

The Political Economy of Multinational Factory Regimes and Recent Strikes in Vietnam*

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I. Introduction

Just as the abandonment of the working class proceeds from the fact of rather than reason for its passivity, so the embrace of social movements often stems from the fact of rather than the reason for their struggles (Michael Burawoy 1985: 9)

“We are witnessing a domino of strikes.” As a Korean manager described, *Ho Chi Minh* city (HCM) and adjacent *Dong Nai* province in South Vietnam were experiencing unprecedented proliferation of labor conflicts last summer. One trade union leader in HCM argued “this is the most chaotic change in labor-management relations since *Đổi Mới*.” In fact, as of the last week of July 2008, at least 30 factories were in the middle of strikes only in Dong Nai and the majority of the industrial zones (IZs) and the Export

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Processing Zones (EPZs) in pan-HCM area such as *Bien Hoa I*, *Bien Hoa II*, *Long Thanh*, and *Linh Trung* had already gone through labor disputes. The strikes took place mostly in foreign invested multinational factories as usual.

Not only the workers but also the foreign managers and trade union leaders recognized the strikes as being inevitable even though all of them were illegal. As the prices of the necessities of life soared in the first half of 2008, the workers' demand for a wage increase became a matter of right to live. One general manager of a multinational factory in the area complained to me that the workers went on a strike without taking any legal procedures but they were doing "such perverse asking for survival." Under the circumstances, the economic reason for the workers' struggle is fully understandable.

In comparison, the political significance of recent labor disputes and their consequences are not explicit as much as its economic cause. At least, it proves that the corporatism between the state and the trade unions in Vietnam does not work well as it is supposed to do. In recent cases, VGCL (Vietnam General Confederation of Labor) with its dual role as "a two way transmission belts" (Pravda and Ruble 1986; Norlund 1997) obviously does not function properly as institutional channels for workers' grievance and demands.

Despite the fact, it is still not so evident whether or not the strikes contributed to the empowerment of the workers and they can be interpreted as an implicit sign for challenge against the state and VGCL. The only thing we can say at the moment is that the strikes were neither violent nor explicitly targeted at the authority and power of the state and VGCL. The reason why the workers never attempted more than economic strife and made

only limited demands to (mostly foreign) capital is not clear.

What Chan and Norlund(1998) called “human touch” of Vietnamese corporatism with “more autonomy”, in comparison with Chinese one, might secure peaceful labor disputes and preclude direct challenge to the State and VGCL despite the malfunctioning corporatism. The distinctive characteristics of Vietnamese history and culture such as being “less ideologically strident, less divisive, and less violent” (Kerkvliet, Chan, and Unger 1998: 6) might explain the reason. On the contrary, the Vietnamese workers might be simply afraid of public power than is needed. I must confess that it is beyond my capability to evaluate the political significance of recent strikes in Vietnam and predict their effects on labor regime on a macro level.

As an anthropologist, what I am interested in, and able to analyze, is the processes of empowerment and disempowerment of the workers as a result of recent labor disputes on a micro level. As Hansson (2003: 175) postulates, if “conflicts occur outside the formal structure of the party-state and are still dealt with in an ad hoc manner largely depending on the local power configuration where conflicts take place,” we need to explore how the local power is configured. It is also necessary to examine whether there are some structural characteristics in the “ad hoc manner.”

For the purpose, I visited the industrial zones and around 20 multinational (mostly Korean) factories last summer¹⁾. Since I visited them at the peak of strikes, the Vietnamese workers, trade union leaders, and foreign managers themselves are keen to the change in the political processes and power shift within a factory or local area. Taking the opportunity, I tried to figure out

1) why some multinational factories were immune from recent turmoil of

1) The 20 factories I visited include 10 textile factories, 5 garment factories, 2 shoes factories, 2 chemical factories, and 1 stainless pot factory.

labor conflicts and others were not, 2) why some multinational factories accomplished a more successful negotiation before, in, and after a strike than others, 3) how the political processes within a multinational “factory regime” (Burawoy 1985) underwent changes as a result of recent labor disputes.

Toward this end, I will first describe the political economic background of recent strikes and the general characteristics of the strike. Second, I will take an example of the multinational textile factory that I have been studying since 1998. I will describe how the multinational factory has historically established more sound factory regime as much as any other factories in Vietnam and thereby try to analyze distinctive features of political processes in the multinational factories in Vietnam. Third, I will take two other examples of multinational textile factories owned by Koreans and explain the reasons why they recently experienced strikes respectively in contrast with the first one. Lastly, comparing these three multinational textile factories²⁾, I will explain how the stability of a multinational factory regime can be maintained or shaken by such political economic changes that recent strikes are based on.

II. The Political Economic Background of Recent Labor Conflicts

As Vietnam became a member of WTO in January 2007, Vietnamese economy is getting incorporated into world economy more deeply and labor

2) I choose the three factories since I know the distinctive history of the first factory in detail and the other two factories have quite clearly different political economic situations not only each other but also in comparison with the first factory.

markets in Vietnam are under the influence and regulation of the new environment. Vietnamese economy attracted a new record of around 20 billion USD FDI (Foreign Direct Investment) in 2007 and more than 60 billion USD FDI is expected to come into Vietnam this year (Bloomberg News Oct. 27. 2008). The rapid inflow of foreign capital has not only reinvigorated labor market and reduced unemployment rate in urban areas but also stimulated the workers' demand for wage increase. Under the circumstances, the Vietnamese government raised the minimum wage of major cities from approximately 54 USD in February 2006 to 62 USD in January 2008. As a consequence, the average income in Vietnam increased by 19.5% between April 2007 and March 2008, which is the best increase rate in five years (*Saigon Giai Phong* Sept. 09, 2008).

Despite the high rate of wage increase in recent two years, it is quite comprehensible why the majority of workers have been disgruntled with their labor environments and life conditions. Most of all, the wage increase rates have not caught up with high inflation rates for a decade; the substantial wages of many workers have actually been decreasing. The skyrocketing prices for raw materials such as oil, rice, cement, and iron on the world market and the depreciation of Vietnamese Dong aggravated the tendency especially in the first quarter of this year. In this period, CPI (consumer price index) increased by 9.19% compared to the last month of 2007, which is the highest since 1997 (*Ngua Lao Dong* May 16, 2008).³⁾

3) EIU even estimated the inflation rate increased 14% for the first three months of the year 2008. CIEM also predicts the inflation rate of the year 2008 will be over 22% (*Ngua Lao Dong* May 16, 2008).

<Table 1> Minimum Wage Increase

	Feb.1, 2006		Aug.1, 2008		Scheduled (Jan.1, 2009)
	Domestic enterprise	FDI enterprise	Domestic enterprise	FDI enterprise	FDI enterprise
<i>Hanoi/ HCM</i>	450,000 VND (28 USD)	870,000 VND (54.38 USD)	620,000 VND (38.75 USD)	1,000,000VND (62.5 USD)	1,200,000 VND (72.6 USD)
<i>DongNai/ BinhHoa</i>					
<i>BinhDuong Thu Dau Mot</i>		790,000 VND (49.38 USD)	580,000 VND (36.25 USD)	900,000 VND (56.25 USD)	1,080,000 VND (65.4 USD)
<i>BaRia/ Vung Tau</i>					

The inflation was particularly detrimental to the poor segments of the working class such as the workers in labor intensive factories. The prices of the consumer goods that affect directly to the subsistence of workers were highly raised. For example, the rice price per kilogram was soared from 6,500 VND to 11,000 VND in the first half of 2008 (*Dau Tu* #59, 1794. 2008). Other staples such as sugar, milk, and beverages were also increased at least 5-20% over the same period, and transportation fees (20%) and rent (more than 50%) were raised soon after (*Dau Tu* Aug. 4, 2008). The workers said to me that they were most shocked by 31% raise of oil price by the government as of June 27, 2008 since their major means of transportation was a motorbike.⁴⁾

When I conducted a fieldwork in the late 1990s, average household income of the factory workers in HCM was around 1.5-2.5 million VND(100-167 USD) a month, which was almost equivalent to the minimum living expenses for a household with three to four people (Chae 2003: 24;

4) According to a survey, 95% of Vietnamese consumers believe that the inflation nowadays has a great impact on their life (*Ngua Lao Dong* Oct. 26, 2008).

Saigon Giai Phong Oct. 16, 2000). According to the workers I interviewed recently in HCM, a household with four people needed around 4-5 million VND (240-300 USD) at the end of 2007 and they now need around 6 million VND (360 USD).

The average monthly income of the workers in the multinational textile factories that have been operating around 10 years in HCM ranges approximately from 1.5 - 2.5 million VND (90 - 150 USD). A household with two multinational factory workers or one worker and other family member with equivalent monthly income (thus their household income sums up to 3-5 million VND) managed to pay living expenses at the end of 2007. However, it is now extremely difficult, if not impossible, for the workers to manage a household. Under the circumstances, the multinational factory workers in HCM cannot help asking wage increase with various means including strike.

It seems to me that relative deprivation factory workers feel is also crucial to understand the political economy of recent strikes. The introduction of market economy by reform policy called *Đổi Mới* has gradually demoted socio-economic status of the working class, particularly factory workers. Working class families, underpaid in the new industries and losing the benefits provided by the socialist state such as housing and social insurance, are falling behind in the market economy.

While a small number of people who have access to the political and economic resources have a potential to improve their lives, the factory workers suffer from hard work and low wage mostly in foreign invested industrial complexes. Their life also stands out in sharp contrast with that of white collar workers who can survive better in accelerating privatization processes. For example, a college graduate can start with a salary of around

300 USD and even get more than 1,000 USD as a manager in foreign companies that recently compete with each other to find highly educated labor forces in Vietnam.

Another condition that enables the workers to attempt resistance against (especially foreign) capitals is rapid change of labor market in recent two years. As FDI has poured into Vietnam, mainly southern parts, workers can find a job easily in IZs and EPZs. In the past, factory job was valuable to not only low educated rural people but to highly educated urban residents so that they had to pay a certain amount of commission, usually a month salary, to get a job in the factory. Nowadays, the factories in the industrial complexes of pan-HCM area hang a banner on the street with slogans such as “monthly promotion in accordance with capability, sports club, rewarding holidays” to allure workers. Despite the efforts, workers are not so easily attracted to the factory work in pan-HCM area since they can get a job either in the factories newly constructed near hometown or in the growing service sector. The expansion of labor market and gradual devaluation of factory work in recent years become a background for factory workers’ resistance.

III. The General Characteristics of Recent Strikes

There are several characteristics of recent strikes in pan-HCM area. First, the labor disputes took place mostly in foreign invested and labor intensive multinational factories as before. The reason why the multinational factories have been more vulnerable to workers’ resistance than state owned enterprises and indigenous private companies needs to be explored later in

this paper.

<Table 2> Strikes and Types of Enterprise

	number of cases	SOE		FDI enterprise		Domestic enterprise	
		cases	%	cases	%	cases	%
1995	60	11	18.3	28	46.7	21	35.0
1996	59	6	10.2	39	66.1	14	23.7
1997	59	10	16.9	35	59.4	14	23.7
1998	62	11	17.7	30	48.4	21	33.8
1999	67	4	6.0	42	62.7	21	31.3
2000	71	15	21.1	39	54.9	17	23.9
2001	89	9	10.1	54	60.7	26	29.2
2002	100	5	5.0	66	66.0	29	29.0
2003	139	3	2.2	101	72.7	35	25.1
2004	125	2	1.6	93	74.4	30	24.0
2005	147	8	5.5	100	68.0	39	26.5
2006	306	3	1.0	227	74.2	76	24.8
Total	1,284	87	6.8	854	66.5	343	26.7

Source: Jang, Keun Sup 2007: 56

Second, all of the strikes were illegal, neglecting procedures stipulated by labor laws. It is hardly necessary to explain particular reasons for it since virtually all the strikes in Vietnam are illegal nowadays. According to the Vietnamese labor laws recognized by the National assembly in November 29th 2006 and came into effect from July 1st 2007, only legally sanctioned trade unions are eligible to organize strikes. In reality, only 35% of foreign invested companies have a trade union and only 15% of domestic companies have a trade union. In addition, many of them are also not so independent from the management and unable to deliver ordinary (i.e. semi-skilled and

unskilled) workers' grievance to the company.

The new labor laws also clearly state that the DOLISA(department of labor, invalids, and social affairs) of each province and city is obliged to intervene labor disputes (see article number 159). As a next step, the secretary of people's committee (*Uy Ban Nhan Dan*) has a right to make a decision on the settlement of the disputes even though it is not compulsory for workers to accept the decision.⁵⁾ Obviously, it is unrealistic for workers to take such complicated procedures and wait at least 20 days of mediation period at the moment of exigencies, whether they have a trade union or not. As a result, workers would ignore legal procedures and attempt a collective bargaining directly with the management or go on strikes.

The government also concerned a lot on the popularization of such 'wild cat strikes' and promulgated a prime minister decree (11/2008/ND-CP) at the beginning of the year 2008 that allowed managers to sue the responsible personnel of illegal strikes. However, not only the amount of indemnity is insignificant, not exceeding three months salary of a responsible person, but also it is not easy for companies to identify who is mainly responsible for the damage resulted from such a disorganized wild cat strike. Under the circumstances in which illegal strikes are customary, the role of 'locality trade

5) The government had been faced with a criticism that old labor laws virtually would prohibit strikes and submitted the amended chapter 14 of labor laws to the national assembly after a long debate. The new labor laws proposed by the government separated 'disputes on right' such as overdue wages, dismissal and reinstatement of workers, the observance of collective agreements, the correction of unfair labor practices with 'disputes on interests' such as wage increase, the enactment and renewal of collective agreement. The trade unions led by VGCL are strongly opposed to the proposed laws since around 90% of strikes were 'disputes on right' and the proposed new laws virtually prohibited strikes in Vietnam. As a result, the government submitted a new draft that recognized strikes resulted from 'disputes on right', which was passed by the national assembly in November, 2006. Despite the efforts of Vietnamese trade union leaders, the new labor laws also make it extremely difficult to attempt legal strikes by stipulating complicated procedures (Jang 2007: 56-58).

unions' and 'industrial unions', i.e. occupation-based unions, is very limited and post-factum. Even though it is true that both trade unions have gained more autonomy from the government (see Chan and Norlund 1998: 193), they were not so successful to persuade illegally striking workers.

Lastly, despite the unrealistic legal environments and the lethargic role of trade unions on a higher level, the recent strikes in pan-HCM area took place non-violently, if not peacefully, without any militant clash. The foreign management in the multinational factories also accommodated most of the workers' demands as soon as possible so that it usually took only three to four days to settle labor disputes. Even though there was a necessary tug of war in negotiation between workers and the management, the outcome of recent strikes was, generally speaking, very predictable. The reason for the non-violent political processes and the predictable results needs to be examined with some cases.

IV. The Causes of Instability and the Secret of Stability in a Multinational Factory: The Case of Factory SIL⁶⁾

Most of all the multinational corporations in Vietnam are motivated to move their factories from home country to search for cheaper labor and more profit. They also share some experiences in terms of political economic

6) The same strike story of factory SIL was published in my other article written in Korean, "a study of the political process in a multinational factory in Ho Chi Minh city" (*Korean Cultural Anthropology* 40(2): 143-182). It is necessary to use the same materials for a comparative purpose; I introduce the same story once more and attempts to compare it with current situations of factory SIL and other two factories.

conditions and social cultural differences between their own countries and Vietnam. However, there is no such thing as a “typical” multinational corporation or one statistically representative from which we can generalize. The political economies of multinational corporations show wide variation along such variables as the size of invested capital, the kinds of industry and major products, the duration of investment, the forms of ownership, the location of factory, the relationship with local bureaucrats, the philosophy of high-ranked managers and so on.

Despite the variations of multinational corporations in Vietnam, I have been attracted for almost 10 years to what seems to be a consistent plot in foreign managers’ stories concerning their own factories. They would say that the Vietnamese context was significantly different from what they had experienced in their home country and that their companies had some difficulties in “disciplining” Vietnamese workers, partners and bureaucrats in the early phases of their investments. Then they would continue to explain to me in a confident manner how they were developing or already developed methods to deal with the problems.

Their consistently similar stories raise crucial questions on the particularity of political processes in multinational factories as followings. What are the difficulties that foreign managers experience in the early period? In other words, in the process of disciplining Vietnamese workers, what differences do the foreign managers experience between their concept of work, reward, politics and ideology with those of Vietnamese workers? What kind of “secret” knowledge is necessary to overcome the difficulties and transform the difference as to achieve the successful capitalistic discipline?

To find answers to these questions not just from foreign managers’ perspectives and experiences but also from the Vietnamese workers’ ones is

crucial to understand the political processes of multinational factories in Vietnam. The interpretation of the political processes will give us a clue not only on the question of why some factories recently experience strikes and others do not but also on the question of why some factories easily settle the strikes and others do not. To find an answer for the questions, I will take an example of a multinational that I have studied around 10 years. I will introduce its history of labor disputes and the construction of stable factory regime.

1. Thirteen month salary and an epochal strike

The company, *SIL* (pseudonym), was established in August 1992. In March of 1993, after 8 months renovating the old factory facilities of the Vietnamese partner, *May* (pseudonym), and after installing the spinning and weaving machines brought in by the Korean partner *SI* (the mother company of *SIL*), the multinational joint venture was ready for commercial production. Initially, to save time and cost of training workers, most of semi-skilled and skilled shop-floor workers were permanently transferred from the Vietnamese side. In return, the Korean side sent around 40 engineers and shop-floor managers to temporarily take charge of the maintenance of machines and the disciplining of transferred Vietnamese workers until the production of the company was established. Thus, the organization of production was ethnically divided between Korean managers (who are disciplining) and Vietnamese workers (who are disciplined).

Even though small and big everyday conflicts took place under the circumstances, Vietnamese workers appeared to adapt themselves well to the new factory life controlled by managers with a different nationality. It took

only nine months for the conflict to explode. What finally ignited the explosion was the friction revolving around the *Tet* bonus called “the 13th month salary,” which was traditionally a Vietnamese way of distributing and sharing the annual profits of the state owned companies. Under the centralized socialist economic system, the workers were, at least ideally if not actually, entitled to compensation either directly through their own companies or indirectly by the redistribution of the state after the state owned companies contributed certain portions of profits (usually around 15%) to the state.

As the term of 13th month salary connotes, regardless of amount compensated, they were accustomed to believe that the end of the year distribution was their own legitimate share rather than just an encouraging favor from someone who appropriated their labor. When they found that was no longer the case under the new ownership, the workers were perplexed and became furious. The Korean managers resented the idea of 13th month salary and further proclaimed that they could not afford a bonus since the company had not made any significant profit in the first year.

The Vietnamese leadership, such as high ranked managers of *May*, Vietnamese executives and interim trade union leaders in *SIL*, were already aware of the serious situation and knew that it could be dangerous especially at this time of year. As the *Tet* drew near, the workers desperately needed extra money in addition to their regular salary to buy special foods, visit relatives in their hometowns, and give “lucky money (*Ly Xi*)” to their children. In other words, I am suggesting that the management’s refusal to give a bonus at this time of year is seen by workers as a challenge to workers’ social ties and to what they hold as “culturally meaningful” (E.P. Thomson 1985: 10).

It was sudden stillness in the usually noisy weaving factory that made both the Korean managers and the Vietnamese workers realize something unprecedented was wrong. The strike was an epochal for the workers considering they could hardly imagine such an overt collective struggle taking place in the state owned enterprise in which they previously worked. Although strikes were stipulated as neither legal nor illegal at that time, it was an extremely uncustomary measure for the workers to resort to. The strike against the Korean managers astonished enough people as to attract the attention of major Vietnamese newspapers such as *Thanh Nien* (Youth) and *Phu Nhu* (Woman) as well as foreign media sources such as BBC Thailand branch.

After breaking the momentary tranquility, the workers began to gather in front of the two-story main office building. The workers rallied and began to shout some slogans such as “*Tet* bonus” and “human treatment” under the leadership of interim trade union and the Vietnamese shop-floor managers. However, the agreement was rather quickly reached in one night before the workers took another step of protest. They agreed to give the workers a *Tet* bonus, at least for that year, equivalent to one month salary and deal with remaining issues seriously in future meetings.

The agreement was only a temporary measure that patched up the accumulated problems, but it was perceived as a plausible result by each side in the negotiation such as the Korean management and interim trade unions in *SIL* and party cadres and high-ranked managers in *May*. According to the make-shift agreement, the negotiators on Vietnamese side could temporarily appease the workers’ anger and evade reprisals from higher authorities for their failure to maintain peaceful relations between foreign investors and Vietnamese workers. The result was more satisfactory to the

Korean side, even though it appeared they had submitted to the workers' primary demand, i.e. *Tet* bonus, since they made it clear that the bonus was not an obligation of the company.

Most of all, the result was satisfactory to the leaders of the strike such as interim trade union leaders and some shop-floor managers. In *May*, there existed bifurcation between "core" and "periphery" workers, which was a conspicuous characteristic in socialist factory regimes (Burawoy and Lukacs 1992; Jovitt 1992; Norlund 1995). The "core" workers enjoyed, or had a potential to enjoy, some privileges in the socialist factory with better 'social origin (*thanh phan xa ho*)', connections, and skills. The leaders of the strike had mostly been "core" workers in *May* and believed they were not well treated in the new capitalist factory regime as before. As a result, they were satisfied with the fact that they could demonstrate their influential power within the factory to the Korean managers and expect better treatment afterwards.

In this way, the unprecedented strike appeared to end up with single night happening, imparting all the participants with some "productive" lessons. However, most of primary causes of the strike remained unresolved and waited to develop into more complicated politics. There was actually nothing resolved in the strike except the partial satisfaction of economic demands from the perspectives of "ordinary" workers. Most of the workers were deeply frustrated by the fundamental changes in their working environments and felt they suffered from unfair and intensive labor control of foreign managers.

2. “Real” cause: Intensifying labor control and accumulating frustration

When the workers were transferred from the socialist mother company (*May*) to the foreign capitalist company (*SIL*) they were relieved by similarity of work processes in the two factories. They found, however, work was more intensive in the new factory. They also had experienced work with the same intensity in *May* but there were differences.

In *May*, they had to work intensively during the high-demand season or/and when raw materials were sufficiently supplied. In other words, because of “shortage economy” (Burawoy and Lukacs 1992: 18), a characteristic of planned economy, the workers had to do “storming production” (Jovitt 1992) only in a certain time of a year. Unlike the new factory, in *May* they could also feel that they had some autonomy in decision making procedures of work even in the busy season.

In the new capitalist factory, they finally got enough work but in significantly different conditions and contexts. Their factory did not have any problems with the supply of raw materials but was limited solely by demands from markets. In addition, the company made a great effort to secure spare machines parts in advance to prevent slowdown in the production process. Korean shop-floor managers’ attitude toward work also differed from the workers. They frequently watched the workers to check the quantity and quality of the products. Contrary to prior socialist factory, the workers’ participation was strictly confined to the goal of reaching production schedule.

In this way, the workers felt that they were under strict surveillance of foreign managers whose main concern was they met production objectivities.

There was little room for the workers to exercise their own ingenuity and autonomy in executing the work. The workers were experiencing what Harry Braverman (1974) called “the separation of conception and execution in work” in this transitory period. Given the intensified and coercive work practices, the workers kept on feeling that they were punished rather than rewarded by their work.

Under the circumstances, the workers had to find grievance mechanisms to resort to for help, but they found themselves in a completely different political realm from that of former socialist factory. As many studies of socialist factories around the world suggest, central appropriation needs distinctive institutional and organizational arrangement within a factory as well as between factories and the state. The state “as both organizer and owner of production” needs to be “present at the point of production” (Burawoy and Lukacs 1992: 32) through a tripe - or quadruple called *Bo Tu* in the case of Vietnam adding youth (*than nien*) union - organizations such as management, communist party and trade union in a factory, which function as “a two way transmission belt” (Pravda and Ruble 1986: 4) of state policies and the information from shop-floor.

In comparison, the new factory had a provisional trade union but its functions and influential power were radically different from those of the socialist trade union (Jerneck and Nguyen Thanh Ha 1996; Norlund 1997). The only way that the workers could convey their complaints to the foreign management was by individually meeting the Vietnamese deputy general manager and other office workers in *SIL*. However, they also could only give advice to the foreign manager as a supervising partner.

In retrospect, to understand the essential nature of the strike, we need to pay attention to the difficulties and frustrations that the politics of

production in the new capitalist factory regime produced, even though it appeared as a mere economic demand for *Tet* bonus. The workers were cultivated in a different work environment (in this case, a socialist factory regime) and they had to adapt to a new one (a capitalist factory regime) with more intensive work and strict control. However, they did not know how to deal with the new situations and to whom they complained their frustrations. The only exit for their problems was negative stereotyping of “others” or spontaneous response to individual events. Despite the frustrations, they endured their hardship in expectation of higher economic compensation in the multinational factory. When their expectation turned out to be illusory, they collectively resisted to the new factory regime.

The other factor that they could express their frustration collectively at the strike was the existence of leadership. The “core” workers in the former socialist factory could organize the workers’ spontaneous resistance into a strike with their higher positions on shop-floor and connections to the socialist mother company. However, the “core” workers’ intention was limited to bring into relief their influential power within the new factory regime where foreign managers ignored their former privileges. When they believed their aim was accomplished, the “core” workers finished the strike in a hurry without taking any political risks. As a result, the strike was settled without taking care of “ordinary” workers’ various kinds of frustration newly formed in the capitalistic multinational factory regime.

3. From coercive to hegemonic multinational factory regime

After passing through early period of various kinds of every day conflicts and the unprecedented strike, the capitalist multinational factory regime

(*SIL*) restored its political stability in a relatively short time and maintained peaceful labor management relations without open conflict.

The Korean managers who had experience with labor disputes in Korea believed that the temporary agreements reached between two sides ultimately gave the management breathing room it needed. The leaders of the strike, on the other hand, were also satisfied that they had demonstrated their influential power as ‘core’ workers and the support of higher authorities outside of the factory. They were optimistic that they would gradually restore their power through the establishment of the trade union, as stipulated by the temporary agreement. The different expectations of the future on each side necessarily produced keen disputes and ugly confrontation.

In the middle of 1994, the company had officially agreed to the establishment of trade union in the factory. The city trade union approved six executive members of the trade union. The Korean managers reluctantly signed the agreement, obviously not happy with the composition of the executive committee who were almost all communist party members and whose chairman, Mr. *Nguyen*, was a proven hardliner during the strike.

Thus, the Korean managers began to find a way to fire the executive members of the trade union by the same methods that they used to eliminate the instigators of the strike. They incessantly “harassed” the executive members until they quit. An office worker in the personnel department later called the managers’ harassment techniques the “five tricks.” The five tricks were relegation of position or non-promotion, transfer to an unfamiliar section, degrading of the work evaluation and decreasing monthly bonus, monitoring for mistakes that could be used in a legal dismissal process and direct inducement of resignation by offering extra retirement pension. Since each of the “five tricks” did not violate any specific codes of labor law, it

was extremely difficult for the executive members of the trade union to fight effectively.

Unfortunately, the trade union leaders were not able to get enough support from the fellow workers to organize resistance against the managerial tricks and most of them just had to leave the factory. The reason that the 'core' workers - represented by the strike leaders and the trade union activists- were defeated in the post-strike power struggle was because they lost their base of support. On the one hand, they had transformed themselves into a new 'core' or what they called 'pro-Koreans' of the new factory regime and, on the other hand, they failed to secure the renewal of support from the 'periphery' or "ordinary" workers. As a result, the new factory regime closed the chapter on early period of conflict and began a new period of political stability.

With the conclusion of the post-strike power struggle, the factory regime entered into an era that both the Korean managers and the trade union leaders called "peaceful years." There were several dynamics that characterized the era of political stability. First, the company finances continued to generate a profit. The company's decision to move the factory to Vietnam earlier than other foreign companies in the same industry not only gave competitive power to its products in price but also made the prior occupation of the Vietnamese domestic market possible. Allowing a flexible response to the workers' economic demands, the economic prosperity of the company continued with the exception of a short period of Asian economic crisis in 1997.

Second, the company also noticeably "reduced potential conflict by making and utilizing formal rule and regulations" (Burawoy 1979, 1985; Gordon, Reich, and Edward 1982; Litterer 1978). The establishment and utilization

of rules and regulations by the company gave substantial benefits to the Korean management. For example, by improving the image of the company, the Korean management could maintain a more comfortable relationship with the higher authorities outside the company such as local government, locality and city trade union officials. Their cooperation was absolutely crucial for the business of the multinational company because of their regular bureaucratic interventions such as various kinds of inspection, taxation and supervisory activities. The rules and regulations also allowed justification of the managerial labor control and disciplinary acts. The managers could now control and discipline the workers more easily by putting “troublemakers” before the disciplinary committee that was institutionalized by the collective agreement.

Last of all, by assigning the role of the “middleman” (Bailey 1969: 167) to some Vietnamese workers, the company was able not only to coordinate the different interests of workers and management more efficiently but also to use them as a mediator of social cultural difference between the Koreans and the Vietnamese in the factory. The “middleman” role played by the Vietnamese workers such as trade union leaders, chiefs and team leaders on shop-floor, office workers, and interpreters significantly contributed to “soothing and diverting the workers’ antagonism (a Korean manager’s statement)” and the maintenance of peace in the multinational factory.

These dynamics accelerated the transition of the factory into a less coercive and more hegemonic regime with a distinctive political structure. Simply put it, the basic characteristic of the hegemonic political structure of the multinational factory regime was that two axes of relationship (Korean managers-middlemen / middlemen-‘periphery’ workers) were hierarchically (Korean managers > middlemen > ‘periphery’ workers) linked within a

structure.

In other words, on the one hand, the Korean managers regularly contacted, communicated and worked out differences with the middlemen in the political process – both in production and out of production – and the periphery workers did the same with the middlemen. There were, of course, also interaction between the Korean managers and the periphery workers but it usually happened in a particular and non-political context. On the other hand, the Korean managers directly controlled the middlemen, who in turn directly controlled the periphery workers; the Korean managers realized their control and domination over the peripheral workers through the mediation of the middlemen. With the hegemonic political structure mediated by the role of middlemen, the multinational factory has maintained a stable political regime.

As the history of SIL demonstrates, the “real secret” of strong hegemony in the multinational factory regime, as practiced by the foreign managers, was a political process that manipulated the various kinds of social relations that were important to the Vietnamese workers. The price of hegemonic domination in the capitalistic factory regime was particularly high for the ordinary workers, especially young and powerless female immigrant workers.

4. Economic conditions and the stability of factory regime

If the economic prosperity of a company provides a condition for the stability of the hegemonic political structure of a multinational factory regime, the economic problems of a company brings about chasm in the hegemonic political structure. Recent economic crises worldwide in general and in Vietnam in specific have substantially affected the political structure

of many multinational factories including *SIL*.

In fact, around the end of 1997, many multinational factories in Vietnam already experienced a considerable political impact of the Asian economic crisis that almost drove the Korean economy into moratorium and in turn gave a substantial effect on the Vietnamese economy. *SIL* was not an exception.

The Asian financial crisis amplified the tension and antagonistic feeling between the workers and the middlemen in *SIL*. The mother company of *SIL* in Korea that had taken most of profit produced by *SIL*, was almost bankrupt and subjected to a restructuring plan led by a creditor bank. As a result, the company could not get needed financial support from the mother company (*SI*). To make it worse, the already saturated Vietnamese domestic market was considerably shrunk by the Asian financial crisis. Losing the advantage of prior occupation of the market that it enjoyed in the past, the company thus had to continuously lower the price of its products to compete with other textile companies in Vietnam as well as illegally smuggled Chinese products.

The company's aggravating economic conditions affected the politics of the middlemen in several aspects. First, many of the resources regularly exploited by the middlemen were not available anymore. The company stopped the training program that sent the workers to the factory in Korea and did not recruit any new workers at the moment. The company's financial assistance for the workers' welfare benefits was rapidly diminishing too.

Second, as the company endeavored to stay in the black figures, the tension between the middlemen and the workers escalated. For example, the trade union leaders had to deal with the workers' complaints about a wage freeze and seasonal lay-off or in-turn-leaves.

Lastly, as the shop-floor managers were pressured to increase the productivity of the section under their charge and the number of the workers was decreased by periodical lay-off, the workers had to endure more intensive work in worse conditions and with worn machine. This resulted in a decline of productivity, increasing pressure from the shop-floor managers and finally more frequent conflicts between the chief of a shift and the workers of a team. Under the circumstances, the middlemen increasingly lost their means to induce the workers' voluntary consent and had to resort to more coercive methods to control the workers. This resulted in the amplification of tension between the middlemen and the workers, which in turn weakened the tacitly collusive tie of the Korean manager and the middlemen. In this way, if the economic situation of a company is volatile, the hegemonic political structure in a multinational factory becomes unstable and shaken with consequences for the future of the factory regime.

From now on, I will take three cases of multinational factories including *SIL* that are influenced by recent labor disputes. These companies that I select from around 20 multinational factories I visited last summer are commonly owned by Koreans and produce textiles with similar size of labor force (700-1,000 workers). By taking the three cases, I will further explore how the political and economic conditions in a factory are interrelated for the stability and instability of a multinational factory regime.

V. The Relationship of Economic Conditions and Political Processes in Recent Strikes: The Comparison of Three Cases⁷⁾

1. Poor economic condition and unstable factory regime

In terms of political stability and instability surrounding recent explosion of strikes in pan-HCM area, the first case I want to introduce is a company named *SIM* (pseudonym). *SIM* is a brother company of *SIL*; *SIM* and *SIL* shared a mother company (*SI*) before *SI* was under the restructuring program of a Korean bank and a new Korean owner finally bought it out three years ago.

The company, *SIM*, was established around Asian Financial crisis and has suffered from economic problems since the early period of the company history. Despite the continuous economic predicaments, *SIM* has enough experience on labor-management relations and labor disputes. As a former brother company of *SIL*, the company also learned many instructive lessons from *SIL* on how to maintain political stability in the factory. Korean managers would recognize that *SIL* had better business, proper authorities based on ranks and hierarchy, and capable Vietnamese middle management.

Thus, they attempted to form a middlemen group who could mediate and sooth various kinds of labor problems occurred between Korean managers and Vietnamese workers. However, the company has not been successful in establishing such a stable political regime due to several reasons

7) I interviewed mostly Korean managers so that the Vietnamese workers perspectives might not be represented fully in this paper. However, I met trade union leaders of the three factories and tried to figure out workers' own perspectives on the situations that they were experiencing.

as follows. First, there were many numbers (more than 40) of Korean shop-floor managers transferred from the mother company, *SI*, in the early period and they collided directly with Vietnamese “ordinary” workers. It left little room for the Vietnamese middlemen to mediate the conflicts between the foreign management and the indigenous labor.

Second, the factory is located at a rural part of *Dong Nai* province and the workers’ social relations and ties are relatively strong since most of the workers are born in the area. The managers still complain that the workers’ hierarchy in the factory is different from their hierarchy outside the factory. As far as Korean managers did not provide middlemen group with necessary authority and power, they could not handle and take advantage of such strong social relationship and ties for the political stability of the factory.

Most importantly, the company’s bad financial situations and business showings rarely provided middlemen with material sources that they could utilize to persuade “ordinary” workers. Under the circumstances, ordinary workers’ complaint against middlemen increased. It resulted in incessant conflicts between chiefs or team leaders and “ordinary” workers as well as frequent change of trade union leadership.

The political instability, temporarily though, was improved when the management of the company was supported and controlled by a Korean bank. The bank forced the management to restructure the company and reduce the number of Korean managers to save labor costs. The management also did not have to worry about the economic conditions as much as they had done before for the help of the bank’s financial assistance. In this period, the political regime of the factory became relatively stable.

When the bank sold the company to a new Korean owner, the situations were aggravated once again. The new general manager hired by the Korean

owner not only reduced the number of Korean managers to save money but also weakened their authority and power. As a former political activist who participated actively in the Korean student movements in 1980s, he believed that Vietnamese workers must be treated humanely and have more autonomy in their work. This “politically correct” philosophy of management created a state of disorder at least in labor process and resulted in considerable complaints from both Korean managers and Vietnamese middle managers.

To make it worse, the new owner did not intend to provide enough money to cover a chronic deficit of the company and ordered the new general manager to handle the financial situations independently with better business performance. Under the circumstances, the political stability of the multinational factory was aggravated, probably more seriously than the early period.

A strike took place when the general manager was just transferred to another subsidiary company in July, 2008 as a result of the disorders. The trade union of the company that had just launched demanded a wage increase of 400,000 VND (24 USD) to a new general manager. After three days of strike, the management and the trade union reached an agreement of a pay raise of 304,000 VND. However, next morning, there was another debate between them on how much was basic salary and allowance among the total sum of the raised payment. The company preferred to raise allowance and workers wanted the increase of basic salary. They made a deal to raise basic salary 250,000 VND (15 USD), transportation allowance 52,000 VND (3 USD), and meal allowance 52,000 VND (3 USD).

The processes of prolonged negotiation demonstrate how the company was in a bad financial situation so that all the participants of labor disputes had to experience what was more than necessary conflicts of interests between

labor and capital. The company has lost 2 million USD per year in average. The company could just break even with the sales of 3.5 million USD a month but the total sales were only 1.7 million USD in a month of strike. Recent global economic crisis and skyrocketing price of raw materials rapidly aggravated the economic conditions of the company. Under the circumstances, even though Korean managers knew labor costs occupied only small percent of company's total expenses, they had to keep track of every penny the company spent. It must be extremely hard to maintain stable political structure under such bad economic conditions.

When the agreement was almost reached in the strike, the company asked trade union leaders to announce (*thong bao*) an official apology. The trade union leaders argued that they needed the permit of a locality trade union to do such things. They cynically added that the locality trade union in *Dong Nai* province must be too busy to take care of such a trivial thing since there took place too many strikes at the same time in the area. Instead, they asked the management to fire a Vietnamese office worker in a personnel department who, they argued, harassed the leaders of new trade union in the past. Finally, both sides evenly cancelled their demands as they realized that the politics involving locality trade union and one office worker were meaningless under such unstable turmoil of the multinational factory regime driven by bad economic conditions.

2. Immature political structure and unstable factory regime

The second company I would like to introduce is *SAM* (pseudonym) that began to run a factory just three years ago. The company has experienced little financial difficulties so far since the owner of the company made a

considerable amount of money in Korea with the same business for 20 years. *SAM* planned to invest 30 million USD and expected to break even in a year. However, they had to spend 10 million USD more and it took two years to go in black figure, i.e. making surplus, since there were unexpected obstacles such as bad infrastructure, bureaucratic customs inspection, and price hiking of raw materials. Despite the difficulties the company encountered, *SAM* was still in a good financial state since their products were well exported to European and American markets.⁸⁾

Since the Korean managers of *SAM* were more worried about the interruption of production than a wage increase, they proposed a preemptive negotiation on a pay raise when they heard the news of strikes in neighboring Korean factories in early July, 2008. The general manager of the company summoned a meeting and discussed the issue of a pay raise with around 40 interim trade union leaders and chiefs and team leaders on shop-floor. They agreed to raise 200,000 VND (12 USD) in 15 days since they had already raised wage twice this year in accordance with annual pay raise and hiking consumer price. To make it sure, they also invited to the company the committee members of locality trade union and discussed on the issue of a wage increase together. The issue looked to be settled preemptively as they intended.

Betraying the Korean managers' expectation, the workers in dyeing section unexpectedly called a strike three days later. According to a Korean manager, if dyeing section is shutdown, the whole production processes fall

8) In contrast, *SIM* suffers from getting saturated Vietnamese domestic market. That is why it is in a bad financial state. In the past, *SIM* could export their products for the help of their mother company in Korea but it lost the connections for foreign trade after the bankruptcy of the mother company. In Vietnam, most of the foreign textile companies that target on Vietnamese domestic market experience the same difficulty. Only the foreign companies that export most of their textile products are successfully running a business.

into the state of arterial sclerosis. As a result, the factory was subjected to a kind of slowdown strike. Furthermore, dyeing section workers attempted to detain fellow workers by the sleeve to stop machines completely. In response, the company decided to give 100,000 VND (6 USD) more than they promised in former meeting but they did not know with whom they would proceed negotiation then.

After careful consideration, they invited three officers in the labor department of the industrial zone in which *SAM* was located and asked them to persuade the workers on strike. The officers met some workers outside factory and recommended the Korean management to give workers overtime allowance for Sunday work.

In fact, the workers did not work on Thursday and worked on Sunday instead because of official suspension of power supply in *Dong Nai* province. Even though it was unjust demand from a managerial perspective, the general manager decided to spend additional 250,000 VND (15 USD) per worker monthly to stabilize production as soon as possible. He also believed the suspension of power supply in the area would be temporal anyway. Fortunately, the workers of *SAM* were satisfied with the proposal of a pay raise that included 300,000 VND (18 USD) of wage increase and 250,000 VND (15 USD) of Sunday overtime work and finalized three days of strike.

The general manager tried to accommodate workers' demands as flexible as possible partly because he had a paternalistic management philosophy. In fact, some workers in the factory appreciated his efforts to provide workers with better working conditions and welfare benefits. For example, when he found that many workers usually skipped breakfast, the general manager made a deal with street vendors and began to provide breakfast for the workers with company's expense. More importantly, we must remember that

he could practice his paternalistic philosophy because his company was in a good financial situation and he was aware of the fact that wage occupied only a small portion among the whole expenses.

<The perspective of general manager on worker's wage>

Current monthly expenditure of the company is 1.8 million USD. My company pays 160,000 USD for 45 Korean workers. The total wage of 700 Vietnamese workers is only 100,000 USD. In addition, we pay 20,000 USD for tax and spend 110,000 USD for welfare. What matters are price of raw materials and other expenses, not Vietnamese worker's wage. If we reduce the number of Korean worker, we can double Vietnamese worker's wage. As far as labor-management relations become stable, I rather hope their wage is doubled in the near future. Besides, I expect that worker's productivity will increase more than 30% gradually. We will have less Vietnamese labor forces in the near future. Wage increase is not the name of game.

Despite the favorable financial conditions and general manager's paternalistic perspective, the company maintained unstable factory regime and had a headache on labor-management relations. When labor disputes took place, they did not know with whom they discussed and solved issues. Nobody seemed to have genuine representativeness for the whole workers in the factory including interim trade union leaders, middle managers, and powerful opinion leaders in the community outside factory. In addition, the Korean managers were not confident that their opinions were accurately delivered to the workers even though they had an interpreter. To make up for such weak points of company's political capability, they sometimes asked a help to locality trade union, the office of industrial zone, and people's committee but they just took care of problems partially and after things

already happened.

The whole predicaments resulted from the immature political processes and structure of the multinational factory. Some workers took advantage of their social relationship outside the factory as much as inside the factory and organized fellow workers to make a pressure to the company. However, there was actually no one who could utilize such social relations and take a role of mediating the conflicts of interests between the Vietnamese workers and the Korean managers. If trade union leaders, office workers, middle managers on production line, and interpreter had done such a role, the factory regime could have enjoyed much peaceful and “efficient” labor-management relations.

The case of *SAM* demonstrates that the stability of political regime in multinational factory not only presupposes good economic conditions of the company but also requires a mature political structure. To establish a mature political structure, it seems to be crucial that “middlemen” are cultivated and they exercise influential power to mediate people with different interests, ideology, ethnicity, and culture.

3. Stable political regime and the sign of change

In contrast with the two cases above, *SIL* did not experience a strike despite the tumult of labor disputes in pan-HCM area. When I visited the company last summer, the company’s political regime looked still sound as much as before. It was obvious that we could not attribute the political stability of the company to its economic conditions since the financial situations of *SIL* were neither bad as *SIM* nor good as *SAM*.

The workers’ salary in *SIL* has not increased impressively either for last

ten years. As you see in table 3 and table 4, the workers average wage increased only around 43 USD, from 85 USD in 1999 to 128 USD in 2008. The workers who received 1.27 million VND in 1999 now receive around 2 million VND. It means that the workers could manage half of household economy with their wage ten years ago but only one third now (see page 6). Despite the economic hardship of the workers, the multinational factory did not show any sign of political insecurity yet.

<Table 3> The Wages of SIL, as of June, 1999

Rank	Basic salary(USD)	Number of workers
4B-0	45	0
4B 1-3	46-51	54
4B 4-6	53-57	210
4B 7-9	59-62	178
4B 10-15	63-68	204
4A 1-5	69-71	15
4A 6-10	73-80	3
3A	90-95	5
2B	95-100	3
2A	116 and 127	2
S	220 and 500	2
	85(average)	674 (total)

<Table 4> The Wages of SIL, As of June, 2008

Department	Person	Average salary	
		VND	USD
1/Office	21	3,395,856	210.92
2/Electricity	22	3,589,149	222.93
3/Spinning	337	1,986,528	123.39
4/Weaving	249	1,931,000	119.94
5/Water jet	58	1,975,735	122.72
6/Other	20	2,270,064	141.00
Total	707	2,065,837	128.31

There were a couple of factors that contributed to the political stability of the factory regime despite the steady, more accurately slow, wage increase in *SIL*. First, the management and the workers could still often communicate each other in the mediation of ‘middlemen’ and preemptively reflected workers’ demands and remedied grievances. For example, the company raised 20% of wage in February this year and in May decided to raise the 26,000 VND (2.2 USD) of transportation allowance per person a month in response to soaring oil price. When the oil price hiked once more in July 2008, the trade union of *SIL* asked the management additional 2,500 VND (15 cents) of allowance a day, which was under discussion at the time of my visit. In this way, the company quickly responded to the workers’ demands to save time and money with the help of middlemen group. As a reward, the company also tried to take care of middlemen’s requests and guarantee their influential power within the Vietnamese workers.

Second, the middlemen have been in the saddle for ten years. Mr. *Nguyen*, has been reelected six times as a secretary of *SIL* trade union and he was acquainted with the “know-how” to deal with both Korean managers and Vietnamese workers. He told me that he could maintain “a prolonged rule” because he tried to keep principles such as “harmonious mediation of Korean managers and Vietnamese workers, full knowledge and observance of laws and rules, and active participation in locality trade union.” All of the principles were something that I explained as a secret of stability in the multinational factory regime in previous chapters.

Almost all other middlemen such as office workers, interpreter, and middle managers of shop-floor (chiefs and team leaders) that I met ten years ago were still working in the factory. They would say to me that they were too old to move to other labor intensive factories. The presence of such long

service workers in the factory must contribute to the control of ordinary workers in the politics of (and in) production. For example, several years ago, they collected considerable amounts of capital cooperatively and began to lend money to ordinary workers through trade union so that they could prevent the risk of informal credit union called *Hui* and interrelated loan sharking within the factory. This kind of thoughtful measures consolidated their position within the multinational factory regime and thereby stabilized the multinational factory regime.

Despite the continuing stability, there were several signs that the multinational factory regime might be changed in the near future. The company experienced 170,000 USD of deficit in the first half of this year for the first time chiefly because of oil price and exchange rate. It remains to be seen whether and how the aggravating economic conditions bring about a schism in the political structure of the factory and a change in the factory regime.

Secondly, at the end of July 2008, the owner of *SIL* appointed a new Korean general manager and transferred all other Korean managers to a branch factory. The owner wanted a direct control of Vietnamese workers only through the new general manager since he believed that *SIL* would continue a stable operation without other Korean managers. The middlemen in the factory strongly opposed to the plan and sent a petition to the owner, who he did not change his mind. To comfort themselves, they believed that it would take some time for the new general manager to change the political structure of the factory and that he could not help observing rules and laws as before.

Lastly, the separation rate of ordinary workers was growing. The workers were not satisfied with three shift system and tried to get a job in

day-working factory. It was getting harder for the factory to recruit new workers too in HCM as I explained in chapter two. The factory managed to employ immigrant workers from the central and northern areas such as *Thanh Hoa*, *Nghê An*, *Nghê Tinh* and so on. The frequent replacement of ordinary workers and the influx of immigrant workers might change the politics of production in the factory. It remains to be seen whether these factors harbinger the change of the multinational political regime.

VI. Conclusion

This ethnographic study intended to explore the political processes of the multinational factories in Vietnam and the ways that the workers in the factories were empowered and disempowered by the processes. In particular, by taking an example of recent labor disputes in three multinational factories in pan-HCM area, this study aimed to examine why and how “power could be configured,” developed, and transformed in a micro level “where conflicts took place” (Hansson 2003: 175).

Toward this ends, I raised three specific questions to be answered. First of all, I raised a question of why some multinational factories were immune from recent labor disputes and others not. It is obvious that economic or financial situations of a multinational factory precondition the degree and characteristics of labor disputes. If a multinational factory cannot afford to meet workers’ demands resulted from economic hardship, the factory regime must be very insecure as the case of *SIM* demonstrates.

However, even if a multinational factory is in a good economic state, it does not necessarily preclude the development of labor conflicts into a strike.

As the case of *SAM* proves itself, if a multinational factory does not have a stable political structure, it is hard to take advantage of such a good economic condition and persuade various segments of workers not to go on a strike. To prevent a strike in advance, there must be a political structure that facilitates communications not only between the foreign management and the workers but also among the workers. By the same token, a multinational factory that successfully establishes a sound political regime is capable of dealing with worker's demands within its financial capacity as the case of *SIL* demonstrates. Recent explosion of strikes in pan-HCM area was evidently preconditioned by an economic crisis worldwide. However, whether a multinational factory was immune from a strike or not depended on its political capability as well as economic conditions.

Secondly, I raised a question of why some multinational factories accomplished more successful negotiation before, in, and after a strike than others in recent turmoil of strikes. We can find an exemplary answer from the history of *SIL* that I have been studying since 1998. After the experience of an epochal strike in the early period, the multinational factory has successfully established a stable political structure mediated by what I called "middlemen" such as trade union leaders, office workers, shop-floor managers, and interpreter. Middlemen in a multinational factory can display leadership among their fellow workers and mediate communication between foreign managers and indigenous ordinary workers who have not only social cultural differences but also hierarchical difference within the organization.

Even though the political structure mediated by middlemen empowers a small number of privileged workers and can sacrifice majority of ordinary workers, it is undeniable fact that the existence of middleman is a key factor for the stability of a multinational factory regime. Whether a multinational

factory had such a group as middlemen or not made a big difference in negotiation before, in, and after recent strikes. For example, the immature political structure of *SAM* has not formed such a group and the financial predicaments of *SIM* did not allow middlemen to play their own roles as a mediator. In contrast with *SIL*, the two multinational factories had to endure complicated processes of negotiation.

Lastly, I raised a question of the consequences of recent labor disputes and attempted to give an answer only in a micro level. *SAM* seemed to have a productive lesson from a strike on their political weakness, while the strike gave a serious impact on already aggravating financial conditions of *SIM* and made its political structure more unstable. In contrast, recent labor dispute had little impact on the stable political regime of *SIL*. In this way, the effects of recent labor disputes seem to vary in accordance with the political economic contexts of a multinational factory and its distinctive experience on the negotiation process.

Even if I already confessed that it is beyond my capability to predict the consequences of recent labor disputes on a macro level, I would like to hazard a conjecture on the issue from my simple observation. As far as I concern, there is no indication that recent turmoil of strikes gives an impact on “the interlocking nature of state and civil society”(Koh and Ling 2004: 159) or changes corporative structure of labor regime in Vietnam. However, it is noticeable that the workers increasingly have the experience of empowerment in the multinational factories in which corporatism does not serve well compared to state owned enterprise. The workers seemed to devote themselves in the power game within a multinational factory regime so far but it remains to be seen what kinds of consequences their experience of empowerment bring about in the future.

Key Words: Industrial zones in pan-Ho Chi Minh area, multinational factory, factory regime, 2008 strikes in Vietnam

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<한글초록>

다국적 공장 레짐의 정치경제학과 베트남의 최근 파업

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지난여름 베트남 남부의 호치민시와 인근의 공장지대는 전례 없는 파업의 확산을 경험했다. 연구자가 만난 한국기업의 매니저들은 이를 “파업의 도미노 현상”으로 묘사했다. 호치민시 노동조합의 고위간부는 “도이머이(Doi Moi) 이후 노사관계에 가장 혼란스러운 변화가 일어나고 있다”라고 단언하기도 했다.

본 연구는 한국계 다국적 공장을 사례로 1) 최근 파업의 정치경제학적 배경은 무엇인지를 살펴본 다음, 2) 왜 어떤 공장은 최근의 파업의 소용돌이 속에서 상대적으로 안전했던 반면 다른 기업은 그렇지 못했는지, 3) 왜 어떤 공장은 파업의 과정에서 협상을 성공적으로 이끈 반면 다른 기업은 그렇지 못했는지, 4) 최근의 파업이 개별 다국적 공장의 체제에 어떤 사회적, 문화적, 정치적 영향을 미쳤는지 살펴보고자 하였다.

연구자는 연구목적을 위하여 호치민 인근과 동나이에 위치한 약 20여개의 공장을 방문하였으며 서로 다른 특징을 가지고 있는 3개의 섬유공장을 선별하여 현지연구를 실시하였다. 이 가운데 첫 번째 공장은 연구자가 90년대 말 현지연구를 실시하여 공장체제의 성격을 잘 알고 있는 다국적 공장이었다. 나머지 두 공장은 재정 상황과 정

치과정의 특징이 첫 번째 공장과 대조될 뿐 아니라 서로 다른 공장이었다.

세 공장을 비교 연구함으로써 연구자는 다국적 공장의 재정적 혹은 경제적 상태가 노동쟁의의 성격을 만드는 주요한 조건이 되지만, 회사의 경제적 조건이 양호하고 경영진이 온정주의적 철학을 실천하고 있다고 해서 파업을 미연에 방지할 수 없다는 점을 보여주고자 하였다. 호치민 인근의 파업이 크게는 세계적인 경제위기, 작게는 회사의 재정상태에 영향을 받고 있지만 특정 공장에서 노동쟁의가 일어나는가의 여부는 이 공장의 정치과정과 레짐의 성격에 의해 좌우된다는 점을 밝히고자 했다.

특히 다국적 공장의 정치과정의 안정을 위해서는 ‘매개자’ 역할을 하는 베트남 중간간부, 사무실 직원, 노조간부 등의 역할이 매우 중요하였다. 이들이 위계적으로 그리고 사회문화적으로 다른 외국인 경영진과 공장 노동자의 갈등을 어떻게 흡수하고 중재하는가에 따라 공장체제의 안정 여부가 달려 있었다. 이번 파업은 각각 다른 정치경제적 조건을 가진 여러 공장의 경영진과 노동자가 이러한 사실을 새삼 깨닫게 하는 계기로 작용했다.

주제어: 호치민-동나이 공단, 다국적 공장, 공장체제, 정치과정, 베트남의 2008년 파업