

## SEMINAR PROCEEDINGS

### “IMPACTS ON ECONOMY, EMPLOYMENT AND POVERTY REDUCTION 2 YEARS AFTER VIETNAM’S WTO ACCESSION”

November 11, 2008

The seminar *“Impacts on Economy, Employment and Poverty Reduction 2 years after Vietnam’s WTO accession”* is coorganized by the Center for Development and Integration and Vietnam Asian Pacific Economic Center under the project Trade, Development and Povderty Reduction donored by CUTS CITEE (from India) on November 11, 2008.

The seminar receives attendance of 33 participants from government, institute, and non government organizations, associations, donors and media.

Opening speech is delivered by Prof. Vo Dai Luoc – VAPEC General Director. It is highlighted by Prof. Luoc that WTO accession also means joining to the great play-yard and hence, Vietnam is to comply to common strict rules. Apart from great opportunities for economic development and narrowed gap to the world, integration also troubles Vietnam with great challenges. Because of important role of the Government in economic moderation, it is in need for careful consiferation of arised issues after 2 year WTO accession to recommend the Government with proper policy and support for development.

5 presentations in the seminar include:

- Lessons learnt after 2 years of WTO accession
- Impacts of WTO to employment, incomes and living standards of female workers
- Impacts of WTO to trade development, living standards of workers in Garment and Textile and Leather Footwears sectors
- Impacts of integration to poverty reduction
- Inflation and poverty

Following to the seminar name, participants and speakers keep their focus on impacts of WTO accession to economy, employment and poverty reduction in Vietnam. In discussion session, Dr. Vo Tri Thanh who delivers the

presentation Impacts of WTO to Vietnam economy and society provide an overview on Vietnam situation after 2 year WTO accession and its impacts on the real economy, macro economy, employment, society, institution (organization, machine, operations, etc.) as well. Based on some researches, the speaker indicates that can Vietnam benefit from WTO accession and deeper integration into global economy with better access to the world market only when it perform active integration. Vice versa, the country only gains 20% benefit and the 80% remainings belong to its partners. Despite the fact that Vietnam absorbed the biggest investment in 2007 during doimoi progress, it also faces more widened income gap between the rich and the poor, increased risks and vulnerability since global inflation and crisis. Some lessons for sharing include:

- Integration is to coupled with renovation
- As Vietnam possesses static comparative advantages than rising dynamic ones, its enterprises should take the best advantages for gradual change from competition through prices to through prestige and quality.
- After 2 year accession, shortages which have been mirrored clearly as infrastructure, energy, etc. are to be dealt with.
- In terms of macro economy, it is the first time policy makers recognize greater important role of experts

The seminar also shares information on impact of integration to over half of the country labour force – female workers - via presentation “Impacts of WTO to employment, incomes and living standards of female workers” by Ms. Nguyen Thi Bich Thuy. Generally, trade liberalization leads to increased and improved jobs for female workers, their better positions in the economy and society. However, workers suffer from different impacts depending on their capacity, field/ sector of working and area. For example, WTO accession would provide more jobs for poor female workers but only in labour intensive, informal and low-wage sectors. Along with direct impact of better access to labour market, the integration also contributes to improved living conditions for female workers, easing burden on their family (thanks to reduced trade barriers, higher

competitiveness and reduced shortages of essential commodities for family consumption).

In her speech on “Impacts of WTO to trade development, living standards of workers in Garment and Textile and Leather Footwears sectors”, Dr. Nguyen Thi Tong shows that Garment and Textile and Leather Footwears are the two labour intensive sector with annual absorption of about 3 million workers including 60-70% workers from rural areas and 85% female workers. The two sectors provide 5 time higher incomes against farming and then workers can save a part for their family. However, workers in the two fields also face pressure of instability within enterprises with high risk of unemployment and becoming the poor again. Moreover, WTO accession drives to deeper integration into global economy and more foreign investment. But Vietnam is to comply to the commitment of opening its market, reducing tariff and other barriers, publicizing policy. Due to sharp competition to imported commodity and two third reduced tariff for garment and textile goods to about 5 - 20% in the context of unawareness of challenges and competition pressure, the country is troubled with poor preparation and solution shortage for production. Especially, competition would become more severe when Vietnam open its retail market from January 1, 2009. Therefore, higher competitiveness can be achieved by approximate evaluation of the market demand, right solutions for labour issues, better high quality labour, brand name building and prestige consolidation on both local and international market.

In terms of impact of WTO to poverty reduction, Dr. Nguyen Lan Huong with the presentation “*Impacts of integration to poverty reduction*” shares viewpoint with Dr. Doan Hong Quang who present “*Inflation and poverty*” that high inflation leads to reduced real incomes of various social groups. While economic growth is the core factor for poverty reduction, and high inflation causes negative impacts on economic growth, high inflation undoubtedly has certain impact on poverty reduction, agreed by both speakers. WTO accession can both create and cut job opportunities. WTO integration provides more jobs and opportunities of expertise training for the poor but the poor also benefit less from globalization since their poor skills to satisfy works in non-agricultural

fields. On the other hand, impacts from WTO to poverty reduction depend on various factors of the economy itself as development of labour market, completion of law system, administration reforms, resource allocation for economic growth goals, social welfare. Presenters also highlight that opportunities from integration have been mentioned usually while it is rarely to refer to capacity to resist negative, changing and multi-aspected impacts. As shocks can result in greater impact in the context of integration, it is to consolidate other sectors as civil society and business. At the moment, price stabilization is the best support for the poor.

The seminar is summarized by Dr, Vo Dai Luoc that WTO accession drives to deeper integration of the country to global economy with certain and clear impacts on its economy and institution. In the future, can successful integration be achieved only when the Government provides necessary support for job creation, income generation and living condition improvement especially for the poor. It is to invest more on infrastructure development, brand name building, human resource development, improved competitiveness for businesses, completion of environment and institution. The poor should be in the center of poverty reduction but proper development investment is extremely in need for effective support for the poor.

The seminar is closed at 11:50.

TRUNG TÂM PHÁT TRIỂN VÀ HỢP NHẬP (CDI)	TRUNG TÂM KINH TẾ CHỮU - TH. I B×NH D YNG - VAPEC	BAN KINH TẾ, TH YNG M <sup>i</sup> Quèc TỔ Vµ MµI TR ÊNG, VIÖN CUTS ÊN Sé
		

**NỘI DUNG TỌA ĐÀM**  
**“NHỮNG TÁC ĐỘNG VỀ KINH TẾ, VIỆC LÀM VÀ GIẢM NGHÈO**  
**SAU HAI NĂM VIỆT NAM GIA NHẬP WTO”**

Ngày 11 tháng 11 năm 2008

8.00- 8.30	Đăng ký đại biểu
8.30 – 8.40	<b>Phần 1 :Khai mạc tọa đàm</b>
	<b>Phần 2 : Tác động của WTO đến kinh tế – xã hội VN</b> <i>Người chủ tọa : Tiến sỹ khoa học Võ Đại Lược - Tổng giám đốc VAPEC</i>
8.40 - 9.00	VN sau 2 năm gia nhập WTO được gì, mất gì, những kiến nghị <i>TS Võ Trí Thành – Viện Nghiên cứu Quản lý kinh tế trung ương</i>
9.00 - 9.20	Cơ hội, thách thức đối với các DN, các sản phẩm xuất khẩu sau 2 năm Việt Nam chính thức là thành viên WTO - <i>Trịnh Minh Anh Ủy ban Hợp tác Kinh tế Quốc tế</i>
9.20 - 9.35	Tác động của WTO đến đời sống việc làm của lao động nữ <i>MA. Nguyễn Thị Bích Thủy – Phó GD Trung tâm Nghiên cứu Lao động nữ và giới</i>
9.35 - 9.50	Tác động WTO với thương mại, lao động việc làm ngành Dệt May / Da - Giày <i>TS Nguyễn Thị Tòng</i>
9.50 - 10.15	Trao đổi, thảo luận
10.15 - 10.30	Giải lao
	<b>Phần 3 Tác động của WTO đến giảm nghèo và việc làm ở VN</b> <i>Chủ tọa : Nguyễn thị Lan Hương – Viện trưởng Viện Khoa học lao động –Xã hội</i>
10.30 - 10. 50	Tổng quan của tác động hội nhập đến giảm nghèo , các giải pháp <i>TS Nguyễn thị Lan Hương – Viện trưởng Viện Khoa học lao động –Xã hội</i>
10.50- 11.10	Lạm phát và đói nghèo <i>TS Đoàn Hồng Quang</i>
11.10 - 12.00	Trao đổi, thảo luận
12.00 - 13.00	<b>Nghỉ ăn trưa</b>