

**HO CHI MINH NATIONAL ACADEMY OF POLITICS**

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**ECONOMIC BENEFITS OF WORKERS IN TEXTILE AND  
GARMENT COMPANIES IN NAM DINH PROVINCE**

**DOCTORAL THESIS**

**MAJOR: POLITICAL ECONOMY**

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**Commentary 1:.....**  
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**Commentary 2:.....**  
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**Commentary 3:.....**  
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## BEGIN

### 1. The urgency of the topic

The topic of economic benefits of employees in enterprises has attracted the attention of many researchers in recent years. The results of previous studies have shown that the implementation of economic benefits for employees plays an important role in promoting labor productivity and increasing profits for enterprises. This is considered an important strategy to create a competitive advantage, build harmonious, stable and progressive labor relations, and improve the reputation of enterprises in the market. Therefore, from a theoretical perspective, the study of economic interests of employees contributes to clarifying the status of economic interest relations and the level of distribution of benefits between subjects in that interest relationship. From there, it is necessary to supplement the theoretical basis to develop appropriate income distribution policies, ensure fairness and towards the goal of sustainable development in the textile and garment sector.

Vietnam is a country with a developing economy, low production level, abundant labor resources, but mainly untrained workers. In the line of development of CHH and OS in the period of national renewal, the State is very interested in investing in the development of the processing and manufacturing industry, including the textile and garment industry. Nearly 40 years of renovation have proven that the textile and garment industry has made great contributions to increasing the scale of export turnover, promoting economic growth, creating jobs and improving the lives of workers. Nam Dinh province has a tradition and strengths in developing the textile and garment industry. In 2022, the number of textile and garment enterprises will be 422 enterprises, attracting 133,519 employees, with an average growth rate of 11.41%, net revenue of VND 755,027.3 billion and profit before tax of VND 30,429.2 billion. Labor productivity, competitiveness are increasingly improving and economic integration is gradually being integrated to participate in the global production value chain with an increasingly expanded production scale. Thereby, promoting the economic growth of Nam Dinh province, creating new jobs, eradicating poverty and stabilizing the socio-economic situation. On that development basis, textile and garment companies have gradually implemented economic benefits for employees such as increasing income, creating stable jobs, implementing statutory insurance and ensuring occupational safety and hygiene...

The income of employees in textile and garment companies in Nam Dinh province is currently 9.7 million VND/month, lower than the average income of textile and garment workers nationwide, the income of workers in the field of processing and manufacturing and lower than the living wage calculated by the Asian Wage Floor Alliance (AFWA). In addition, the ratio between the growth rate of employees' income and the growth rate of profits reached 55.4%. The ratio between labor costs and revenue of textile and garment companies is also very low, only reaching 18.14%. This reflects that the distribution relationship in textile and garment companies is not reasonable, leading to the economic benefits of employees in textile and garment companies not being achieved as expected. The state of the relationship of economic interests between employees and owners of textile and garment companies has times of disharmony, often conflicts and conflicts of economic interests. As a result, collective strikes and suspensions are increasing in number, scale and complexity of cases. This reduces the role of economic interests as a driving force for development, negatively affects production and business activities, labor productivity of textile and garment companies, causes social disorder and safety and the ability to attract

investment capital and inhibits economic growth of Nam Dinh province. Therefore, harmonizing economic benefits, contributing to improving the quality of life for employees, production and business efficiency of textile and garment companies, promoting economic growth and sustainable development.

Therefore, studying the economic benefits of workers in textile and garment companies in Nam Dinh province is meaningful in both theory and practice. The results of the study will contribute to building a harmonious and stable economic benefit relationship between employees and employers and ensuring fairness in the distribution of economic benefits at textile and garment companies. Thereby, it will promote the sustainable development of the textile and garment industry in the direction of improving value and participating more deeply in the global value chain. Therefore, the topic: Economic benefits of employees in textile and garment companies in Nam Dinh province was selected by doctoral students for their doctoral thesis in Political Economy.

## **2. Objectives and tasks of the study**

### ***2.1. Purpose of the study***

Contributing to supplementing and perfecting the theoretical basis for assessing the current situation of economic interests of employees in textile and garment companies in Nam Dinh province in the period of 2012 - 2022. At the same time, proposing main views and solutions to harmonize the economic interests of employees in textile and garment companies in the direction of specialization and adaptation to the conditions in Nam Dinh province in the following years. In particular, intensive is understood as the economic benefits associated with each specific employee at textile and garment companies with different job positions, ranks and stages, employees enjoy different economic benefits according to the principle of distribution according to labor in order to overcome the situation of average distribution. Adaptation is in accordance with the specific practices and conditions of the country, province and textile and garment company in a certain period.

### ***2.2. Research Mission***

In order to carry out research purposes, the thesis has the following basic tasks:

- Overview of domestic and foreign research works related to the published topic. In which, it points out the contents that have been explained and the issues that have not been mentioned or have been mentioned but are incomplete. From there, it clarifies the scientific gap that the thesis needs to focus on researching.

- Develop a theoretical framework on the economic interests of workers in textile and garment companies from the perspective of political economy science. At the same time, the experience of a number of provinces/cities in the country and abroad on the implementation of economic benefits of workers in textile and garment companies is studied. Thereby, drawing lessons from experience, which is of reference significance for textile and garment companies in Nam Dinh province.

- Analysis of the current situation of economic interests of employees in textile and garment companies in Nam Dinh province in the period of 2012 - 2022. Evaluate the results achieved, point out the shortcomings, limitations and explain the causes.

- From the shortcomings and limitations, the thesis proposes views and solutions to harmonize the economic interests of employees in textile and garment companies in the direction of specialization, adapting to the actual conditions in Nam Dinh province to 2030, with a vision to 2045.

## **3. Object and scope of study**

### ***3.1. Object of study***

The research object of the thesis is the economic interests of employees in textile and

garment companies in the province and is specifically studied in Nam Dinh province. From the perspective of Political Economy, it can be understood that economic interests in the category of distribution are one of the three aspects of production relations and the four stages of the reproduction process. In particular, production is the decisive stage, and distribution is relatively independent, which has a back impact on production.

### **3.2. Scope of study**

#### **\* Scope of content**

The thesis focuses on researching the basic contents of economic benefits of employees in textile and garment companies such as: Income, employment, statutory insurance and occupational safety and health. Because, these are basic economic benefits, which are clearly and specifically stipulated in the current legal system and have a direct impact on the lives of employees in textile and garment companies.

#### **\* Spatial Range**

The thesis studies the economic benefits of employees in domestic private textile and garment companies, FDI textile and garment companies participating in production and business at textile and garment industries in the value chain. Because, these companies account for 99% of the total number of textile and garment companies in Nam Dinh province and there are often conflicts and conflicts of economic interests between employees and employers.

#### **\* Time Range**

The thesis researches the economic benefits of employees in textile and garment companies in Nam Dinh province in the period of 2012 - 2022.

## **4. Theoretical basis and research methodology**

### **4.1. Rationale**

The thesis researches the economic interests of employees in textile and garment companies based on the theoretical basis of Marxism-Leninism, Ho Chi Minh Thought on economic interests and views and policies of the Communist Party of Vietnam, Documents of the Party Committee of Nam Dinh province. The thesis is also based on the State's policies and laws on labor and textiles; typical economic theories about the economic interests of employees in enterprises. On a practical basis, the thesis is based on the situation of economic interests of employees in textile companies in a number of provinces and cities at home and abroad, including Nam Dinh province.

### **4.2. Research Methodology**

*Scientific abstraction method:* Mainly used in chapters 1 and 2 of the thesis, helping the author determine the basic content of economic benefits of employees in textile and garment companies such as income, employment, participation in statutory insurance, safety, etc. occupational hygiene. Identify the evaluation criteria and factors affecting the economic interests of employees in textile and garment companies, contributing to the elimination of non-essential factors and simplifying complex relationships in research.

*Logical method combined with history:* Commonly used in chapter 3 of the thesis. Thereby, helping to analyze the process of implementing economic benefits of employees in textile and garment companies in Nam Dinh province in the period of 2012 - 2022 in relation to economic, political and international economic integration events... From there, it draws essential conclusions about economic benefits and forecasts the trend of developing economic benefits of employees in textile and garment companies in the future.

*Methods of collecting documents and data:* Used in chapter 3 of the thesis. Regarding the collection of primary data, the thesis uses the stratified stochastic survey method to collect information on the economic interests of employees. In which, the total number of

employees in textile and garment companies as of 2022 is 133,519 people. So, the sample size will be determined according to the Slovin formula. Specifically:

$$n = \frac{N}{(1+e^2N)} = \frac{133.519}{(1+0,06^2 133.519)} = 277$$

n: Sample size; N: Overall scale

e: Allowable Error (0.06)

The sample size was 277 workers surveyed using Google Forms. In particular, the thesis conducted a survey of 138 employees at 15 private textile and garment companies in the country and 139 employees at 15 FDI textile and garment companies that are producing and doing business in Bao Minh, Hoa Xa, My Trung industrial parks and in some districts such as Vu Ban, Y Yen, Giao Thuy, Xuan Truong. The subjects of the thesis focus on the survey are production workers, technical workers, office workers, and employees who are managers (Production Team Leaders, Foremen, Heads, Deputy Heads of Professional Departments), the survey time will take place in 2023. On the basis of the survey results, the thesis uses excel functions to process data for analyzing and evaluating the current situation of economic interests of employees in textile and garment companies in Nam Dinh province.

The thesis uses the secondary document method, inheriting documents on the economic interests of workers in textile and garment companies, which have been collected and published by domestic and foreign organizations. The materials include statistical reports, industry overviews from government agencies, NGOs, online databases, and news sites. These data are selected, clearly cited and processed for research. The thesis also combines the use of primary and secondary data to provide a comprehensive, objective view of the economic benefits of workers in textile and garment companies in Nam Dinh.

Methods of analysis, synthesis and comparison: commonly used in the content of the chapters of the thesis. The analytical method is used to clarify the concept, characteristics, roles, evaluation criteria and influencing factors, while the synthesis method aims to generalize the theoretical system of economic benefits of workers in textile and garment companies. Both of these methods are also used to assess the current situation and propose solutions to harmonize labor interests in intensive textile and garment companies, adapting to the conditions of Nam Dinh province.

The comparison method is mainly used in chapter 3, comparing the economic benefits of workers at textile and garment companies in Nam Dinh with other industries and fields and some localities with similar development of the textile and garment industry.

## **5. New contributions of the thesis**

### **5.1. Theoretical contributions**

From the perspective of political economy science, the thesis contributes to clarifying the concept and characteristics of economic interests of employees in textile and garment companies.

### **5.2. Practical contributions**

*Firstly*, the thesis clarifies the current situation of implementing economic benefits of employees in textile and garment companies in Nam Dinh province in the period of 2012 - 2022. From there, it points out the results achieved and exists, limitations, and determines the causes of the shortcomings and limitations.

*Secondly*, proposing a number of solutions mainly associated with each subject with different functions, tasks and roles in harmoniously implementing the economic interests of employees in textile and garment companies in the direction of specialization, adapting to the practical conditions of Nam Dinh province to 2030 with a vision to 2045.

## **6. Scientific significance of the thesis**

*Firstly:* The thesis contributes to deepening the category of economic benefits of employees in textile and garment companies. In particular, clarifying the role of implementing economic benefits of employees for production and business activities for enterprises in the textile and garment industry.

*Secondly:* The research results of the thesis are used as a reference and help textile and garment companies, state management agencies and Nam Dinh province to plan, promulgate, organize the implementation and evaluation of socio-economic policies effectively.

## **7. Structure of the thesis**

In addition to the Introduction, Conclusion, and List of references and Appendix, the content of the thesis includes 4 chapters, 11 lessons.

## Chapter 1

### OVERVIEW OF RESEARCH RELATED TO ECONOMIC BENEFITS OF EMPLOYEES IN THE TEXTILE AND GARMENT COMPANY IN NAM DINH PROVINCE

#### 1.1. TYPICAL RESEARCH WORKS ABROAD

##### 1.1.1. Overseas works study economic benefits

Overseas research works on economic benefits with different approaches have pointed out the origin, nature, characteristics, roles, content and relationship between economic interests and other interests. In which, there are 06 typical research works of the authors: Ju.K.Pletnicov (1981), *"Lenin's Reflective Theory in the Light of Scientific and Practical Development"*; V.P.Camankin (1982), *"Economic Benefits under Socialism"*; Pham Van Dung (1993), *"Особенности и путь реализации экономических интересов в переходном обществе"*; C. Mirjam van Praag and Peter H. Versloot (2008), *"The Economic Benefits and Costs of Entrepreneurship: A Review of the Research"*; Glen Weisbrod and David Simmonds (2011), *"Defining economic impact and benefit metrics from multiple perspectives: lessons to be learned from both sides of the Atlantic"*.

##### 1.1.2. Overseas works study the economic benefits of workers in enterprises

An overview of overseas works on the economic interests of employees in enterprises has pointed out the contents, influencing factors, current situation and solutions to realize the economic interests of employees in enterprises. There are 07 research works, typical of the authors: Richard Freeman and James Medoff (1984), *"What Do Unions Do?"*; Michael Piore and Charles Sabel (1984), *"The Second Industrial Divide: Possibilities for Prosperity"*; Sara R. Collins, Karen Davis, Michélie M. Doty, and Alice Ho (2004), *"Wages, health benefits, and workers' health"*; Darren Lubotsky (2004), *"Employee Benefits: A Primer for Human Resource Professionals"*; Elaine Ditsler, Peter Fisher, and Colin Gordon (2005), *"The substandard benefits of workers in part-time, temporary, and contract job"*; Daiji Kawaguchi, Jungmin Lee, Daniel S. Hamermesh (2014), *"Does labour legislation benefit workers? Well-Being after an hours reduction"*; Dr. CKGOMATHY, Mr. D. Sravan Kumar, Mr. Ch. Manoj Kumar, Mr. Ch Venkata Mohith (2022) *"Social and economic benefits of workers in industrial cooperative"*.

##### 1.1.3. Overseas works study the economic benefits of workers in textile and garment companies

Overseas works on the economic interests of workers in textile and garment companies have mentioned the contents, influencing factors, and the current status of solutions to implement the economic interests of workers in textile and garment companies. Typically, there are 07 research works by the authors: John Thoburn Kirsten Sutherland & Nguyen Thi Hoa (2007), *"Globalization and Poverty: Impacts on Households of Employment and Restructuring in the Textiles Industry of Vietnam"*; Anne Cox (2015), *"The pressure of wildcat strikes on the transformation of industrial relations in a developing country: The case of the garment and textile industry in Vietnam"*; Paul M. Barrett and Dorothee Baumann-Pauly (2015), *"Made in Vietnam: Labor Rights Violations in Vietnam's Export Manufacturing Sector"*; Nahida Afroz, Deluar J. Moloy and Zakir Hossain (2018), *"Socio-economic status and influencing factors of wage discrepancy among ready-made garment workers in Bangladesh: Evidence from Dhaka city"*; Hoang Thanh Tung et al. (2019), *"The Factors Impact on Employee Satisfaction in Work at Vietnamese Garment Enterprises"...*

#### 1.2. TYPICAL RESEARCH WORKS IN THE COUNTRY

##### 1.2.1. Domestic works study economic benefits

Domestic works on economic benefits are very diverse and rich but mainly focus on explaining the origin, nature, characteristics and content of economic benefits. In which, there are 13 research works by the authors: Dao Duy Tung et al. (1982), *"Discussing the Three Economic Benefits"*; Duong Ngoc Thanh (2013), *"Income distribution in foreign-invested enterprises in Hanoi"*; Pham Thi Thuong (2018), *"Economic benefits of workers in private enterprises in Thua Thien Hue province"*; Nguyen Van Hoa (2019), *"Ensuring economic benefits in agricultural land use of farmer households in Tuyen Quang province"*; Tran Hoang Hieu (2019), *"The relationship of economic interests between farmers and businesses in the development of large fields in the Mekong Delta"*; Hoang Van Khai (2019), *"Resolving the relationship between personal interests and social interests in the current market economy conditions in Vietnam"*; Hoang Thi Thinh (2023), *"Relationship of interests in renewable energy development in Vietnam"*; Lam Thi Phuong (2023), *"The benefits of farmers in the development of ecological agriculture in suburban districts and Hanoi city"*...

### **1.2.2. Typical works in the country study the economic benefits of employees in enterprises**

Domestic works on the economic interests of employees in enterprises focus on analyzing the contents, influencing factors, current situation and solutions to implement the economic interests of employees in enterprises. From the overview, there are 06 research works by the authors: Pham Thi Xuan Phuong (2008), *"Economic benefits of workers in foreign-invested enterprises in the Southeast today"*; Le Xuan Thuy (2013), *"The benefits of workers in foreign-invested enterprises in Vietnam today"*; Nguyen Thi Minh Loan (2015), *"Economic benefits of employees in foreign-invested enterprises in Hanoi city"*; Dang Minh Khoa (2022), *"Ensuring the economic interests of workers in industrial parks in Bac Ninh province"*.

### **1.2.3. Typical works in the country study the economic benefits of workers in textile and garment companies**

From the overview, there are 06 domestic works researching the social responsibility (CSR) of textile and garment companies for employees, typically there are works by the authors: Vu Thi Bich Ngoc (2018), *"Labor relations in textile and garment enterprises in Hung Yen today (Case study of Minh Anh Garment Co., Ltd., CJ Co., Ltd. Union Vina)"*; Pham Viet Thang (2018), *"Corporate Social Responsibility (CSR) for Employees in Textile and Garment Enterprises in Vietnam"*; Dinh Thi Huong (2019), *"Social Responsibility for Employees of Vietnamese Textile and Garment Enterprises"*...

In addition, domestic works study the content, influencing factors, current situation and solutions to realize the economic benefits of workers in textile and garment companies, there are 13 research works, typically by the author: Do Thi Van Anh (2011), *"The level of solidarity and conflict between members of the business today (Case study at Dap Cau Garment Company and Viet Pacific Clothing Company)"*; Nguyen Van Thuy Anh (2014), *"Training and development of technical workers in Hanoi textile and garment enterprises"*; Nguyen Van Huy (2021), *"Socio-economic efficiency of textile and garment enterprises in Nam Dinh province"*; Bui Thi Thu Ha (2021), *"A Study on Social Dialogue in Labor Relations at Garment Enterprises in Vietnam"*; Nguyen Thi Lan Huong (2022), *"The current situation of shift meals for textile and garment workers in some northern provinces and the effectiveness of improving rations in Hai Duong city"*...

## **1.3. OVERVIEW OF PUBLISHED RESEARCH RESULTS RELATED TO THESIS TOPICS AND RESEARCH GAPS**

### **1.3.1. Summary of the results of research works related to the agreed thesis topic**

### ***1.3.1.1. Summary of results from research works related to economic benefits***

Research works on economic benefits are approached under different specialized sciences but all have a high degree of consistency in some of the following contents:

*First:* Most research works believe that economic benefits are material benefits, originating from economic needs, reflecting social relations.

*Second:* Most of the research works agree that economic interests are an objective category, a form of expression of production relations and are expressed in the stages of the process of social reproduction.

*Third:* Most of the works affirm that economic interests are a historical category, in each different social regime there will exist a different system of economic interests.

### ***1.3.1.2. Summary of research results related to the economic interests of employees in enterprises in general***

The research works on the economic benefits of employees in enterprises are very diverse but there has been consistency in a number of contents, namely:

*First:* The works agree that the economic benefits of employees include income, employment, insurance, occupational safety and housing support. The influencing factors are the policies and laws of the State, the position of employees in production and the business results of enterprises.

*Second:* Most studies have shown that the economic benefits are the driving force for workers to participate in economic activities.

*Third:* Studies on the economic interests of employees in enterprises, although from different perspectives, have clarified the current situation of economic interests of employees in enterprises.

*Fourth:* The projects have agreed on solutions to improve economic benefits for employees, including: Improving policies, raising legal awareness, improving industrial skills and manners, strengthening the role of trade unions and balancing the interests between enterprises and employees.

### ***1.3.1.3. Summary of research results related to the economic interests of workers in textile and garment companies***

Although the research works are approached from many different scientific angles, it can be seen that the new studies only mention certain aspects of the current situation and solutions to ensure the economic interests of workers in textile and garment companies. Specifically:

*Firstly:* Some studies on social responsibility of textile and garment enterprises mainly analyze the process of realizing economic benefits for employees without discussing it in depth from a theoretical perspective. The studies focused on just a few benefits such as wages, benefits, occupational safety, insurance, and professional training.

*Second:* Studies have unanimously pointed out factors affecting the economic interests of workers in textile and garment enterprises such as international economic integration, the fourth industrial revolution, FDI, the level of workers, the financial scale of enterprises and policies, etc laws of the State.

*Third:* Most of the new studies only stop at analyzing some of the current content of the economic interests of employees in textile and garment enterprises. A set of employees is not harmoniously implemented in terms of interests, leading to conflicts and conflicts in the relationship of interests and an increase in the rate of occupational diseases and occupational accidents.

*Fourth:* Some works mention a number of specific solutions to realize the economic benefits of workers in textile and garment companies such as raising awareness, professional

capacity, professional skills, production and business results and strengthening the role of trade unions in textile and garment enterprises.

### **1.3.2. The overview of issues related to the thesis topic is still inconsistent and needs to be clarified**

*\* Theoretical issues about the economic interests of workers in textile and garment companies are still inconsistent and need to be clarified*

*Firstly:* Regarding the concept of economic interests of employees in the company, there are still many different views, lacking consistency in the conceptual content from the perspective of Political Economy. In particular, there has been no in-depth research on the concept, characteristics and role of economic interests of employees in textile and garment companies.

*Second:* Most of the research works still lack consistency on the content of economic benefits of employees in textile and garment companies. Some new works only analyze some slices of content and do not mention the criteria for evaluating the economic interests of employees in textile and garment companies.

*Third:* Most of the research works still have different views and have not fully mentioned the objective and subjective factors affecting the economic interests of employees in textile and garment companies.

*\* Practical issues that are not yet consistent*

The newly published studies are just to cover some practical aspects of the economic benefits of workers in textile and garment companies. Up to now, there has been no research approaching from the perspective of Political Economy to comprehensively analyze and evaluate the current situation of the economic interests of employees in textile and garment companies at the national level as well as at the provincial/city level.

### **1.3.3. Gaps and new research directions of the thesis topic**

From the overview of research related to the thesis topic, the study of the economic benefits of workers in textile and garment companies contributes to filling the "gap" that previous research works have not mentioned or have mentioned but are not complete and comprehensive. Specifically:

- To clarify theoretical issues about the economic interests of employees in textile and garment companies such as: Concepts, characteristics, roles, contents, evaluation criteria and factors affecting the implementation of economic interests of employees in textile and garment companies at the provincial/city level.

- To clarify the lessons learned in realizing economic benefits in a number of provinces and cities at home and abroad with the level of development of the textile and garment industry similar to that of Nam Dinh province.

- Clarify the current situation of economic interests of employees in textile and garment companies in Nam Dinh province in the period of 2012 - 2022, pointing out the results achieved and existing, limitations, causes leading to existence and limitations.

- Forecasting the development trend of textiles and garments in the world and Vietnam, the trend of developing economic interests of workers in textiles and garments in the future. From there, propose specific, substantive and feasible views and solutions associated with each subject with different functions, tasks and roles in harmoniously implementing the economic interests of employees at textile and garment companies in Nam Dinh province until 2030, Vision 2045.

## Chapter 2

### THEORETICAL BASIS AND EXPERIENCE IN IMPLEMENTING ECONOMIC BENEFITS OF EMPLOYEES IN TEXTILE AND GARMENT COMPANIES

#### 2.1. CONCEPT, CHARACTERISTICS AND ROLE OF ECONOMIC INTERESTS OF EMPLOYEES IN TEXTILE AND GARMENT COMPANIES

##### 2.1.1. Concept of economic benefits

###### 2.1.1.1. *Views before Marx on economic interests*

Economic interests play an important but complex role in society, reflecting the relationship between subjects in meeting economic needs. Before Marx, economic schools such as Trong Thuong, Trong Peasant and Classical Bourgeois Political Economy contributed to the formulation of the theory of economic interests but mainly defended the interests of the class that owned the means of production, paying little attention to the interests of the workers.

###### 2.1.1.2. *Marxist-Leninist views on economic interests*

Inheriting the theories of previous economic schools, Marxist-Leninist classicists have developed theories of economic interests. In particular, economic benefits are a manifestation of production relations, originating from human needs. Economic benefits are the material achievements that people achieve through social production activities and play an important driving role in building a socialist society.

###### 2.1.1.3. *Views of other typical schools and scholars on economic interests*

The concept of economic interests of other typical schools of economics and scholars all agree that economic interests are an objective category, reflecting social relations. Human economic needs are the source of economic benefits, manifested through income and material conditions that maintain human existence and development.

Thus, the thesis is based on the Marxist-Leninist viewpoint on economic interests. In particular, economic benefits are the material value that people obtain when participating in production and business activities.

#### 2.1.2. Concept of economic interests of employees in the company and economic interests of employees in textile and garment companies

##### 2.1.2.1. *The concept of economic benefits of employees in the company*

The economic benefits of employees in the company are: *Material benefits reflect the desire of employees to participate in activities in the economic field, demonstrating social relations between employees and the owner of the company. It is the income and other necessary material conditions that employees receive in order to maintain their lives and restoring labor force.*

##### 2.1.2.2. *The concept of economic benefits of employees in textile and garment companies*

Economic benefits of employees in textile and garment companies: *Material benefits reflect the objective economic needs of employees when participating in production and business at textile and garment companies and manifest social relations between employees and owners of textile and garment companies. That is income, stable jobs, participation in statutory insurance, ensuring occupational safety and hygiene and other material support to help employees regenerate their labor force.*

Thus, it can be understood that the economic benefits of employees in textile and garment companies are:

*Firstly: The economic interests of employees reflect the social relations between employees and the owners of textile and garment companies;*

*Second:* The subjects that play a decisive role in the realization of economic benefits are the owners of textile and garment companies and their employees.

*Third:* The economic interests of workers in textile and garment companies are an objective category but are perceived through certain subjects, so they bear a subjective imprint.

### ***2.1.2.3. Classification of economic benefits of employees in textile and garment companies***

Based on the purpose and research tasks of the topic, economic benefits will be classified in the following ways, namely:

*Firstly,* based on the textile and garment production value chain

The global textile manufacturing value chain consists of five main stages: Design, production of raw materials, sewing, export, marketing and product distribution. The economic benefits of workers in textile and garment companies are divided according to each of these stages. The stages of designing, exporting, marketing and distributing products are more profitable, so workers have better economic benefits than workers in the production of raw materials and sewing.

*Secondly,* based on the nationality of the textile and garment company

Based on the nationality of textile and garment companies, economic benefits are divided into: Economic interests of employees in domestic private textile and garment companies and economic interests of employees in FDI textile and garment companies. Accordingly, employees in FDI companies have better economic benefits due to high labor productivity, participating in highly profitable production stages in the value chain. Therefore, there are often attractive income policies and safe working conditions and environment.

*Thirdly,* based on the criteria of production specialization

The economic interests of workers can be divided into two parts: Labor in textile companies and labor in garment companies. Weaving including dyeing, cotton, fibre and fabric production is often more profitable than sewing in the value chain, but workers have to work in toxic environments. Therefore, the economic benefits in a textile company are often better realized for workers than in a garment company.

*Fourth,* based on the employee's job position;

The economic benefits of employees are divided into: Economic benefits of direct production workers (yarn, weaving, dyeing, fabric, diagram cutting, semi-finished product cutting, product sewing, thread cutting...); economic interests of quality assurance workers (ensuring the quality of input and output of products); economic benefits of finishing workers (ironing, packing, labeling); economic benefits of auxiliary workers (hygiene, protection, catering); economic benefits of trained or apprenticed workers; economic interests of office employees; economic interests of technical personnel (operation and maintenance of equipment and machinery). The economic benefits of workers in different job positions are differentiated, especially in terms of income.

*Fifth,* based on the production scale of textile and garment companies;

For large-scale textile and garment companies, they often have attractive incomes, stable jobs, safety, guaranteed occupational hygiene, reasonable working time, rest and full insurance. Moreover, employees also receive other material support and are fostered to improve their qualifications. For small and medium-sized textile and garment companies, the benefits are mainly concentrated in salaries, insurance, overtime pay and some basic benefits.

*Sixth,* based on the production model of the textile company.

The economic benefits of workers can be classified according to the production

model of the textile company:

**CMT (Cutting - Making - Trimming):** The company operates in the form of processing, materials, and designs provided by customers. The lowest profits and economic benefits of employees are not fully realized.

**FOB (Free On Board):** The company actively supplies raw materials and processes according to the customer's design, the company's profit and the economic benefits of employees are higher than CMT.

**ODM (Original Designed Manufacturer):** The company designs by itself, procurement, manufactures, packages, and transports great profits for the company, so the economic benefits of workers are higher than CMT, FOB.

**OBM (Own Brand Manufacturing):** The company develops its own brand, undertakes the production and distribution of products directly to the market, obtains the highest profits and ensures the best economic benefits for employees.

### **2.1.3. Characteristics of economic benefits of employees in textile and garment companies**

*First:* Economic benefits tend to be low on average and disparities between workers.

*Second:* The economic interests of workers are diverse and often appear in conflict of interest with the owner of the textile and garment company

*Third:* The economic interests of workers are governed by the level of participation in the value chain and seasonality in textile and garment production

### **2.1.4. The role of economic interests of employees in textile and garment companies**

*First:* The economic benefits of employees are the driving force for production and development, contributing to increasing economic benefits for textile and garment companies

*Second:* Economic benefits contribute to bonding employees with the owners of textile and garment companies and realize other benefits

*Third:* Economic benefits are an important material condition for the reproduction of labor power, contributing to improving the position of workers in the family and society

## **2.2. CONTENTS, EVALUATION CRITERIA AND FACTORS AFFECTING THE ECONOMIC INTERESTS OF EMPLOYEES IN TEXTILE AND GARMENT COMPANIES**

### **2.2.1. Contents of economic benefits of employees in textile and garment companies**

#### **2.2.1.1. Income**

##### **\* Salary**

The salary of employees is paid by textile and garment companies in two forms: according to time and by product. The commonly applied methods of calculating time-paid wages in the textile and garment industry are:

$$\text{Time salary} = \frac{\text{Basic salary}}{\text{Standard working hours}} \times \frac{\text{The number of hours an employee does not make a product}}{\text{product}}$$

Product-based wages are commonly used in the textile and garment industry and are calculated according to the formula:

$$\frac{\text{Salary product}}{\text{Product}} = \frac{\text{Product Quantity}}{\text{Product}} \times \text{Product Unit Price}$$

Or

$$\text{Salary product} = \text{Product Quantity} \times \text{Rated Seconds} \times \text{Unit price per second}$$

The structure of salary over time includes the following parts: Basic salary, salary allowances, bonuses, supports and overtime pay (if any), specifically:

+ *Basic salary*:

Basic salary is the salary agreed between the employee and the owner of the textile and garment company established in the labor contract. The basic salary in the textile and garment industry is underpaid, usually calculated as follows:

$$\text{Basic salary} = \text{Regional minimum wage} + 5\% \text{ Allowance train} + 7\% \text{ of the allowance noxious}$$

+ *Salary allowance*: As a basic component of salary, it is an additional part that the owner of a textile and garment company pays to employees when they undertake a highly responsible job or specific conditions of the job.

+ *Bonus*: It is a basic component of the salary paid by the owner of a textile and garment company to employees in order to recognize and encourage achievements and efforts in production labor.

+ *Support*: It is a monetary income that the textile and garment company supplements for employees and accounts for a small proportion of the salary structure.

+ *Overtime salary (if any)*: It is the amount of money that the employee receives for working outside the prescribed time.

In short, wages are a basic economic benefit of workers and are always of interest to textile companies and workers.

#### \* *Grant*

An allowance is an irregular income that workers receive while engaging in business and production. This subsidy can be paid from two main sources: the social insurance agency and the owner of the textile and garment company.

#### \* *Welfare*

When participating in production labor at textile and garment companies, employees also receive a cash income from the welfare fund and the source of this fund is deducted from the profits of textile and garment companies. The purpose of the welfare fund is to encourage, motivate and improve the living standards of employees.

#### 2.2.1.2. *Statutory insurance participation*

Participating in insurance is a legitimate economic interest of employees. According to the law, textile and garment workers have the right to participate in social insurance, health insurance and unemployment insurance. Funds for insurance premiums shall be deducted and remitted from the salaries of employees and funds of textile and garment companies in accordance with law. When participating in social insurance, health insurance and unemployment insurance, employees have benefits such as maternity, sickness, occupational accidents, occupational diseases, retirement, survivorship and other benefits.

#### 2.2.1.3. *Employment and occupational safety and health*

##### \* *Affair*

Employment is an economic activity that brings income and other material benefits to workers. The benefits of employees are not only jobs but also the need for stable jobs at work. Stable employment is characterized by regular income, indefinite-term labor contracts, employees are covered by statutory insurance and are less affected by socio-economic fluctuations.

##### \* *Occupational safety and hygiene*

Occupational safety and hygiene are solutions to prevent dangerous and harmful factors for employees in order to ensure that there are no deaths and occupational accidents leading to injuries and deterioration of health in the process of production and business. The content of occupational safety and health in textile and garment companies is that employees must be trained in production safety, fire prevention and fighting, environmental monitoring and periodic health check-ups. Thereby, creating a positive working environment, improving competitiveness, contributing to reducing production costs and demonstrating the social responsibility of textile and garment companies to employees.

### **2.2.2. Criteria for evaluating the economic benefits of employees in textile and garment companies**

#### **2.2.2.1. Criteria for evaluating the income of employees**

##### **\* Qualitative criteria**

Employees receive full income when participating in production and business at textile and garment companies. Compared to the average income of textile and garment workers in the country and the processing and manufacturing industry; compared to the level of personal income taxable income and the living wage of AFWA, whether it is high or low. Income is stable, ensuring basic living life and commensurate with the employee's contribution and the employee's satisfaction with income.

##### **\* Quantitative Criteria**

The quantitative criteria for evaluating the income of employees in textile and garment companies are determined through the average income level of employees.

$$\text{Average income} = \frac{\text{Tổng số tiền chi trả cho người lao động}}{\text{Tổng số lao động}}$$

The average income is higher than the regional minimum wage and the personal income tax rate shows that the economic benefits of employees are well implemented. Income assessment can be based on the rate of income growth over the years.

#### **2.2.2.2. Evaluation criteria for statutory insurance participation, employment and occupational safety and health**

##### **\* Qualitative criteria**

##### *Firstly: Regarding statutory insurance participation*

Textile and garment companies must fully and punctually implement social insurance, health insurance and unemployment insurance with the salary on which insurance premiums are paid according to the actual salary. The implementation of insurance is assessed through the status of outstanding debts, late payment and the level of support for employees in the procedures for enjoying the regime.

##### *Second: About employment*

Jobs must be stable and long-term, reflected in the ability of textile and garment companies to maintain labor in the face of economic fluctuations. The assessment is based on the trend of job change, employee satisfaction and commitment to stability through labor contracts.

##### *Third: For occupational safety and hygiene*

Occupational safety and hygiene are ensured when employees are fully trained and equipped with protective equipment. The workspace meets the standards of structure, lighting, ventilation, temperature, and strict control of hazardous elements. Reasonable working hours, no frequent overtime.

##### **\* Quantitative Criteria**

##### *Firstly: Regarding statutory insurance participation*

The quantitative criteria for evaluation are based on the number of employees participating in statutory insurance and the annual report of the social insurance agency on the payment of social insurance, health insurance and unemployment insurance of textile and garment companies.

*Second: About employment*

The quantitative criterion for evaluating employment is that the employee is entitled to sign an indefinite-term labor contract. The criteria for stable employment are calculated as a percentage of the number of employees who are signed with indefinite-term labor contracts to the total number of employees. This higher rate reflects the level of job stability and the ability of textile companies to maintain jobs.

$$\text{Stable employment} = \frac{\text{Số lượng lao động được ký hợp đồng không xác định thời gian}}{\text{Tổng số lao động}} \times 100\%$$

*Third: Regarding occupational safety and hygiene*

Assessment of occupational safety and hygiene is based on the number of environmental monitoring, the number of protected employees, the number of periodic health check-ups, the number of occupational accidents and occupational diseases. In addition, based on the number of classes, the number of participants, the cost of occupational safety training, fire prevention and fighting and the satisfaction level of employees.

**2.2.2.3. Criteria for evaluating the relationship between the economic interests of employees and the economic interests of textile and garment companies**

**\* Qualitative criteria**

The qualitative criterion for evaluation is whether employees are fully implemented and improve economic benefits when textile and garment companies increase revenue and profit. Economic benefits are commensurate with the productivity and value of labor power created by employees. When textile and garment companies reduce revenue and profits, employees have reduced salaries, owed salaries and lost their jobs.

**\* Quantitative Criteria**

Quantitative criteria to evaluate the relationship between the economic interests of employees and the interests of textile and garment companies can be based on the income growth rate of employees and the profit growth rate of textile and garment companies.

$$L = \frac{\text{Tốc độ tăng trưởng thu nhập của người lao động (\%)}}{\text{Tốc độ tăng trưởng của lợi nhuận của công ty (\%)}} \times 100\%$$

L is the ratio of economic benefits of employees to the profits achieved by textile and garment companies. An L index higher than or equal to 100% reflects that employees receive the majority of the benefits from the company's business results. In contrast, a low of less than 100% reflects that the employee receives less benefit from the company's business results.

In addition, the ratio between labor costs and revenue of textile and garment companies basically reflects the level of economic benefit of employees. If this rate is high from 50% or more, it reflects that textile and garment companies spend a lot of money on labor. This rate is low below 50%, reflecting that textile and garment companies have low costs for labor.

$$\text{Labor cost to revenue ratio} = \frac{\text{Tổng chi phí cho lao động}}{\text{Tổng doanh thu}} \times 100\%$$

**2.2.3. Factors affecting the economic interests of workers in textile and garment companies**

**2.2.3.1. Group of objective factors**

*First:* The level of development of the socio-economy;

*Second:* The role of the State and socio-political organizations;

*Third:* International economic integration;

*Fourth:* Labor market;

*Fifth:* Climate change and the effects of disease pandemics.

#### **2.2.3.2. Group of subjective factors**

*First:* The factor belongs to the textile and garment company

*Fourth:* The factor belongs to the employee

### **2.3. INTERNATIONAL AND DOMESTIC EXPERIENCES ON THE IMPLEMENTATION OF ECONOMIC BENEFITS OF WORKERS IN TEXTILE AND GARMENT COMPANIES AND LESSONS LEARNED**

#### **2.3.1. International experience in realizing economic benefits for workers in textile and garment companies**

*2.3.1.1. Experience of Dhaka City - Bangladesh*

*2.3.1.2. Experience of Zhejiang Province - China*

#### **2.3.2. Domestic experience in realizing the economic benefits of workers in textile and garment companies**

*2.3.2.1. Experience of Hung Yen province*

*2.3.2.2. Experience of Thai Binh province*

#### **2.3.2. Lessons learned for Nam Dinh province**

*First:* Authorities at all levels need to pay attention to the economic interests of workers through adjusting policies and laws, inspecting, examining, detecting and promptly resolving conflicts and conflicts of interest.

*Second:* Textile and garment companies need to actively increase income, improve occupational safety and hygiene and train to improve professional capacity and professional skills for employees.

*Third:* Promote the role of textile and garment trade unions and raise awareness of subjects related to the implementation of economic benefits for employees.

## **Chapter 3**

### **THE CURRENT SITUATION OF IMPLEMENTING ECONOMIC BENEFITS OF EMPLOYEES IN TEXTILE AND GARMENT COMPANIES IN NAM DINH PROVINCE**

#### **3.1. THE ADVANTAGES AND DIFFICULTIES OF NATURAL AND SOCIO-ECONOMIC CONDITIONS OF NAM DINH PROVINCE AFFECT THE ECONOMIC INTERESTS OF EMPLOYEES IN TEXTILE AND GARMENT COMPANIES**

##### **3.1.1. Natural and socio-economic conditions of Nam Dinh province**

###### **3.1.1.1. Natural conditions of Nam Dinh province**

Nam Dinh province is located in the south of the Red River Delta, bordering the provinces of Ninh Binh, Thai Binh, Ha Nam and the East Sea. The area is 1,668.8 km<sup>2</sup>, the terrain is plain, the coastline is 72 km long. The climate is tropical monsoon, the average temperature is 23-24°C, the humidity is 80-85%, usually subject to 4-6 storms/year.

###### **3.1.1.2. Economic conditions of Nam Dinh province**

In the period 2012-2022, Nam Dinh's economy grew by an average of 6.97%, higher than the national level of 6%. From 2023 and 2024, the province's economic growth rate will have a breakthrough of 10.19% and 10.01%, respectively. In 2024, the province's labor productivity will reach 106 million VND/employee, an increase of 3.15 times compared to 2012 but still lower than the labor productivity of the whole country. The provincial

economy is based on agriculture (rice, fisheries, animal husbandry), industry (textiles, mechanics, building materials) and services (trade, tourism, transportation). In 2024, the agriculture, forestry and fishery sector will account for 17.70%; the industrial and construction sector 43.50%; the service sector 35.68%; product tax minus product subsidies 3.12%. In the period 2011-2020, Nam Dinh attracted VND 233,814 billion in investment capital (45.5% of GRDP), including State 25.93%, private sector 64.19%, FDI 9.88%. In 2024, the realized investment capital in the province is estimated at VND 62,420 billion, up 18.0% compared to 2023. Up to now, the province has 10 industrial parks, of which 6 have been established including Hoa Xa, Bao Minh, My Trung, Rang Dong Textile and Garment, My Thuan and Bao Minh Expansion.

### ***3.1.1.3. Social conditions of Nam Dinh province***

As of 2024, the total population of the province is estimated at 1,894,204 people. In which, the urban population is 387,968 people, accounting for 20.5%, and the rural population is 1,506,236 people, accounting for 79.5%. The gender structure consists of 928,155 males (49.0%) and 966,049 females (51.0%). Regarding workers aged 15 years and over, the number of people participating in labor was 1,069,200 people, accounting for 56.4% of the total population. The province has 4 universities (23,047 students), 7 colleges (1,144 students) and 5 intermediate schools (10,664 students). The scale and quality of training are increasingly improving, improving labor productivity. Nam Dinh province has many textile and garment training institutions such as University of Industrial Economics and Technology, Nam Dinh Industrial College, Nam Dinh Textile and Garment College, Nam Dinh College of Economics and Technology, meeting the needs of human resources, creating advantages for the development of the textile and garment industry.

### ***3.1.2. Operation of textile and garment companies in Nam Dinh province***

#### ***3.1.2.1. History of the formation and development of textiles and garments in Nam Dinh province***

Nam Dinh province has a long tradition of weaving, used to be the center of textiles and garments in the country during the French colonial period and 1954-1985. After the renovation, the textile and garment industry continues to develop, playing an important role in the socio-economy. According to the province's development plan to 2030, textiles and garments are prioritized for investment into a key economic sector. Currently, the number of textile and garment companies is increasing, the whole province has 422 companies (textile is 141, sewing is 281). The number of textile and garment companies in the state sector is 04 companies, in the private economic sector is 342 companies and in the FDI sector is 49 companies, mainly producing products such as: yarn, finishing textile products, production of ready-to-wear, knitted fabrics, etc. crochet fabrics, non-woven fabrics, woven fabric production, ready-to-wear garment production, costume sewing, knitting garment production, crochet, wholesale, retail fabric, yarn, clothing...

#### ***3.1.2.2. Workforce working in textile companies***

Textile and garment is an industry that is interested in investment and development in Nam Dinh province, so the number of workers is very large. In 2012, the number of textile and garment workers was 109,196 people, and in 2022 it will reach 133,519 people, an increase of 22.27%. Laborers are mainly untrained, professional skills and professional working styles are still limited.

#### ***3.1.2.3. Production and business results***

The textile and garment industry in Nam Dinh province has made great progress. The number, scale and capacity of production, growth rate, competitiveness, revenue, profitability and workforce are constantly increasing. However, the majority of textile and

garment companies in Nam Dinh province are mainly small and medium, accounting for about 90%, low labor productivity and mainly participating in simple stages in the value chain.

**3.1.3. The advantages and difficulties for production and business activities of textile and garment companies in Nam Dinh province have an impact on the economic interests of employees**

*3.1.3.1. Advantageous*

*3.1.3.2. Difficult*

**3.2. THE IMPLEMENTATION OF ECONOMIC BENEFITS OF EMPLOYEES IN TEXTILE AND GARMENT COMPANIES IN NAM DINH PROVINCE IN THE PERIOD OF 2012 - 2022**

**3.2.1. Situation of implementation of economic benefits in terms of income**

*3.2.1.1. Income in the form of salary*

In the period 2012 - 2022, the basic salary of employees in textile and garment companies in Nam Dinh province is paid higher than the regional minimum wage. As of 2022, the average salary of employees will reach 9.7 million VND/month and is 1.9 times higher than the per capita monthly income of the whole province (5.1 million VND), but this gap tends to narrow. The increase in workers' wages is partly due to the improvement of labor productivity and the State's adjustment to increase the regional minimum wage (11 times). However, compared to the salaries of employees in textile and garment companies in Hung Yen, Ninh Binh, Thai Binh, and Hanoi provinces, the salaries of employees in textile and garment companies in Nam Dinh province are lower but not significant. In addition, the salary of employees in textile and garment companies in Nam Dinh province also has a difference between textile companies and garment companies; domestic private textile and garment companies with FDI textile and garment companies; training level, age, status, job position and stages of the textile and garment production process...

*\* Income in the form of salary allowances*

Textile and garment companies in Nam Dinh province have increased the spending norms for allowances to support employees, but the increase is not high, some companies even keep the norms or do not pay allowances. The survey results show that 95.2% of employees receive salary allowances and the average allowance reaches 1,073,000 VND/month, equal to 11.06% of the average salary. In which, employees are entitled to toxic allowances reaching 69%; seniority allowance accounts for 53%; fire prevention and fighting allowances reached 92.5%; safety and hygiene allowances reached 93.5%; responsibility and part-time allowances account for 16%. However, there is a difference in the allowance payment norm between textile and garment companies.

*\* Income in the form of bonuses*

In the period 2012 - 2022, 70.4% of employees received bonuses from textile and garment company owners. In which, rewarded on holidays and Tet reached 68.2%; rewards for achieving output accounted for 48%; attendance bonus accounts for 44%; seniority bonus 30.4%; rewards due to increased labor productivity and product quality accounted for 13.6%; incentives for production accounted for 12.8%; rewards for excellent achievements accounted for 7.43%. Textile and garment companies in Nam Dinh province have an average bonus of 681,000 VND/month. FDI textile and garment companies have an average overall bonus of 689,000 VND/month while domestic private textile and garment companies reach 673,000 VND/month.

*\* Income in the form of other support*

Employees receiving support for sending children and raising young children reached 51.2%; gasoline support reached 76.1%; phone support reached 80%; costume support reached 64.6%; shift meal support reached 94.5%; support for hot weather is 85.5%. Most textile and garment companies have increased their spending norms for forms of support. Textile and garment companies with large production scales often diversify forms of support for workers. On the contrary, domestic private textile and garment companies with small and medium production scales have a limited level of support.

#### ***3.2.1.2. Income in the form of subsidies and benefits***

##### ***\* Income in the form of subsidies***

The subsidy is a part of the income of employees in textile and garment companies but is not regular. The results of the survey in the period 2012 - 2022 showed that 67.6% of employees had received subsidies. Most of them receive subsidies from social insurance agencies such as: Maternity allowance (68.3%), sickness (64%), occupational accidents and occupational diseases (43.6%). The average amount of allowance that employees receive reaches 2,302,000 VND. In which, FDI textile and garment companies reached 2,342,000 VND, while domestic private textile and garment companies reached 2,262,000 VND.

##### ***\* Income in the form of welfare***

In the period 2012 - 2022, the majority of employees received an income from welfare from textile and garment companies. Specifically: Sick visits reached 75.6%; visiting the employees' families reached 70.1%; giving gifts on holidays, Tet and the anniversary of the company's establishment reached 91.4%; encouraging children to study well reached 42%; visiting and resorting reached 27.3%. Spending norms for each type of welfare have basically increased but are uneven among textile companies. In some textile and garment companies, the norm of spending on welfare has been reduced or remained the same.

#### **3.2.2. Implementation of statutory insurance**

Survey results at textile and garment companies in Nam Dinh province show that 76.6% of employees are fully insured by textile and garment companies according to the law such as social insurance, health insurance, and unemployment insurance. The number of employees who are not covered by insurance accounts for 23.4%, mainly working at private textile and garment companies in the country.

#### **3.2.3. The implementation of economic benefits in terms of employment and occupational safety and health**

##### ***3.2.3.1. Employment situation of employees***

In the period of 2012 - 2022, the textile and garment workforce of Nam Dinh province increased rapidly. In 2012, the number of textile and garment workers reached 109,196 people, and in 2022 it will reach 133,519 thousand people, an increase of 22.27%. Thereby, it shows that textile and garment companies have a great role in creating new jobs, contributing to stability and promoting the socio-economic development of Nam Dinh province. However, the number of employees in textile and garment companies fluctuates.

In addition, the signing of labor contracts reflects the level of job stability, with 97.2% of employees signing labor contracts and 2.8% not being signed mainly at private domestic textile and garment companies with small production scales. Regarding the form of signing contracts, 55.2% were signed with indefinite-term labor contracts and 44.8% were signed with indefinite-term labor contracts.

##### ***3.2.3.2. The situation of ensuring occupational safety and hygiene***

In the period 2012-2022, textile and garment companies have made efforts to improve occupational safety and health, with 74% of employees rating the working

environment as open, 44% saying that the facilities are modern, 42.7% realizing the scientific layout, and 27.1% recording equipment innovation. However, some textile and garment companies in Nam Dinh still have serious occupational accidents, with 9.5% of employees saying that the workplace often has accidents and faces hazards including: physical (46.6%), chemical (20%), safety (17.6%), working posture (24.7%), etc. psychology (30%) and discrimination (4.7%).

A part of the textile and garment industry workers suffer from occupational diseases, mainly respiratory diseases (38.2%), bone and joint diseases (32.5%), dermatology (22%), psychological stress (18.7%) and deafness (8.1%), but only 40.5% of workers receive examination and treatment, 22.2% are transferred to suitable jobs, and 19% receive support for medical examination and treatment costs. The rate of employees receiving periodic health checks reached 87.6%. Regarding working time, 58.6% of employees work 8 hours/day, 41.4% work more than 8 hours and the average number of overtime hours/month is 36.9 hours.

### **3.3. ASSESSMENT OF ECONOMIC BENEFITS OF EMPLOYEES IN TEXTILE AND GARMENT COMPANIES IN NAM DINH PROVINCE IN THE PERIOD OF 2012 - 2022**

#### **3.3.1. Results achieved on economic benefits of employees in textile and garment companies in Nam Dinh province**

*First:* The income of the majority of employees increases in direct proportion to the profits of businesses and the quality of life is increasingly improving.

*Second:* Textile and garment companies have gradually ensured stable jobs, creating new jobs for workers.

*Third:* The majority of textile and garment companies have taken the initiative to gradually improve occupational safety and hygiene and implement statutory insurance for employees.

#### **3.3.2. Limitations**

*First:* The income of a part of employees is still low, not commensurate with the growth rate of revenue and profit of textile and garment companies and is still average.

*Second:* A part of employees have not been insured according to the law, the payment rate is low, and the number and complexity of insurance arrears are increasing.

*Third:* A part of employees do not have stable jobs, the working environment does not ensure occupational safety and hygiene, and the working and rest regimes are not suitable.

#### **3.3.3. Causes of limitations**

##### **3.3.3.1. Objective causes**

*First:* Policies and laws related to the economic interests of employees are still inadequate, the level of support of the State and Nam Dinh provincial government for textile and garment companies is still limited.

*Second:* Socio-political organizations have not well promoted their role in protecting the legitimate rights and interests of employees and face many difficulties in organizing activities

*Third:* The application of science and technology, production automation and the impact of international economic integration make a part of the workforce lose jobs and incomes.

*Second:* Climate change and the Covid-19 pandemic have negatively impacted the revenue, profits of textile and garment companies and the economic benefits of workers.

##### **3.3.3.2. Subjective causes**

*First:* The production and business capacity, awareness of compliance with policies,

laws and social responsibility of some textile and garment companies are still not high.

*Second:* Professional capacity, professional skills, discipline, industrial manners and the level of legal understanding of a part of employees are still not high.

#### **Chapter 4**

### **VIEWPOINTS AND BASIC SOLUTIONS TO HARMONIZE THE ECONOMIC INTERESTS OF EMPLOYEES IN TEXTILE AND GARMENT COMPANIES IN THE DIRECTION OF SPECIALIZATION AND ADAPTATION TO ACTUAL CONDITIONS IN NAM DINH PROVINCE**

#### **4.1. BASIC VIEWS ON THE HARMONIOUS IMPLEMENTATION OF ECONOMIC INTERESTS OF EMPLOYEES IN TEXTILE AND GARMENT COMPANIES IN NAM DINH PROVINCE**

##### **4.1.1. Forecast the development trend of textiles and garments in the world and in the country to 2030, with a vision to 2045**

###### ***4.1.1.1. Development of the world economy and global textiles and garments to 2030, with a vision to 2045***

###### ***\* Forecast of world economic development***

The world economy will face many challenges in the short term and growth will slow down. Global inflation in 2025 is forecast to decrease compared to previous years, but the rate and extent of the decline is still unclear and depends on many other factors. International trade has stagnated due to the impact of trade wars between countries. Geopolitical conflicts continue to be tense and negatively affect world economic growth.

###### ***\* Forecast the world textile and garment development trend to 2030, with a vision to 2045***

The textile and garment industry faces challenges due to global economic and political instability. Total textile demand decreased from 805 billion USD (2021) to 760 billion USD (2022) and in 2024 it is still about 8% lower than in 2022. In the future, textiles and garments will develop according to the trend: Green economy, circularity, digitalization and fierce competition among producing countries. Scientific and technological applications such as 3D printing, AI, IoT, and automation help optimize production. Fashion trends are slow, and fashion personalization will evolve as consumers' shopping consciousness shifts to prioritizing quality and long-term value.

###### ***4.1.1.2. Forecast of Vietnam's economic development and textile and garment industry to 2030, with a vision to 2045***

###### ***\* Forecast of Vietnam's economic development***

Vietnam's economy is forecast to continue to grow stably, develop according to the socialist-oriented market economy model, promote industrialization, modernization, expand international cooperation and attract FDI selectively. Vietnam also focuses on digital transformation, building a digital economy and moving towards a green and circular economy. However, the economy still faces challenges such as cheap labor traps, large public and private debts, low labor productivity, inflation and low level of science and technology.

###### ***\* Forecast the development of Vietnam's textile and garment industry to 2030 with a vision to 2045***

By 2030, with a vision to 2045, Vietnam's textile and garment industry will continue to expand exports thanks to FTAs and CPTPP. Investment in modern technology, digital transformation is taking place strongly. Textile and garment enterprises will actively convert from the CMT production model to FOB, ODM, OBM to increase profits. The textile and

garment labor market is changing, the demand for highly skilled labor is increasing rapidly, while ordinary workers are gradually being replaced by machines, creating pressure to shift jobs to other industries.

#### ***4.1.1.3. Forecasting the trend of developing economic interests of employees in textile and garment companies in Nam Dinh province***

In the future, Vietnam's textile and garment industry in general and Nam Dinh province in particular, will apply science and technology and automation to improve competitiveness, increase productivity, reduce costs and improve labor income. The demand for high-quality human resources has increased sharply, creating new jobs. A safer working environment thanks to warning technology, which meets international standards for labor and sustainability. The trend of developing economic interests between employees and owners of textile and garment companies in the future will continue to develop in two trends: both contradictory and harmonious in terms of economic interests.

#### **4.1.2. Basic viewpoints for harmonizing the economic interests of employees in textile and garment companies in Nam Dinh province**

*First:* Implementing the economic benefits of employees needs to comply with the principle of harmonizing benefits and shared risks, and at the same time further promoting the role of the State and Nam Dinh provincial government, in order to achieve the goal of common interests for relevant subjects.

*Second:* Harmonizing the economic interests of employees must be based on the system of views and guidelines of the Party, along with the policies and laws of the State and consider this as a continuous and long-term task, and at the same time must be based on the practical conditions of Nam Dinh province.

*Third:* Implementing the economic interests of employees in textile and garment companies must be associated with building sustainable labor relations and further promoting the role of socio-political organizations.

*Fourth:* Harmonizing the economic interests of employees in textile and garment companies must be associated with the development of the green economy, circular economy and digital economy

### **4.2. SOLUTIONS TO HARMONIZE THE ECONOMIC INTERESTS OF EMPLOYEES IN TEXTILE AND GARMENT COMPANIES IN THE DIRECTION OF SPECIALIZATION, ADAPTING TO THE ACTUAL CONDITIONS OF NAM DINH PROVINCE**

#### **4.2.1. The group of solutions belongs to textile and garment companies**

*First:* Improve understanding and awareness of law compliance for textile and garment company owners.

*Second:* Improving the production and business results of textile and garment companies in Nam Dinh province.

*Third:* Develop a competitive salary, bonus and welfare regime to create motivation to work, dedication and long-term attachment between employees and textile and garment companies.

*Fourth:* Build and develop sustainable jobs and the environment and working conditions to ensure the safety of workers.

*Fifth:* Build information channels to proactively grasp the thoughts and aspirations of employees, detect and handle conflicts and conflicts of economic interests early and remotely.

#### **4.2.2. Group of solutions belonging to employees**

*First:* Improve professional capacity and professional skills for employees.

*Second:* Improve the understanding of laws related to the economic interests of employees.

*Third:* Improve the sense of discipline, build a professional working style, spread the spirit of harmonious benefits and shared risks to employees.

#### **4.2.3. Group of solutions on the side of the State and Nam Dinh provincial government**

*Firstly:* Improving the system of policies and laws of the State, socio-economic development policies of Nam Dinh province related to the economic interests of employees and textile and garment companies.

*Second:* Strengthen the support of the State and Nam Dinh provincial government for production and business activities of textile and garment companies, contributing to promoting the harmonious implementation of economic benefits for employees.

*Third:* The Nam Dinh provincial government needs to improve the quality of inspection, examination and strictly handle violations of the law that harm the economic interests of employees in textile and garment companies.

#### **4.2.4. The group of solutions belongs to socio-political organizations**

*Firstly:* Promote the role of the textile and garment trade union organization of Nam Dinh province.

*Second:* Promote the role of other socio-political organizations.

## CONCLUDE

The study "*Economic benefits of employees in textile and garment companies in Nam Dinh province*" aims to harmonize the economic interests of employees in an intensive direction, adapting to the practical conditions of Nam Dinh province. From the research results, the thesis draws some specific conclusions as follows:

1. Economic benefits for employees in textile and garment companies are complex issues, rich content, important theoretical and practical significance, contributing to promoting the development of the textile and garment industry in Nam Dinh province, participating in high-value-added stages in the value chain.

2. On the basis of applying the viewpoints of Marxism-Leninism, Ho Chi Minh Thought, the views and policies of the Communist Party of Vietnam and continuing the results achieved in previous studies, the PhD students have supplemented and clarified the theoretical basis of the economic interests of workers in textile and garment companies in accordance with the new conditions of the foundation modern market economy and international economic integration.

3. The thesis sheds light on the implementation of economic interests of employees in textile and garment companies in Nam Dinh province. From there, make judgments and evaluate the results that have been obtained, point out the shortcomings, limitations and explain the causes.

4. The thesis has forecasted the development of textiles and garments in the world and in the country, the trend of developing economic benefits of textile and garment workers to 2030, with a vision to 2045. Analyze the viewpoint of harmonizing the economic interests of employees in textile and garment companies in the direction of specialization, adapting to practical conditions in Nam Dinh province. Propose feasible, concrete, and substantive solutions associated with each relevant subject.

5. Research on the economic benefits of workers in textile and garment companies is a new topic, with a wide scope and content, requiring systematic research. From the perspective of Political Economy, the new thesis initially explores a number of theoretical and practical issues about the economic interests of workers in a textile and garment company in Nam Dinh province. From the initial research foundations, PhD students will continue to supplement, expand and develop research topics to further clarify the economic benefits of workers in textile and garment companies nationwide.

**LIST OF PUBLISHED WORKS OF THE AUTHOR  
RELATED TO THE THESIS**

1. Nguyen Nhu Quang (2024), "The current situation of economic interests of workers in textile and garment companies in Nam Dinh province in the form of income", *Journal of Finance and Accounting Research*, (263), pp.71-74.
2. Nguyen Nhu Quang (2024), "The Impact of the Fourth Industrial Revolution on the Economic Interests of Workers in Textile and Garment Companies in Vietnam", *Journal of Finance and Accounting Research*, (266), pp.67-71.