher than in medium and large enterprises.

Regarding the proportion of inter-provincial employees (as a percent of the total number of employees), the survey shows that the majority of enterprises participating in the survey employ workers mainly from their home province. The number of enterprises with under 10% of its employees from another province accounted for 42.1% and from 10% to under 25%, for 15.2%. Meanwhile, only 13.8% of enterprises have 50% to 75% of inter-provincial workers and just 7.7% have more than 75%.

Regarding the vulnerable worker situation in enterprises, 36.4% of enterprises participating in the survey employ workers that have children under 12 months of age; 30.7% of businesses have pregnant workers. Only 4.2% of businesses employ people with disabilities and 11.6% have vulnerable workers or people with special or difficult circumstances. Scale of operations also has a big influence on the rate of vulnerable employees. The survey shows that medium and large enterprises have a higher rate of vulnerable workers, 1.5-2 times higher than the average rate and much higher than that of micro and small enterprises. Specifically, the percentage of enterprises employing pregnant women and workers with children under 12 months of age in medium and large enterprises is above 50%. In small enterprises the rate is 22.9% and 32.8%, respectively, and micro and small enterprises only 6.3% and 14.1%, respectively. At the same time, only 2.1% of small firms employ workers with disabilities compared to 7.5% of medium firms and 10.1% of large firms. Medium and large enterprises have greater resources, so they also have a higher rate of vulnerable workers than SMEs with limited resources.

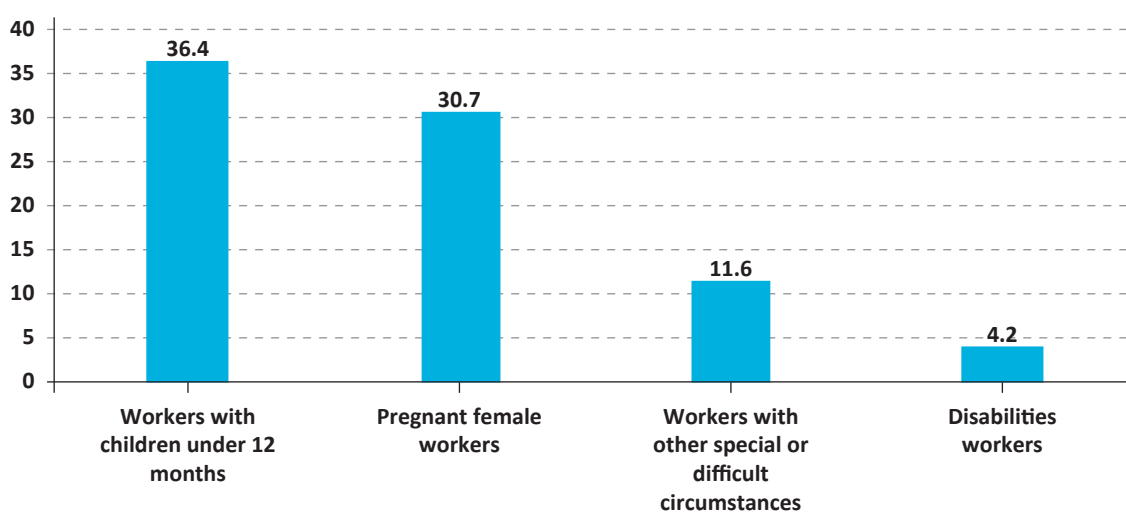


Figure 13: Proportion of firms employing workers from vulnerable groups (Unit: Score %)

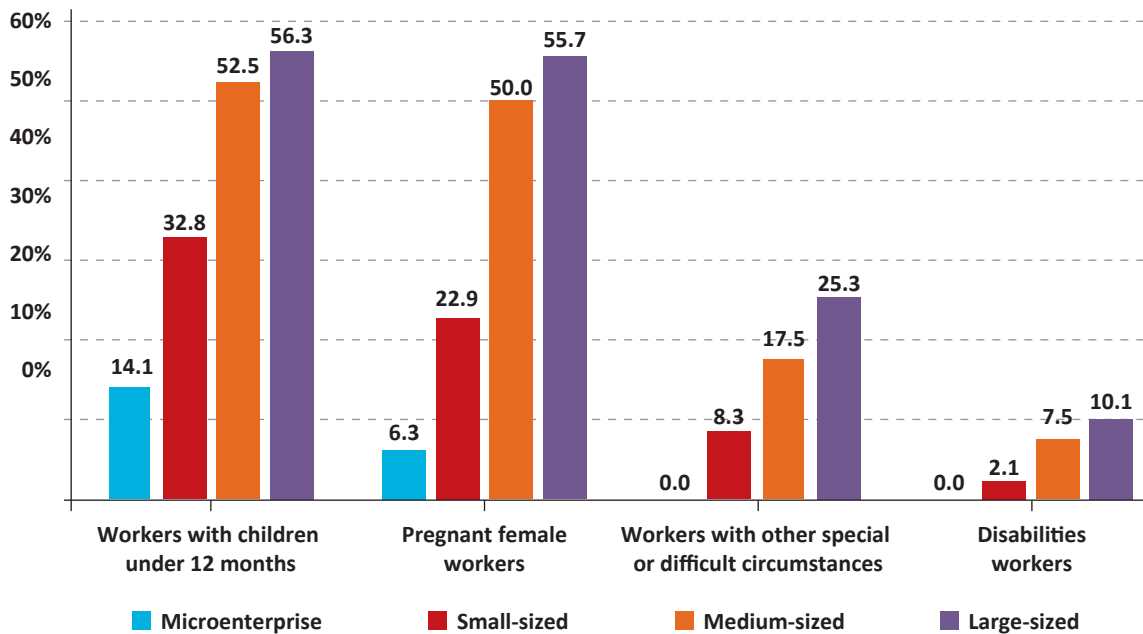


Figure 14: Proportion of firms employing vulnerable groups by scale of operations (Unit: Score %)

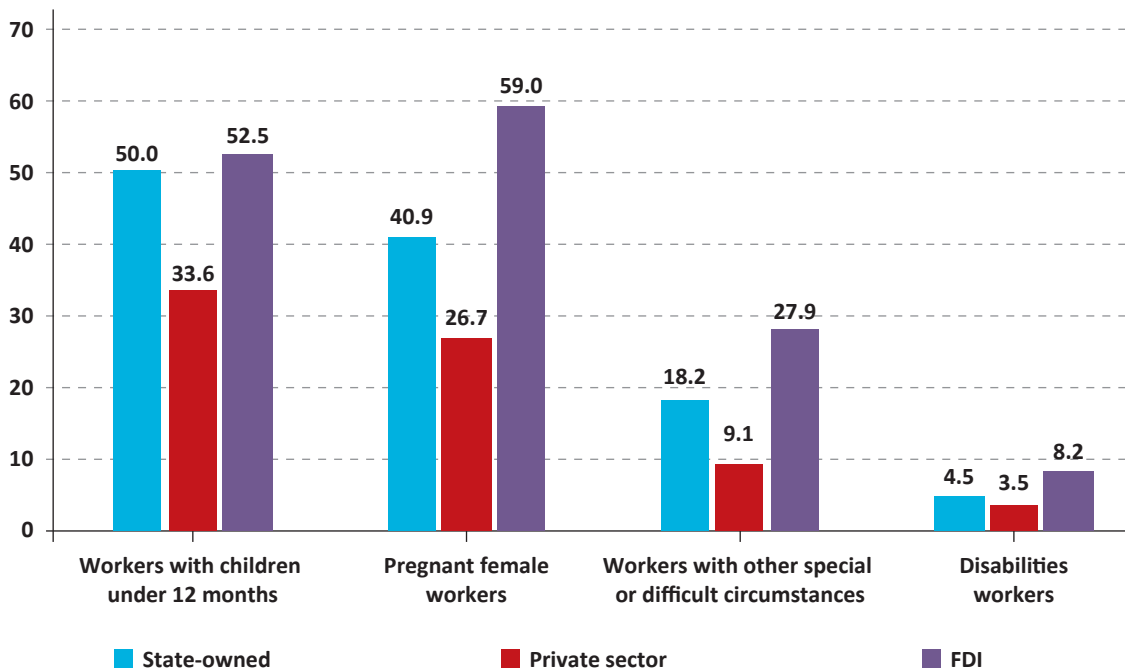


Figure 15: Proportion of firms employing vulnerable groups by ownership type (Unit: Score %)

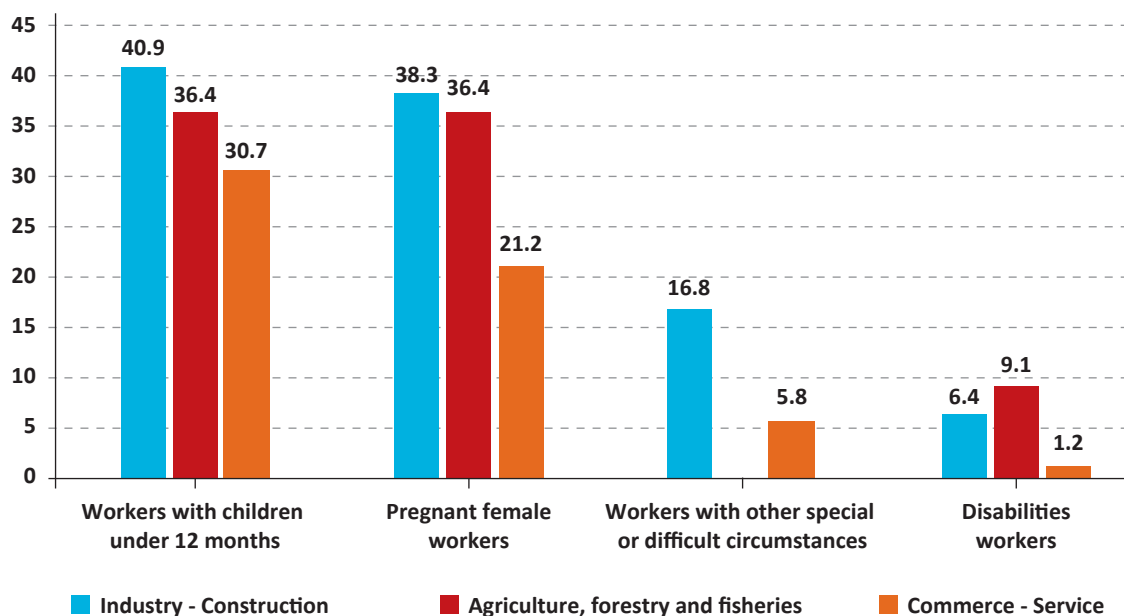


Figure 16: Proportion of firms employing vulnerable groups by major industry (Unit: Score %)

By type of ownership, the SOE and FDI sectors have higher rates of vulnerable workers or workers with special or difficult circumstances than the private sector. Specifically, 50% of SOEs and 52.5% of FDI firms employ workers with children under 12 months of age, compared with 33.6% of private sector firms. For businesses with pregnant female workers, this percentage is only 26.7% in the private sector compared to 40.9% in SOEs and 59% in the FDI sector. There are also 8.2% of FDI enterprises employing disabled workers, more than twice the rate of any other sector.

By economic sector, enterprises in manufacturing and construction sectors have the highest rate of vulnerable workers, especially pregnant females or workers with children under 12 months of age (about 40% of firms). The high percentage of female workers and workers with children less than 12 months of age in the processing/manufacturing sector is understandable because the nature of the work

is suitable for female workers. Therefore, these enterprises and the government should develop policies that pay more attention to vulnerable. The commerce and services sector has the lowest proportion of firms employing vulnerable workers.

II. ASSESSING THE IMPACT OF THE COVID-19 PANDEMIC ON ENTERPRISES AND EMPLOYEES

2.1. The impact of the Covid-19 pandemic on business performance

The world is bracing itself through the crisis caused by the Covid-19 pandemic. The scale and extent of the damage caused is unprecedented, leaving a

deep impact on every country and economy. The second and third waves of Covid-19 struck the most powerful economies in the world, leading them to the brink of recession. The future of the global economy remains gloomy.

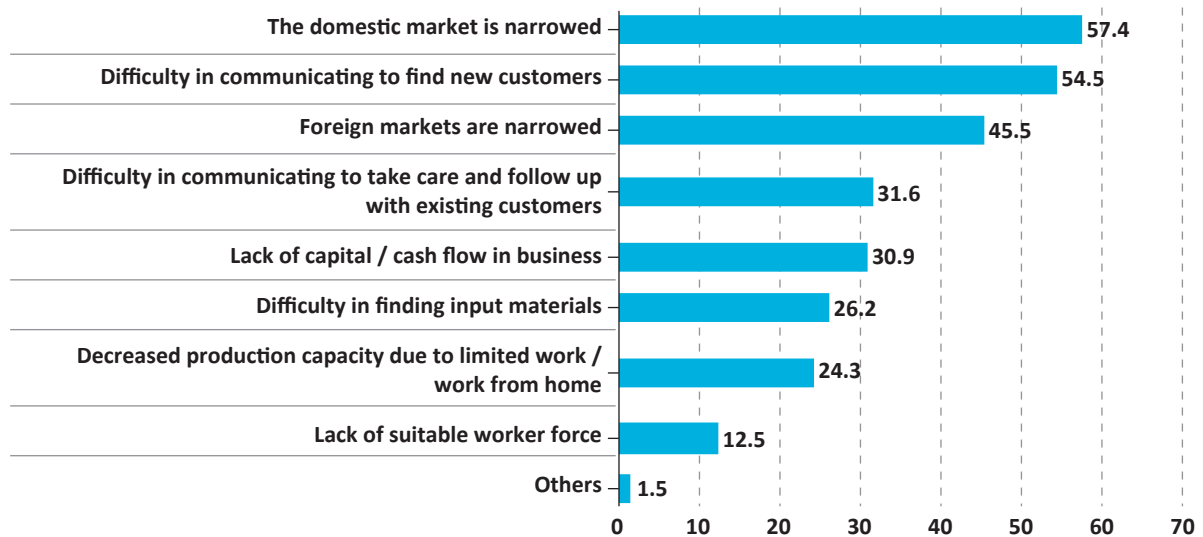


Figure 17: Impact of the Covid-19 pandemic on business operations (Unit: Score %)

In past years, Viet Nam has recorded many successes in preventing epidemics and stabilising the macro-economy. However, a second wave of Covid-19 emerged right at the moment domestic firms were showing the first signs of recovery. This has weakened the confidence of domestic enterprises.

According to the survey, narrowing markets, especially narrowing of the domestic market, is the biggest challenge for many businesses both during and after the epidemic, accounting for 57.4%. Tough economic times and pessimistic consumer sentiment due to uncertainty have reduced demand for goods and services. Social distancing measures have made the situation worse, especially for tourism, food and hotel service sectors. Many businesses cannot hold promotion

activities, conferences, exhibitions, or fairs. This has had an impact on the ability to find new partners and customers for 54.5% of businesses.

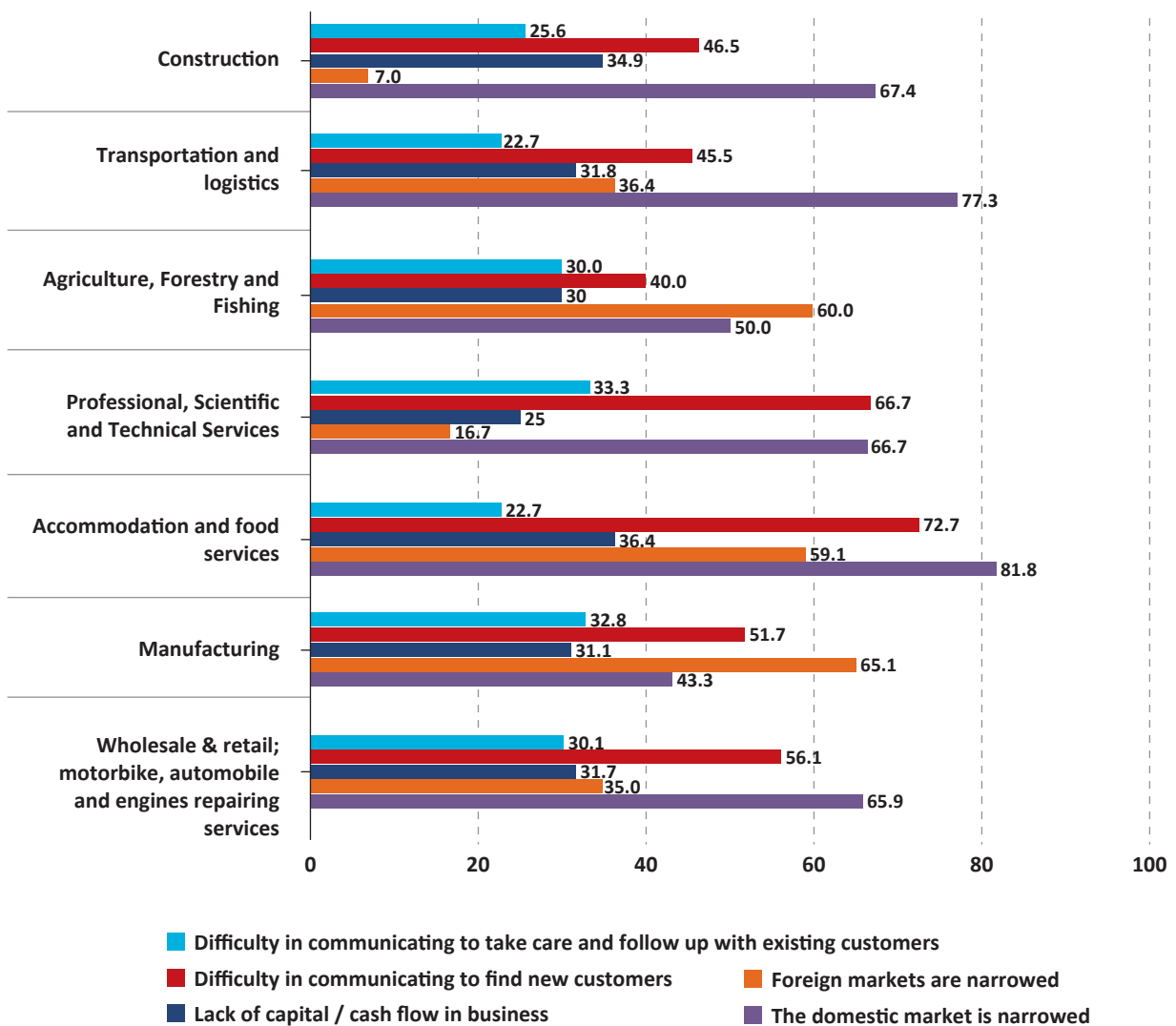


Figure 18: Impacts of the Covid-19 epidemic on firms' performance by industry (Unit: Score %)

Not only has domestic consumption become stagnant, but the main export markets have frozen. 45.5% of enterprises participating in the survey are experiencing this situation. The output market has narrowed, existing partners propose postponing or cancelling contracts, and the number of new orders has dropped sharply as customers remain cautious about the volatile economic context. Sales activities and consumption have slowed down significantly.

In addition, 31.6% of businesses said that they are also struggling to maintain communication with existing customers, and their ability to care and support customers is also facing obstacles. The consumption of manufactured goods is weak and large numbers of products are in inventory, causing interruptions in cash flow. Businesses cannot transfer capital while warehouse and labour costs have increased. All these factors have pushed businesses into capital shortages, with 30.9% of

companies saying they have faced this problem. Moreover, the government's directives to increase working from home have caused a decline in the production capacity for 24.3% of businesses, especially businesses in the manufacturing and processing sectors that have large numbers of direct employees.

Disruption in the global supply chain caused by restrictions on international freight, together with a decline in the production capacity of raw material suppliers – especially frozen activities of Viet Nam's main partner, China – have made it difficult for many businesses to find input sources. 26.2% of the surveyed companies faced this problem. Many foreign workers and experts are unable to enter Viet Nam, resulting in a shortage of suitable workers for 12.5% of enterprises.

Although the shrinking domestic market is the most common problem for all industries, four-fifths of accommodation and food services enterprises are particularly affected followed by transportation (77.3 %). Besides market difficulties, accommodation and food services also have to face difficulties finding new customers due to border closure measures for international visitors and a decline in domestic tourists due to quarantine or psychological concerns regarding Covid-19.

In terms of market decline, the processing and manufacturing industries and agriculture, forestry and fisheries are the sectors with the most impacted enterprises, accounting for 65.1% and 60%, respectively. This is understandable because these are two industries that hold Viet Nam's current export advantages. Lack of capital seems to be a common problem for about a third of businesses in most industries, with a slightly higher rate for accommodation, food services and construction.

According to the survey, the impact of Covid-19 on enterprises of all scales are remarkably similar, in which the output market is the factor that firms are most affected by while the workforce issue is causing less of an impact. However, in some

aspects, the consequences of Covid-19 still differ between enterprises with different scales of operations. Most of the large enterprises have experience in the international trade environment and numerous commercial relationships with foreign countries. These companies bear more serious losses from the narrowing of the international market (72.5% of surveyed enterprises). This rate is nearly double that of SMEs and three times of micro enterprises. In contrast, small and medium-sized enterprises mainly operating in the domestic market face more difficulties as Covid-19 causes a decline in domestic purchasing power and a narrowing of the domestic market.

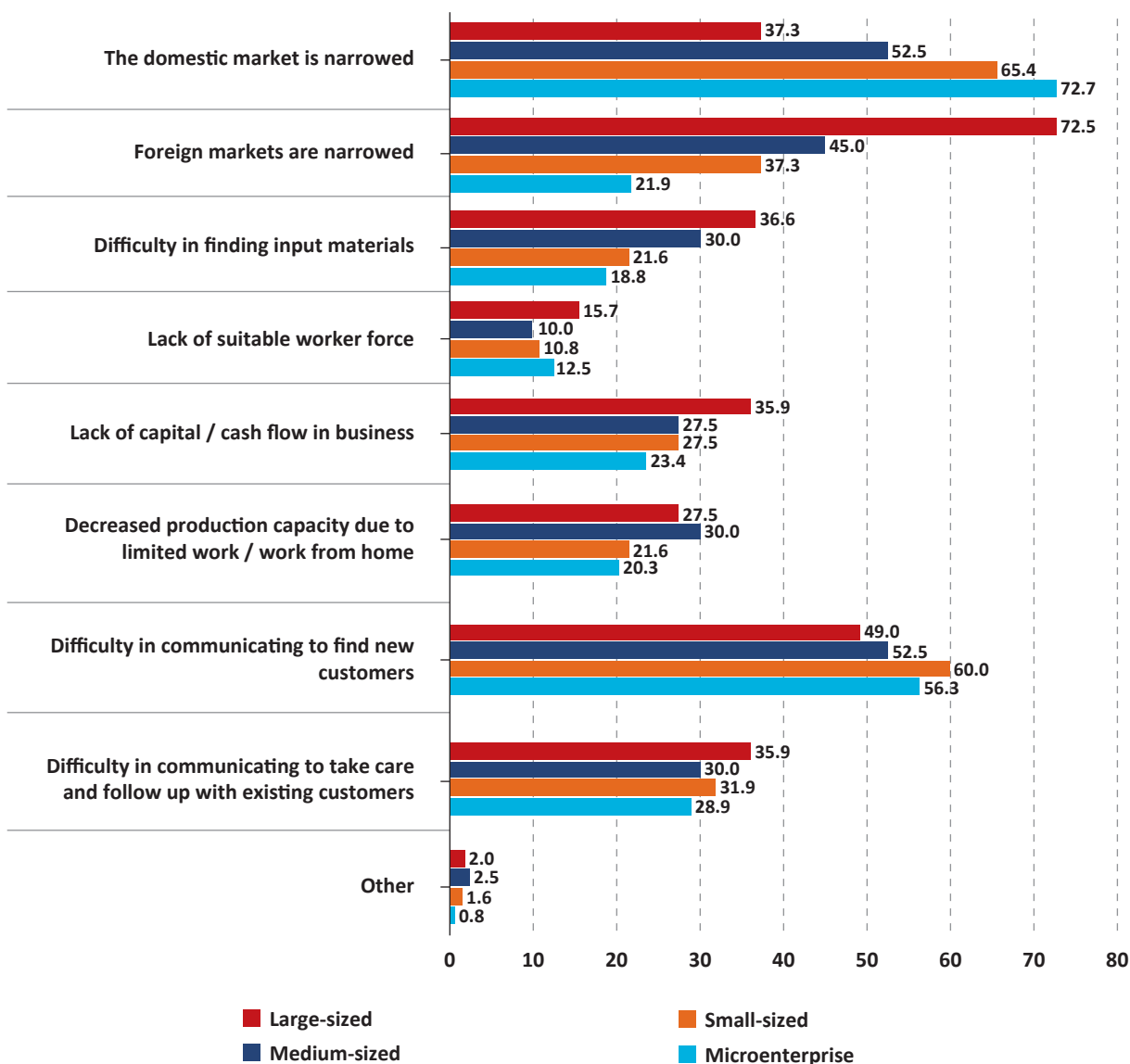


Figure 19: Effects of the Covid-19 epidemic on firms' scale of operations (Unit: Score %)

In addition, the shortage of capital/cash flow together with a shortage of input materials are the two problems affecting large firms more than small and medium ones because of the scale of production and large volume of orders. Due to the larger number of customers, customer monitoring and care in large enterprises is more difficult. Meanwhile, the main concerns of micro, small and medium-sized enterprises is finding new customers because they lack popularity and reputation in the market compared to large enterprises. The business activities of enterprises have been and are suffering heavy impacts from the Covid-19

epidemic. The decline in revenue is inevitable. According to the survey, the number of enterprises with a very low revenue growth rate is only 1.3%. Besides, the number of businesses that can maintain revenue is not high, at 22.1%. The revenue of nearly half of the surveyed enterprises recorded a decrease, of which, the number of businesses with a decrease in revenue of over 50% and from 25%-50% accounted for the highest proportion at 31.5% and 23%, respectively. The rate of businesses with reduced revenue below 10% is only 1.5%.

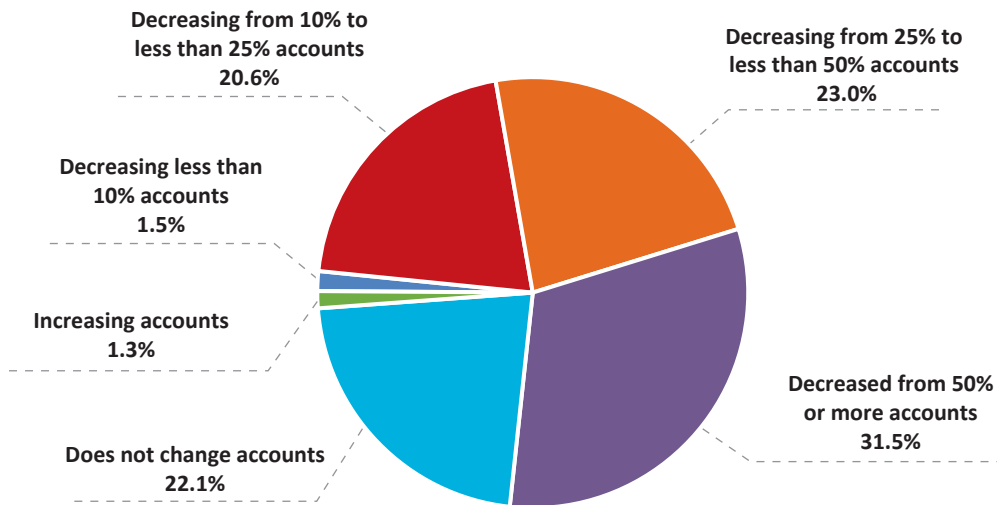


Figure 20: Impact of Covid-19 on corporate revenue in the first 6 months of 2020 compared to expectations (Unit: Score %)

Among the industries selected for analysis, accommodation and food services recorded the highest decline in revenue at 86.4%, of which

63.6% have had their revenue reduced by over 50%.

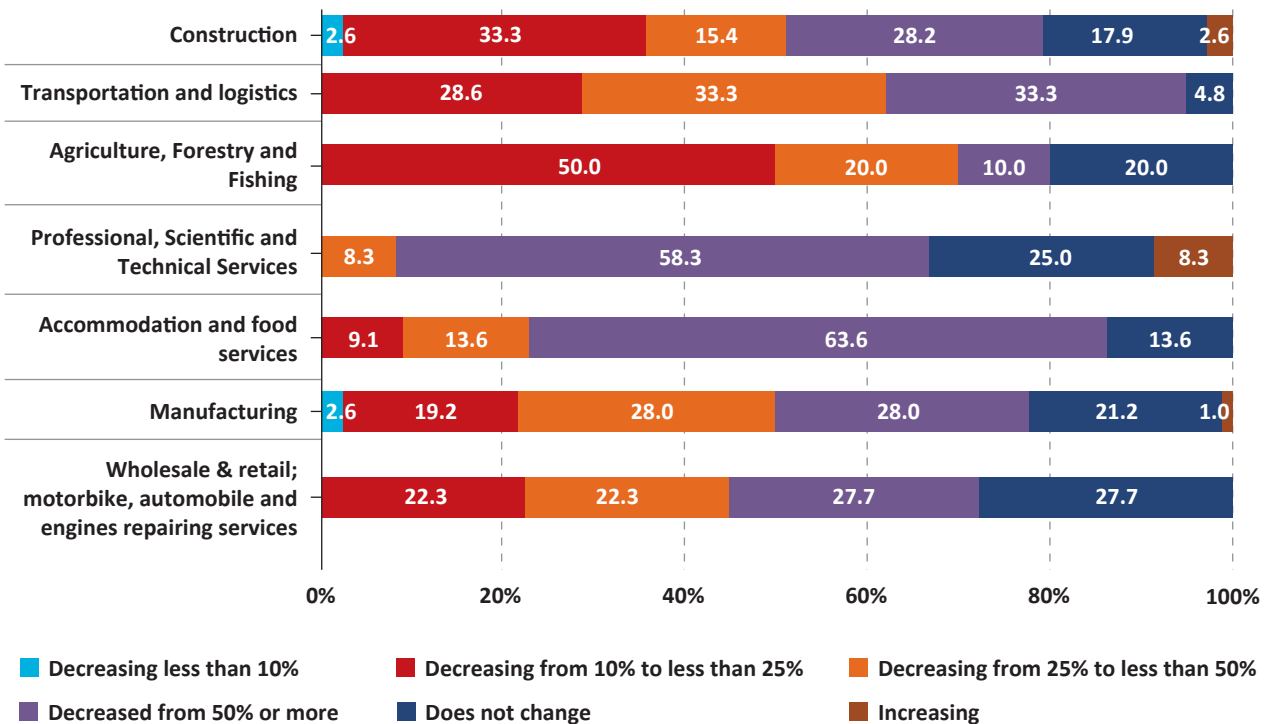


Figure 21: Impacts of the Covid-19 pandemic on corporate revenues in the first 6 months of 2020 compared to projected plans in major industries (Unit: Score %)

Obviously, this industry needs support policies to overcome this difficult period. Professional, Scientific and Technical Services, a Business to Business category providing services to businesses, also has a high proportion of firms with reduced revenue, with 58.3% of firms recording a drop of 50% in revenue compared to expectations. Similarly, the transportation and logistics industry has up to one third of enterprises recording a decrease of more than 50% in revenue and a third of enterprises a decrease of 25%-50%. This shows the linkages between industries in the economy; when one industry is affected by the Covid-19 pandemic it affects other industries, although the level of impact between sectors is different.

In terms of the impact of Covid-19 on revenue across business scale of operations, it is easy to see that large enterprises suffer less than enterprises of smaller scales. Typically, the percentage of enterprises with a decrease in turnover of over 50% is lowest in large enterprises, accounting only for 23.6% while for micro enterprises it is 43%, the highest rate among enterprises by scale of operations. However, in terms of constant or increasing revenue, small and medium enterprises have the highest rates at 23.4% and 27%, respectively, while micro enterprises recorded the lowest rate at 21.1% and 19%, respectively.

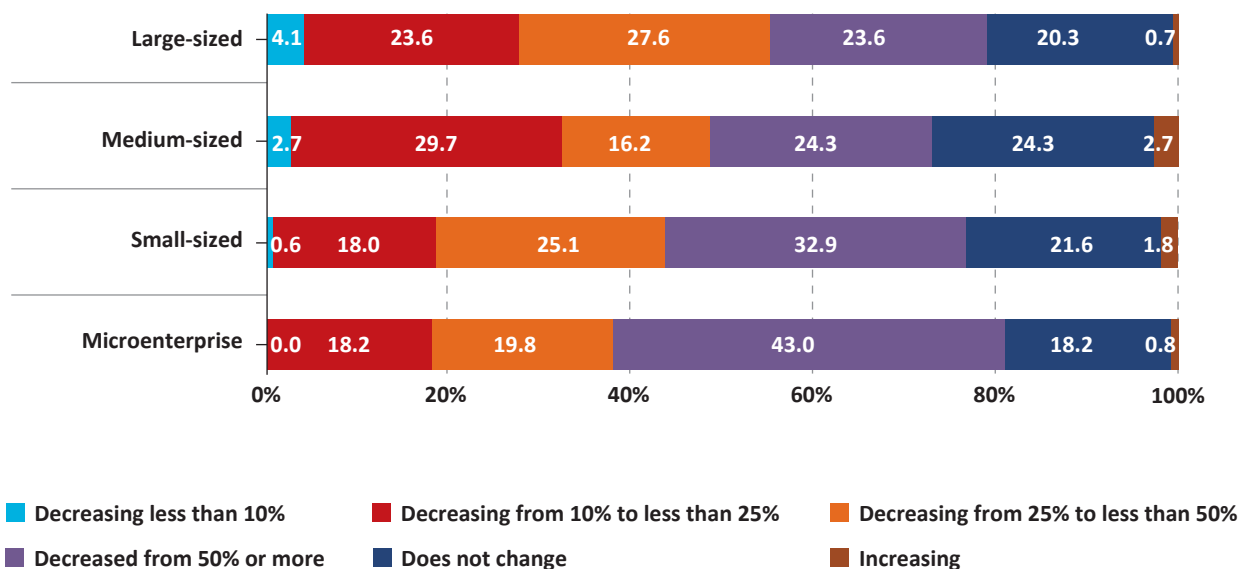


Figure 22: Impact of Covid-19 on revenues in the first 6 months of 2020 compared to expectations by firms' scale of operations (Unit: Score %)

- Impact on employee numbers

According to the survey data, more than half of enterprises, accounting for 51.2%, are still maintaining their workforce as planned. A few businesses, accounting for 4.3%, have increased the number of employees compared to their plans. Nearly half of businesses have cut the number of

employees compared to expectations. Enterprises whose employee numbers decreased by over 50% and from 10-25% accounted for the highest rates, 15.6% and 14.1%, respectively. 10.7% of enterprises reduced their workforce from 25% to 50% compared to expectations, with the remainder (4.1%) decreasing employee numbers by less than 10%.

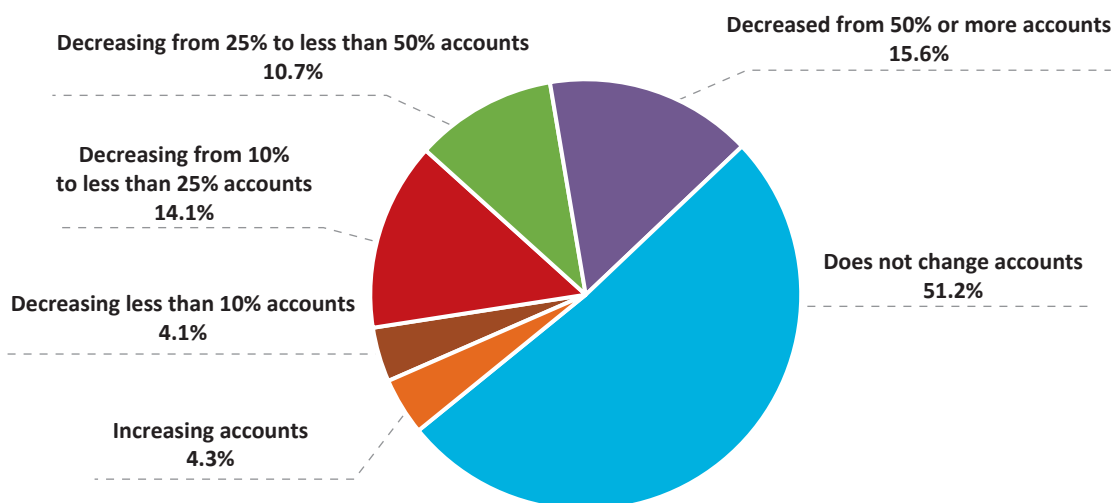


Figure 23: Impact of Covid-19 on the average number of employees in the first 6 months of 2020 compared to expectations (Unit: Score %)

Similar to revenue, accommodation and food services are the sectors suffering the greatest impact on employee numbers, with nearly 60% of businesses cutting more than a quarter of employees in the first 6 months of the year. The transportation and logistics industry also recorded

more than 50% of businesses making job cuts, but only half of these cut more than 25%. Labour intensive industries, such as manufacturing and processing also saw 45% of enterprises cutting their workforce, of which half cut over 25% of the total number of employees.

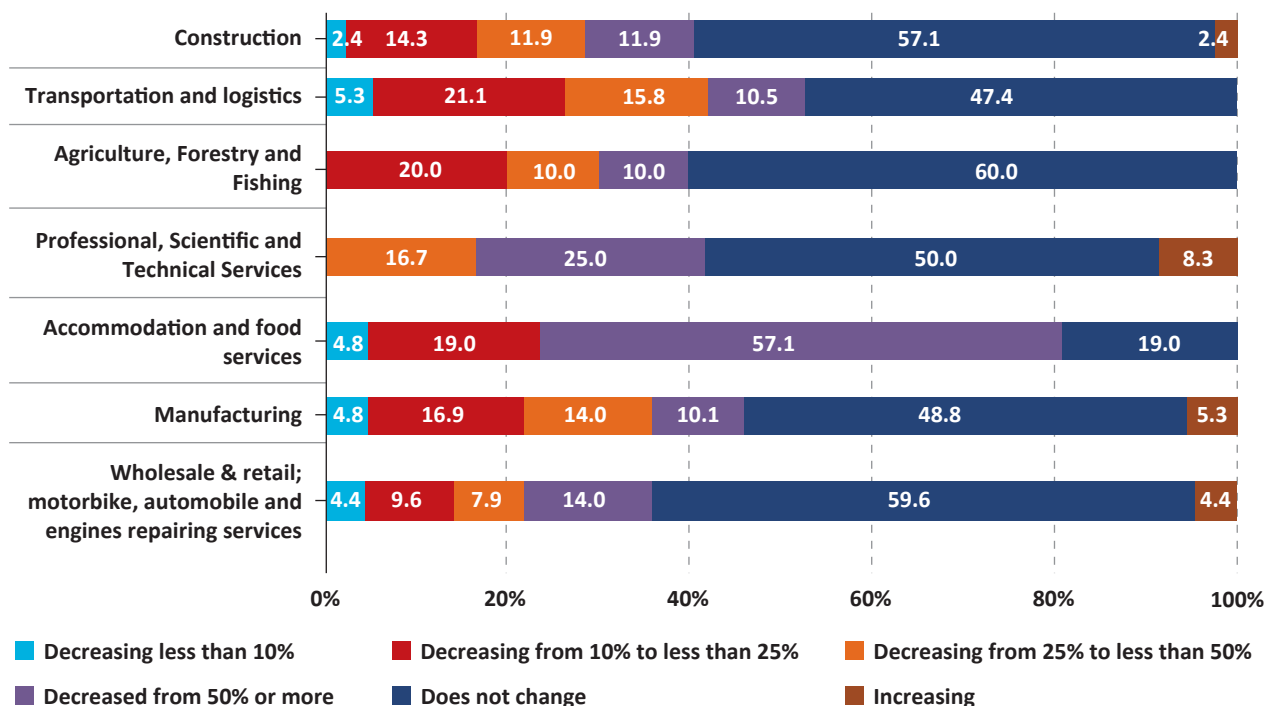


Figure 24: Impact of the Covid-19 pandemic on the average number of employees in the first 6 months of 2020 compared to expectations in selected major industries (Unit: %)

While industries such as accommodation services or transportation and logistics have usually small employee numbers (about 16-17 employees/enterprise), businesses in the manufacturing industry employ an average of 75 employees/enterprise; this means that a small percentage reduction will translate to a large absolute number of job losses. Therefore, in addition to paying attention to industries heavily influenced by Covid-19 and SMEs with weak resilience, attention should also be paid to labour intensive industries and businesses.

According to the survey, the majority of firms of all scales still managed to maintain their employee numbers. However, micro and small businesses recorded significant job losses. The most serious

damage is the decrease in the number of employees by more than 50% because of the pandemic. It is clear that smaller scale enterprises have a higher rate; for micro enterprises it is 25.6% and for small businesses 15.8%. In contrast, most medium and large enterprises reduced their workforces by below 50%. In particular, medium-sized enterprises suffered the least damage with 61.5% of businesses maintaining their employee numbers, and 2.6% increasing their workforce. As for larger firms, although 4.5% recorded an increase in their workforce many enterprises recorded an increase in their workforce, accounting for 4.5%; however, the rate of enterprises forced to reduce their workforce was significant.

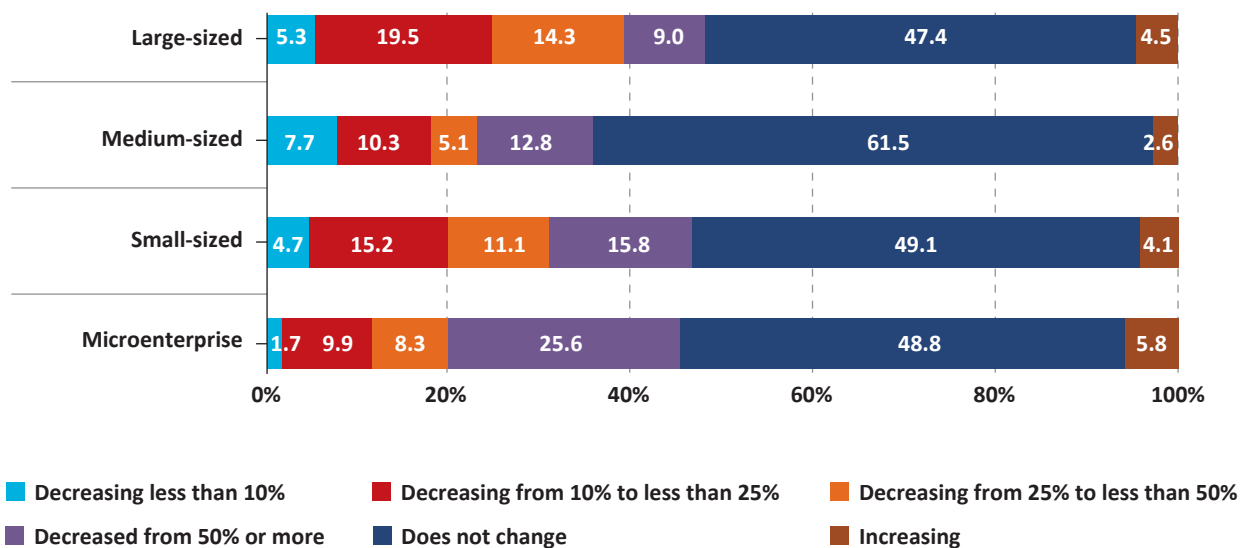


Figure 25: Impact of Covid-19 on the average number of employees in the first 6 months of 2020 compared to expectations by scale of operations (Unit: Score %)

As for businesses that have to cut their workforce, 45.1% take the 'temporary leave without pay' option. For enterprises facing greater difficulties, 17.5% terminate labour contracts and 16.9% suspend labour contracts. At the same average rate of 10.3%, enterprises choose to let their employees stop working or take other options; for

example, letting workers take leave on the regional minimum wage; letting workers take temporary leave on their basic salary; arranging a system of alternative leave where workers take turns to be at or off work; or give employees a few days off in a month.

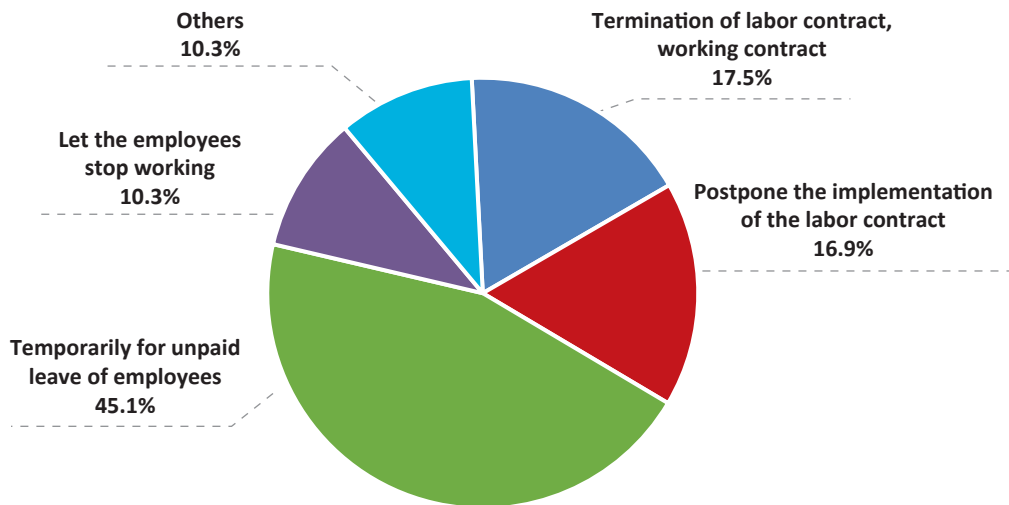


Figure 26: Rate of reduction in the number of employees due to the effects of COVID-19 by type (Unit: Score %)

In the case of workforce cuts due to the impact of Covid-19, very few enterprises choose to lay off workers with disabilities. Only 1.3% choose this option because this group is one of the most vulnerable. Only 4.2% of enterprises lay off

pregnant women and only 5.6% lay off workers with children under 12 months of age as these groups suffer the negative effects of Covid-19 more than other groups.

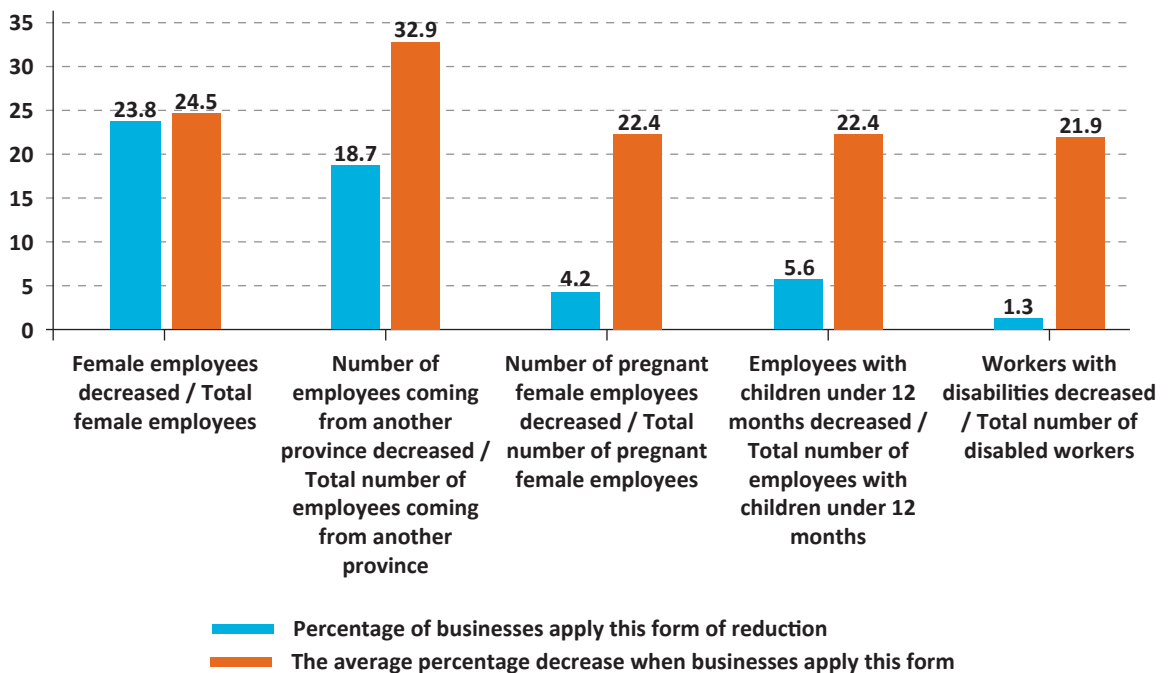


Figure 27: Percentage of workers laid off due to Covid-19 by type (Unit: Score %)

For the remainder, 18.7% and 23.8% of enterprises choose to lay off migrant workers and female workers, respectively.

Further analysis of selected key secondary industries shows that workers in the accommodation services sector have been most affected by Covid-19 with 54.5% of businesses in this industry laying off female workers and 36.4% laying off workers from other provinces. This is twice the average rate of all enterprises and the highest compared to other sectors. Furthermore, Covid-19 is of great concern for labour intensive industries such as garments, leather related production, and wood and bamboo processing.

These sectors had to reduce a large proportion of female workers at rates of 35.7%, 33.3% and 38.9%, respectively. For inter-provincial workers, the rate is 33.2 %, 29.2% and 27.8%. The average rates across all enterprises are 23.8% for female workers and 18.7% for inter-provincial workers. This shows that quite a few enterprises in these three main export sectors have encountered difficulties finding new orders, and were forced to lay off employees, including those belonging to vulnerable groups: female and inter-provincial workers. Firms in the other sectors have laid off female and inter-provincial workers at lower rates than the average.

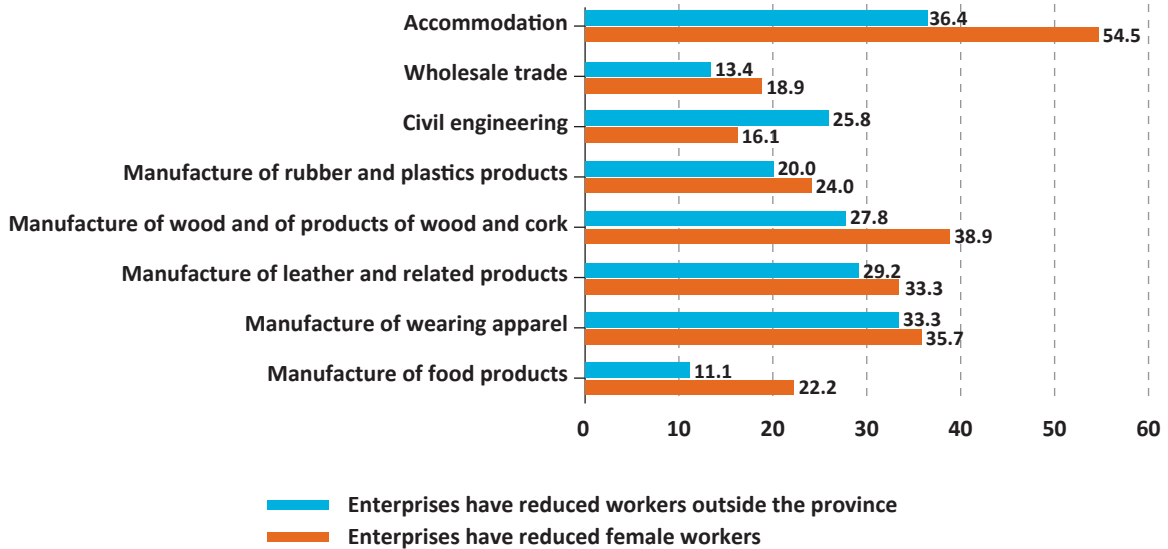


Figure 28: Percentage of firms that have laid off female and non-provincial workers in selected key secondary industries (Unit: Score %)

It is clear that enterprises in the garment manufacturing industry account for a large proportion of vulnerable workers, such as pregnant women and workers with children under 12 months. Up to 19% of businesses in the industry laid off pregnant workers and 16.7% laid off workers with children under 12 months, which is much higher than the average rate of all the enterprises in the survey (4.2% and 5.6%, respectively). Furthermore, enterprises in the garment industry only account for 7.6% of

businesses participating in the survey, but account for 34.8% of businesses that had to lay off pregnant workers and 22.6 % of businesses that laid off employees with children under 12 months of age. Thus, it can be seen that this is the industry with the highest number of vulnerable workers affected by Covid-19. This is because this industry employs a lot of females, pregnant women, and workers with children under 12 months. The reduction in new orders for many businesses in this industry has led to a reduction in the workforce.

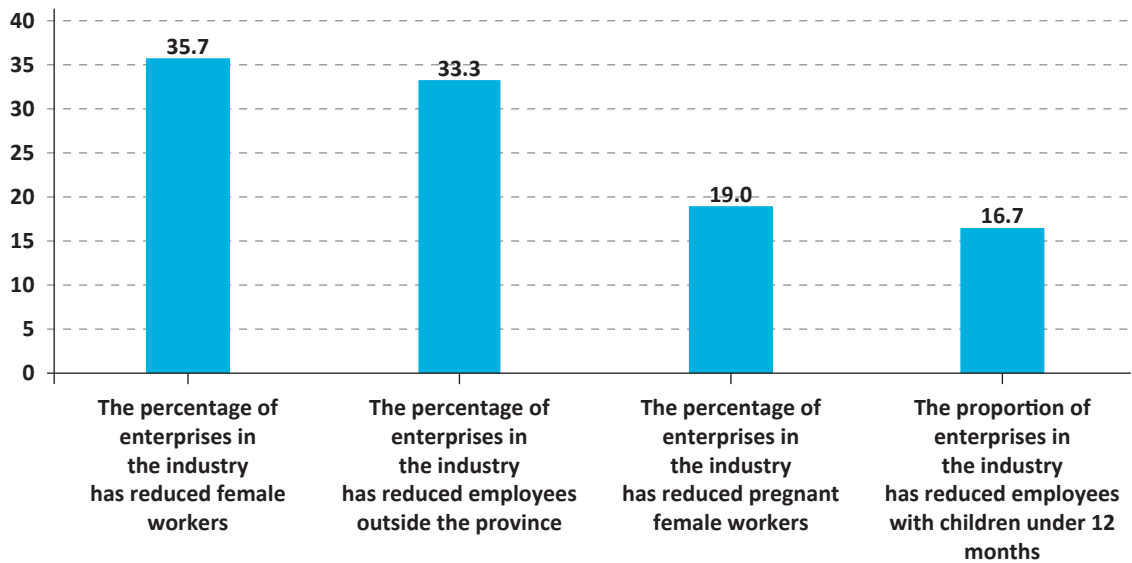


Figure 29: Rates of vulnerable workers laid off in apparel manufacturing firms

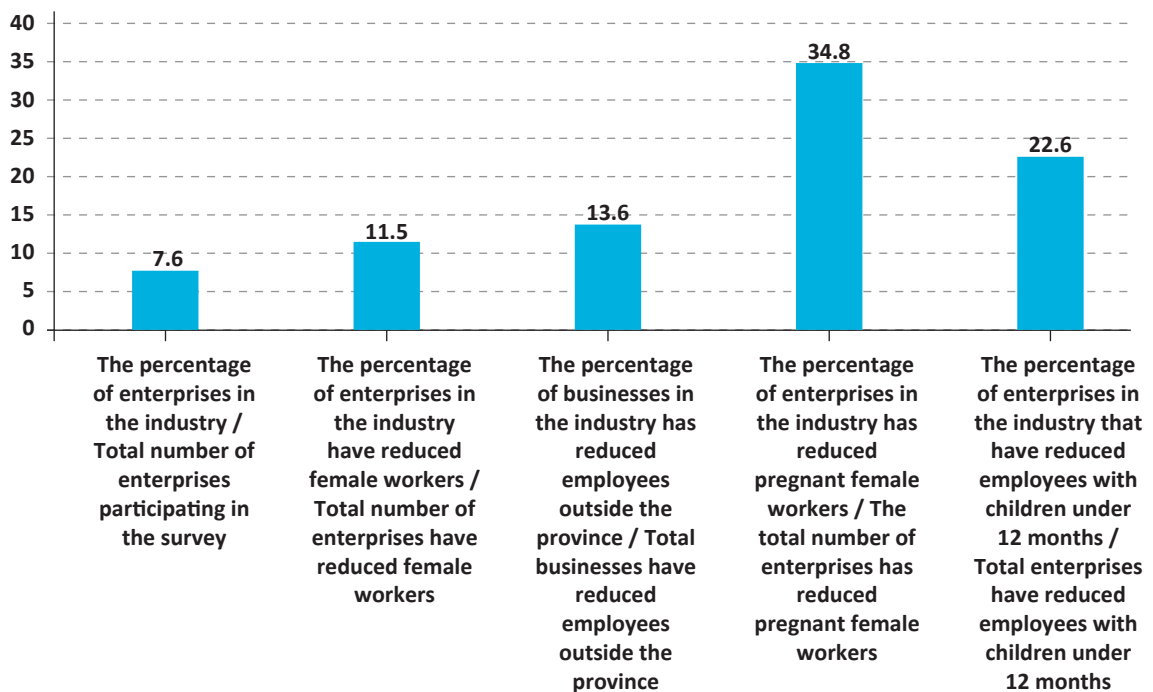


Figure 30: Percentage of vulnerable workers laid off in apparel manufacturing firms compared to the total number of firms laying off workers

However, there is also a good sign from enterprises in the garment industry that have laid off vulnerable workers. They try to lay off workers in these groups at low rates, generally below 10% and from 10% to less than 25%. In particular, in 62.5% of enterprises in this sector, laid off pregnant

workers account for less than 10% of the total female workforce and in 12.5% of businesses the rate is below 25%. This figure for workers with children under 12 months of age is 57.1% and 14.3%, respectively.

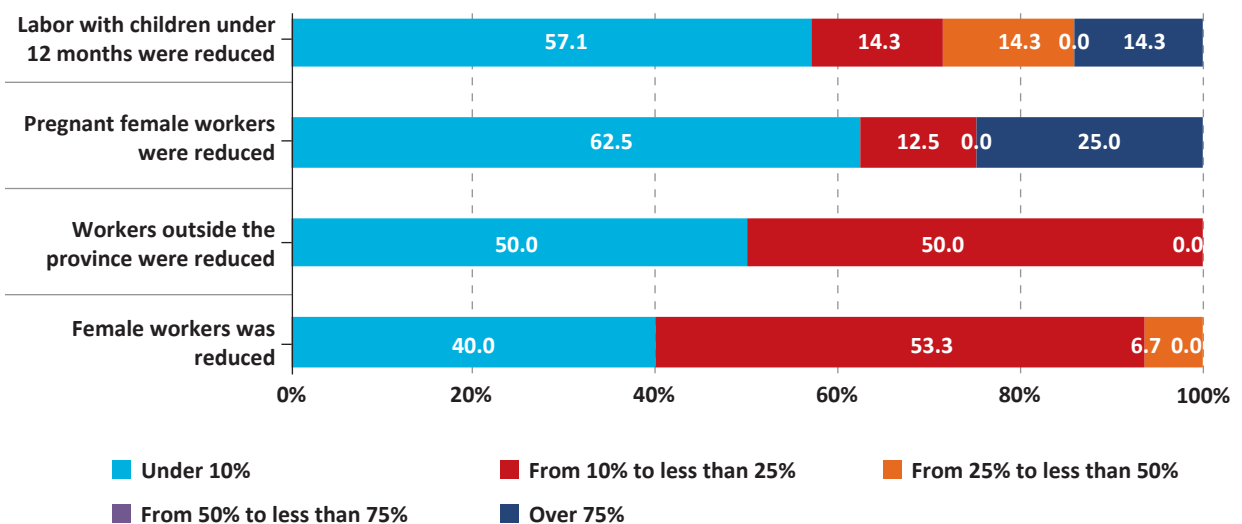


Figure 31: Workforce reduction rates for apparel firms

2.2. The impact of Covid-19 on employees

- Impact on working hours

More than half of the surveyed firms continue to maintain stable working hours for their employees, accounting for 56.6%. More than 40% of enterprises had to reduce working hours compared to the same period in the previous year. The Covid-19 pandemic meant that many businesses have been unable to conduct their business activities normally.

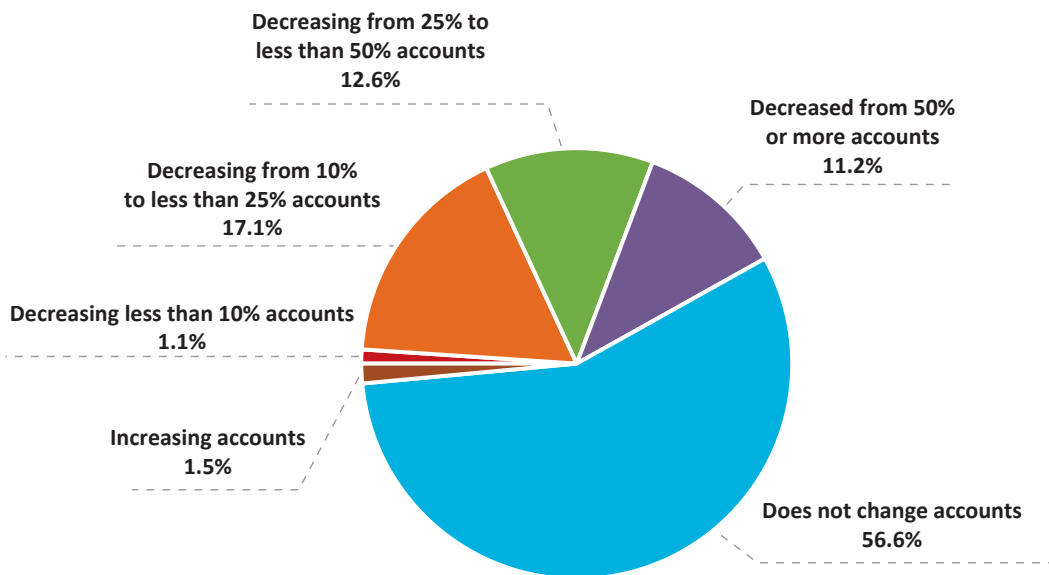


Figure 32: Changes in average working hours per employee compared to the same period in 2019
(Unit: Score %)

The measures of reducing working hours and alternate working hours have been applied by many businesses to overcome pandemic related difficulties. The number of enterprises reducing working hours by 10%-25% and 25%-50% accounts for the highest proportion, at 17.1% and 12.6%, respectively. The number of enterprises reducing working hours by 50% compared to the same period in 2019 account for 11.2%. Only 1.1% of enterprises decreased working hours by under 10%. However, a very small proportion of enterprises, about 1.5%, increased working hours.

The accommodation and food industry has the highest number of businesses forced to reduce working hours at 65%, of which 30% have made reductions of more than 50% compared to their plans. This is followed by two industries: transportation and warehousing and processing

and manufacturing at about 45%-47%. Another service industry that also has a high proportion of businesses reducing working hours is professional, scientific and technical services. Although just over 40% of businesses have reduced working hours, they have all reduced working hours by more than a quarter.

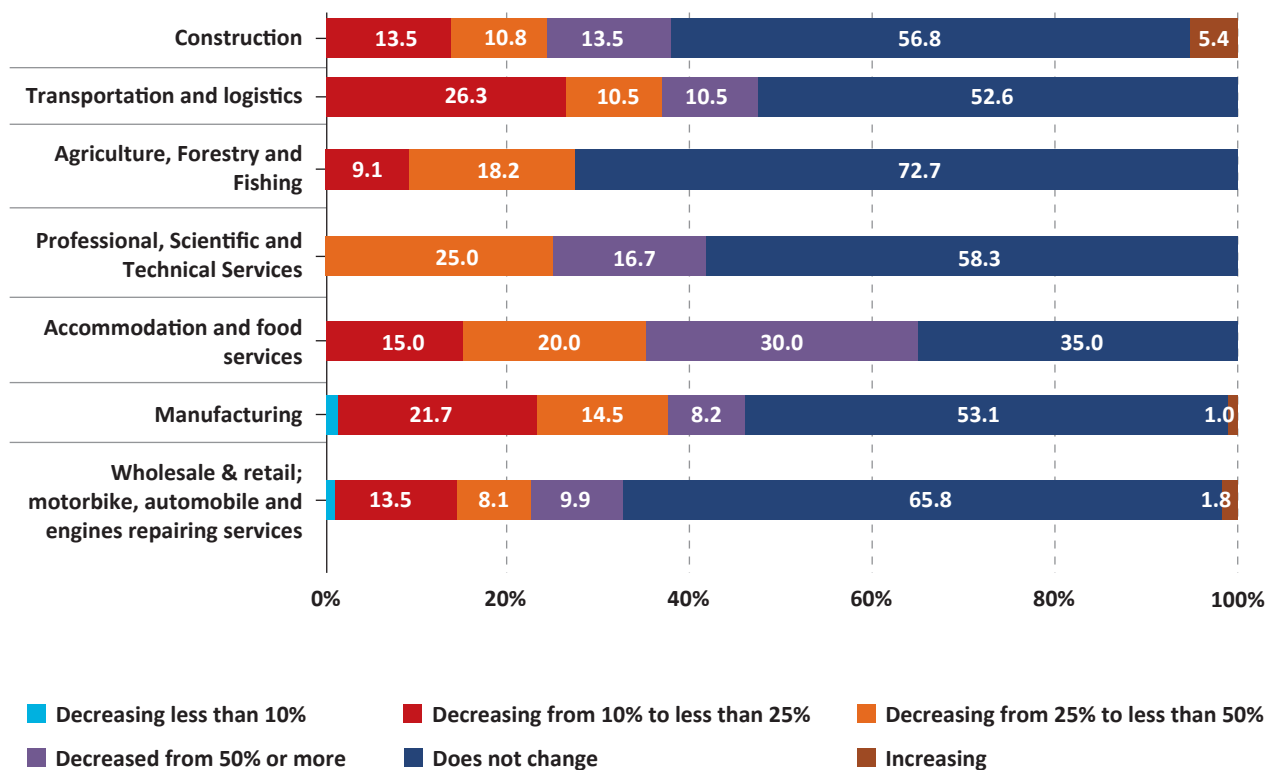


Figure 33: Changes in average working hours per employee compared to the same period in 2019 by primary industry sector (Unit: Score %)

According to the survey, the impact of Covid-19 on the number of working hours in micro enterprises is limited, while the effect is more pronounced for bigger firms. In micro enterprises, only 32.8% recorded a decrease in the number of working hours compared to the same period last year, the rest remained unchanged or increased working hours. This rate for small, medium and large enterprises is 47.6%, 40.5%, 48.1%, respectively. Although fewer micro enterprises reduced working hours, the percentage reducing working hours by over 50% is larger than small, medium and large enterprises. Although small, medium and large enterprises reduced the number of working hours, most only did so at levels below

50%. Therefore, although the reduction of working hours in micro enterprises affects less businesses, it is more serious.

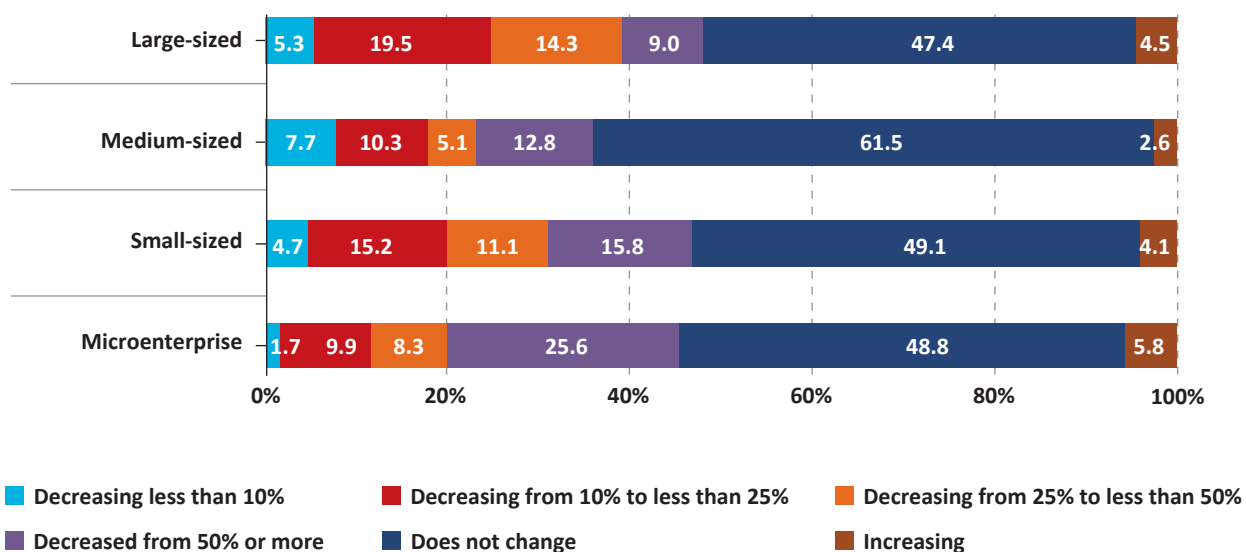


Figure 34: Changes in average working hours per employee compared to the same period in 2019 by scale of operations (Unit: Score %)

- Impact on the average incomes of employees

Reduced working hours inevitably lead to decreases incomes. More than half (51.7%) of enterprises were able to maintain the average income of employees compared to the same period last year. Even in the context of the

pandemic, for some businesses average incomes have increased, but these represent just a small percentage (2.7%). Among enterprises where employees' incomes have been reduced, 9.3% recorded an average decrease of over 50%, 15.8% a decrease of 25%-50%, and 19.5% saw an average decrease of 10%-25%.

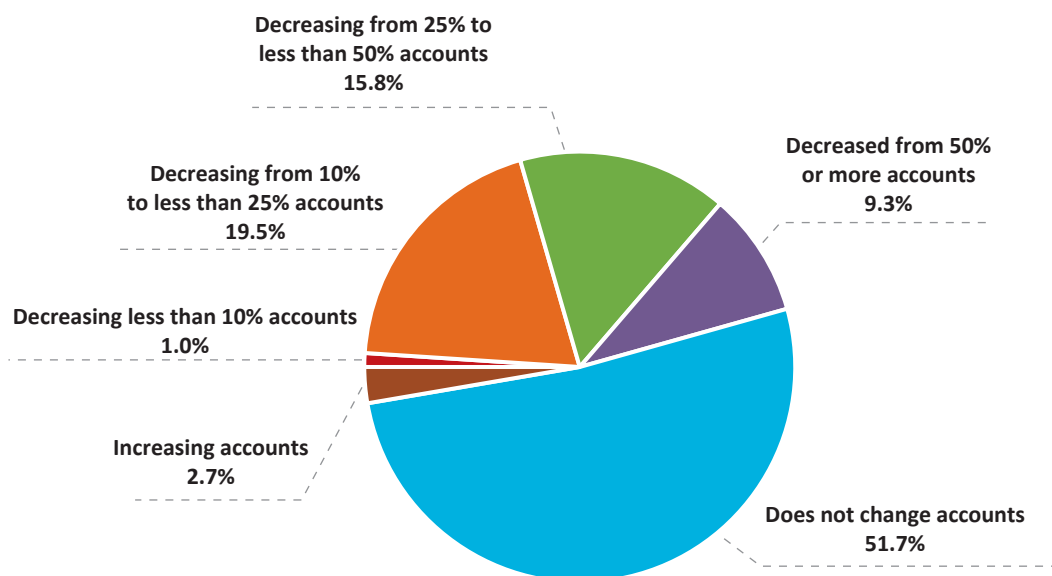


Figure 35: Change in average incomes (Unit: Score %)

Although professional, scientific and technical services have a high proportion of enterprises cutting working hours, it is the industry with the

lowest rate of reduced incomes. This is partly because workers in these industries are more qualified, so businesses want to retain them.

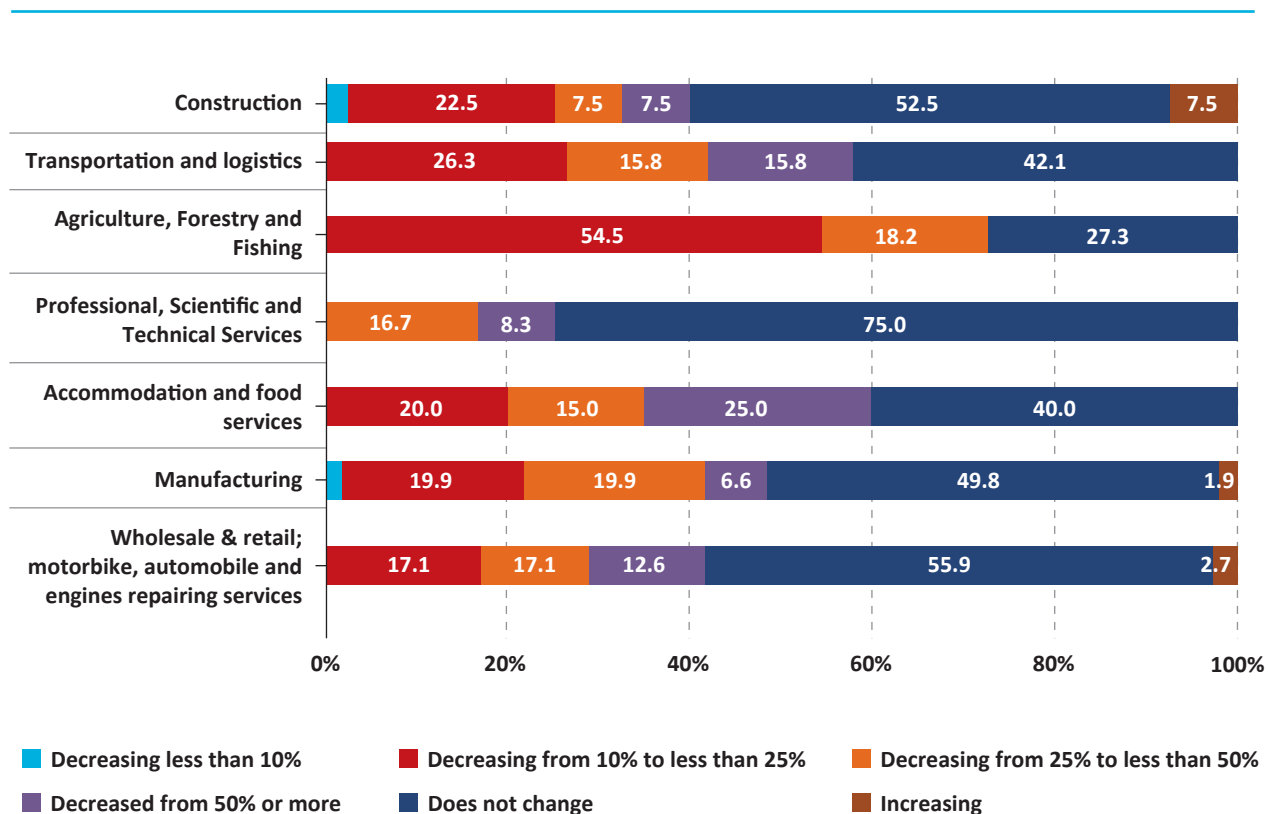


Figure 36: Change in average incomes by primary industry sector (Unit: Score %)

On the other hand, even with reduced working hours, workers in these industries are still able to work remotely and thus are less affected by the decrease in income. Agriculture, forestry and fisheries are the industries with the highest percentage of enterprises reducing incomes at over 70%, but the level of reduction is not high, mostly below 25%. Meanwhile, the accommodation and food services industry have both a high proportion of enterprises that have reduced incomes (60%) and a high reduction (25% have cut incomes by more than half). The transportation and logistics industry also have many enterprises that have cut incomes by large amounts.

Average incomes have mostly been maintained at similar levels compared to the same period last year, especially in micro and medium enterprises. Medium enterprises have the highest rate of average income retention among all enterprises by scale with 58.3%, which means this is the group of enterprises with the lowest reduction in labour income. Micro enterprises have 39.6% of employees that have had their average incomes reduced, the second lowest among the four groups of enterprise by scale. However, this is the group of enterprises with the highest percentage of businesses reducing average incomes by over 50%, which means they are being more seriously impacted by the pandemic. Although small and

large enterprises have a large number of employees with reduced incomes, the reduction is mostly below 25% (22.6% and 23.4%, respectively)

and from 25% to less than 50% (17.3% and 19.2%, respectively).

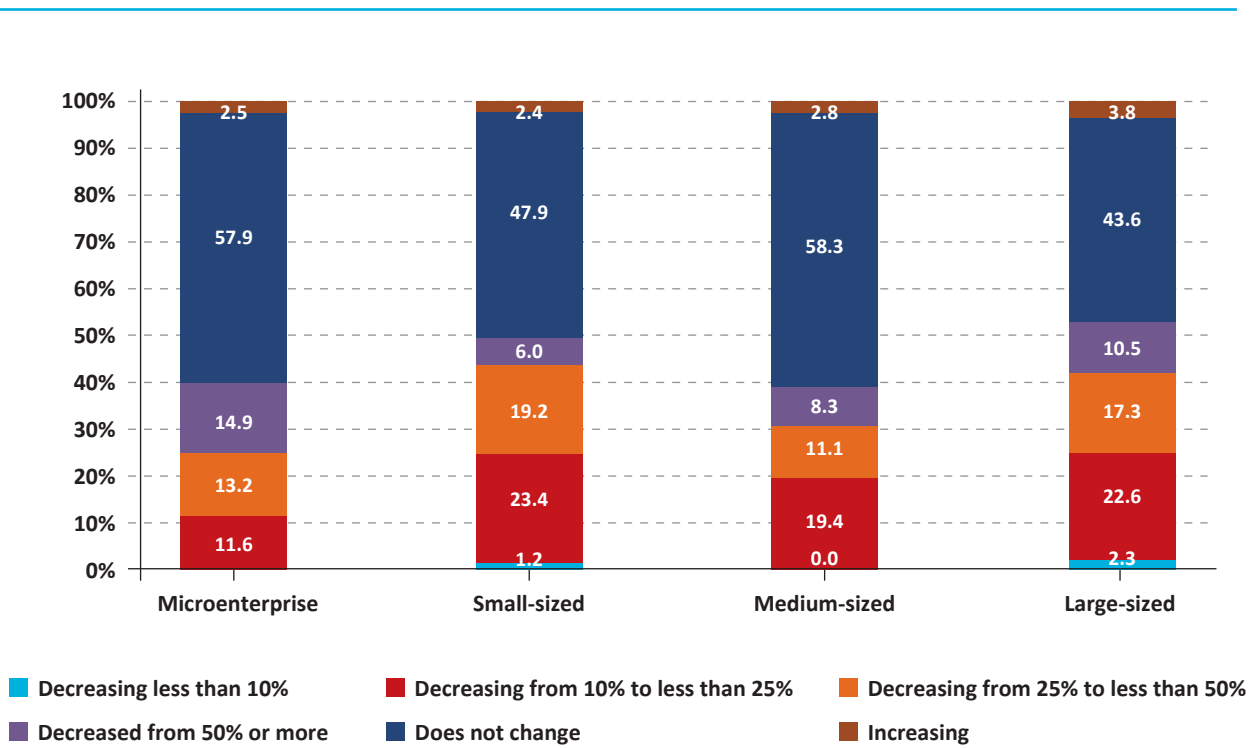


Figure 37: Changes in average incomes at firms according to scale of operations (Unit: %)

- Other impacts on employees

Covid-19 has not just affected businesses and employees in terms of economics, for example, employment and income. It has also had psychological effects. Up to 72.9% of enterprises said that workers feared the rapid spread of Covid-19 and the difficulties controlling it, accounting for the highest percentage of negative impacts. In addition, increases in prices and the demand for essential equipment for disease prevention, such as masks, disinfectant, hand sanitizer, etc., lead to a rapid increase in spending on pandemic prevention. 55.7% of enterprises said this was a difficulty facing employees. These expenses, plus reduced incomes of affected

workers, have increased the financial burden on workers, especially those in vulnerable groups and from different provinces.

Social distancing forces many enterprises to increase remote working online. According to 49.9% of enterprises, this makes it difficult for many workers, especially manual workers, who lack the skills to use digital tools and platforms. The social distancing and school closure measures have forced many workers to stay at home to take care of their children, which particularly affects female workers. In addition, 32.3% of enterprises said the suspension of public transport for disease control purposes made it difficult for workers to travel to their workplaces.

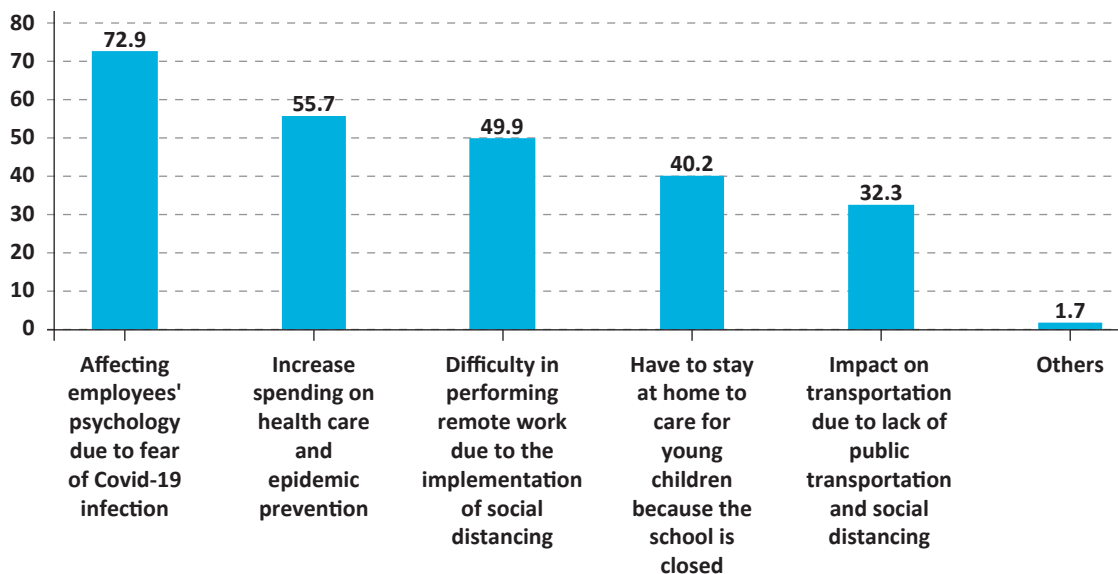


Figure 38: Negative effects of Covid-19 on employees (Unit: Score %)

2.3. Enterprises' solutions to reduce the impact of the Covid-19 pandemic on workers

In the context of the whole economy struggling to overcome the pandemic crisis, many enterprises still make efforts to maximise employment for workers. 36% of enterprises were able to maintain both the number of employees and working hours. This means the remaining 64% of businesses had to make a trade-off between the number of employees and the number of working

hours, or more severely, they had to cut both employees and working hours. In particular, the rate of enterprises maintaining employees but reducing working hours or reducing the number of employees and maintaining working hours for the remaining employees is 27% and 24%. 11% of enterprises had to cut both the number of employees and the number of working hours. This is the most serious case; however, the rate is relatively low.

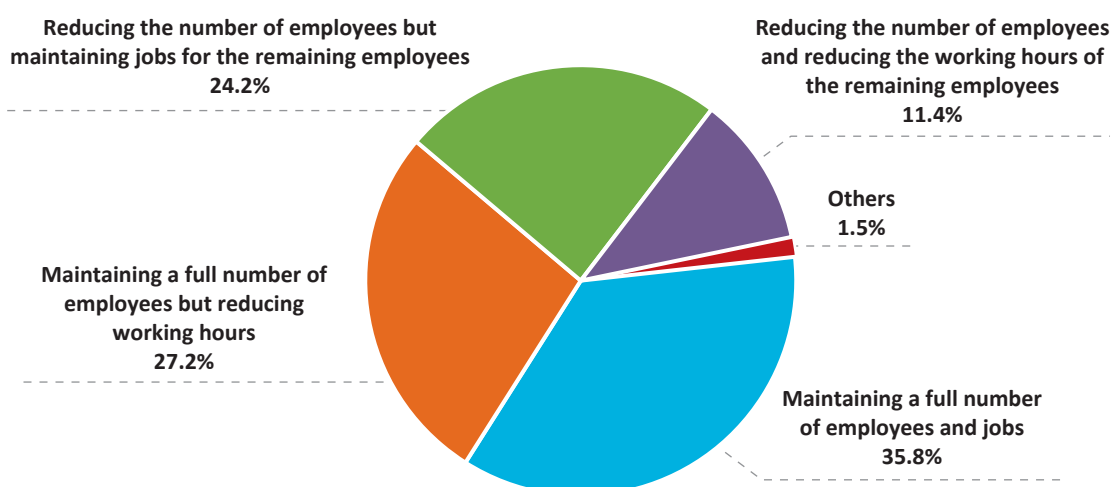


Figure 39: Solutions implemented by enterprises to maintain jobs for employees during the Covid-19 pandemic (Unit: Score %)

Regarding solutions to maintain jobs for employees, small and medium enterprises are the most successful in ensuring adequate jobs for employees. Accordingly, the rate of enterprises that can maintain the number of employees and

number of working hours in micro enterprises is 45.2% and in medium enterprises it is 42.5%, while this rate in small and large enterprises is lower, at 33.2% and 30.1%, respectively.

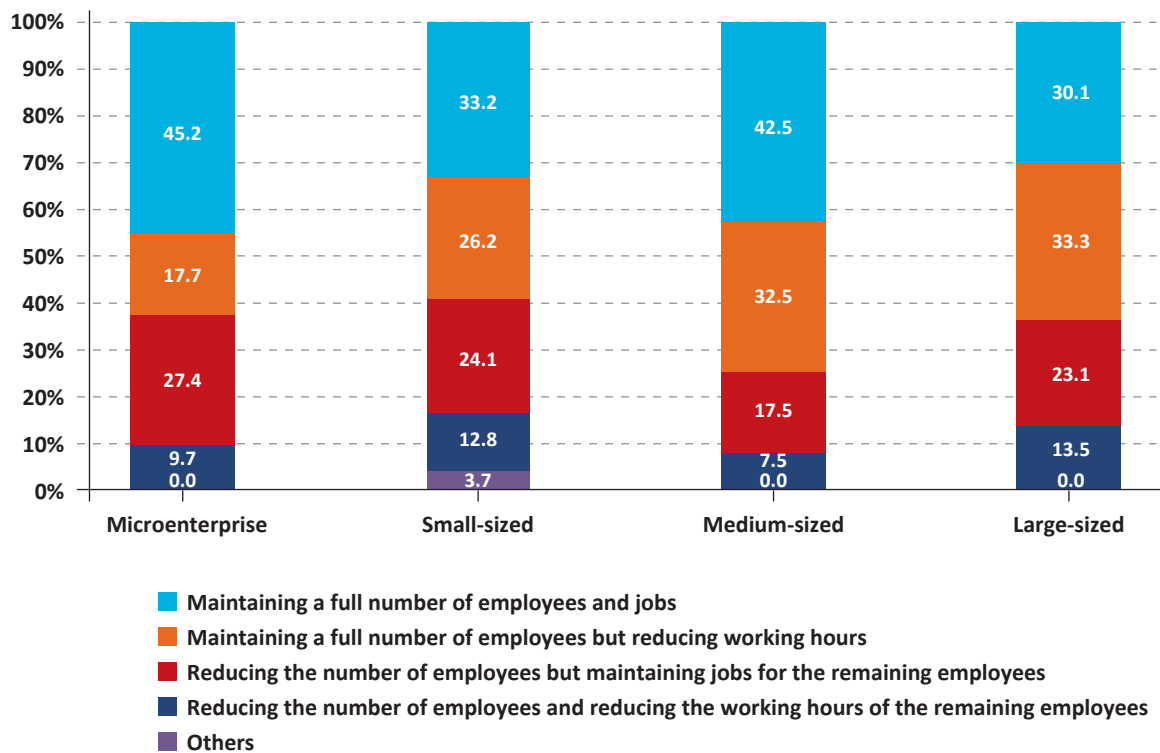


Figure 40: Solutions implemented by enterprises to maintain jobs during the Covid-19 pandemic by scale of operations (Unit: Score %)

In the case of trade-offs between number of employees and number of working hours, small, medium and large enterprises mainly chose to maintain a sufficient number of employees but reduce working hours, accounting for 26.2%, 32.5% and 33.3%. In contrast, micro enterprises chose to reduce the number of employees but still maintain jobs for their remaining employees. A few enterprises had to reduce both the number of employees and the number of working hours. This rate is highest in large enterprises (13.5%) and lowest in medium enterprises (7.5%).

By primary industry sector, accommodation and food businesses were the most affected by

Covid-19; only 4.3% of firms were able to maintain adequate numbers of employees. This rate is only about one-eighth of the average rate of the entire surveyed enterprises (36%). At the same time, this is also the industry with the highest rate of enterprises having to reduce the number of employees (56.5%), more than twice the average rate of enterprises participating in the survey (24%). In the opposite direction, firms in the wholesale and retail industry have the highest proportion of businesses that can fully maintain the number of employees (45.5%). This is quite similar to other countries affected by Covid-19 as shopping, especially through online platforms, has grown during the epidemic.

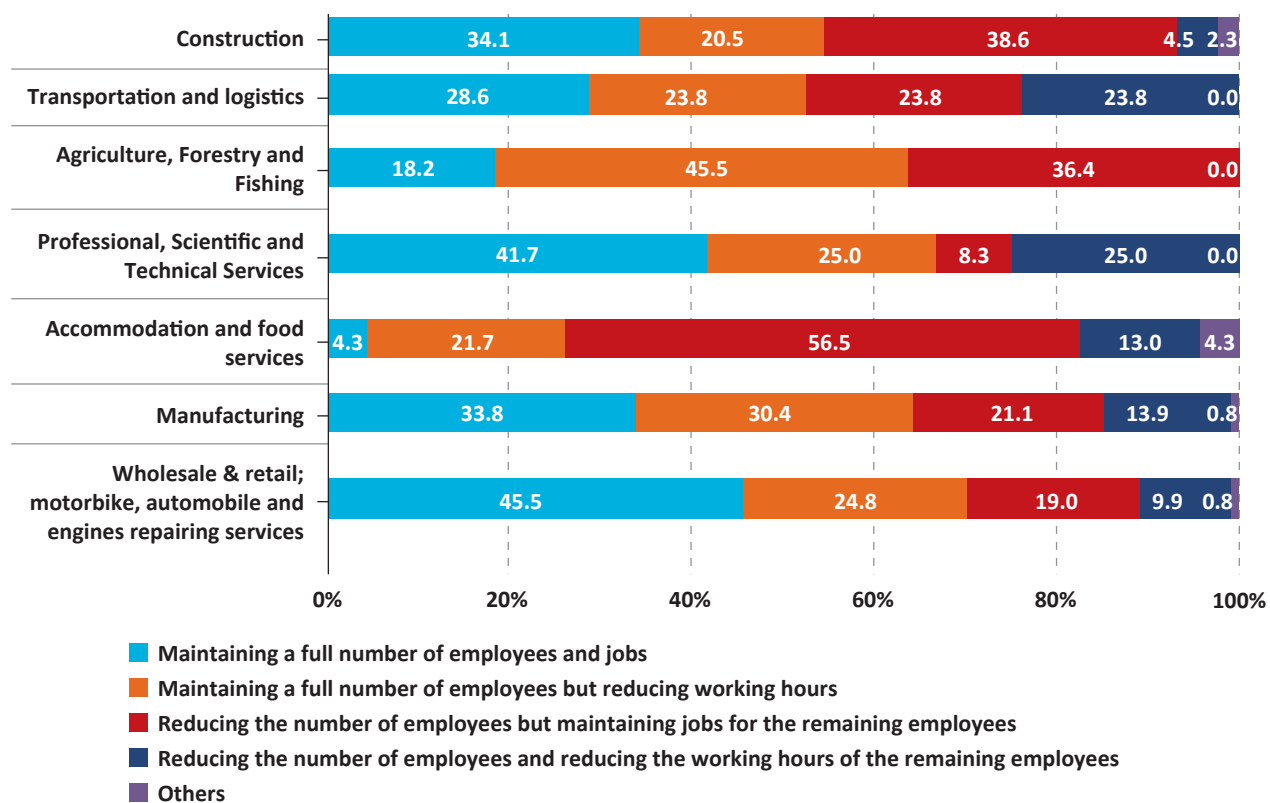


Figure 41: Solutions implemented by enterprises to maintain jobs during the Covid-19 pandemic by primary industry sector (Unit: Score %)

In order to support workers during the pandemic, 56.2% of enterprises said that they still pay workers their full wages. This is a good sign showing that workers' incomes are being maintained during the pandemic. However, 22.6% of enterprises had to cut wages but still ensured the prescribed basic salary. 16.3% of enterprises asked employees to share the burden of the economic slowdown by maintaining salary levels but temporarily paying only a proportion of the full amount.

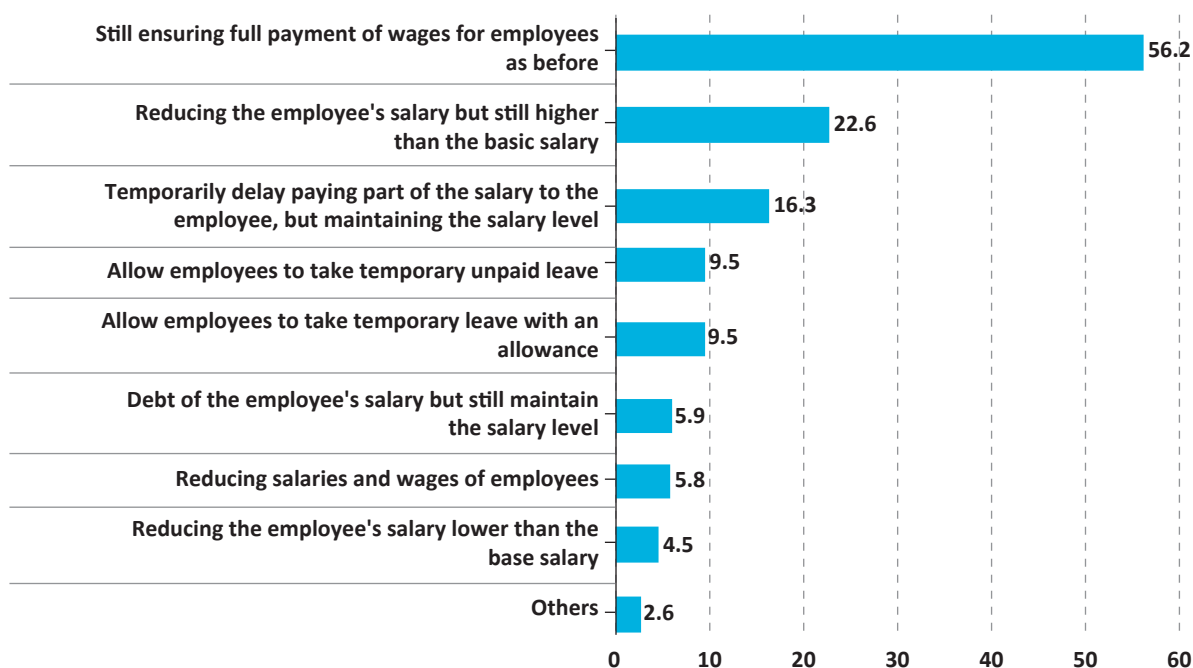


Figure 42: Solutions implemented by enterprises to maintain incomes for employees during the Covid-19 pandemic (Unit: Score %)

In addition, the worst case occurs when enterprises suffer heavy losses and are unable to afford labour costs, forcing employees to take temporary leave. Depending on the situation of each enterprise, 9.5% offered workers a sum of money or required them to take unpaid leave. Other solutions, such as maintaining salary levels but withholding payment (to be paid at a later date) or reducing salaries to below the basic salary, were also applied by some enterprises (5-6%). In addition, a number of other solutions, such as working alternate days, making Saturdays a day off, and cutting wages according to departments and functions, have also been implemented.

Regarding solutions to maintain incomes for employees by enterprises of different scales, most businesses tried to ensure that employees were fully paid. In the case of wage reductions, medium and large enterprises mainly chose to reduce

salaries (but at levels higher than the basic salary) or asked employees to leave their positions and accept a redundancy payment.

Due to weaker financial capacity, small and micro enterprises tend to apply solutions that enable them to maintain salary rates by deferring payment or by paying a proportion of the total amount. This enables them to temporarily extend the payroll period thus reducing their short-term financial burden. This measure both helps businesses reduce the short-term cost burden and limit difficulties for employees. The proportion of micro and small enterprises implementing negative measures, such as letting workers take unpaid leave, reducing and deferring wages (as debt owed to employees), and salary reductions to levels lower than the basic rate is much higher than for medium and large enterprises. This partly shows that the larger the enterprise, the greater the ability to ensure incomes for employees

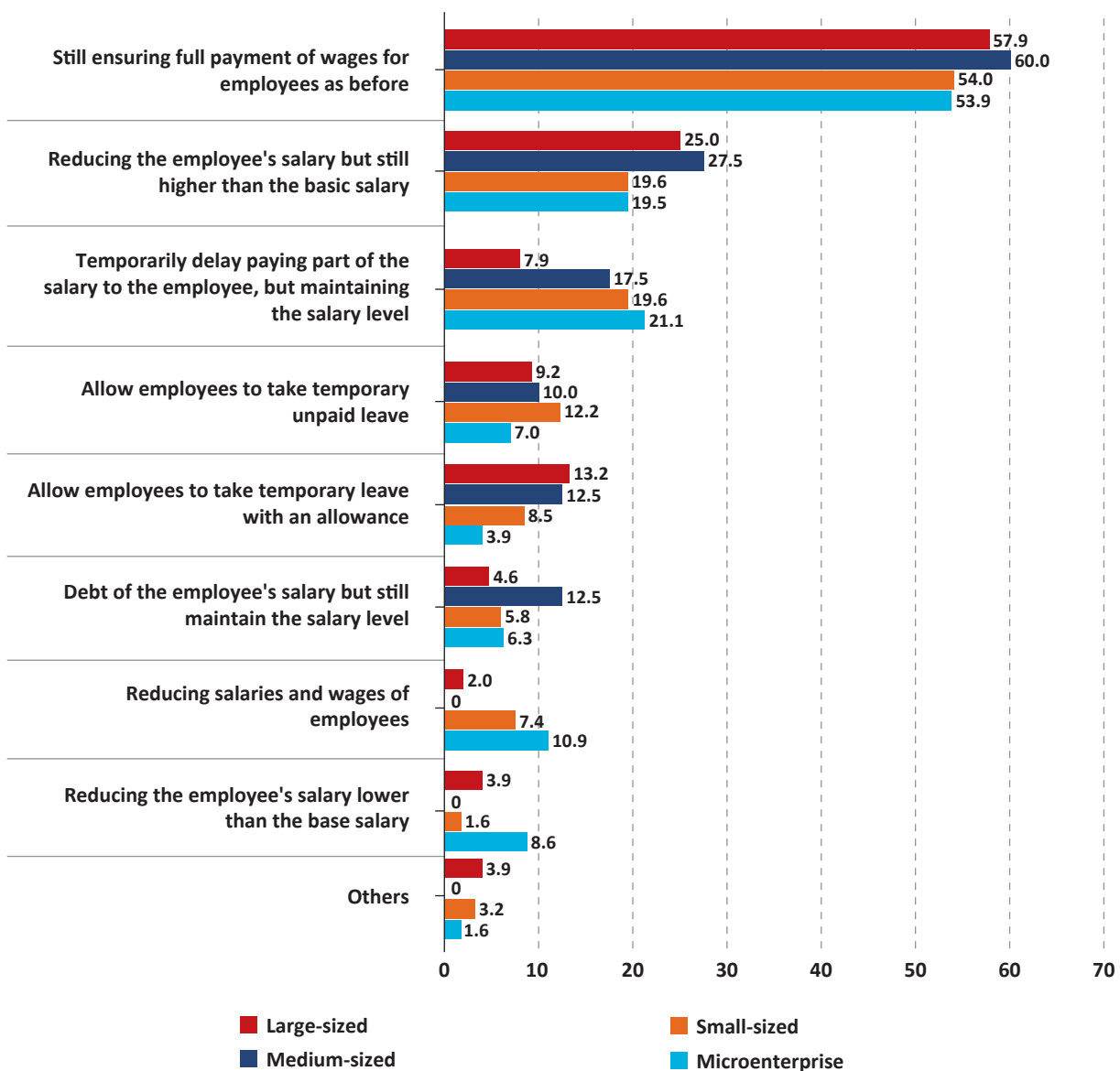


Figure 43: Solutions implemented by enterprises to maintain incomes for employees during the Covid-19 pandemic by firms' scale of operations (Unit: Score %)

Enterprises in the accommodation and food industry are most affected by Covid-19 in comparison to other industries. Specifically, only 23.8% of enterprises in the accommodation industry can ensure adequate wages for workers, much lower than the average rate of 56.2%. At the same time, the rate of enterprises having to ask their employees to take temporary leave with an allowance or unpaid is 23.8% and 38.1%, respectively, much higher than enterprises operating in other industries in this primary

sector. Next, enterprises operating in the transportation and logistics industry are also negatively affected with only 33.3% of enterprises ensuring full pay for employees. At the same time, the rate of enterprises asking employees to take temporary or unpaid leave is also higher than the average rate. On the other hand, a high proportion of enterprises operating in professional, scientific and technical services, and agriculture, forestry, and fisheries have been able to ensure workers receive a full wage.

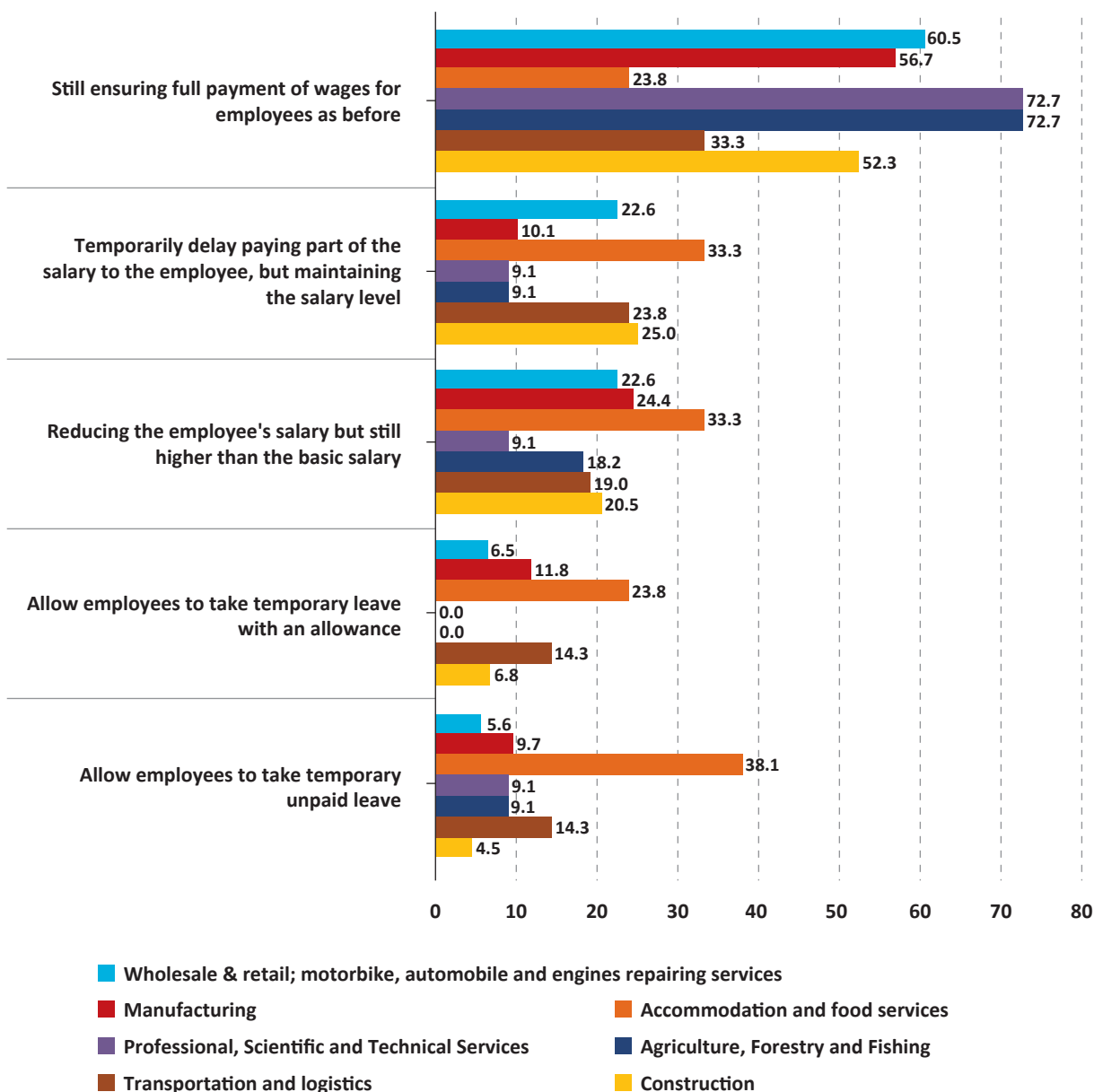


Figure 44: Solutions implemented by enterprises to maintain jobs for employees during the Covid-19 pandemic by primary industry sector (Unit: Score %)

- Support for employees who have their contracts terminated

Due to heavy losses in production and business activities, many enterprises cannot afford to pay salaries and are forced to terminate labour contracts. In this case, the solution chosen most by enterprises to support their laid off workers is

to certify that they are entitled to support according to state regulations at the rate of 75.7%. This solution is simple and inexpensive, so most enterprises choose to implement it. The second solution that enterprises apply is to prioritise re-recruiting these former employees when the business begins operating normally; this solution is implemented by 52.4% of enterprises. This is also

a simple and inexpensive solution, and a guarantee for the worker's future. However, because many enterprises are still uncertain about

their future in the context of the pandemic, this solution is used less often than the first solution.

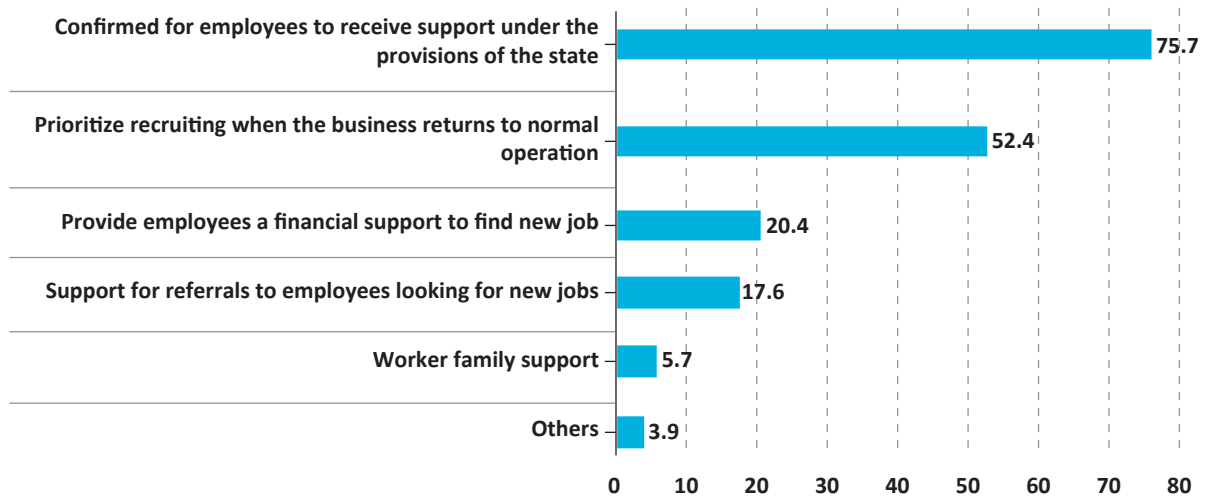


Figure 45: Other measures to support employees in the case of labour contract termination
(Unit: Score %)

Providing a sum of money for employees to find new jobs, and support to help employees find a new job are solutions that are applied less, accounting for 20.4% and 17.6% of enterprises, respectively. These are practical solutions for employees. However, in the context where all enterprises are having difficulties balancing their finances and the costs of maintaining operations, not all enterprises are able to provide this solution for employees. It is also not feasible for enterprises to introduce new jobs to employees. In addition, the percentage of businesses implementing solutions to support workers' families is low (5.7%).

For employees who have their contracts terminated, the proportion of micro and small enterprises choosing to certify for their workers to receive support under state regulations is higher than larger enterprises, at 79.5%.

This is completely understandable because according to the above analysis, this is the least cost- and time-consuming solution for micro and small enterprises. Likewise, the solution to introduce support for employees looking for new jobs is also chosen by this group of enterprises at a higher rate than the larger enterprises, accounting for 22.2%. In contrast, large and medium-sized enterprises apply costly solutions, such as supporting workers to find jobs or supporting workers' families.

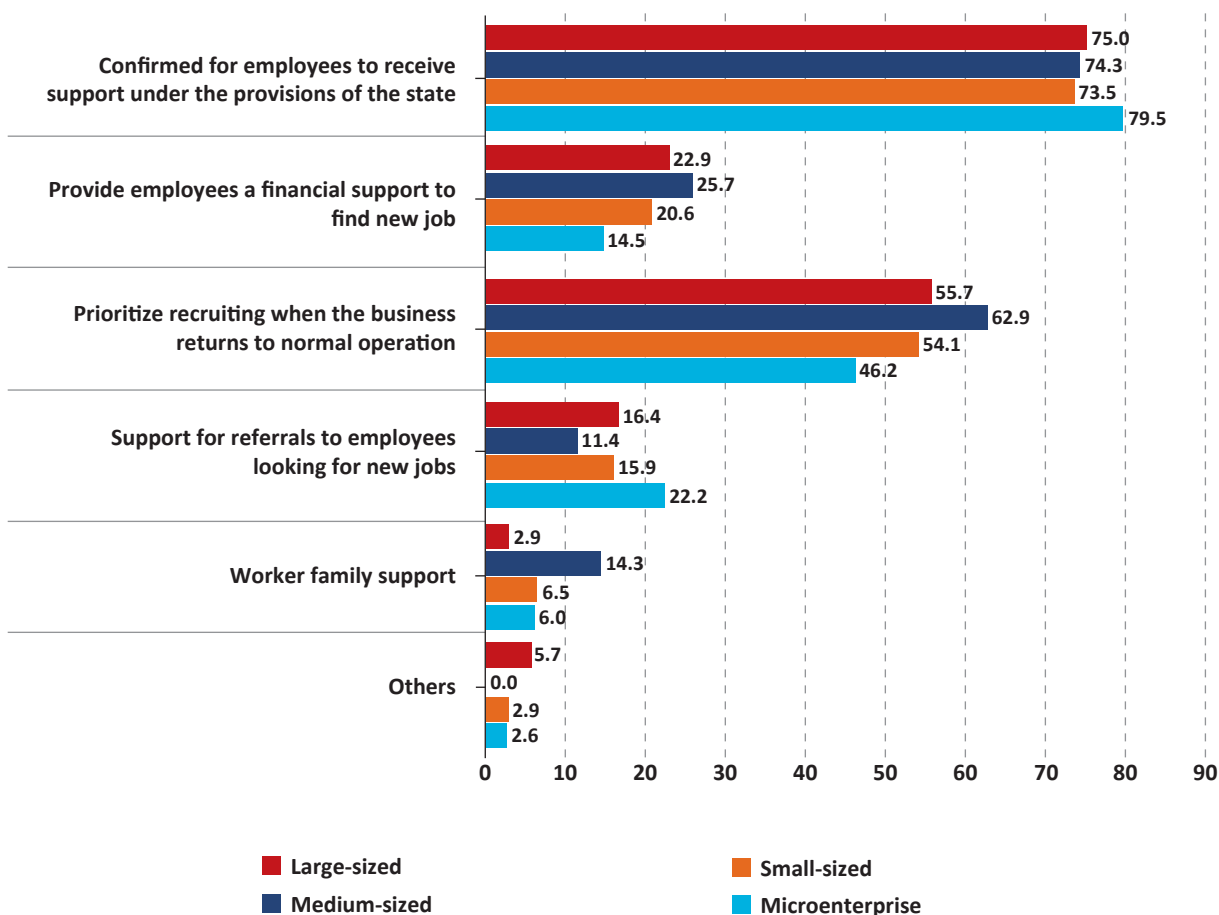


Figure 46: Other measures to support employees in the case of labour contract termination by firms' scale of operations (Unit: Score %)

By primary sector, in general, enterprises in different industries choose to certify for their employees to enjoy high rates of support according to state regulations, ranging from 61.1% to 78.6%.

The next solution that enterprises apply is to prioritise re-recruiting former employees when the business returns to normal operations. However, enterprises in professional, scientific and technical services tend to choose this solution less than other industries. This industry is less affected by Covid-19 compared to other industries, so employees' contracts are less likely to be terminated. Therefore, businesses in this

industry are less interested in measures to support their employees, as reflected in the low rates for other measures in comparison with other industries, such as providing money to employees or helping them to find new jobs.

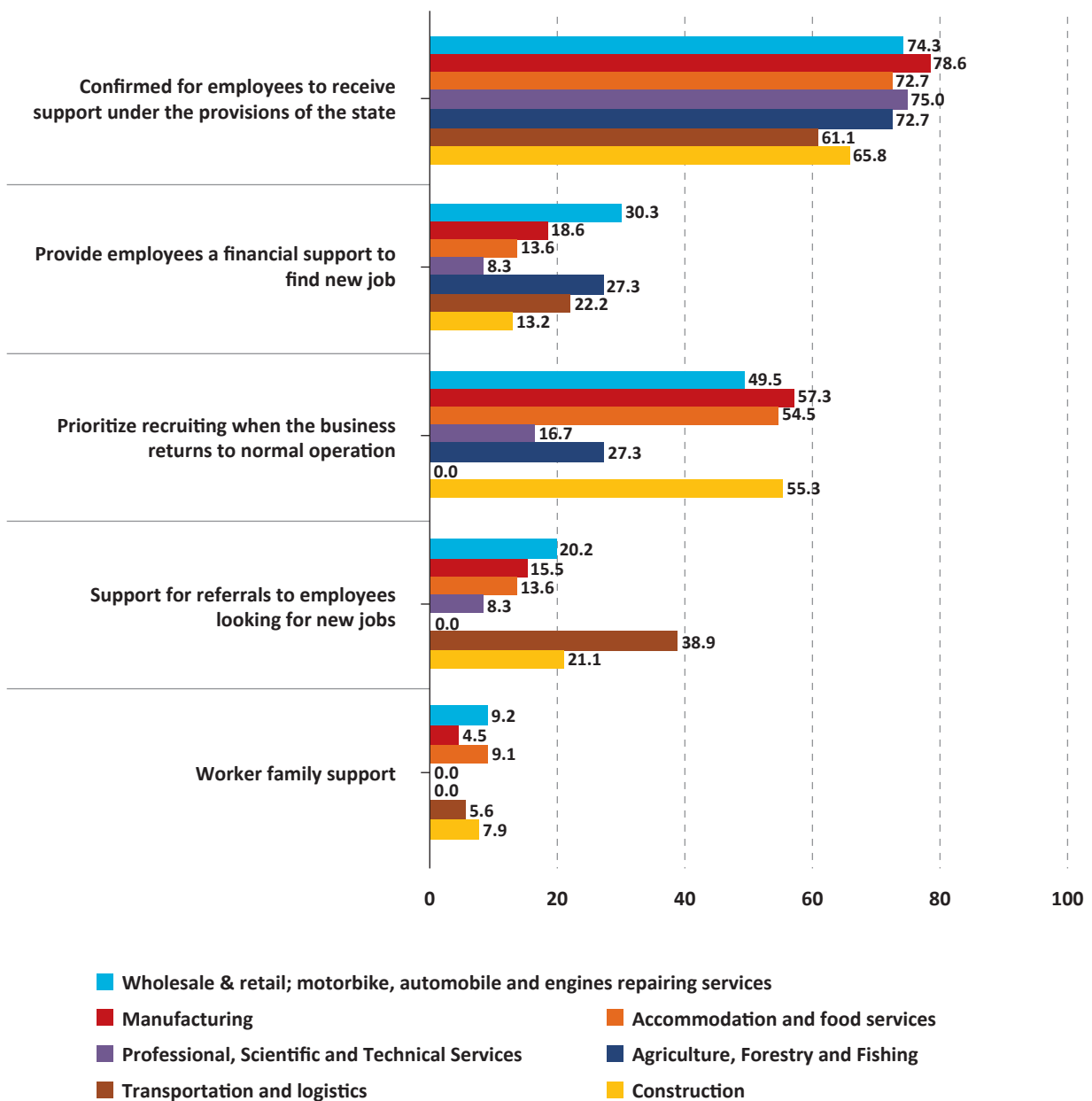


Figure 47: Other measures to support employees in the case of labour contract termination by primary industry sector (Unit: Score %)

- Ensuring salary payments for employees

Because most production and business activities were reduced by the pandemic and the economic recession that followed, the capital sources of many enterprises are also in short supply. 36% of businesses only need to use the salary fund to pay

employees' wages, which is the ideal condition. This means that the rest of the enterprises had to mobilise external sources to pay their employees. The most common solution is to mobilise money from corporate reserve funds. This is the fastest and least risky solution; therefore, 44.5% of businesses choose to apply this measure.

Borrowing is also an option businesses may consider when having problems with capital. 30.6% of businesses have had to seek loans from commercial banks to pay salaries. Although this is a risky solution, easily leading to debt and risk of insolvency, many businesses still choose this due to its popularity and simplicity regarding implementation procedures. Borrowing money from friends and family is also an option but has limitations on the size of the loans enterprises can take out. Therefore, only a small number of

businesses implement this solution. The least applicable solution is to borrow money from The Vietnam Bank for Social Policies to pay wages. In order to qualify for these loans, enterprises must have at least 20% of their employees (or more than 30) participating in compulsory social insurance who have quit their job for 1 consecutive month or more. In a situation where businesses are trying their best to maintain jobs for workers, this condition is a major barrier that makes it difficult to access support.

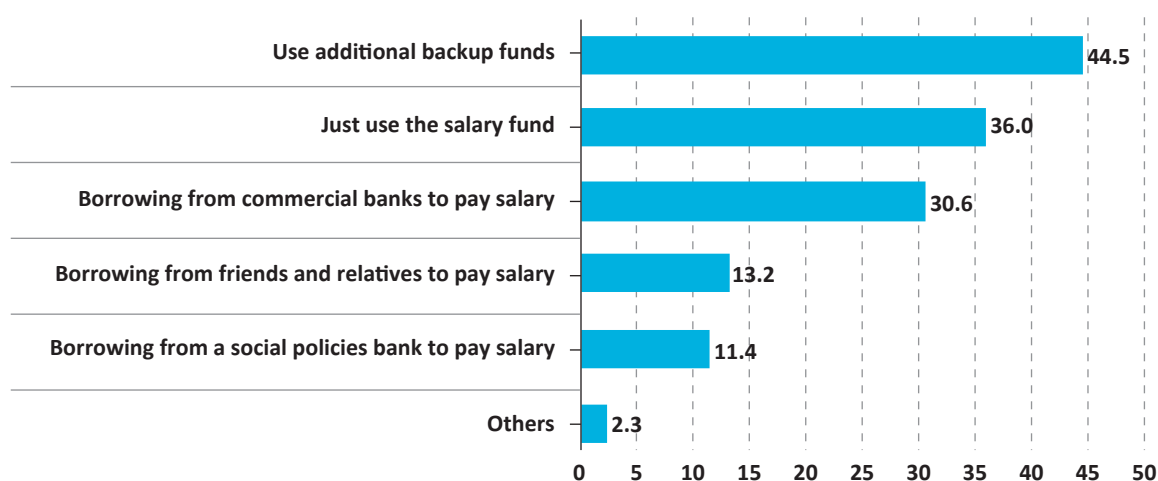


Figure 48: Measures adopted by businesses to ensure the payment of wages to employees
(Unit: Score %)

In general, despite different scales of operations, enterprises make similar decisions on solutions to ensure the payment of wages for employees; most only need to use internal sources. Accordingly, 41% of micro enterprises only need to use salary funds, a higher rate than larger enterprises. Meanwhile, most large, small and micro enterprises have to mobilise reserve funds. The proportion of medium-sized enterprises choosing this solution is much lower, accounting for only 35.9%. In particular, borrowing from friends and family to pay salaries is the solution applied by a large number of micro enterprises (23%). This rate

is 2-3 times higher than for other enterprises. This solution is only suitable to cover funds for micro enterprises. For larger enterprises, this loan source is not sufficient.

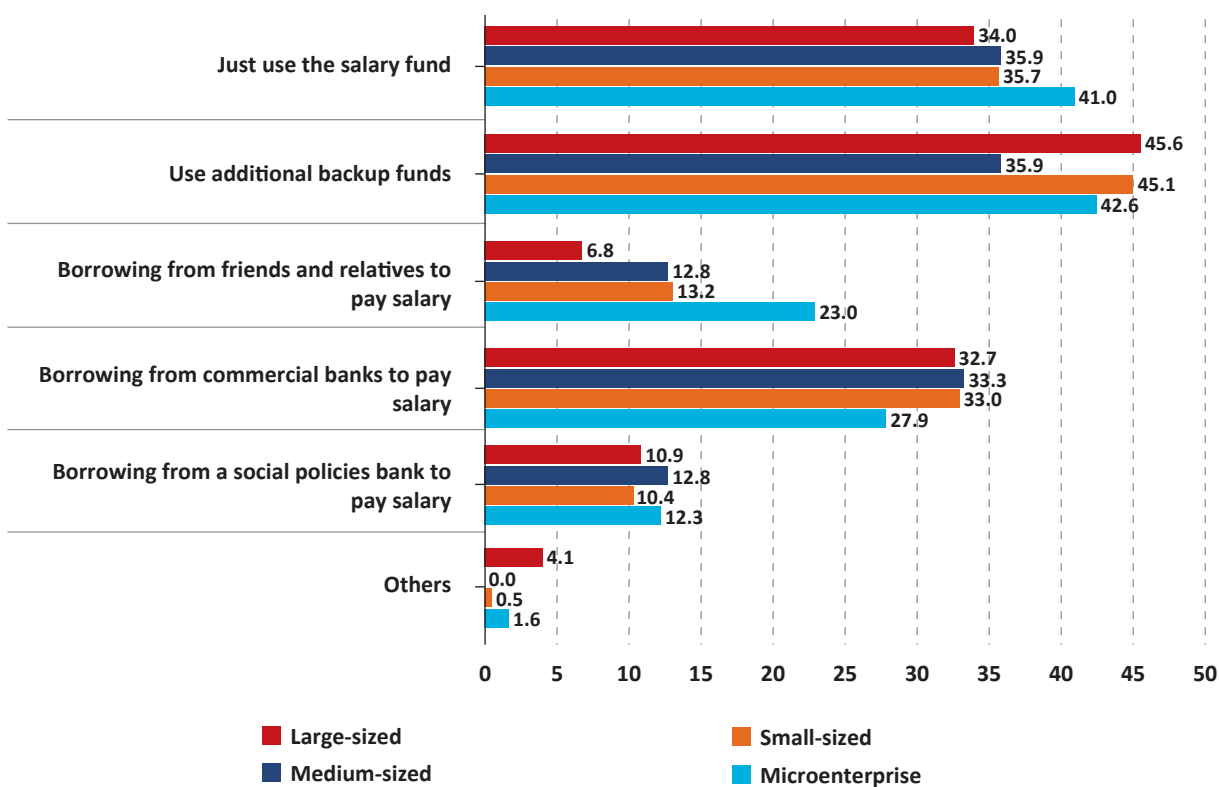


Figure 49: Measures adopted by businesses to ensure the payment of wages to employees by firms' scale of operations

- Other support for employees to overcome difficulties caused by the Covid-19 pandemic

The difficulties caused by Covid-19 do not only affect workers' jobs and incomes, but also many other aspects of their lives. In particular, many workers have to take leave due to being infected or under suspicion of being infected by Covid-19. In this case, many businesses (32.3%) provide support by paying full wages to their workers. 24.2% of businesses also support their workers with healthcare costs.



Figure 50: Other measures implemented by enterprises to assist employees to overcome difficulties caused by the Covid-19 pandemic (Unit: Score %)

In addition, solutions to subsidise additional costs for poor workers and travel costs for workers from outside provinces were implemented by 29.2% and 28.5% of enterprises, respectively. 19.5% of enterprises choose to provide free transportation for employees so that employees feel safe going to work. 8.6% of businesses provide free childcare to help workers who have to stay at home because of school closures. In addition, support for medical equipment, such as masks or hand sanitizer are also practical solutions to increase workplace safety that businesses have applied.

Overall, the larger the scale of enterprise, the higher the percentage of enterprises applying support to their employees. In particular, large enterprises with stable financial resources tend to apply support measures focusing on costs for workers, such as accommodation expenses for workers from outside provinces (36%), fully paying employees suspected of being infected or infected by Covid-19 (42.4%), support for medical examinations and medical expenses (28.8%).

Similarly, small and medium enterprises also give priority to supporting workers with expenses. Micro enterprises, in addition to financial support solutions, also prioritise the application of additional measures to remove difficulties, creating stability for employees, such as providing free childcare services (13.7%) and providing free transportation for staff (25.3%).

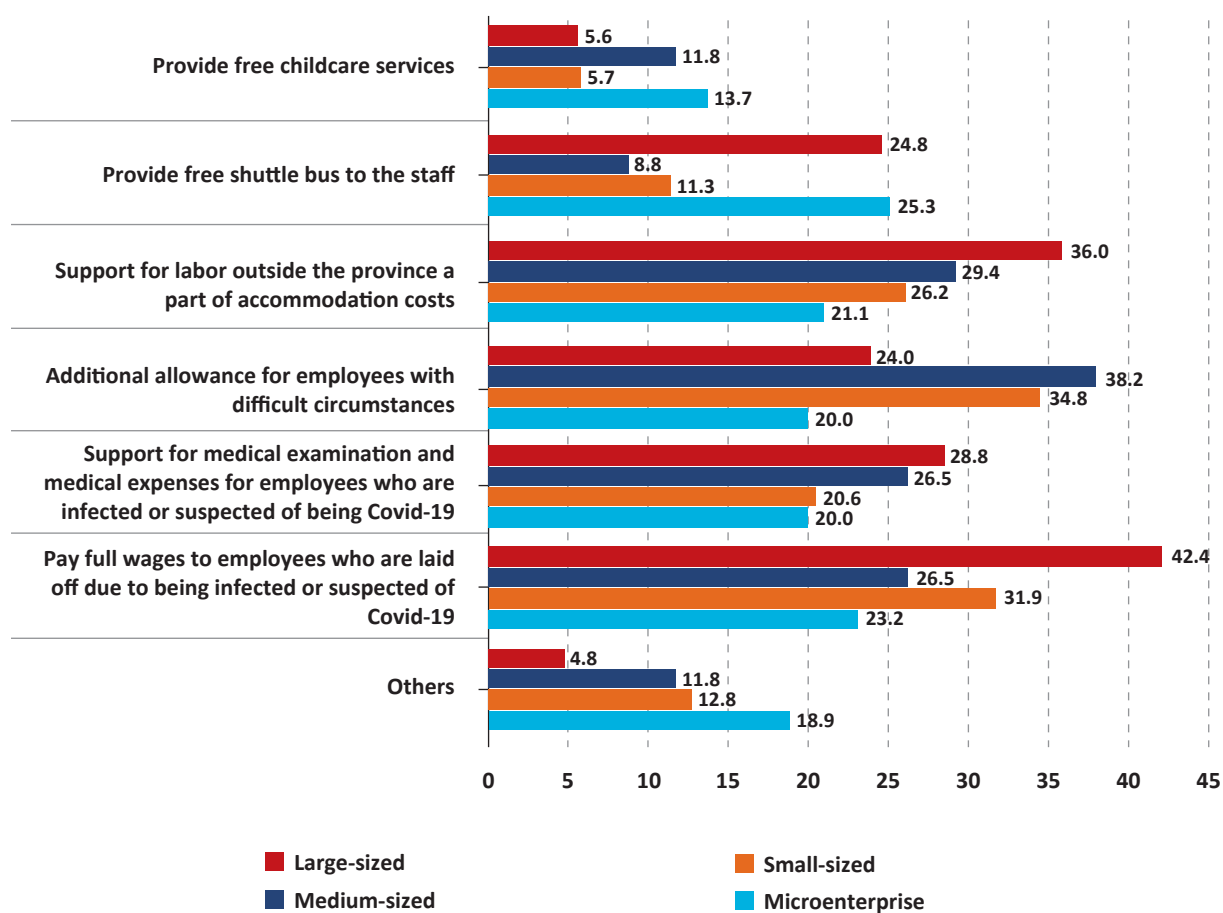


Figure 51: Other measures implemented by enterprises to assist employees to overcome difficulties by firms' scale of operations (Unit: Score %)

III. ASSESSMENT REGARDING ACCESS TO SUPPORT POLICIES

3.1. General assessment of state support policies

In order to minimise the negative impacts of Covid-19 on enterprises, the government has simultaneously deployed three major support packages: (i) fiscal policies (exemption, reduction of taxes, fees, extension of time limits for paying VAT, corporate income tax for small and micro enterprises, personal income tax, land rents, etc. Tax revenue is expected to decrease by about VND 15,500 billion); (ii) credit support policies, such as interest rate support for businesses (credit package of VND 250 trillion); (iii) social security policies (VND 62 trillion in support packages), including direct support for employees who lose their jobs or face a decrease in income; support for businesses to borrow interest-free loans to pay salaries.

In addition, the government has also implemented other policies to support businesses to reduce their financial difficulties: delaying payment of social insurance, unemployment insurance, trade union fees; other measures, such as cutting administrative procedures to reduce costs and create favourable conditions for businesses;

increase of the family tax deduction for individual taxpayers and dependents, leading to reductions in personal income tax (the expected tax reduction is about VND 10,800 billion per year).

Although the government has implemented many supportive policies, according to the survey 28.1% of enterprises have not been able to access them. Among the policies that enterprises can access, the most accessed is the deferral policy of CIT, VAT and land rent payments (40.5% of enterprises), followed by the policies to reduce financial costs, such as electricity or water bills (25.2%). The group of financial policies, such as debt rescheduling, debt service, and reducing interest rates ranked third (23.1%). Approximately one-fifth of businesses also enjoy reduced business fees.

The labour policy group has a low rate of access: 13.3% of enterprises are granted a delay in the closing time of trade union funds; 9.6% of enterprises are allowed to temporarily stop paying into the retirement and death fund. In particular, the policy of supporting enterprises to pay salaries through the Vietnam Bank for Social Policies has hardly been accessed at all.

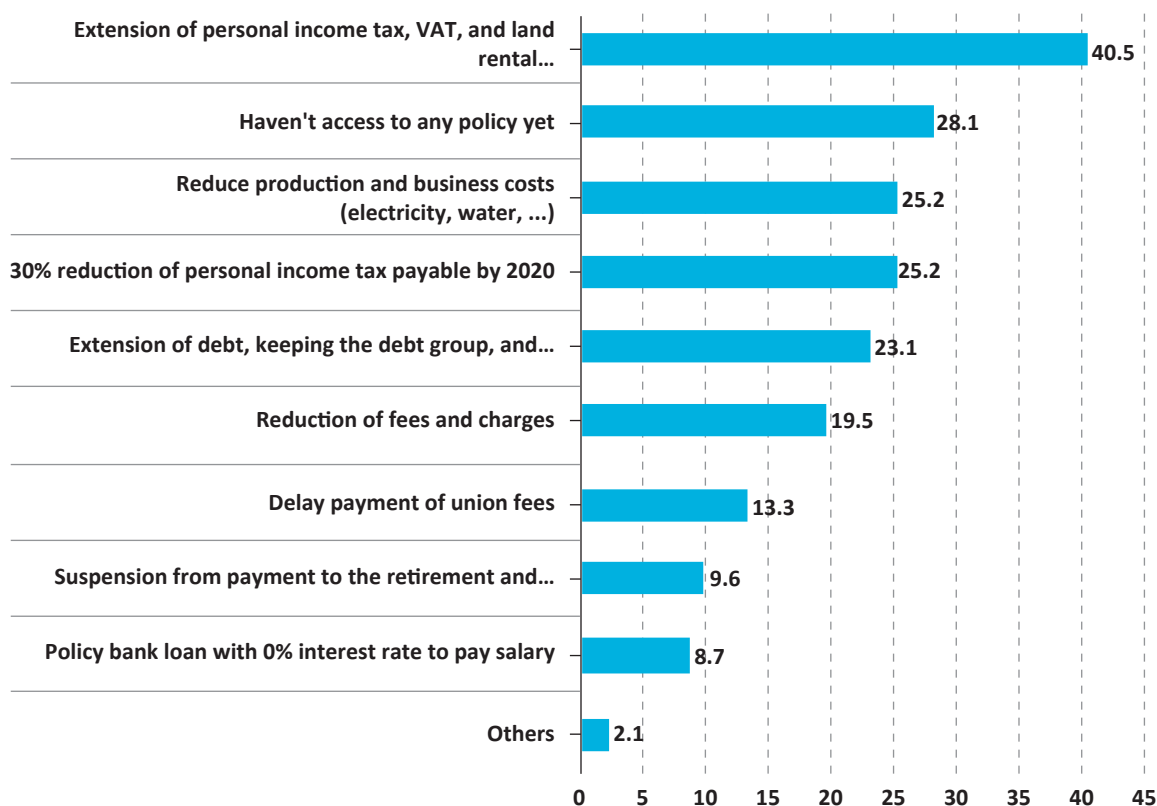


Figure 52: Government support policies on Covid-19 that enterprises have accessed (Unit: Score %)

In terms of enterprise size, the survey results show that micro enterprises are the subjects with the highest level of access for most of the government’s policies. The most easily accessible policies were “*extending the payment of Corporate Income Tax, Value Added Tax and land lease*” with 49.6%; “*30% reduction of corporate income tax payable in 2020*” with 32%; and “*extension of debt, maintain debt categories, reduction of interest rates*” with 28%. In particular, the policy of “*30% reduction of corporate income tax payable in 2020*”

is the most easily accessible by micro enterprises with an exceptionally high rate of access two to five times higher than other enterprises. After micro enterprises, small enterprises also have relatively high levels of access to support policies. However, up to 32.4% of small businesses said they have not accessed any state support policies. This survey also shows that the proportion of small, medium and large enterprises that have not accessed any support is much higher at 32.4%, 35% and 32.7%, respectively.

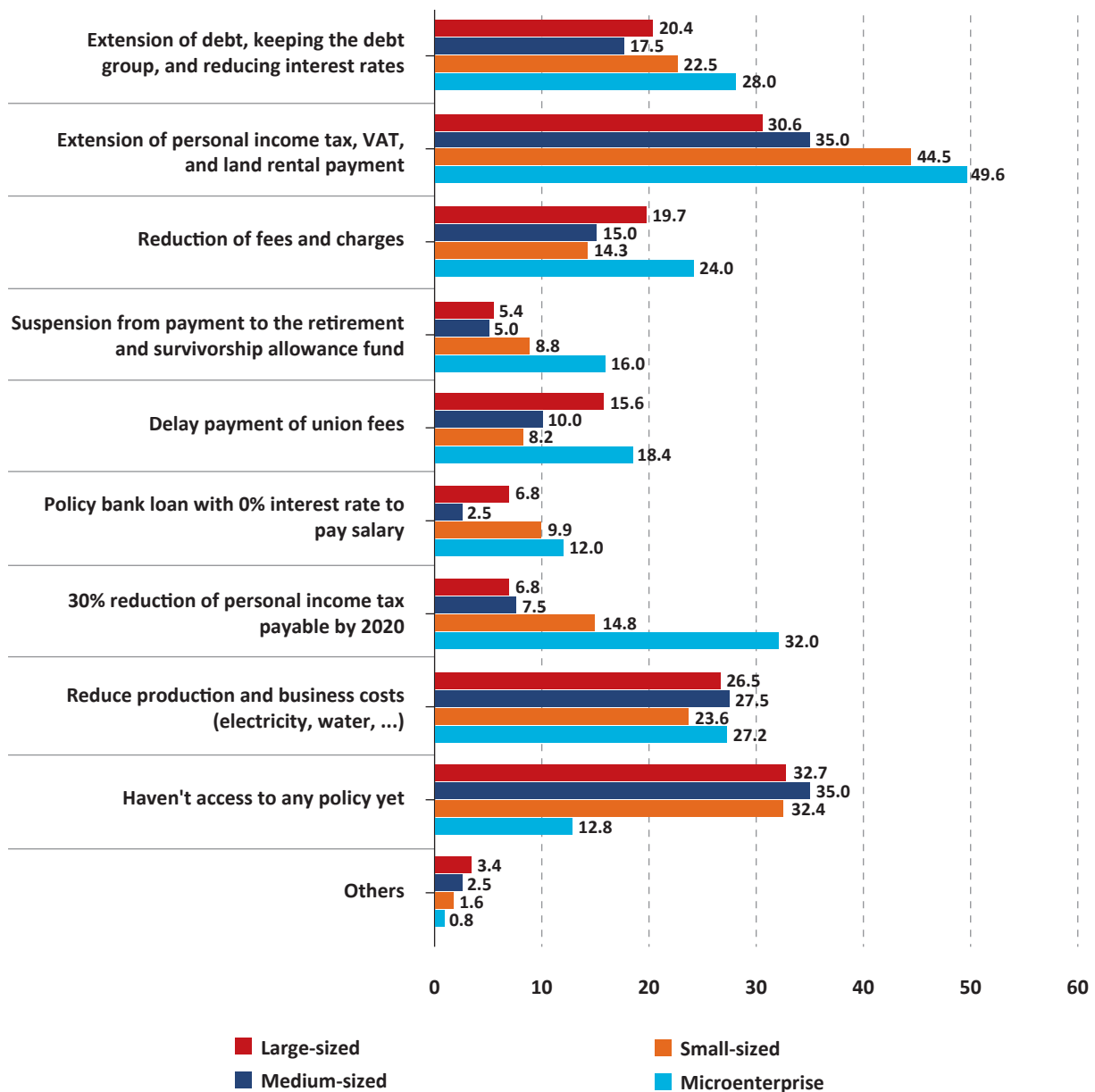


Figure 53: Government support policies that firms have accessed by firms’ scale of operations
(Unit: Score %)

In terms of primary industry sector classification, it can be seen that businesses in the accommodation and food industry, which were the most heavily affected by Covid-19, account for the highest proportion of businesses that have not accessed any state support policies (36.4%). Businesses in the accommodation and food industry had little

access to support policies, such as extension of corporate income tax, value added tax and land rents, reduction of business costs or debt extension compared to other industries. On the other hand, enterprises in agriculture, forestry and fisheries tended to have better access.

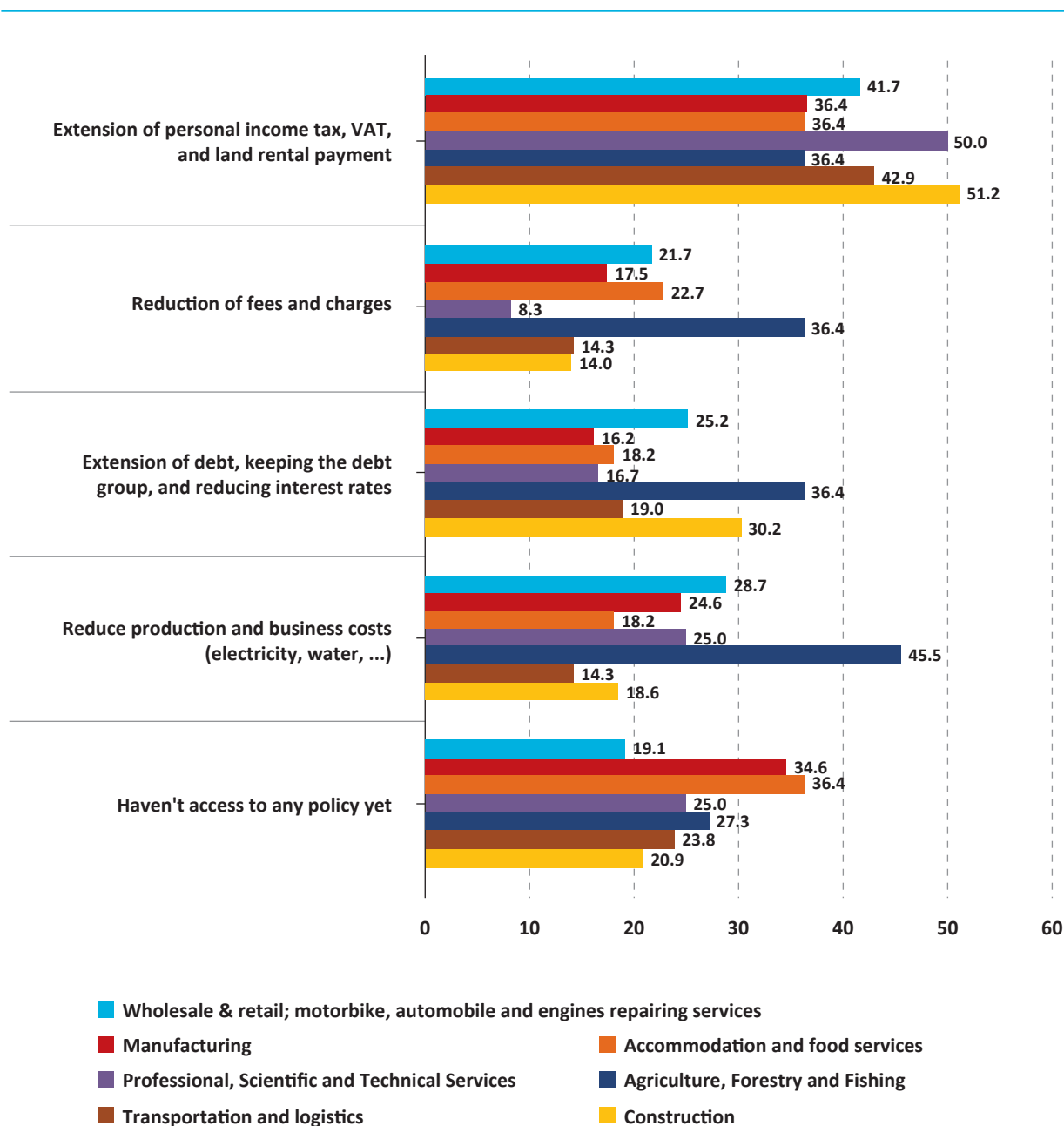


Figure 54: Government support policies that firms have accessed by primary industry sector
(Unit: Score %)

The above findings are consistent with data reported by the state agencies responsible for implementing the support packages. Regarding the fiscal package, as of 30 July, the total amount of tax and land rent extended was VND 53.645 trillion, lower than the initial estimate of VND 180 trillion. The General Department of Taxation has received 179,247 requests for tax and land rent extension, equivalent to approximately 25% of 700,000 enterprises that were originally planned to benefit. The amount of payments extended only reached 29% of the planned VND 182,000 billion. In particular, the business sector submitted 125,152 requests while business households and individuals submitted 54,095 requests. The extended value-added tax amount was more than VND 28,900 billion; the amount of extended corporate income tax was more than VND 20,500 billion; extended land rents more than VND 3,300 billion; and the amount of value-added tax and personal income tax of business households and individuals was nearly VND 600 billion.

Regarding the credit package, by the end of June 2020, commercial banks had rescheduled repayment terms for nearly 260,000 customers

with outstanding loans of approximately VND 180,000 billion; payment exemption and reduction of interest rates for about 421,000 customers with outstanding loans of nearly VND 1,300,000 billion; and new loans for about 240,000 customers worth VND 1,100,000 billion. The interest rate was also 0.5%-2.5%/year lower compared to before the pandemic. Enterprises said that banks still gave priority to their old customers; new customers found it difficult to meet the criteria for loans, which were not adjusted to the difficult context caused by the pandemic.

Regarding the extension of social insurance payments, according to the Social Insurance report, as of 22 June 2020, 1,488 employers were allowed to suspend payments to the retirement and survivorship fund for 124,668 employees at a total of nearly VND 447.7 billion. The welfare support package disbursed VND 11,000 billion, equivalent to 17.7% of its total value. Particularly, for the interest-free loan package of VND 16,000 billion to support businesses to pay salaries, up to 31 July, when disbursement ended, no enterprise had accessed this package.

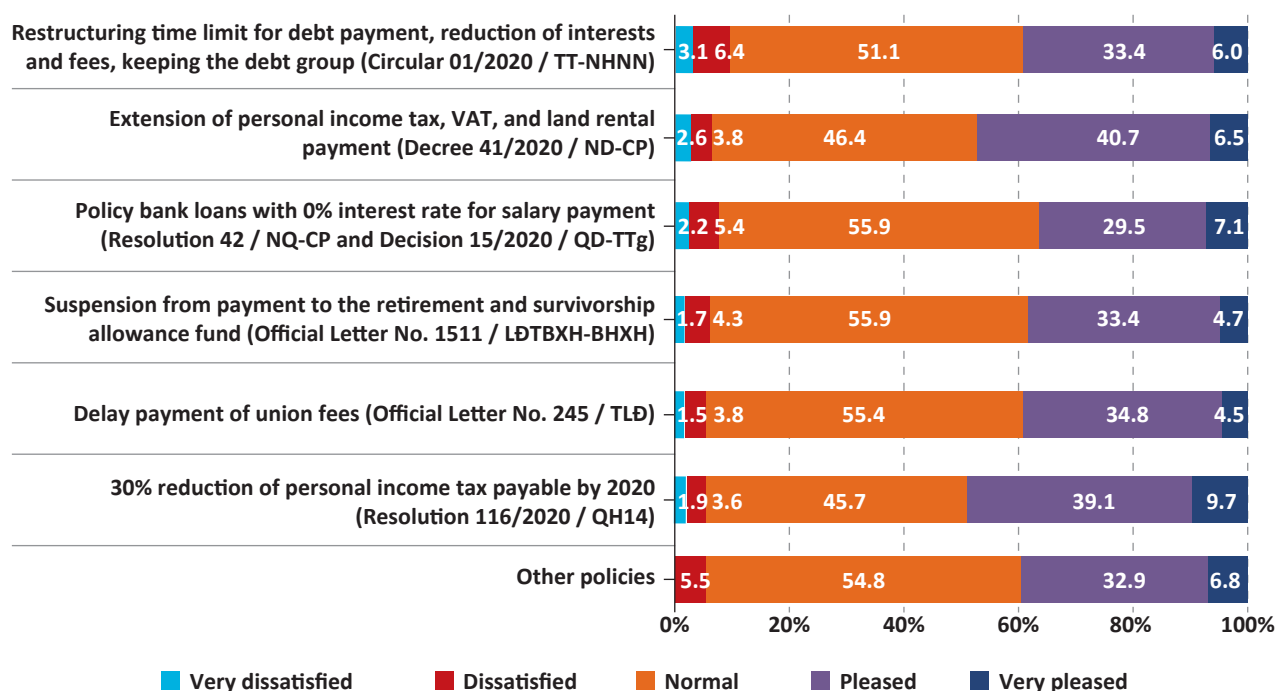


Figure 55: Evaluation of government policies and solutions to support enterprises (Unit: %)

Given the above situation, regarding the evaluation of government policies and solutions to support businesses, the solution which received the highest level of satisfaction from enterprises was the National Assembly’s decision to provide a 30% reduction in corporate income tax for businesses with a total revenue of no more than VND 200 billion in 2020. Obviously, among the support policies, this was the one that allowed businesses to reduce their tax payment; unlike other policies, which only allowed deferments. Although this policy was most appreciated by many enterprises, it received a high-level satisfaction from nearly half of the surveyed enterprises. This was partly because the beneficiaries were only profitable SMEs in 2020 and the number of these enterprises was limited. The following policy that many businesses highly appreciated was the “*extension of corporate income tax, value-added tax and land lease payment*”. Although the implementation results were not as expected, these policies were still accessed by many businesses thanks to the

simple procedures. The policy on “*suspending contributions to the pension and death or union funds*” received a similar rate of satisfaction, at 38%-39%. Due to its lowest rate of access, the policy on “*borrowing from the Vietnam Bank for Social Policies with 0% interest to pay salaries for employees*” received the lowest rate of satisfaction.

The survey results show that among the enterprises that still had difficulties accessing the state’s support policies, nearly 53% think that it was difficult to meet the criteria to access them. More than 42% had to wait for a long time for verification and approval of their dossiers; approximately 38% had difficulties concerning application procedures or had difficulties accessing specific information about the application process. Obviously, these are issues that state agencies need to pay attention to if they want to deploy current and upcoming business support packages effectively.

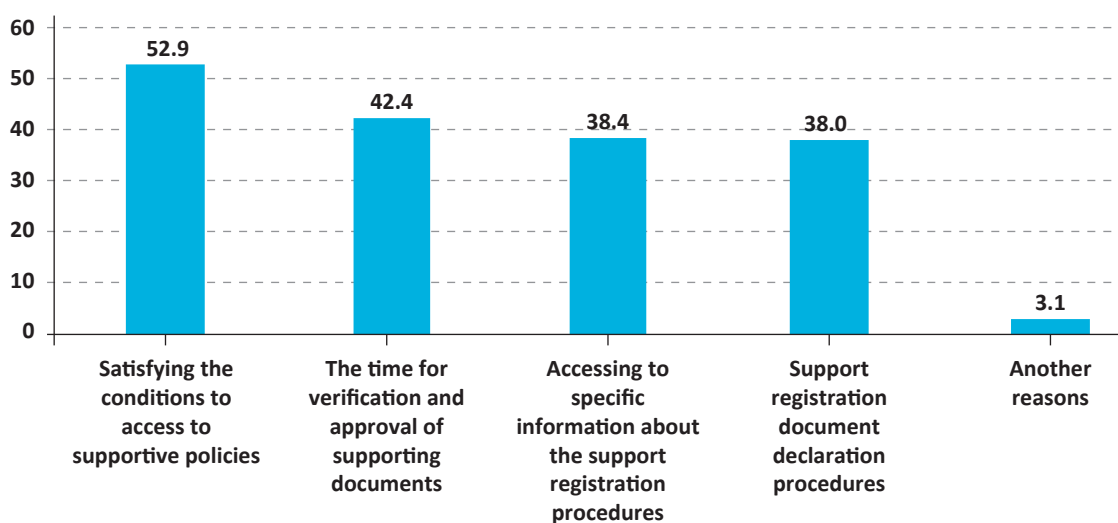


Figure 56: The main reasons enterprises have difficulty accessing state support policies
(Unit: Score %)

In terms of primary industry sector classification, it can be seen that businesses in the accommodation and food industry had the most difficulties in

satisfying the conditions to access supportive policies and accessing specific information about support registration procedures with rates of

71.4% and 47.6%, respectively. Following the accommodation and food industry was the transportation and logistics industry. Businesses in this industry had numerous difficulties accessing the policies, especially the time for verification and approval of supporting documents, at a rate of

50%. For remaining industries, in general, businesses had most difficulty satisfying the conditions to access to supportive policies. This is an issue that the State needs to pay special attention to amend in order to deploy support more effectively.

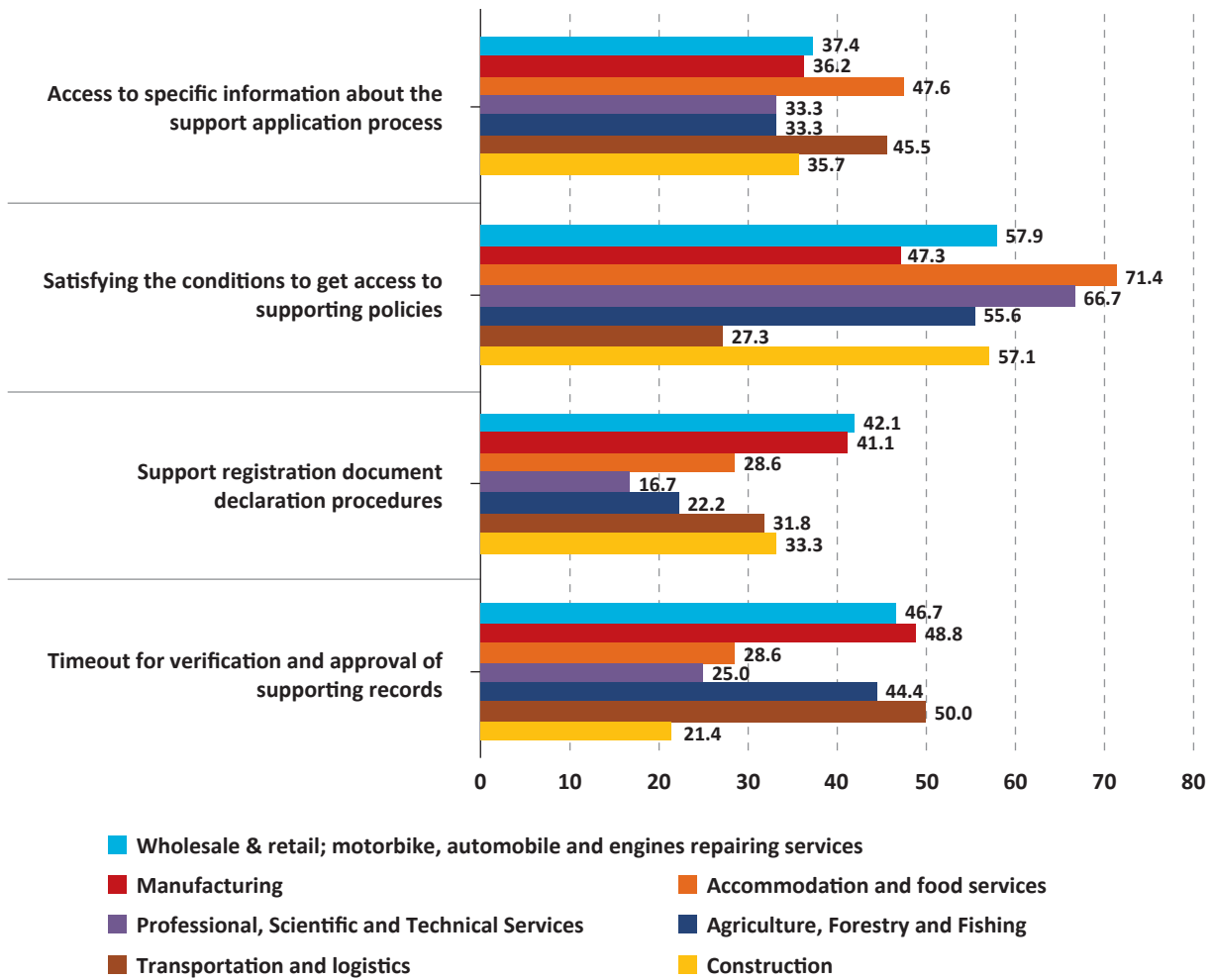


Figure 57: The main reasons enterprises had difficulty accessing state support policies by primary industry sector (Unit: Score %)

3.2. Evaluation on support policies related to employees

Regarding the policies to support employees, as analysed above, the rate of enterprises accessing these policies was not high, especially the policies

to support businesses with loans at 0% interest rate from the Vietnam Bank for Social Policies to pay salaries. One of the main reasons for this inaccessibility is that the criteria for receiving this support was so strict.

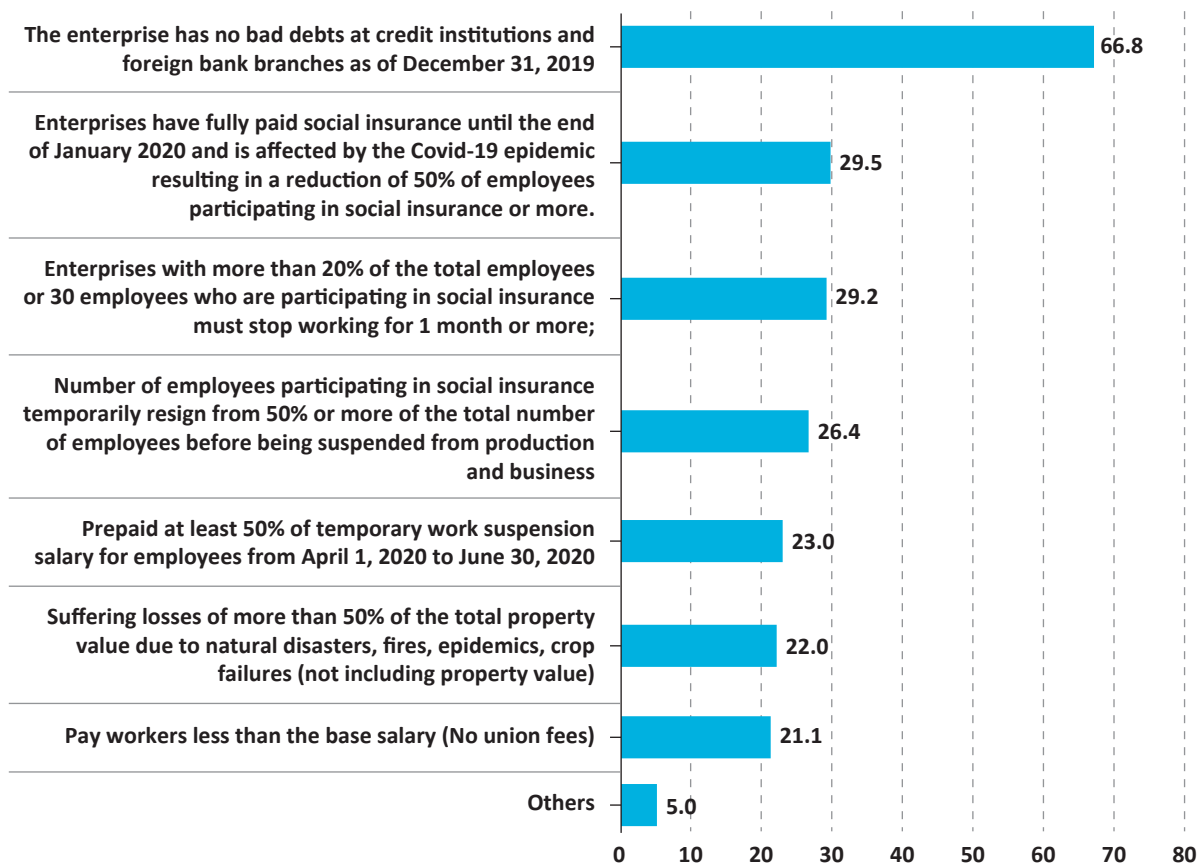


Figure 58: Criteria to access support policies (Unit: Score %)

Among these criteria, only one fifth of enterprises could prove that they lost more than 50% of their total assets; paid at least 50% of wages for work suspension in advance; or pay employees less than the minimum wage. This means that on these three conditions alone, nearly four out of five enterprises were not eligible to access policies, such as “loans with 0% interest rate to pay salaries” or “delay payments of social insurance or union fees”.

Other criteria include: firms must pay social insurance until the end of January 2020 in full; Covid-19 lead to a reduction of at least 50% of employees participating in social insurance; 20% of employees (at least 30 in total) who were participating in social insurance have not worked for at least one month; and the number of employees participating in social insurance who have to temporarily quit their jobs make up at least 50% of the total number of employees before the

suspension of business. Although the rate of satisfied enterprises was higher, it was only 26%-30%. Having no bad debt at the bank was a condition many surveyed enterprises could satisfy (about two out of three surveyed enterprises could satisfy this condition).

For most of the criteria, micro enterprises were able to satisfy the conditions at the highest rate compared to other enterprises with a proportion of eligible enterprises at 30%-35%. The only condition this group of enterprises ranked the last in was “having no bad debt at the bank”. Moreover, large enterprises were also able to satisfy the criteria at a high rate. In addition to the fact that they did not have bad debt at the bank, more than 30% were able to satisfy the condition of labour decline, second only to micro enterprises. Small and medium enterprises had the lowest rates for fulfilling these criteria.

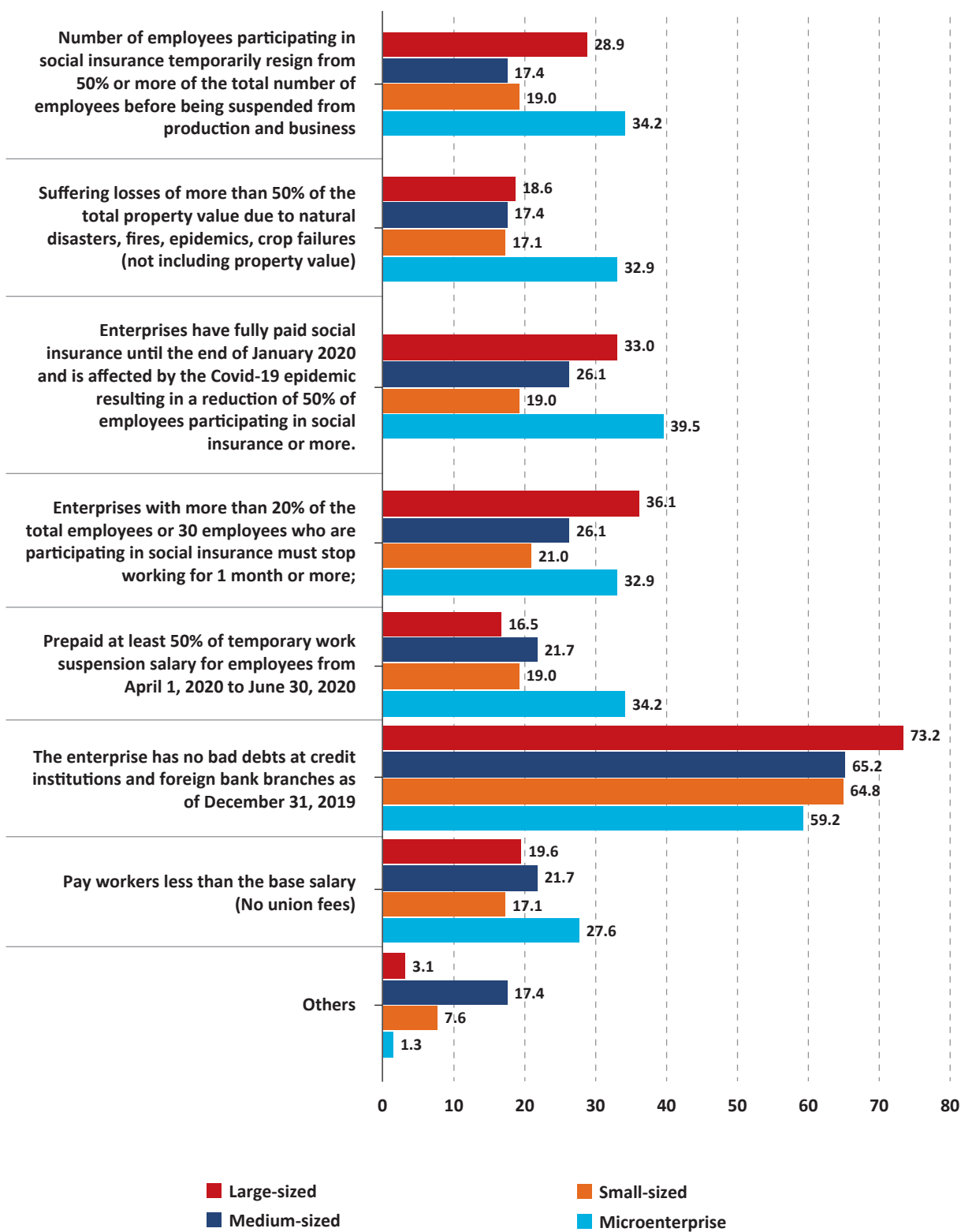


Figure 59: Criteria enterprises were able to satisfy to access support policies by firms' scale of operations (Unit: Score %)

By primary industry sector, it can be seen that enterprises operating in professional, scientific and technical services had the highest proportion of enterprises that were able to fulfil almost all the criteria. The reason was because these

enterprises usually have relatively stable operations; moreover, they suffered less impacts from Covid-19 compared to businesses in other industries.

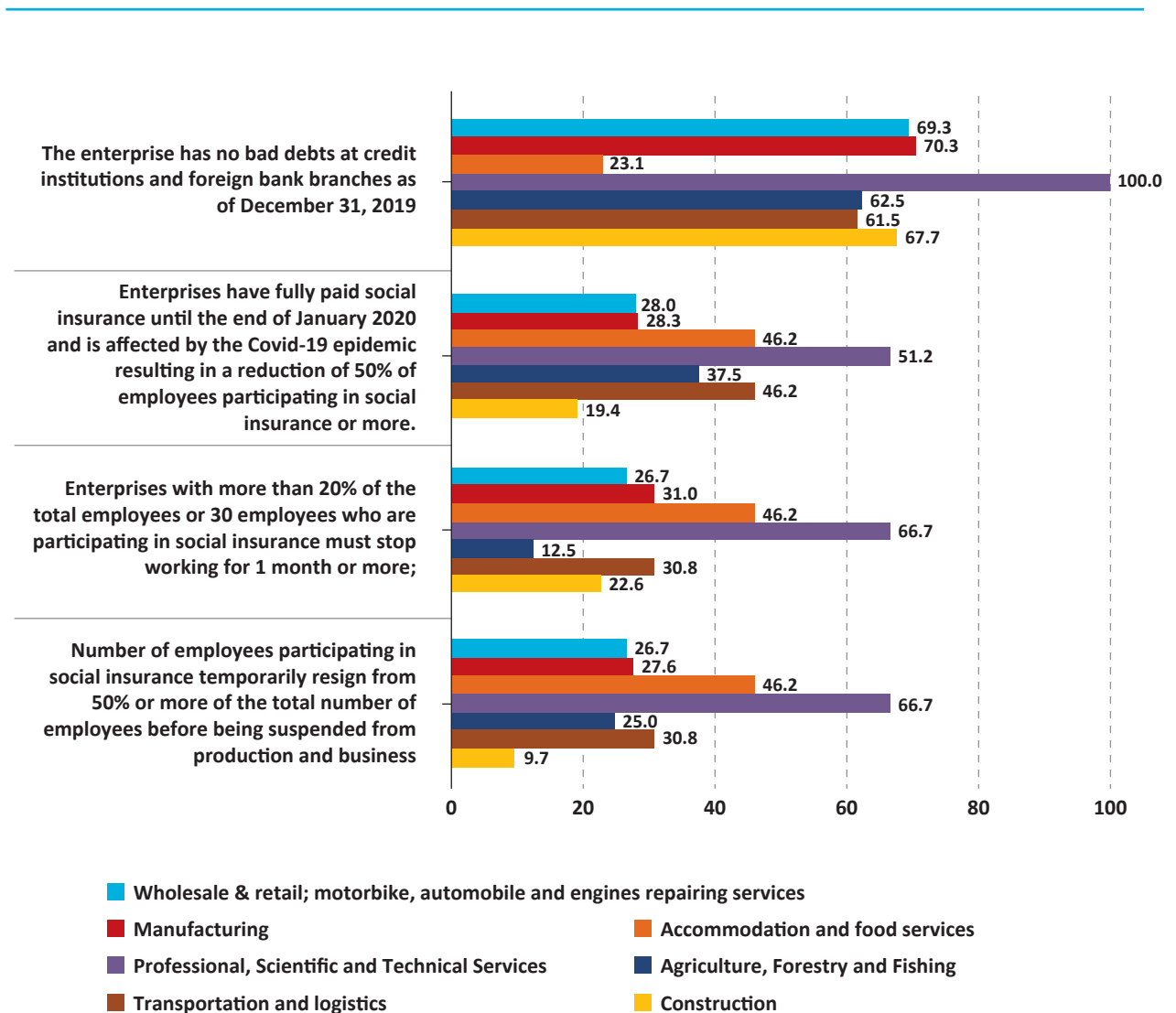


Figure 60: Criteria enterprises were able to satisfy to access support policies by primary industry sector (Unit: Score %)

Although a large proportion of enterprises were able to fulfil criteria such as having fully paid social insurance, 20% of employees no longer working for

at least one month, or at least 50% of employees no longer working, enterprises working in accommodation and food services had difficulties

satisfying the condition “no bad debts at credit institutions”. Only 23.1% of enterprises in this industry fulfilled this criteria, equivalent to one third of those in other industries. The reason could be that many enterprises in this industry have to borrow money from credit institutions to invest in facilities; due to Covid-19, there is a high probability these loans became bad debt in 2020. As a consequence, it is necessary for these enterprises to receive support from the State’s policies to reschedule the debts for businesses in accommodation and food services.

3.3. Other support for businesses

In addition to the government’s support policies, businesses also received support from partners in the business ecosystem, mainly from business suppliers (49%), followed by customers (35.6%). Apart from this support, about a quarter of enterprises also received support from industry associations or local authorities. This sharing of difficulties shows the companionship of enterprises doing business.

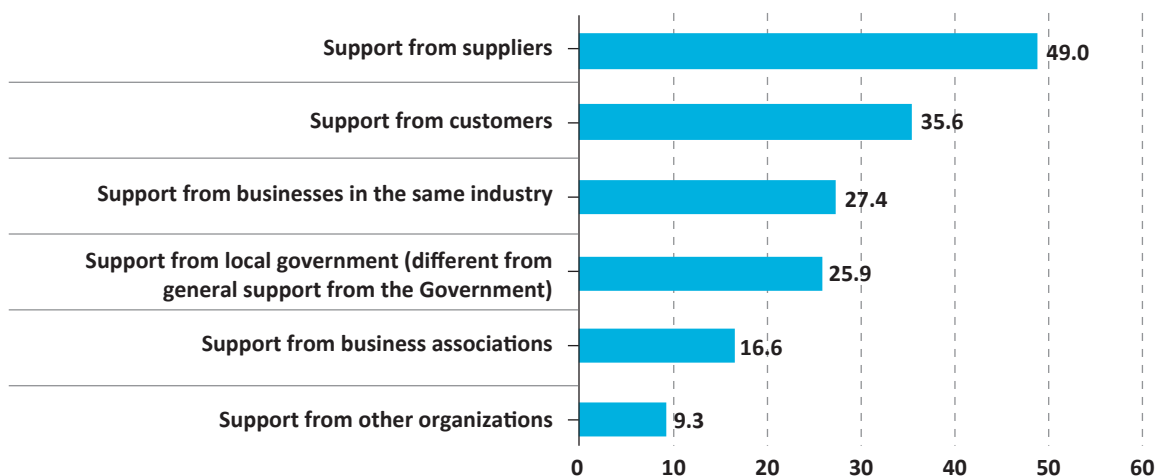


Figure 61: Other support businesses received in addition to government support policies (Unit: Score %)

Because large enterprises own a large network of suppliers and customers, this is also a great source of support; the rate of enterprises receiving such support is 55% and 41.3%, respectively. Suppliers and customers also gave significant support to small-sized enterprises. Meanwhile, medium-sized enterprises received the most support from local authorities, accounting for 38.1%. In addition to the government’s close cooperation, support from businesses in the same industry was also the

biggest factor for micro enterprises to overcome difficulties, accounting for 46.8%.

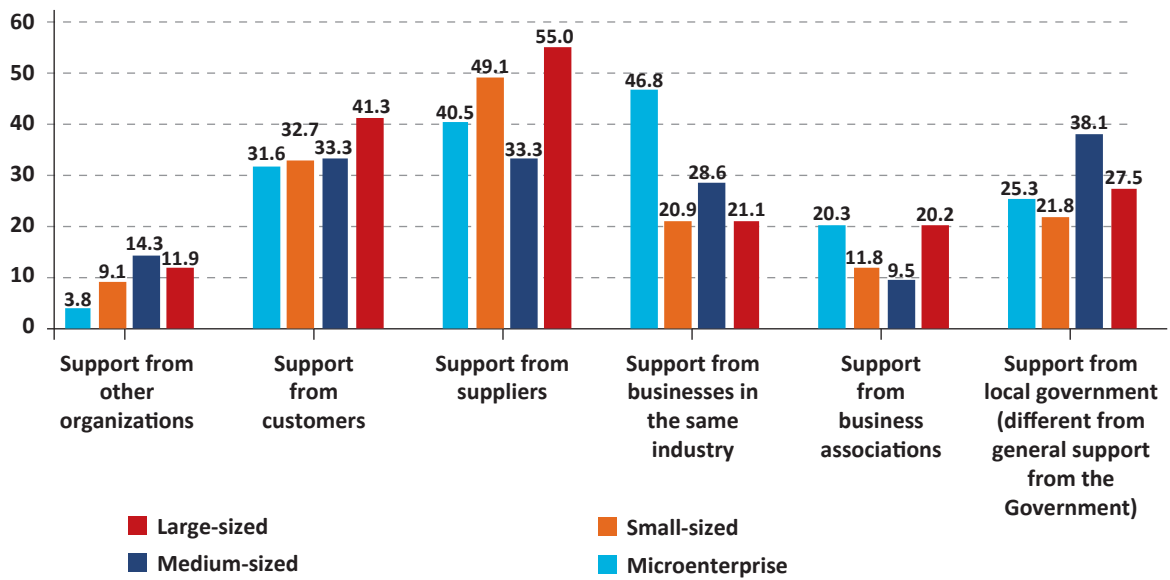


Figure 62: Other support businesses received in addition to government support by firms' scale of operations (Unit: Score %)

Regarding access to credit, in general, the main concern of many enterprises was that they consider access through commercial banks easier than the banks for social policy. According to the assessment of enterprises, the advantage of commercial banks over banks for social policy is that they could borrow larger sums with simpler procedures and longer loan terms, while the

lending conditions were also easier. On the other hand, the advantage of banks for social policy is the preferential interest rate. However, like the support policies mentioned above, if only the preferential interest rate is used while other factors are not favourable, capital support through banks for social policy will not be an effective channel.

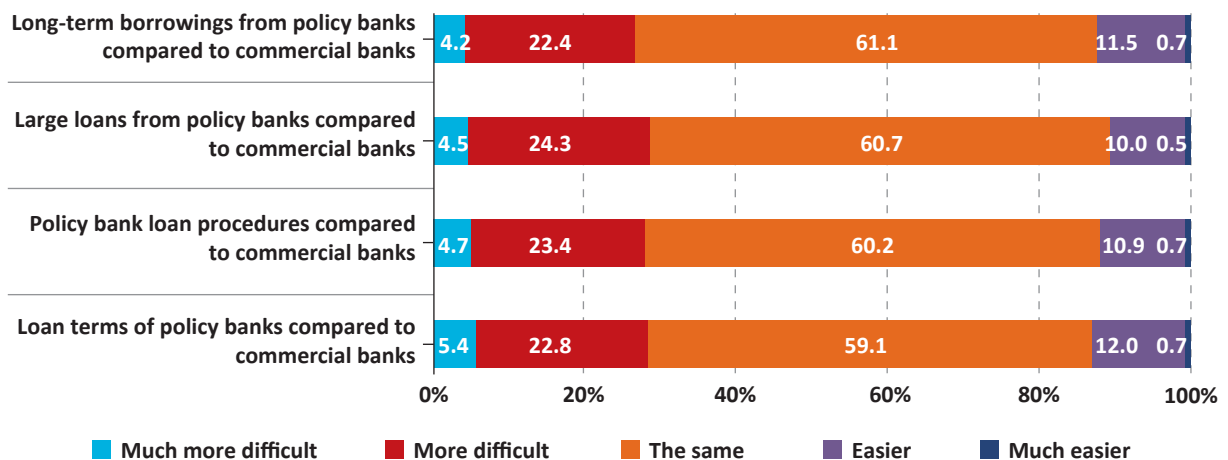


Figure 63: Firms' assessment of obtaining credit from policy banks and commercial banks regarding credit support (Unit: Score %)

3.4. Assessment of preferential policies for enterprises to effectively implement social responsibility programmes

The issue of social responsibility has increasingly received more attention from enterprises, especially since social enterprises were officially introduced in the Corporate Law in 2014. In the context of globalisation, if enterprises do not comply with their social responsibilities, they will not be able to access the global market. Corporate social responsibility has been highly appreciated for enabling businesses to join hands with the community in the prevention of Covid-19. When implementing their social responsibility programmes, many enterprises have achieved practical results. Nevertheless, the State has also issued preferential policies for businesses that have implemented their social responsibility programmes effectively (such as employing workers from vulnerable groups, female workers, etc.)

However, according to the survey, nearly 30% of enterprises reported that they do not know about these policies; 35% know about these policies but never tried to access them. Therefore, nearly two-thirds of enterprises were not interested in policies supporting the implementation of social responsibility programmes. This also shows that the implementation of social responsibilities is a matter of awareness; that enterprises understand the necessity of behaving responsibly. It is not a means of receiving preferential state policies. However, only 10.5% of enterprises have benefited from these policies while nearly 30% wanted to access them but could not because either they failed to satisfy the conditions, or the procedures were too complicated. This shows partly that these support policies have elements that need to be improved to encourage businesses to fulfil their social responsibilities.

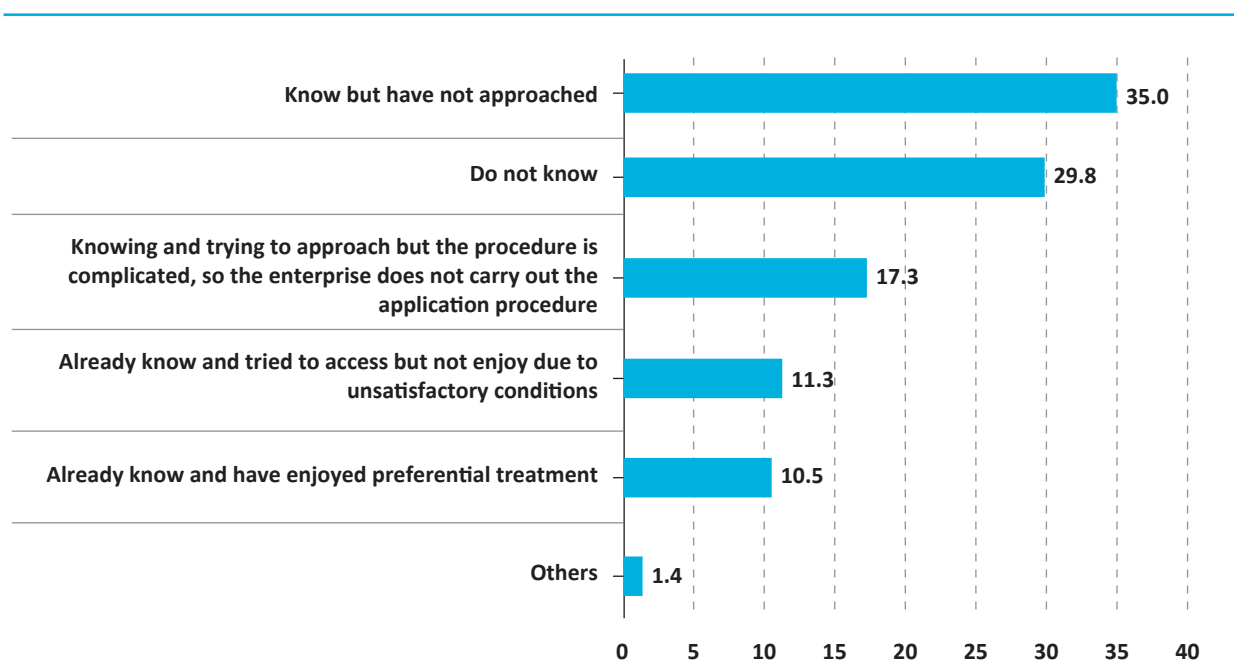


Figure 64: Firms' awareness of incentive policies regarding the implementation of social responsibility (Unit: Score %)

According to the expectations of enterprises regarding incentives to perform their social responsibilities, 85.8% of enterprises wanted to

receive tax incentives, specifically, a reduction of corporate income tax. This type of incentive is predictable and easy to quantify for businesses.

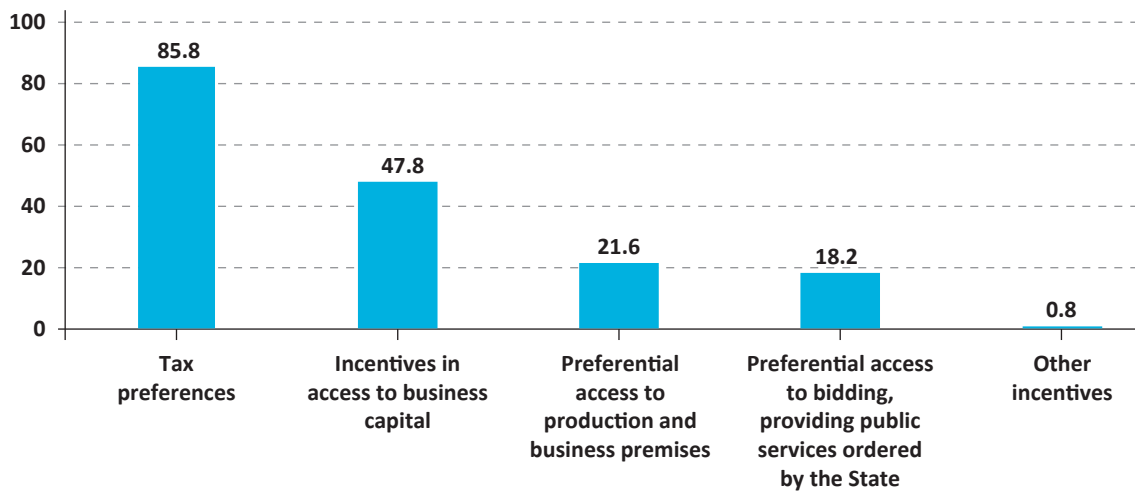


Figure 65: Appropriate incentives for firms with effective social responsibility programmes
(Unit: Score %)

Moreover, nearly half of surveyed businesses also wanted preferential access to credit, which is often through banks for social policy. Other types of incentives have also received the attention of one-fifth of the surveyed enterprises, especially the preferential incentives of accessing production and business premises, accessing packages of contracts, or providing public services.

IV. FORECAST OF THE BUSINESS AND LABOUR SITUATION IN THE LAST MONTHS OF THE YEAR

4.1. Enterprises' business plans in the last months of 2020

According to the survey, nearly 70% of enterprises said that in the last 6 months of 2020 they would continue to maintain their current business status. The pandemic situation in the world has not been completely controlled; the economy still contains many risks, so the majority of businesses remain cautious and dare not take risks.

Additionally, although Viet Nam has suffered from two waves of the pandemic, the government is

endeavouring to control the situation and prevent economic activities from being disrupted too much; at the same time, the government has applied numerous measures to support enterprises to overcome the impacts of Covid-19, which have gradually reduced its effects. This enables enterprises to be more stable and optimistic; a large percentage of enterprises (15.8%) even plan to expand their business.

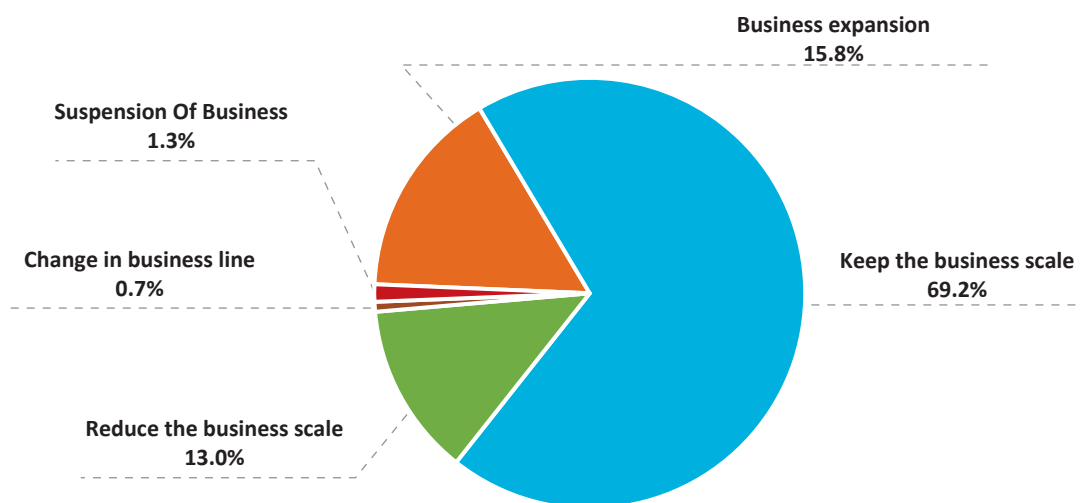


Figure 66: Business plans for the last months of 2020 (Unit: Score %)

Although the pandemic situation in the country has started to show positive signs, it continues to be very complicated over a prolonged period, especially in countries and regions that are important trade partners for Viet Nam, such as the U.S.A, Japan, and Europe. Therefore, the disruption of supply chains and value chains that cannot be overcome immediately will continue to have a great impact on businesses, especially those that have inputs and outputs depending on international markets or participate extensively in global production networks or global value chains, such as enterprises working in textiles, footwear, tourism, aviation, restaurants, hotels and logistics.

As a result, more than 13% of businesses plan to reduce their operations in the near future.

In addition, some businesses have had to change their business field to find better direction, accounting for 0.7% of surveyed enterprises. The worst scenario when enterprises can no longer afford to continue doing business is for them to suspend their operations, which is projected by 1.3% of enterprises.

In terms of industry, with the pandemic situation well controlled in Viet Nam, the majority of businesses across industries are expected to

maintain their scale of operations. However, construction, manufacturing and processing, and food and services industries have a high proportion

of enterprises that plan to narrow their scale of operations by reducing labour.

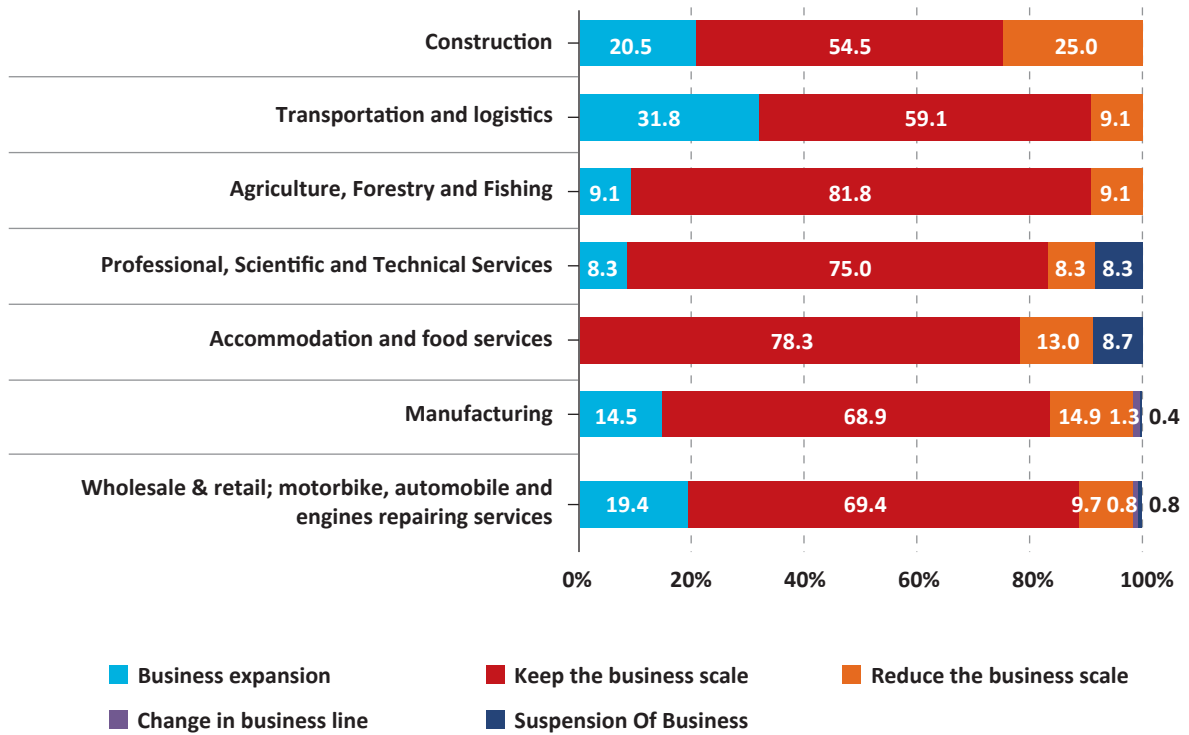


Figure 67: Business plans for the last months of 2020 in key sectors (Unit: Score %)

Notably, with the negative and lasting impacts of Covid-19 on industries such as accommodation and food services, and professional, scientific and technical services, it is estimated that 8% of enterprises in these industries may suspend their operations in the last months of the year. On the other hand, with the recovery of the economy compared to the second quarter of 2020, many businesses also plan to expand their operations, especially in the field of transportation and warehousing, construction, wholesale and retail. Although this is a sign of recovery, it should be noted that this recovery or expansion is based on a comparison with the difficult period experienced by businesses in the first months of the year, not

an expansion or growth compared to the situation before the pandemic.

In general, the intention of businesses in the last months of 2020 is quite similar among enterprises of different sizes. Most businesses plan to keep the same scale of operations. A larger proportion of small and medium-sized enterprises plan to expand their operations while for large-scale enterprises, a larger proportion of enterprises plan to narrow their scale of operations. Moreover, large enterprises and micro enterprises are the two groups with the largest proportion of enterprises planning to suspend their business activities at 2.0% and 2.4%, respectively.

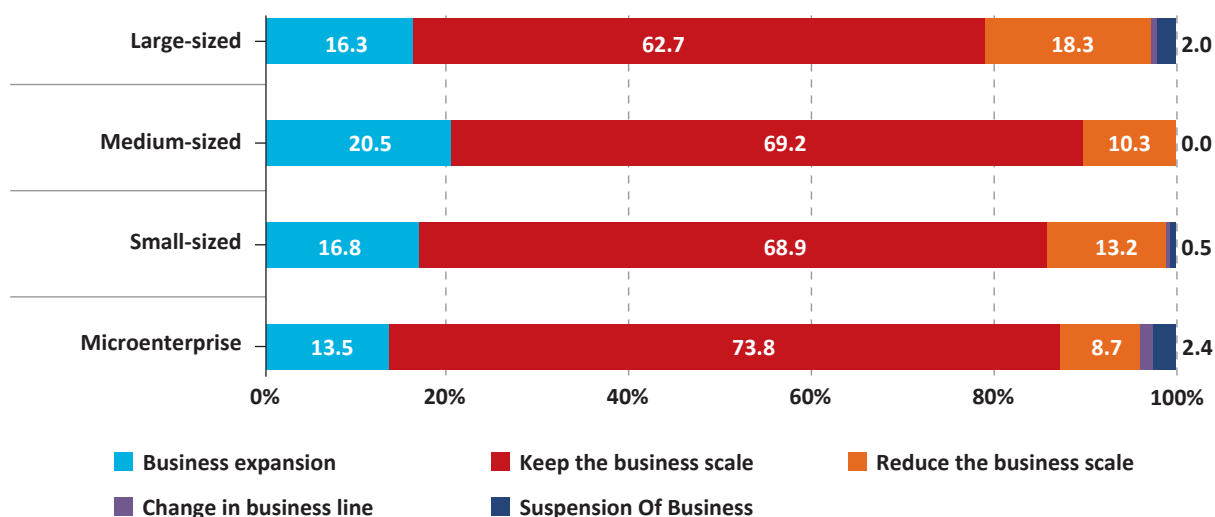


Figure 68: Business plans in the last months of 2020 by firms' scale of operations (Unit: Score %)

4.2. Enterprises' labour plans for the last months of 2020

Survey data shows that three-quarters of businesses plan to maintain current employee numbers until the end of 2020. Meanwhile, due to

continued difficulties and challenges, 11.6% of enterprises expect to reduce employee numbers in the future. In contrast, after the initial pandemic period a number of businesses (13.4%) have begun to make plans to increase production and so plan to recruit additional workers.

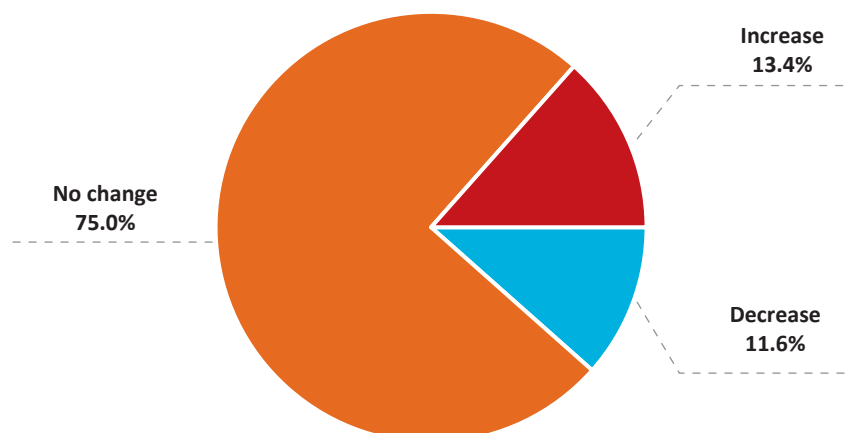


Figure 69: Enterprises' workforce plans to the end of 2020 (Unit: Score %)

Considering the details for the primary industry sectors, accommodation and food services continues to be the industry in which many businesses are expected to implement the highest number of job cuts in the last months of 2020 (40%) followed by professional, scientific and

technical services (16.7%), and manufacturing and processing (11%). Other industries plan to reduce employee numbers by 9%.

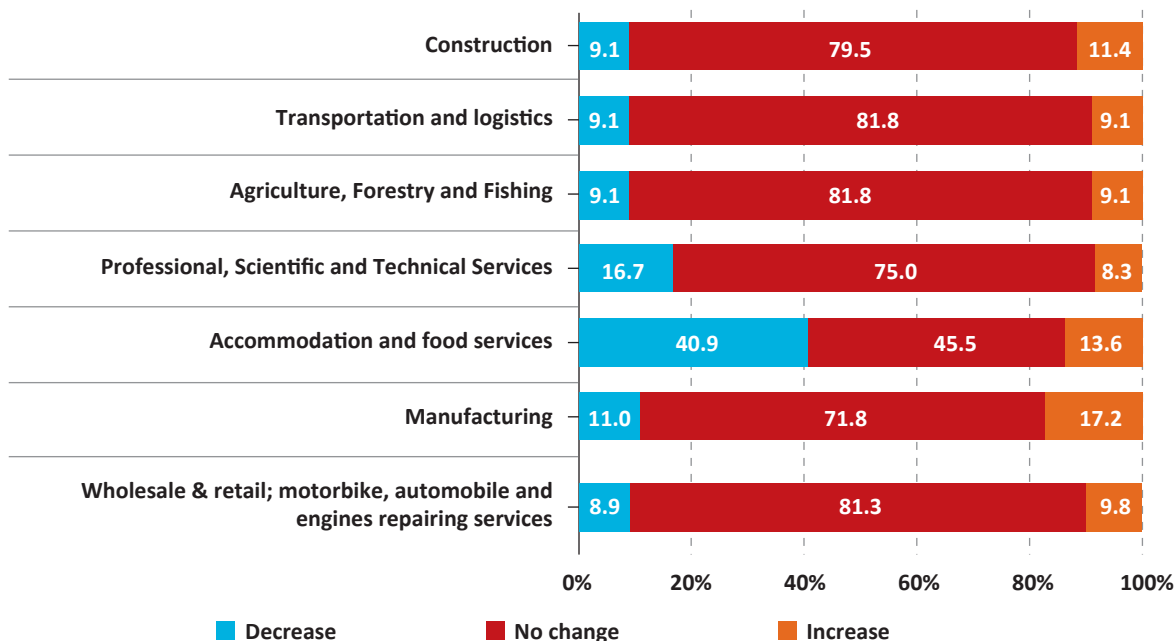


Figure 70: Enterprises' workforce plans to the end of 2020 in key industries (Unit: Score %)

Micro enterprises have less variation in their labour plans with 85.7% planning to maintain employee numbers. In contrast, large and medium-sized enterprises intend to implement changes; higher rates of enterprises plan to reduce or recruit more employees compared to micro and small

enterprises. However, the proportion of enterprises planning to recruit additional employees is higher than the proportion of enterprises planning to reduce employee numbers. This shows more optimism regarding labour compared to the first months of the year.

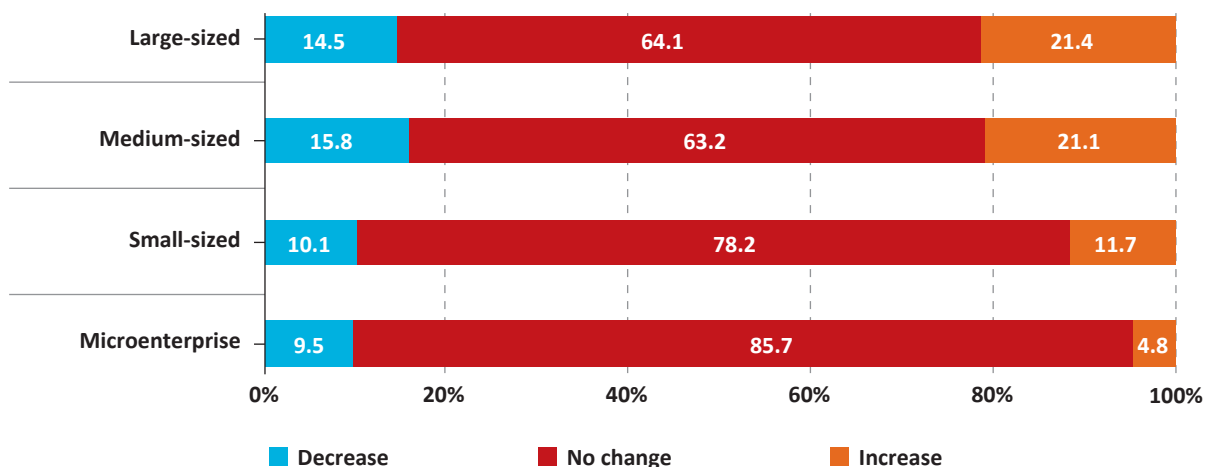


Figure 71: Enterprises' workforce plans to the end of 2020 by scale of operations (Unit: Score %)

Although there are still a number of business that are forced to reduce employee numbers in order to continue operating, the good news is that the

rate of job cuts has decreased significantly compared to the first six months of 2020.

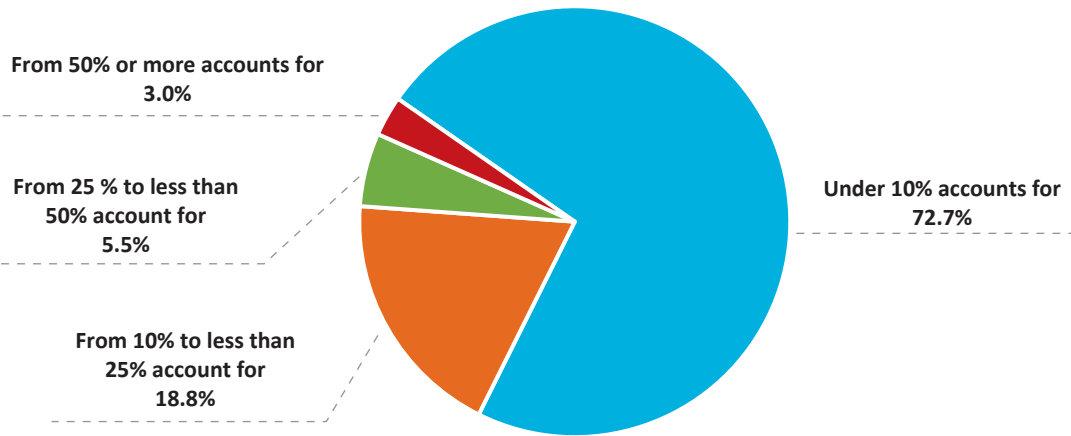


Figure 72: Expected rates of reduction in enterprises planning to reduce employee numbers
(Unit: Score %)

While up to 15.6% of businesses had to reduce their workforce by more than 50% at the outset of the pandemic, currently this number is approximately 3%. The number of enterprises that plan to reduce employee numbers by 25%-50% has also decreased significantly to 5.5%. The majority of businesses plan to reduce employee numbers by less than 25%, and 72.7% of enterprises will make reductions of less than 10%. This is a good sign that the impacts of the pandemic have lessened significantly.

In terms of industry, only three include enterprises than plan to reduce their workforce by more than 50%: professional, scientific and technical services (16.7%), accommodation and food services (13%) and manufacturing and processing (1.6%). The majority of enterprises in these industries mainly plan to reduce employee numbers by less than 10%. Accommodation and food services continues to be the industry with the highest rate of job cuts.

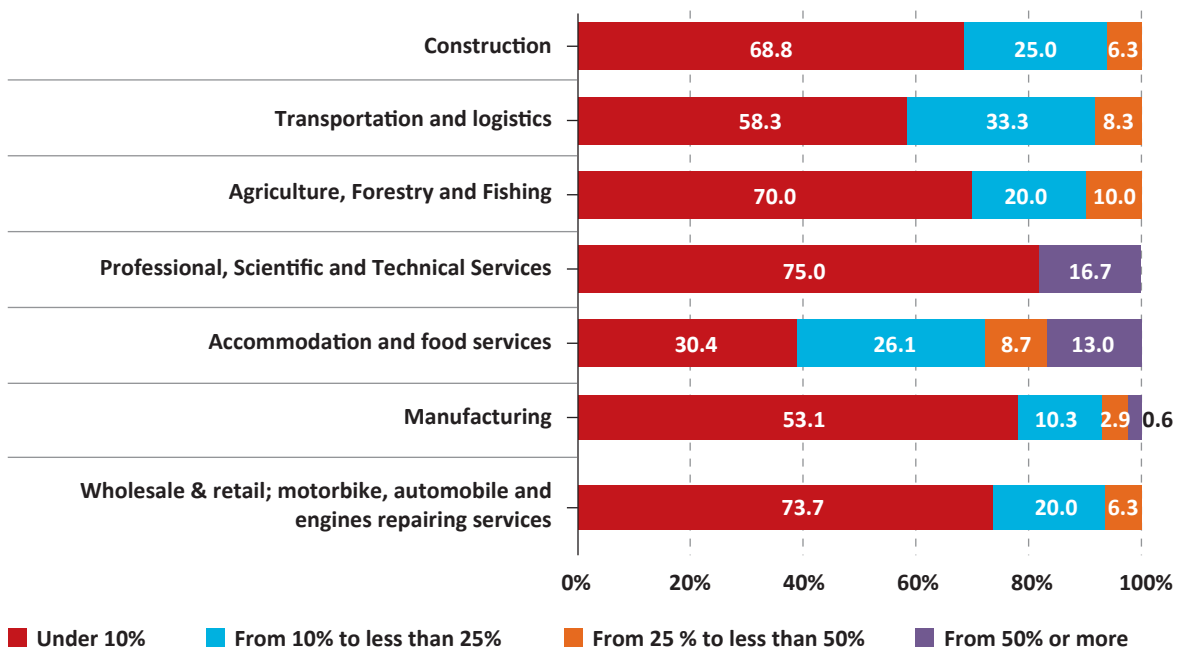


Figure 73: Expected rates of reduction in enterprises planning to reduce employee numbers in key industries
(Unit: Score %)

According to the survey, the priority for businesses is to pay full wages to their employees (76.6%). Although the most critical period has passed, the consequences are still heavy. Although most enterprises no longer need to reduce their workforce, their business has still not recovered to previous levels, particularly as the epidemic situation in the world is still complicated and unpredictable. Businesses have to make efforts to ensure sufficient funds to pay full wages to their

employees, and at the same time find ways to recover from the crisis. As a consequence, the next priorities for enterprises are to maintain the number of employees and arrange suitable alternative employment for employees, accounting for 53.4% and 44.7% of enterprises, respectively. Retraining workers is also a matter of concern for a number of enterprises, but only accounts for 8.5%. Besides, some enterprises still have to consider reducing employee numbers (6.5%).

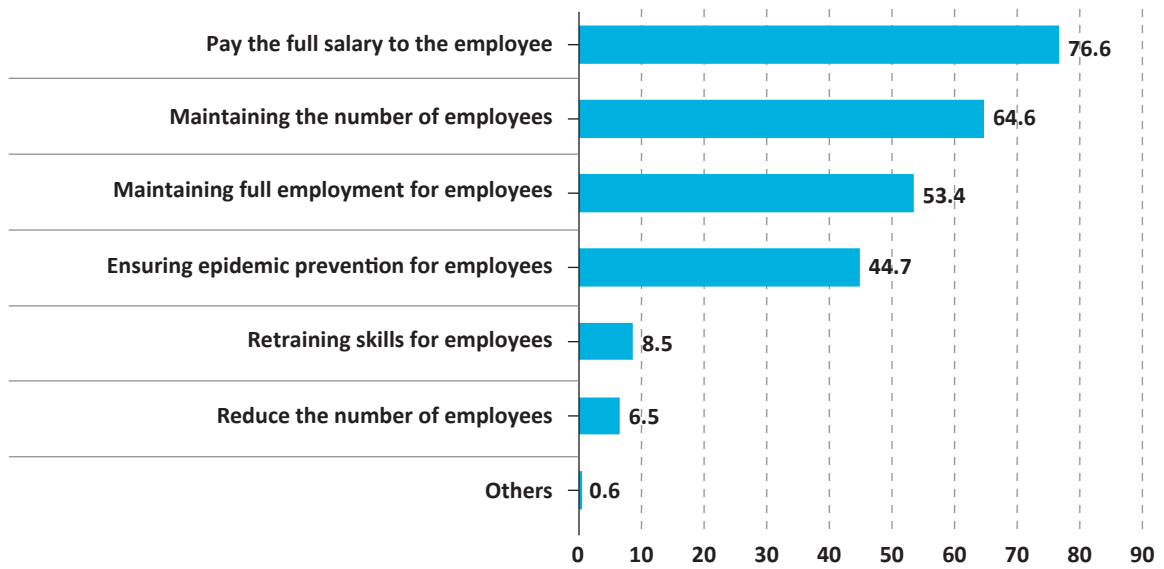


Figure 74: Enterprises' current labour-related priorities (Unit: Score %)

V. ENTERPRISES' RECOMMENDATIONS ON SUPPORT POLICIES

5.1. Enterprises' recommendations to the State regarding policies to support employees

Given that the Covid-19 situation will continue to be complicated and prolonged, enterprises have to accept that they need to live with the pandemic and make the adjustments to ensure their production and business activities are safe. Therefore, in the context of Viet Nam's second outbreak in Da Nang city and other provinces, despite the fact it has been controlled, the majority of businesses still expect that the government will implement policies to support employees (64.4%). They all understand that if just one worker is suspected of infection or infected by Covid-19, the whole business will be seriously affected. As a consequence, businesses hope to have specific and unified regulations on measures to prevent employees becoming infected and support from the government to implement these measures. This is because businesses have also implemented

prevention measures at their own expense. However, because businesses are crowded places, supporting businesses will also make an important contribution to pandemic prevention in general.

Businesses also expect to receive support from the State to help businesses pay salaries (50.1%) and to ensure employment for workers (47.7%).

Obviously, these are two major concerns not only for businesses but also for the government. After experiencing the impacts of Covid-19 on labour and employment in the first 6 months of the year, it is clear that ensuring incomes and employment in the last 6 months of the year will not be simple.

Additionally, the enterprises also recommend that apart from the policies to suspend social insurance payments and fees for trade unions, it is necessary to exempt or reduce these costs to alleviate the burden on both enterprises and employees, especially in a context where cash flow and incomes have declined significantly.

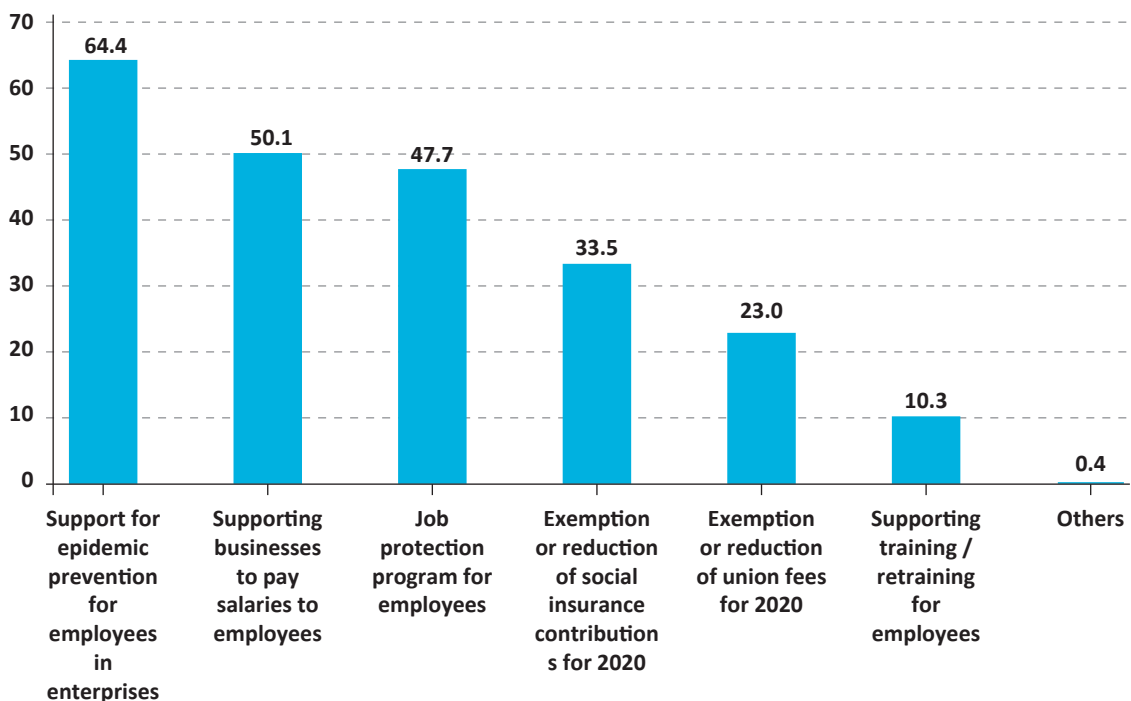


Figure 75: Enterprises' recommendations to the State regarding policies to support employees
(Unit: Score %)

The expectations and recommendations of enterprises for the State are basically the same across enterprises. Measures to prevent Covid-19 infection is the first issue for which enterprises expect support, with medium-sized enterprises expressing the strongest expectation. The second type of state support most expected by enterprises

is job protection and salary payment for employees; large and micro enterprises need this support the most. In addition, the exemption and reduction of social insurance and trade union fees also receives much interest from enterprises; however, only a small number of micro enterprises are interested in this type of support.

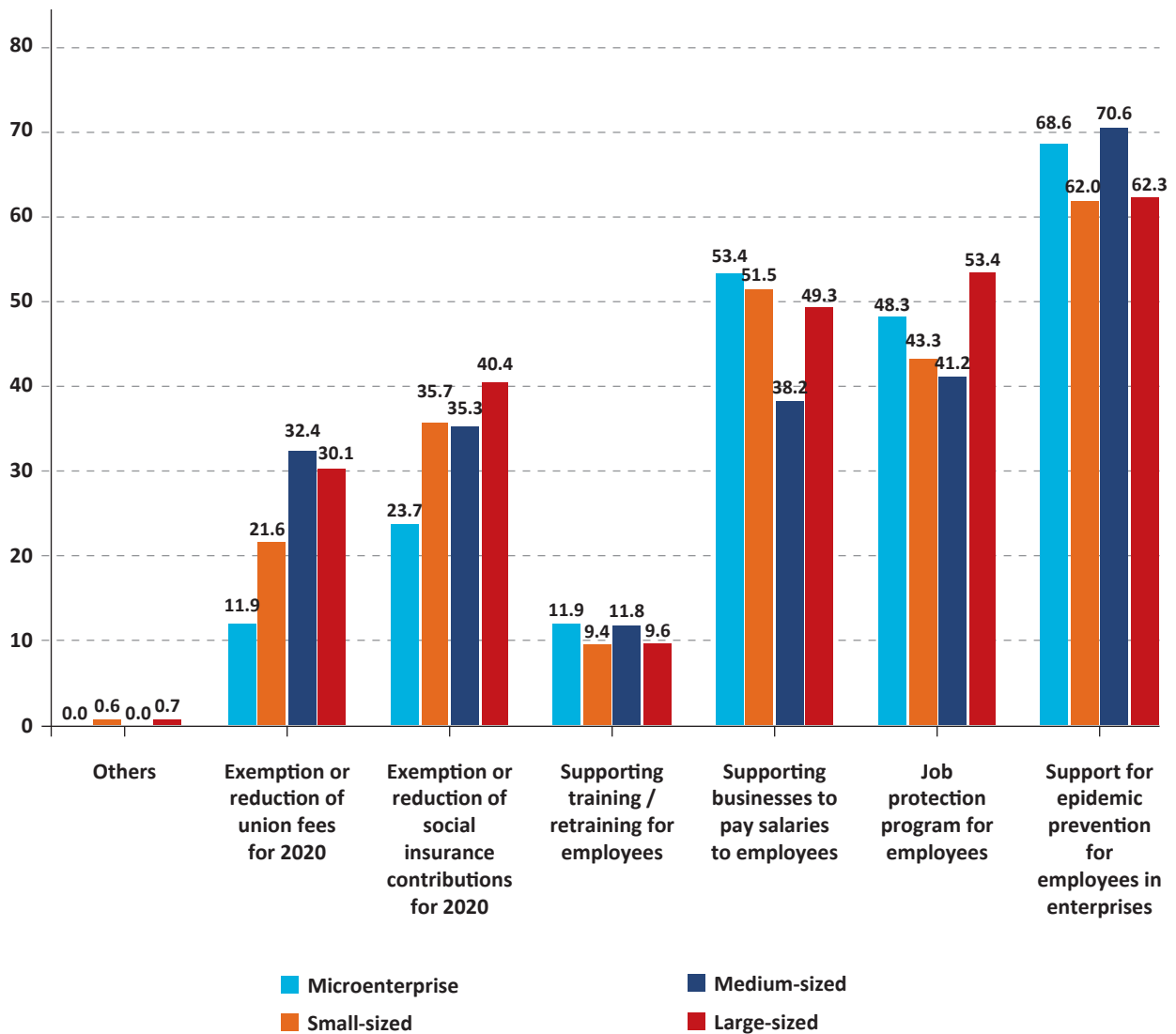


Figure 76: Enterprises' recommendations to the State regarding policies to support employees by firms' scale of operations (Unit: Score %)

5.2. Other recommendations from enterprises for the State on support policies for businesses

In addition to policies in support of employees, enterprises also need support policies to maintain and develop their production and business activities. The maintenance of enterprises' operations will contribute to ensuring employment and incomes for employees. As analysed above regarding access to the support packages, in addition to the need to promote the implementation of valid support packages, businesses want the State to develop policies to help them access credit so they can ensure cash

flow. Given the current interest rates and inflation, businesses would expect banks to lower interest rates (64.2% of businesses) and lower the conditions for borrowing (54.7%). Obviously, Covid-19 has caused the economy and enterprises to enter a completely different "normal" status, so the State Bank should provide guiding documents for commercial banks to adjust conditions for lending. This is because according to many enterprises, banks are still applying the same conditions for lending as in pre-pandemic times, making it impossible for many businesses to access credit even though interest rates have been decreased.

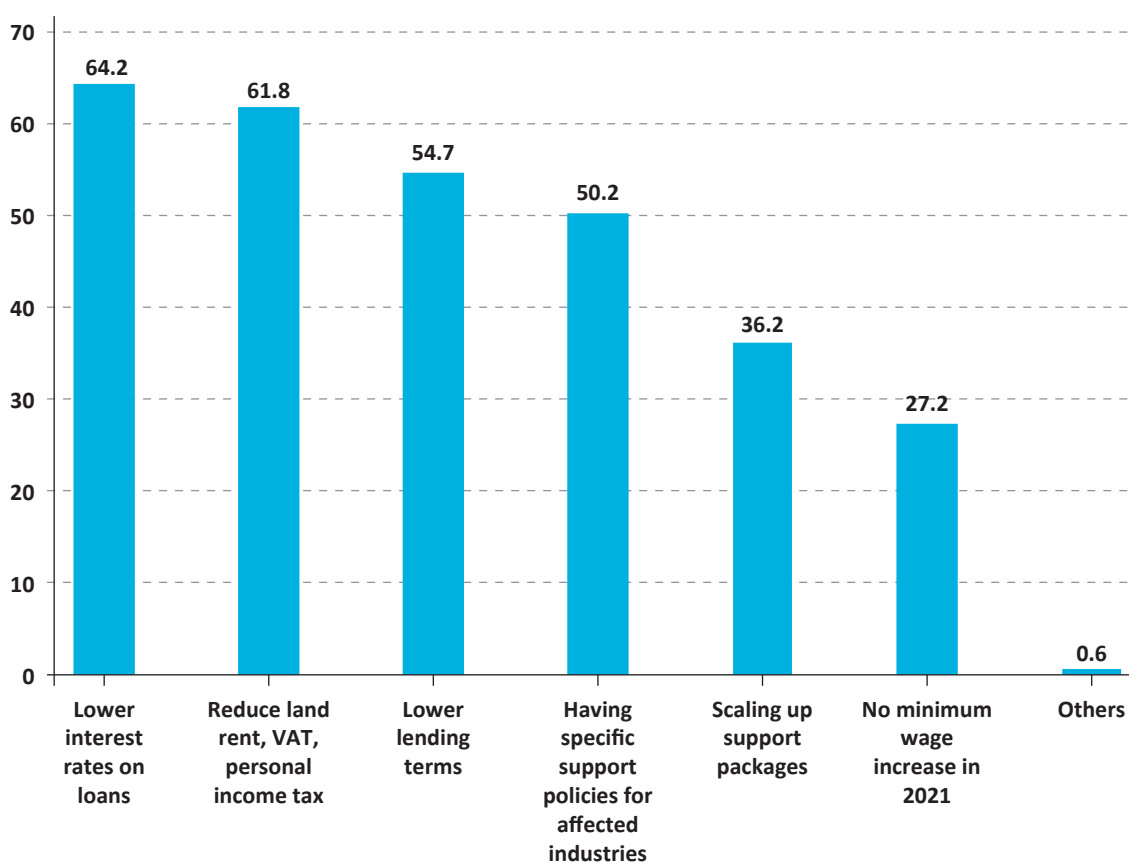


Figure 77: Other recommendations from enterprises for the State on support policies
(Unit: Score %)

Apart from credit policies, enterprises are also interested in fiscal policies. The policy of deferring VAT payments and land rents in the first phase only achieved one-fourth of the plan so businesses want stronger fiscal policies, not just the postponement of tax payments; these taxes should be reduced. In addition, the National Assembly has agreed to reduce corporate income tax by 30% for businesses with revenue not exceeding VND 200 billion in 2020. Nearly 62% of enterprises want the State to continue reducing VAT and personal income tax and land rents in 2020 and possibly in 2021. If CIT reduction is applied, only profitable businesses will benefit (this figure will surely account for a small number of enterprises this year), while reductions of VAT, PIT and land rents will immediately and directly support cash flow for businesses and increase disposable incomes for employees, thereby enabling them to purchase more goods produced by enterprises. In addition, businesses operating in heavily affected industries such as aviation, tourism, accommodation services, restaurants, etc., expect the State to provide specific support. For example, in the tourism industry, travel businesses are looking forward to receiving 50% of their deposits at banks for working capital with a term of 2 years. According to current regulations, travel businesses must deposit VND 250 million when bringing international tourists to Viet Nam. To take tourists abroad (or bring both international tourists to Viet Nam and take Vietnamese tourists on international tours), enterprises must deposit VND 500 million. Obviously, this is the businesses' money, so if they could receive it in advance for use during this difficult period, it would be of great help.

Despite different scales of operations, businesses share numerous common

expectations of practical support from the government. For large enterprises, apart from the expectation for labour-related support, the issue they are most concerned with is reducing land rents, VAT and PIT because if costs are reduced, the burden on businesses will be much lighter.

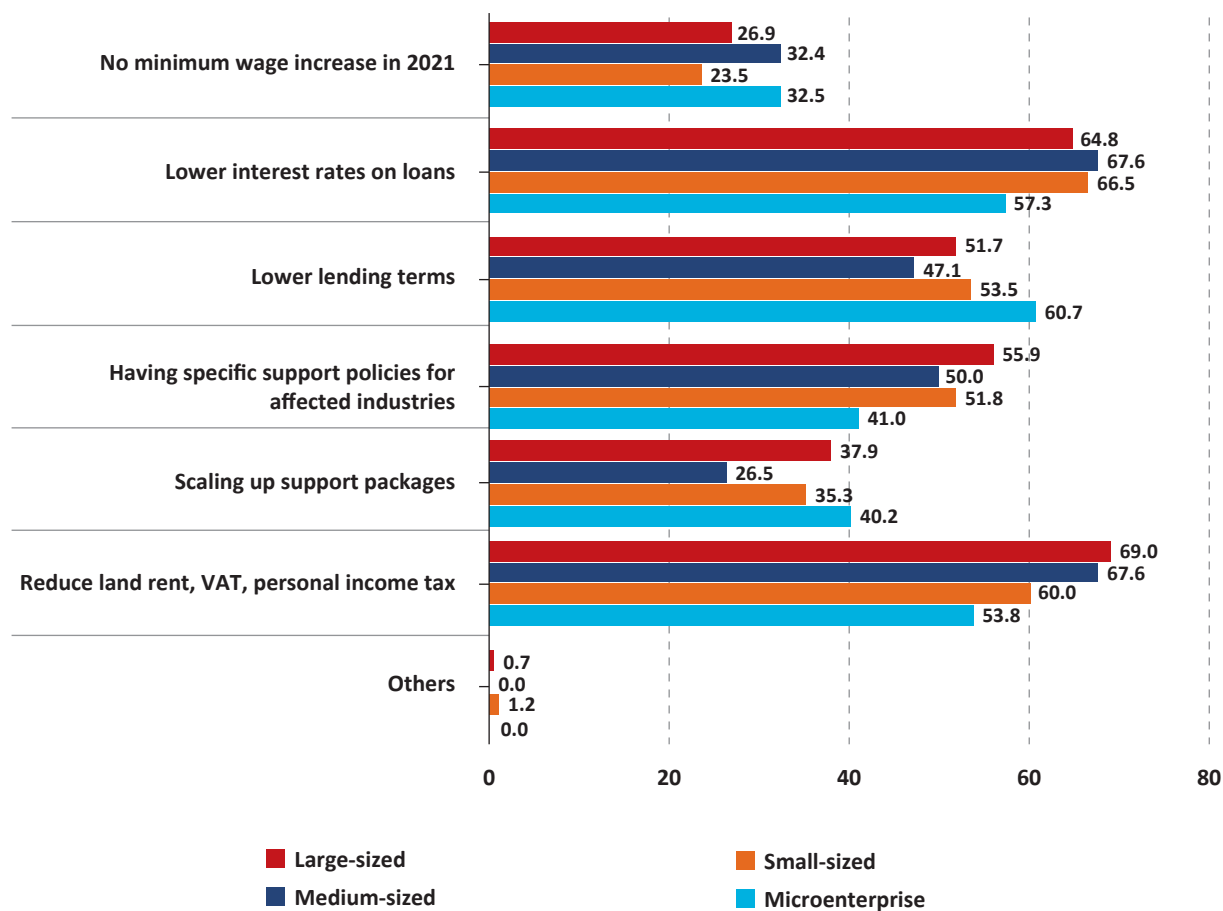


Figure 78: Other recommendations from enterprises for the State on support policies by firms' scale of operations (Unit: Score %)

In addition to the reduction of costs outlined above, the strongest expectation for small and medium-sized enterprises is that the government will continue lowering lending rates so that businesses have adequate resources to recover. Micro enterprises' strongest expectation for now and in the future is that lending conditions will be eased to increase access to loans.

CONCLUSIONS

Although Viet Nam is one of the countries that has both successfully controlled the pandemic and maintained production and business, enterprises have suffered from the many negative impacts of Covid-19. Based on the survey results of around 550 enterprises representing different socio-economic regions, industries, economic sectors and scale of operations, the report provides a picture of the impacts of Covid-19 on enterprises' operations that have led to consequences for employment and incomes.

The report shows that the main impact of the pandemic on businesses is the shrinking of markets, both domestically and internationally, in the present and in the future. Because the market has narrowed, there has been a decrease in revenue and a lack of capital/cash flow. Additionally, enterprises also have numerous difficulties finding input materials and skilled labour.

These difficulties lead to reduced working hours, wages and even termination of labour contracts. According to the survey, nearly half of the enterprises had to reduce their workforce; one-fourth have made cuts of 25%. Businesses in accommodation and food services are those with the highest rate of job cuts. For manufacturing and processing, although the rate of businesses reducing their workforce is lower, these enterprises are usually large in scale so the number of employees losing their jobs is larger, creating more pressure on employment and incomes.

In such a difficult context, enterprises still make great efforts to operate, and especially, to ensure employment and incomes for their employees. The rate of businesses reducing employee numbers is lower than the rate of businesses with reduced revenue. Among the businesses that have to reduce their workforce, the majority

choose the temporary option of asking their employees to take unpaid leave. They also limit job cuts for workers in vulnerable groups. However, a significant proportion of migrant workers and female workers have lost their jobs, which will create additional difficulties in maintaining living standards, especially employees from other provinces. Moreover, enterprises also apply numerous solutions to support their employees. For those who lost their jobs, apart from supporting them to access state policies, many enterprises make commitments to prioritise them for re-recruitment or give them a lump sum to help them find a new job. For working employees, businesses try to prioritise paying full wages, limit labour cuts, and implement pandemic prevention measures to ensure the business and its employees can live with the epidemic.

It can be seen that Covid-19 has had many negative impacts on production and business operations, leading to consequences related to employment and incomes. The government has issued numerous support solutions; however, in general, these support packages have not really been effective. The government should re-evaluate the effectiveness of each support package to learn lessons and develop solutions for better implementation. This assessment should be assigned to independent units to evaluate effectiveness, not to the ministries or their branches for self-assessment. The new support programme should be based on the effectiveness of the original programme, as well as on reality and on the ability of the government.

The government is planning a second policy support package worth from VND 70,000 to 90,000 billion which will focus on supporting small and medium enterprises, cooperatives, cooperative groups, and household businesses; workers in rural areas will be supported by the Bank for Social Policy with an interest rate of 3.96% (equal to 50% of the interest rate for poor households) applied for a 12-month period. Production and business enterprises will be able to borrow a maximum of VND 2 billion; employees can borrow up to VND 100 million. On

the basis of the analysis and evaluation of the previous support policy package, it is hoped that the second package will expand target subjects and ensure that the criteria and procedures for receiving support are faster and more efficient.

Additionally, it is necessary to extend support policies into 2021 because, as analysed above, the current market and the future market have narrowed and so enterprises are in need of support for a sufficient period of time to enable them to recover. Moreover, apart from the solution of deferring and postponing tax and fee payments, businesses also expect additional exemptions and reductions of social insurance and trade union fees. In the medium and long term, there should be additional policies to support businesses to diversify their suppliers and output markets, and to focus more on exploiting the domestic market in order to reduce the risk of supply chain disruption. Businesses also need more support to upgrade their capacity, especially in terms of management capacity to respond to crises, and to promote digital transformation towards a sustainable business model.

Regarding the policies supporting employees, apart from those supporting workers in general, there should be specific policies for vulnerable groups, such as pregnant women, employees with children under 12 months old, and disabled workers, etc., or for migrant workers. In these difficult times, these workers will often suffer more than regular workers.

The State could provide support to employees directly or indirectly through employers. In fact, with limited resources, the immediate measure is to support workers directly by providing an income as was the case with the first support package. This is the optimal and most practical solution for the government. The next solutions should include indirect support through employers – job creation machines. Supporting businesses and helping them to continue their operations means they will maintain their workforces and create jobs, thereby ensuring incomes.

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