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Labor regimes, global production networks and state-society relations - Assessing the impact of the EU-Vietnam free trade agreement on labor in Vietnam

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Abstract

For a decade, the European Union (EU) has included “trade and sustainable development” (TSD) chapters in its free trade agreements (FTAs), but research casts doubt on their effectiveness. The recent EU–Vietnam FTA (EVFTA) appears as an exception, as Vietnam, prior to ratification, committed to groundbreaking labor reforms. This article examines the implementation and impact of the TSD chapter in Vietnam. It follows recent scholarship in taking multi-scalar labor regimes in global production networks (GPNs) as a starting point but argues that integrating a strategic-relational conceptualization of the state offers stronger analysis of the contested nature of labor provisions. Based on interviews in the EU and Vietnam, the article shows that implementation of the labor reforms has been delayed and diluted by conservatives in the party-state, in the context of intensified state control over society, and that pressure from the EU has made little dent on the most controversial issues. The article then explores how the TSD chapter confronts labor regimes in the apparel export sector in Vietnam, identifying three ‘mismatches’: the failure to address the most pressing grievances of workers; silence on buyers’ purchasing practices; and an incongruity with existing modalities of labor resistance. The article’s main contribution lies in bringing struggles around state-society relations and GPNs to the fore in analyzing labor provisions. Doing so yields a less optimistic assessment of the EVFTA and highlights the contradictions of promoting labor standards through FTAs that ultimately serve to expand spaces for capital.

Keywords: EU free trade agreements, labor regimes, global production networks, state-society relations, Vietnam

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List of Abbreviations

CoTSD	Committee on Trade and Sustainable Development
CSM	civil society mechanism
CSO	civil society organization
DAG	Domestic Advisory Group
EC	European Commission
EU	European Union
EVFTA	EU-Vietnam free trade agreement
FTA	free trade agreement
GPN	global production network
ILO	International Labour Organisation
INTA	International Trade Committee (of the European Parliament)
JCSF	Joint Civil Society Forum
MoIT	Ministry of Industry and Trade
MOLISA	Ministry of Labour, Invalids and Social Affairs
TC	Trade Committee
TPP	Trans-Pacific Partnership
TSD	Trade and Sustainable Development
VCCI	Vietnam Chamber of Commerce and Industry
VGCL	Vietnam General Confederation of Labor
WRO	worker representative organization

1. Introduction

Since the 1990s, labor provisions have been included in an expanding complex of free trade agreements (FTAs), reaching 113 FTAs covering labor standards by the end of 2022, a third of all FTAs in force. While they differ in scope and content, such labor clauses typically tie market access to respect for international labor standards and the promise not to weaken domestic labor laws. Spearheaded by the USA and Canada, the European Union (EU) has also introduced labor clauses in its trade policy. Since the EU-Korea FTA, in force since 2011, labor provisions (and environmental standards) have been packaged into so-called ‘trade and sustainable development’ (TSD) chapters; an approach that was made mandatory with the Trade for All strategy in 2015. TSD chapters also mandate the establishment of a set of institutions to monitor their implementation, including intergovernmental committees and a civil society mechanism (CSM). As of August 2023, TSD chapters are included in 11 agreements with 18 countries. Previous research, however, casts doubt on their effectiveness, critiquing their lack of conditionality, reliance on dialogue and cooperation and non-sanctionable dispute settlement procedure (Harrison et al. 2019a; 2019b; Smith et al. 2021).

The conceptual point of departure of this article is a critique of the existing literature on the trade-labor nexus for focusing too narrowly on the institutional details of labor clauses, while paying insufficient attention to power relations in partner countries, where struggles around labor reform remain centered, and in global production networks (GPNs), where labor issues materialize. Furthermore, although FTAs are inter-state agreements, there is little effort to conceptualize the state, and still less civil society. Building on recent work on multi-scalar labor regimes entangled with GPNs (Smith et al. 2018; Wickramasingha/Coe 2021), we argue that assessing the impact of labor provisions requires an appreciation of how they articulate with prevailing labor regimes that – co-constituted by state-society relations in partner countries and governance relations in GPNs – shape worker outcomes and set the parameters for labor control and agency (Anner 2015). As parties to, and implementers of, FTAs, the actions of states are particularly critical to understanding the effects of labor provisions; and we capture this by linking the labor regime framing to a strategic-relational conceptualization to the state and civil society (Jessop 1990). Such a conceptual take highlights the ways in which the implementation of labor provisions and related institutional mechanisms is shaped by contestation taking place within, around and between states.

Empirically, we examine the implementation of the TSD chapter in the EU-Vietnam FTA (EVFTA), in force since August 2020, and its early impact on labor regimes in Vietnam. For three reasons, this case is relevant. First, the EVFTA is that of the new-generation EU FTAs with the greatest achievements on labor reform in the pre-ratification phase. Ahead of ratification, and importantly because of EU pressure, Vietnam ratified two ILO core conventions and passed a new labor code, for the first time allowing for independent worker representative organizations (WROs) at the company level, a remarkable departure from the existing trade union structure, in which the state-affiliated Vietnam General Confederation of Labor (VGCL) holds a monopoly in representing workers. Second, Vietnam is, in contrast to other countries with TSD chapters, an authoritarian-communist one-party state. In this context, the inclusion of independent civil society organizations (CSOs) in the CSM through domestic advisory groups (DAGs) is equally unprecedented; and while it may offer potentials

for transformative change in the longer term, it also poses distinct challenges. Third, in the context of broader changes in EU trade policy triggered by geopolitical shifts – and informed by the experiences from Vietnam – the European Commission has taken recent steps towards a more conditional TSD approach, even mentioning the possibility of sanctions (EC 2018, 2022). This reorientation may alter the post-ratification dynamics compared to previous FTAs and lead to stronger EU pressure on the implementation of the TSD chapter in Vietnam.

Our analysis focuses on three sets of relations: state-society relations in partner countries and ongoing struggles around labor reform and regimes; inter-state relations between partner countries and the geopolitical leverage of specific FTAs; and GPN relations that importantly structure labor regimes – and struggles – in export sectors. Hence, we first examine the implementation of the TSD chapter in Vietnam and find that the most controversial aspects – the DAG and independent WROs – have been delayed and diluted by conservative forces in the party-state, in the broader context of tightening civic space. Second, we explore the interactions between the EU and Vietnam within (and beyond) the TSD institutional mechanisms, showing that external pressure from the EU was instrumental to the formation and successive enlargements of the Vietnamese DAG but has made little dent on WROs, having lost its pre-ratification leverage. Third, we assess how the labor standards and institutional mechanisms of the TSD chapter confront labor regimes in the apparel export sector in Vietnam, identifying three ‘mismatches’: the failure to address the most pressing grievances of workers; silence on buyers’ purchasing practices; and an incongruity with existing modalities of labor resistance.

The main contribution of the article, hence, lies in the integration of strategic-relational state theory into a multi-scalar labor regime framework for assessing the impact of labor provisions. In the case of the EVFTA, such a perspective elucidates how the TSD chapter is not only deeply contested within the party-state, but how the potentials of the DAG and WROs are inhibited by the tightening grip of the party-state over civil society and the governance dynamics of export industries, making sustained external pressure crucial to meaningful reform. At the same time, however, it highlights how the prospect of hard enforcement measures by the EU is itself shaped by the ability of different social groups to exert influence over EU policymaking; a struggle, in which import-dependent and export-oriented capital have hitherto had an upper hand. While this leads to a rather pessimistic evaluation of the impact of the TSD chapter in Vietnam, it acknowledges that even marginal steps towards freedom of association may, in the longer term, open new avenues for labor struggle.

Methodologically, the article is based on 54 interviews with actors involved in the implementation of the TSD chapter of the EVFTA and/or the Vietnamese labor reforms and the export apparel sector, conducted between 2019 and 2023. In the EU, we interviewed 27 informants from the European Commission (DG Trade), the European Parliament and the EU DAG, either in person in November 2019 or online thereafter. In Vietnam, we conducted 27 interviews with domestic and international labor CSOs, the VGCL, the ILO office, and members of the Vietnamese DAG, in person in May 2022 or online before and thereafter. These interviews are supplemented by legal and policy documents to map the contested implementation of the TSD chapter in Vietnam, and the role of the EU in the process.

The remainder of the paper is organized as follows. Section 2 reviews the effectiveness of the EU’s TSD approach. Section 3 develops our conceptual framework. Section 4 introduces the case of the

EVFTA. In section 5, we assess the implementation and early impacts of the TSD chapter on labor regimes in Vietnam. Section 6 concludes.

2. Labor provisions in EU FTAs

Based on dialogue and cooperation, the EU's approach to the trade-labor nexus is often described as promotional (ILO/IILS 2013). With a few partial exceptions, most notably the EVFTA, the EU has eschewed pre-ratification conditionality on labor standards – and, once implemented, monitoring of TSD chapters is assigned to a set of institutional dialogue mechanisms, with no possibility of sanctions. Despite some variation, the “standard” setup has three components: (1) inter-governmental committees, composed of officials from the Commission and the partner country, including a trade committee (TC) and a committee on trade and sustainable development (CoTSD); (2) a CSM, comprising DAGs within each trading partner, with a balanced representation of social, economic and environmental stakeholders, and a joint civil society forum (JCSF), taking place once a year, in conjunction with the meetings of the CoTSD, to facilitate transnational dialogue between the DAGs and other CSOs; and (3), as part of a separate dispute settlement mechanism, a panel of experts that, if government consultations fail, investigates complaints. Regarding enforcement, hence, TSD chapters are subject to separate procedures that can only be initiated by governments and neither impose sanctions nor issue binding decisions (ILO 2017).

The EU's TSD chapters have produced few results in the pre-ratification stage (with the recent exception of the EVFTA, Author). Some scholars view the post-ratification institutionalization of dialogue and cooperation as holding the promise of more sustainable, longer-term change through learning, socialization and diffusion of political norms (Postnikov/Bastiaens 2014; Oehri 2015). Many others, however, conclude that the TSD chapters have had limited effectiveness in stimulating pro-labor change, regarding both institutional reforms and actual labor standards (e.g. Harrison et al. 2019a, 2019b; Orbie et al. 2016). This is supported by surveys of DAG member organizations, which suggest that the CSMs have failed to fulfil their monitoring role. This has been due to a lack of representation (particularly of labor) and independence, as well as limited resources and operational support. Further, there has been unclarity about its purpose and mandate, an “accountability deficit” and lack of political will in their relations with governments. All this has resulted in their “impact on policymaking [being; C.S.] low or even non-existent” (Drieghe et al. 2022: 591). For an overview of the critique of specific FTAs, see Appendix 1.

In light of this critique, particularly from civil society and the Parliament, the Commission in July 2017 issued a “non-paper” to debate its approach, which resulted in a 15-point action plan towards a “revamped” TSD approach, presented in February 2018 (EC 2018). While the general lines were maintained, the Commission promised to “more assertively enforce” TSD commitments (EC 2018: 6-7), which included the appointment of a Chief Trade Enforcement Officer in July 2020 (EC 2020a), the launch of a more open complaints system in November 2020 (EC 2020b) and the announcement of An Open, Sustainable and Assertive Trade Policy in February 2021 (EC 2021). Recently, after public consultation on the review of the 15-point action plan (July to November 2021), the Commission in June 2022 presented a new TSD model (EC 2022), which is centered on six priorities: (1) stepping up engagement with trade partners; (2) identifying country-specific implementation

priorities and, where relevant, using time-bound roadmaps; (3) mainstreaming sustainability throughout agreements; (4) developing a comprehensive approach that pulls together various EU agencies; (5) reinforcing civil society inclusion; and (6) more assertive enforcement including through trade sanctions. A tougher stance is also evident in the Commission requesting the first-ever panel of experts, which confirmed in January 2021 – however after eight years of civil society pressure – that the Republic of Korea had breached its TSD obligations.

This reorientation came about under continuous pressure from some member states and the Parliament. In May 2020, the Dutch and French trade ministers issued a joint proposal, calling on the EU to “raise the ambition” and “incentivize effective implementation” by linking tariff reductions to compliance. In several resolutions, the Parliament expressed similar opinions (e.g. EP 2020). And both member states and the Parliament declared ready to vote down high-profile trade deals with Mercosur and China due to social and environmental concerns (Politico 2021). These trends inscribe themselves into a broader shift in EU trade policy beyond the TSD approach, stressing strategic autonomy and resilience, triggered by the COVID-19 pandemic and geopolitical changes (Jacobs et al. 2023).

3. Labor regimes, GPNs and strategic-relational state theory

While previous research on labor provisions in FTAs has produced important empirical insights, it suffers from some conceptual weaknesses. First, it tends to focus mainly on the EU, neglecting the contexts of, and social struggles in, partner countries (Harrison et al. 2019b; Orbie/Khorana 2015). Second, it often centers on the details of the legal texts and institutional setups, failing to link the implementation and impact of labor provisions to how trade and production take place in GPNs (Barbu et al. 2018; Smith et al. 2018). Third, although FTAs are interstate agreements, there is often little effort to conceptualize the state, and still less civil society, despite its pivotal monitoring role; and often a liberal perspective on both is implicitly assumed (Orbie et al. 2016; Drieghe et al. 2022). In addressing these critiques, we follow recent work on labor clauses in FTAs in taking the concept of multi-scalar labor regimes as a starting point (Smith et al. 2018; Campling et al. 2021); but we argue that our understanding of impacts and limits of these clauses can be enhanced by integrating a strategic-relational conception of the state and civil society (Jessop 1990; Smith 2015).

Building on Burawoy (e.g. 1982), the concept of labor regimes captures how labor processes at the workplace level – with related dynamics of control, consent and conflict – are shaped by, and themselves feed into, a wider web of social relations and institutions beyond the “factory gate” (Baglioni et al. 2022). While early work was concerned with national contexts, subsequent research expanded “upwards” and “downwards” to include a variety of scales from the workplace to the global (Baglioni et al. 2022). A multi-scalar labor regime approach, therefore, treats worker outcomes as co-constituted by the dynamics of globalized production and the territorialized political-economic formations, in which production – and the social reproduction of workers – is embedded (Smith et al. 2018; Wickramasingha/Coe 2021; Campling et al. 2021). The GPN approach interrogates the structures and dynamics of globalized production, as it is organized in geographically dispersed but functionally integrated networks governed by lead firms (Henderson et al. 2002; Yeung and Coe 2015). Power asymmetries allow lead firms to set the terms for other network participants, thus

shaping both their positions, rewards and costs, and labor regimes. These power asymmetries manifest themselves in contractual requirements on price, delivery, quality etc. placing direct demands on the labor process and constraining suppliers' ability to finance wages and accommodate improved working conditions. At the same time, lead firms often ask suppliers to comply with codes of conduct, for which they institute various monitoring mechanisms (Anner 2020). Such pressures vary by process, product, sector and network configuration. In labor-intensive industries such as apparel, working conditions and worker outcomes are strongly shaped by a supplier squeeze, rooted in the oligopsony power of lead firms, that provokes wage repression, excessive overtime and escalating production targets, and fosters workforce segmentation along gender, ethnic, racial and other lines (Werner 2015; Mezzadri 2016).

Labor regimes, however, are co-determined by institutions and political economy dynamics of producer countries. Local labor markets, community politics and national legal-regulatory frameworks shape outcomes for, and the agency of, workers, as do relations of social reproduction and discourses on work and gender (Mezzadri 2016; Baglioni 2018). An agent (and arena) of particular importance is the state, which – through a host of strategies and policies – governs labor standards, capital-labor interactions and workers' livelihoods (Smith 2015; Coe/Jordhus-Lier 2011; Campling et al. 2021; Smith et al. 2018). The state not only regulates wage-setting and working conditions; policies on unions and collective bargaining draw the boundaries of worker mobilization, and regulation of welfare, social protection and migration – as well as development strategies more broadly – condition workers' bargaining power. Anner (2015), notably, argues that distinct national labor regimes foster different modalities of resistance, as they intersect with GPN pressures: state control, in which independent unionism is suppressed, tends to provoke wildcat activism; market despotism, in which labor is disciplined by unfavorable labor markets, is conducive to international accords; and employer repression, involving severe anti-union tactics, fosters cross-border campaigns (see also Lee 2007).

Against this backdrop, we argue that the impact of labor clauses depends on the intricate ways in which they articulate with prevailing labor regimes. Three “interfaces”, or sets of relations, between FTAs and labor regimes are relevant. First, FTAs may influence state regulations and domestic labor struggles in partner countries (state-society relations), directly by requiring states to adopt and implement policies needed to comply with labor provisions, and, more indirectly, by creating new opportunities for civil society, including organized labor, to exert influence, not least through the CSMs. Second, the FTA opens new channels and pressure points for transnational state-state contestation (inter-state relations), related both to the monitoring and enforcement mechanisms of the labor clauses and the broader commercial and geopolitical interests attached to the FTA. Third, in confronting the power dynamics of globalized production (GPN relations), labor clauses – and FTAs more broadly – may, or may not, resonate with concrete labor concerns and struggles in export sectors, offering relevant means for workers to address their grievances; but they may also have the contradictory effect of deepening engagement in hypercompetitive GPNs with chronic pressure on workers (Barbu et al. 2018; Campling et al. 2021).

Understanding these interfaces, however, requires a deeper analysis of why states act as they do. In this respect, a strategic-relational approach is helpful, as it captures how various forms of contestation

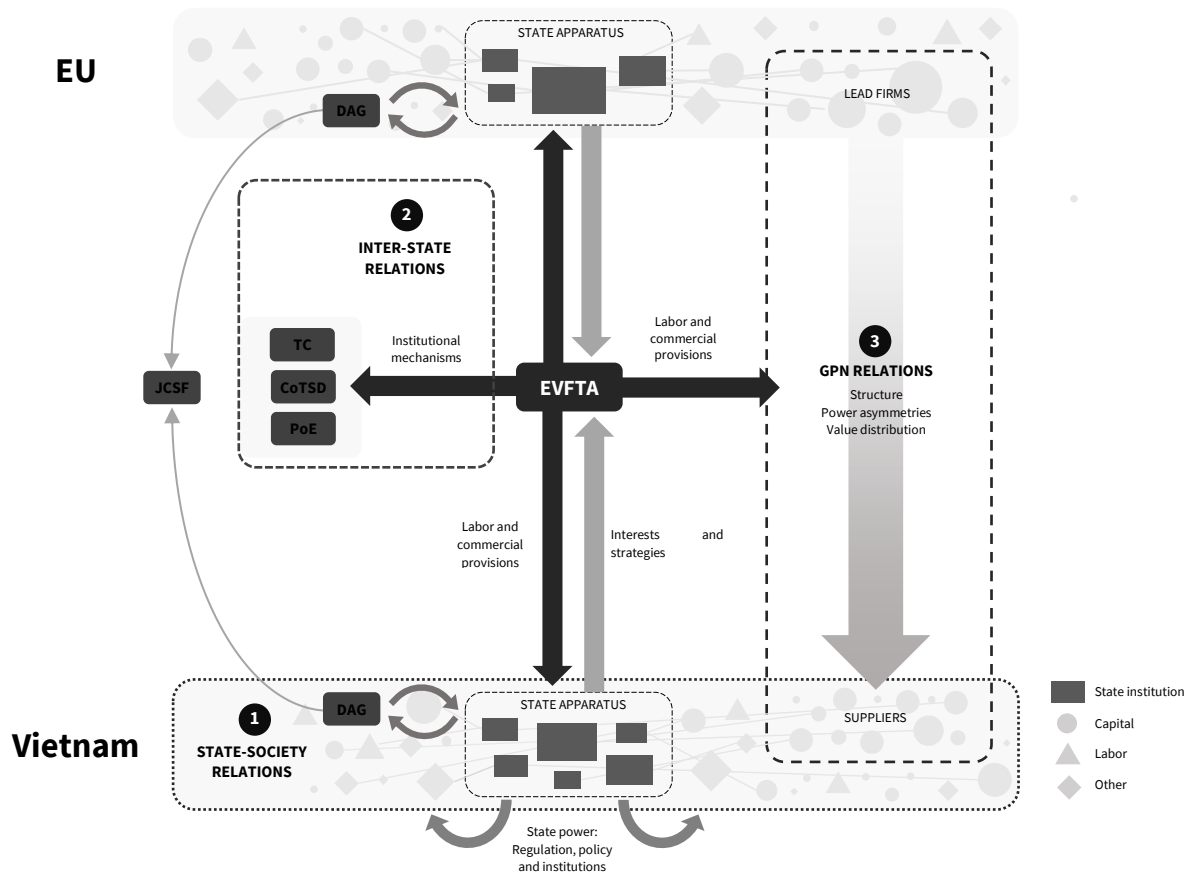
taking place within, around and between states set the direction of state action. This perspective, informed by Poulantzas (1978) and Jessop (1990), views the state as a complex social relation that exists in a dialectical relationship with society. Neither a neutral actor, nor a mere instrument of the ruling class, the state is both an institutional apparatus and a site of contestation between socio-political forces. This means that state action is relational and conditional, shaped by the ‘action, reaction and interaction of specific social forces located both within and beyond’ state institutions (Jessop 1990: 366); and that the state is inherently biased towards certain actors and interests, its institutions rarely acting in unison (Jessop 1990). These insights help elucidating how labor provisions in FTAs encounter state-society relations in partner countries, and how their translation into concrete policy, as well as related institutional mechanisms, may challenge powerful interests. They also suggest that effects of labor clauses are more likely to materialize, if they align with the social basis of the state and/or can be picked up, and fought for, by actors with the capacity to influence state decision-making (Smith 2015).

A strategic-relational approach also has implications for how we conceptualize “civil society”; an issue that is critical for assessing the role of CSMs. While liberal conceptions (echoed in EU narratives) view civil society as an autonomous sphere for voluntary association and action, stretching the space between individuals and the state, a strategic-relational perspective sees it as a contested terrain upon which social classes compete for hegemony (Jessop 1990). Civil society, therefore, stands not in opposition to, but is in a dialectical unity with, the state (Arnold/Hess 2017). Further, civil society is far from homogenous but involves groups with different interests, capacities and relations to the state. This understanding of civil society, and its entwinement with state power, brings attention to the ways in which the CSMs established under FTAs are inherently intersected by state interests, how the state may be biased towards particular DAG members, and how DAGs are subject to internal struggles, which mirror broader power dynamics in society.

States and civil society operate in an increasingly complex spatio-institutional context, as social relations have transnationalized and state apparatuses emerged beyond the national scale (Brand et al. 2011). States have formed institutions at inter- and supranational scales that are unevenly shaped by dominant states and social forces – notably transnational capital; and they face pressures from transnational social forces such as transnational corporations or lead firms in GPNs, international NGOs and global labor coalitions. Such extra-local relations may be leveraged by domestic actors in their struggles. Hence, transnational social relations feed back into, and reshape, domestic power relations (Brand et al. 2011). These propositions highlight three aspects that are key to understanding the impact of labor clauses. First, the interests and strategies that both states pursue in relation to the FTA – in its negotiation, implementation and enforcement – are co-determined by social struggles and their articulation in state institutions on each side. Second, transnational coalitions and trans-local actors may play a critical role in domestic struggles around labor clauses by being leveraged by domestic actors. Third, driven by dominant states and classes, FTAs mainly aim to expand spaces of capital and GPNs by setting rules and regulations at the transnational scale (Smith 2015). But while labor clauses, in this view, mainly serve to legitimize FTAs, they may still tilt internal power dynamics within partner countries and, hence, shape labor regimes (Barbu et al. 2018; Campling et al. 2021).

To sum up, we argue that to understand the impact of labor clauses, we need to go beyond legal texts and institutional set-ups, by analyzing three sets of relations, in particular: (1) state-society relations in partner countries and ongoing struggles around labor reform and regimes; (2) inter-state relations between partner countries and their geopolitical interests in the specific FTA; and (3) GPN-relations that importantly structure labor regimes – and struggles – in export sectors.

Figure 1: Conceptual framework



Source: Own elaboration.

4. Vietnam and the new-generation FTAs

Since the launch of the Doi Moi (“renovation”) reforms and the transition to a “socialist market economy” in the 1980s, Vietnam has embraced a development strategy based on export orientation and global integration (Anh/Duc/Chieu 2016). After the signing of trade agreements with the EU (1992) and the US (2001) and accession to the World Trade Organization in 2007, the country emerged as a major production hub for consumer goods such as apparel, footwear and, more recently, electronics. Lately, Vietnam has been the main winner of “China+1” strategies, driven by rising labor costs in China and growing trade tensions between China and other countries. For the Vietnamese leadership, hence, the signing of FTAs has been a cornerstone of its ambitions to attain upper-middle-income status by 2030 (Tran et al. 2017).

Vietnam has a highly restrictive space for civil society activity and worker organization. Following Marxist-Leninist doctrines, the CPV officially considers its affiliated “mass organizations” (such as the VGCL, the farmer’s union and the women’s association), united in the Fatherland Front, as the only legitimate representatives of the non-state sector. Traditionally, the VGCL has been the sole

worker representative, tasked with ensuring harmonious industrial relations and mobilizing workers behind official dogma (Pringle/Clarke 2011). Alongside economic liberalization, however, reforming Vietnam's labor laws has been an ongoing project, fluctuating with the political winds in Hanoi. Yet, several rounds of revisions of the labor code – in 2002, 2006 and 2012 – left the monopoly of the VGCL intact (Schweisshelm/Do 2018).

The latest round of reforms, culminating in 2019, was catalyzed by the labor provisions contained in a new generation of FTAs, including the Trans-Pacific Partnership (TPP), an FTA between 12 countries along the Pacific Rim, and the EVFTA (Tran et al. 2017). In parallel to the TPP, which contained a dedicated labor chapter, the US negotiated a bilateral “consistency plan” with Vietnam, signed in February 2016, detailing the reforms needed to bring domestic labor laws in line with international labor standards. But soon after assuming office, President Trump pulled the US out of the deal, invalidating the consistency plan and stalling the reform process (Tran et al. 2017). In this vacuum, the EU was pushed into the role of external catalyst.

Negotiations of the EVFTA began in June 2012 and were concluded in December 2015, after 14 rounds of talks. Described by the Commission as “the most ambitious and comprehensive FTA that the EU has ever concluded with a developing country” (EC 2016: 7), it entails an almost full liberalization of merchandise trade, as well as provisions on non-trade barriers, competition policy and public procurement, among others. In the TSD chapter, as in other new-generation EU FTAs, the parties reaffirm their commitment to “promote and effectively implement the principles concerning the fundamental rights at work” (Art. 13.4.2); and each is required to “make continued and sustained efforts towards ratifying, to the extent it has not yet done so, the fundamental ILO conventions” (13.4.3a). In terms of monitoring and enforcement, the setup follows the usual template and includes a set of intergovernmental committees (including TC and CoTSD) and a civil mechanism with DAGs and a JCSF.

Even though the Commission – unlike the US – did not award labor standards high priority during negotiations (Sicurelli 2015), this changed in the pre-ratification phase, where the EU turned to a de facto conditional approach. This strategic shift took place in the context of growing politicization of EU FTAs and was driven by a few member states and, especially, members of the European Parliament and its International Trade Committee (INTA), who used the implicit threat of withholding consent to the EVFTA as a tool to bargain with both Vietnam and the Commission. The outcome, however, can only be understood in interaction with longstanding struggles over labor reform within Vietnam, where a reformist faction in the party-state strategically sought renewed external leverage to move forward the reform process (Author).

These dynamics resulted in a series of reform initiatives by the Vietnamese government. In June 2019, the National Assembly voted to ratify ILO Convention 98 on the Right to Organize and Collective Bargaining, and in November 2019, it passed the new labor code. In a final push, members of the European Parliament obtained a written roadmap, in which Vietnam laid out an implementation workplan for ratifying the remaining ILO core conventions by 2020 and 2023, respectively (Convention 105 on the Abolition of Forced Labor was ratified in July 2020, while Convention 87 on Freedom of Association and the Right to Organize is still outstanding). On this basis, the EVFTA was passed by the Parliament in February 2020, concluded by the Council in March and ratified by

the National Assembly of Vietnam in June; and in August 2020, the EVFTA entered into force. As noted, these reforms – in particular the introduction of independent WROs – are a significant break with the existing trade union structure in Vietnam; and the commitment to set up a DAG involving independent CSOs is equally unprecedented in the context of Vietnam.

5. Assessing implementation and impact of the TSD chapter

5.1. State-society relations: Contested implementation in Vietnam

In Vietnam, the implementation of both the DAG and the pre-ratification commitments has been a delayed and contested process. According to the government, the delays relate to the COVID-19 pandemic. But the entry into force of the EVFTA also coincided with preparations for the 13th Congress of the CPV in January 2021 – the highest five-yearly political event – and was followed by National Assembly elections in May 2021, both of which stalled controversial initiatives in the government. In this context, the labor reforms have been contested by conservative forces in the party-state. Although the Vietnamese state has been described as “dialogical” (Kerkvliet 2001) and “accommodating” (Koh 2006), the party leadership is determined to control civic space and, particularly, independent trade unions, still alerted by the experience of Poland (Schweissheim/Do 2018). Despite the emergence of new forms of social organization akin to what some people might call “civil society” (London 2014: 12), civil society is regulated by a myriad of government decrees and party directives. All CSOs must be licensed by, and can be dissolved by, the government; and once in operation, all projects and foreign funding must be approved, and activities are closely monitored by the security apparatus (London 2014). CSOs working on labor and human rights issues are under particular scrutiny. As a result, there are only few registered labor CSOs (Do 2017), and past attempts to establish independent trade unions have been suppressed (Kerkvliet 2019).

That the CPV considers civil society as an ideological battlefield was evident in the establishment of the DAG. In October 2020, the Ministry of Industry and Trade (MoIT), to which the establishment of the DAG was assigned, issued a call for expression of interest, and a few days later, the International Cooperation Department of the Ministry of Labour, Invalids and Social Affairs (MOLISA), the EVFTA focal point for labor, held an information-sharing meeting with CSOs. But few CSOs proved interested. By June 2021, only seven organizations had applied for the DAG, three of which were international CSOs and thus ineligible for membership. When the DAG was finally set up in August 2021, it counted just three members: the Vietnam Chamber of Commerce and Industry (VCCI) and the Institute for Workers and Trade Unions (a think tank under the VGCL), both subordinated to the CPV, and the Centre for Sustainable Rural Development (SRD) as the only independent Vietnamese CSO. In January 2022, MOIT announced that three additional members had joined the DAG, including two CSOs in the fisheries sector and an environmental CSO (VietnamPlus 2022); and two months later, a seventh member – the Vietnam Elevator Association – was added. Despite this subsequent enlargement, however, the Vietnamese DAG remains far from an independent monitoring body: two of the organizations, including the one chairing the DAG, are closely linked to the party-state, and labor is strongly underrepresented with just a single member (VGCL). Furthermore, the DAG secretariat, tasked with preparing meetings, has been assigned to MoIT; this is unusual and in effect makes it a ‘government-run DAG’, as one informant described it.

According to our interviews, several CSOs were hesitant to apply for DAG membership, worrying that it could jeopardize their work by subjecting them to bureaucratic obstacles. These concerns initially kept a leading labor CSO from seeking DAG membership; and although it ultimately did apply, it was not selected without further explanation. In other cases, authorities intervened more explicitly. In July 2021, on charges of tax evasion, security police in Hanoi arrested two prominent civil activists and board members of the VNGO-EVFTA Network, a group of seven environmental and development CSOs that had, reportedly, all applied for DAG membership but received no reply (FIDH 2021). Our interviews suggest that the composition of the DAG was subject to intense debates at inter-ministerial meetings, and that the Ministry of Public Security, in particular – and to a lesser extent the VGCL – played a lead role in weeding out more critical CSOs, while MoLISA, MoIT and the Ministry of Natural Resources and Energy pulled in the other direction. Ultimately – under pressure from the EU (see below) – the various state agencies compromised on including some independent but mainly apolitical CSOs.

Concerning the independent WROs in the new labor code, implementation has been similarly contested. In late 2020, MOLISA promulgated implementing decrees for most elements of the new law; but the decree laying out the administrative procedures for the creation, registration, authorization, and financial management of WROs was delayed and remains unpublished as of September 2023. While MOLISA had a draft decree ready in September 2019 (Ha 2022), objections from the Ministry of Public Security delayed its publication on the grounds that WROs would be used for political objectives by ‘hostile’ forces seeking to destabilize the social order.

Another contentious issue is the drafting of a new trade union law. In the first two drafts, the VGCL (as the responsible agency) proposed that the revised law should cover only unions under its umbrella, while the new WROs would be regulated by the labor code. If this approach is maintained, the WROs will be restricted from federating beyond enterprises, engaging in collective bargaining at higher levels, and participating in national policy debates. Moreover, the WROs will have to rely on voluntary membership fees, while the 2% union tax on employers will be pocketed by the VGCL, showing the high financial stakes involved for the VGCL. Although the 2019 labor code states that both types of unions “have equal rights and obligations” (Art. 170.3), it seems clear that, if ever implemented, the independent WROs will not compete on an equal footing with the VGCL, at least for the foreseeable future – and there are ongoing struggles over exactly how tilted the playing field will be. Furthermore, state propaganda has discouraged WROs by portraying workers who want to establish them as “hostile forces”, “extremists” and “reactionaries”.

These challenges show that the way labor clauses are implemented – just as in their negotiation and ratification – rests on evolving state–society relations. In seeking to understand the potentials and limitations of the DAG and WROs in the Vietnamese context, therefore, it is important to appreciate that they are being implemented in a climate characterized by the shrinking of an already tightly regulated civic space. The 13th CPV Congress in January 2021 only consolidated the conservative ascendance that began in 2016 (Vuving 2023). Under a high-profile ‘anti-corruption campaign’, the CPV has intensified its efforts to “manage, discipline, and punish forms of association and public expression deemed threatening to or diverging from the Party” (London 2019: 145). Attempts to control the composition of the DAG, impede the implementation of WROs and keep their room of

maneuver within strict boundaries demonstrate that containing the emergence of political counter-movements is a top priority for conservatives. This context underscores how important external pressure was for reformist forces in Vietnam in bringing forward labor reform pre-ratification. But it also shows that in the post-ratification phase, where the EU no longer holds a veto on the EVFTA, the Vietnamese leadership seems to be re-evaluating the situation, seeking formal compliance at minimal sacrifice. This does not mean that the labor reforms will not be implemented but that progress will be cautious and incremental, and that implementation will critically depend on whether local reformists can also activate EU pressure in the post-ratification phase.

5.2. Inter-state relations: Sustained EU pressure but less leverage

In the implementation phase of the EVFTA, the EU has continued along the path towards a more conditional approach – but its teeth are blunted as the ratification leverage is gone. Although there is less attention from the European Parliament than in the pre-ratification phase, discussions have taken place in a monitoring group established under INTA, and a group of particularly left-leaning MEPs remains active, frequently sending letters to both the European Commission and Vietnamese authorities, calling for a suspension of the EVFTA. Also, the office of INTA chairman Bernd Lange (S&D), which played a critical role in the pre-ratification phase, has on several occasions posed questions to the Vietnamese government. Another unprecedented avenue is a joint parliamentary monitoring group established by the European Parliament in cooperation with the National Assembly of Vietnam, in which Vietnam engaged “at very high levels”. Since the ratification of the EVFTA, the European Parliament has adopted resolutions calling on Vietnam to “recognize independent labor unions” and “refrain from any undue interference in the composition and functioning” of the DAG (EP 2020b, 2021).

Likewise, the EU DAG has made several interventions with respect to both the Commission and the Vietnamese government. The EU DAG was launched in January 2021, with 21 members, and had, as of September 2023, met seven times. Chaired by former MEP Judith Kirton-Darling, who was deeply involved in negotiating the roadmap ahead of ratification, it has set four priorities, namely implementation of the labor code, civil society space, due diligence in global supply chains and sustainable food systems. The EU DAG issued statements urging the ‘Vietnamese authorities to swiftly establish a counterpart’ and challenging the size and lack of independence of the Vietnamese DAG. These messages were reiterated in ‘quite diplomatic but quite direct’ terms at the first and second DAG-to-DAG meeting, held in November 2021 and October 2022.

The Commission, in turn, engages the Vietnamese government through a “complex and very intense system of exchanges”. In addition to regular technical-level meetings with MoIT, the Commission exerts pressure via the intergovernmental dialogue mechanisms. Moreover, the EU Delegation in Hanoi is in frequent and more informal contact with MOLISA and other ministries, as well as with the ILO office in Vietnam. At the first TC meeting in July 2021, EU Commissioner for Trade Valdis Dombrovskis “regretted” the failure of Vietnam to establish the DAG and urged that the process “be sped up and be concluded before the end of July”, warning that “otherwise it would need to be addressed at a higher level”. Similarly, at both the first and second meetings of the CoTSD, the Commission asked for enactment of the missing WRO decree. This level of involvement by the

Commission in the implementation of a TSD chapter is unprecedented. “What has changed from other agreements”, an adviser in the Parliament observed, “is that TSD is now a part of every discussion they have with the Vietnamese”. Another novelty is the degree of internal coordination. One informant described how the different EU institutions now “work in concert, which enables all of them to have a greater impact”.

In the context of the changing political climate in Vietnam, prospects of harder enforcement by the EU may offer critical leverage for reformists in MOLISA and the VGCL. According to our interviews, reformists actively use the EU’s dispute with South Korea as a warning to push ahead with implementation. In terms of concrete impact, our interviews suggest that external pressure from the EU was instrumental in the establishment and enlargement of the Vietnamese DAG. On the missing WRO decree, however, EU pressure has been less effective, as it has on the remaining ILO core convention. The loss of pre-ratification leverage puts the EU in a less advantageous bargaining position vis-à-vis the Vietnamese government and weakens the Parliament internally in the EU. An informant in the Parliament observed that ‘in the implementation phase, we have no power anymore – it is vanished altogether’, while another noted that ‘we no longer have a big stick that we can wave around’.

Despite its more assertive role, moreover, there are limits to how far the Commission is willing to go. First, the strategic importance of Vietnam in the current geopolitical conjuncture and in the “China+1” strategies of EU businesses may engender fears of pushing Vietnam towards China. Second, the Commission is preoccupied with other burning issues in the region, including the military coup in Myanmar and the partial withdrawal of Cambodia’s trade preferences because of the deteriorating human rights situation. Third, and perhaps most critically, the Commission is facing contradictory social pressures: while segments of the European Parliament, some member states and civil society call for a tougher stance on the trade–labor nexus, the European business community tends to oppose the use of trade policy for non-trade objectives. This was evident in the public consultation on the review of the TSD approach, where most contributors from businesses favored a cooperation-based approach, “warn[ing; C.S.] against the use of trade policy as a means of enforcing sustainability objectives in partner countries” (LSE Consulting 2021: 5). That the commercial provisions of the EVFTA have priority for the Commission is also indicated by its financial support: While the Commission granted €588,000 to enhance the capacity of labor-related CSOs (2017-21) , €450,000 to promote human rights due diligence in GPNs (2018-21) , and \$1.8 million (2019-23), under a multi-country ILO program called ‘Trade for Decent Work’ to support the implementation of the TSD chapter, the deepening of trade relations – to the benefit of export-oriented and import-dependent capital in the EU – has been supported through a long-term umbrella project managed by the EU Delegation and MOIT, called EU-MUTRAP. It has run in four phases since 1998, including phase III from 2008-12 (€10 million) and phase IV from 2013-17 (€16 million). Subsequently, the Commission committed another €6 million to support the comprehensive implementation of the EVFTA, under a project called ARISE+ (2018-23).

5.3. GPN relations: Grievances and struggles in Vietnam’s apparel export sector

As the on-the-ground effects of the EVFTA on labor regimes in Vietnam hinge on how it confronts power dynamics of GPNs, this section offers an illustrative assessment of the apparel export sector. Initially dominated by state-owned enterprises, this sector expanded dramatically since the 1990s, largely driven by private and foreign capital. In 2022, Vietnam was the world’s third-largest apparel exporter, with 45% going to the US, 40% to Asia and 15% to the EU. While overtaken by electronics in terms of export value, apparel remains the largest sector in terms of employment, providing jobs for around 2.7 million – mainly young female – workers (Fair Wear 2021). Vietnam accounted for just 4.5% of apparel imports into the EU in 2022 (the 5th largest) but the sector is expected to be among the largest beneficiaries of the EVFTA (EC 2017). While the TSD chapter purports to benefit workers in export sectors such as apparel, our research suggests that its impact is inhibited by three mismatches.

First, while the TSD chapter focuses on fundamental rights at work such as freedom of association, apparel workers’ grievances overwhelmingly revolve around material conditions. Despite gains in the past decade, the real incomes of apparel workers have stagnated and remain – as in most apparel-exporting countries – well below living wage benchmarks. In 2020, the applicable minimum wage met just 59% of an estimated living wage in Ho Chi Minh City and 66% in rural areas. To earn a sufficient income, workers rely on overtime, which is pervasive across the industry. In its latest annual report, Better Work Vietnam found 76% of 334 apparel factories to violate the legal overtime limit of 30 hours per month. Moreover, low wages force many workers into debt or to reduce nutritional intake, with severe human consequences (Oxfam 2019). Recently, these challenges have worsened in the context of COVID-19, soaring living costs and a government-imposed freeze of the minimum wage from June 2020 to June 2022. In a VGCL survey from March 2022, 46% of workers reported that wages fell short of minimum living needs, and almost 50% said they must borrow money at least 3-4 times per year to cover basic expenses (VIR 2022). In the face of such hardships, the labor CSOs interviewed described the TSD chapter as having little relevance for, and interest from, apparel workers, as it fails their most burning issues: non-livable wages and excessive overtime.

A second mismatch is that the TSD chapter does not address the purchasing practices of lead firms. As in other producer countries, apparel manufacturers in Vietnam are subject to a ‘supplier squeeze’ that manifests itself in a combination of deteriorating export prices, shortening lead times and intensifying demands on flexibility, in addition to compliance with social and environmental standards (Anner 2020). Although less severe than for regional competitors, a squeeze is evident in trade data: from 2011 to 2021, the nominal unit value of US imports of apparel from Vietnam remained virtually unchanged, while the figure for the EU rose by a mere 8%. In real terms, unit prices declined for both markets. These trends pose problems for suppliers, who operate in an inflationary environment: from 2011 to 2021, the price index for energy and material inputs used in textile and leather manufacturing rose by around 40%, consumer prices by 45% and nominal minimum wages by 185%. Reports, further, indicate that these contradictory pressures accelerated during COVID-19, leading to further price cuts, even shorter lead times and fiercer competition

among apparel suppliers in Vietnam; impacts that were largely passed on to workers (Do 2020; Fair Wear 2021).

Critically, aggressive purchasing practices also shape workers' capacity to organize: exhausted by low incomes and excessive overtime, workers often lack the energy needed to engage in organizational activities, inhibiting their ability to enjoy the associational rights that the EU is seeking to promote, as stated by a member of the Vietnamese DAG (see also Oxfam 2019). While buyers' commercial pressures are widely recognized as a fundamental driver of exploitative labor regimes, they are left unaddressed by the TSD chapter. Vietnamese labor CSOs saw this omission as verging on hypocrisy, as the EU takes a tough stance on the Vietnamese government while playing soft on European business. One informant noted that 'if the EU really wants to push for sustainable development, they should implement a policy on pricing and profits along the supply chain – otherwise, it is just "saying" but no "doing"'.

Third, the labor standards in, and institutional mechanisms installed by, the TSD chapter are largely incongruent with existing modalities of labor resistance in the export apparel sector. In the context of Vietnam's state-dominated labor regime, wildcat activism has become the main vehicle of labor resistance (Anner 2015). Of more than 7,000 strikes since the 1990s, not a single has been led by the VGCL (Schweisshelm/Do 2018). The apparel and textile sectors are the most strike-prone, accounting for 39% of all strikes in 2018, and, testifying to the importance of material concerns, the majority of strikes is concerned with issues such as wages, benefits, overtime and the quality of food (Fair Wear 2021). Although strikes are typically instigated by informal leaders, they appear spontaneous and uncoordinated, and employers often negotiate with a collective of workers, to prevent identification of, and retaliation against, leaders (Kerkvliet 2019).

In the apparel sector, wildcat resistance has been rather successful. Strikes are often resolved in workers' favor – a 2011 survey by the ILO found that 92% ended with all demands being met by employers (Do 2017) – and have been a catalyst of institutional change, including successive labor code revisions, a new wage-setting mechanism and the ongoing union reform, which began before the new-generation FTAs (Do/van den Broek, 2013; Evans 2020). A key to this success lies in the fact that striking workers often enjoy the support of both the state and the VGCL. Partly due to its socialist ideology, but more importantly to prevent strikes from evolving into political protests, the state has swiftly intervened in labor protests, often on the side of workers (Pringle/Clarke 2011). Likewise, the VGCL actively engages in strike resolution, not least to maintain legitimacy as a guardian of workers' interests. Typically, therefore, strike resolution is facilitated by officials from the VGCL and local departments of MOLISA, who, in joint 'strike taskforces', collect workers' grievances and mediate negotiations with employers (Kerkvliet 2019).

As informal activism has proven effective in gaining some material concessions, apparel workers seem to have little motivation to set up independent WROs. This might also be related to the formal nature of WROs, which requires workers to register with authorities and could lead to repression against specific workers by employers or the state (Kerkvliet 2019). Most critically, however, organizing through WROs is likely to cut workers off from pulling the state and the VGCL into their struggles. Hence, our interviews suggest that WROs, at least at present, hold limited relevance for labor struggles and do not seem to increase workers' bargaining power vis-à-vis employers and the

state. This is also shown by the fact that MOLISA, two-and-a-half years after the new labor code came into effect, has still not received a single application for the establishment of a WRO. And this even though strike activity has bounced back after declining for a decade: Vietnam was hit by 107 strikes in the first half of 2022 – 40% of which occurred in the apparel and textile industry – the highest level since 2018 (VnEconomy 2022).

Two additional forces may impede the WROs from becoming genuine worker representatives. First, a common concern among advocates of workers' welfare, including in the CPV and the VGCL, is that the introduction of new WROs will lead to a proliferation of yellow unions and fragmentation of the labor movement (Arnold/Hess 2017). According to our interviews, employers have been among the most enthusiastic supporters of a union reform as they have strong incentives to set up 'yellow' WROs to circumvent the VGCL and retain union fees. As non-unionized enterprises must negotiate with upper-level VGCL branches, WROs may alleviate employers from having to deal with the powerful state union. Further, the 2% union tax applies to all factories – unionized or not – and is, in non-unionized enterprises, paid to the upper-level VGCL union. Depending on the revision of the trade union law, WROs may allow employers to keep union taxes within the company and, in the case of 'yellow' WROs, decide how it is spent. The second impediment is the VGCL itself. To prepare for competition, the VGCL has scaled up its recruitment efforts at the grassroots level; and for 2023, it set the target of mobilizing an additional 1.1 million workers. Such membership drive may crowd out independent WROs by reducing the potential membership base they can tap into. At the same time, however, it shows that the prospects of competing unions are pushing VGCL to become more representative and effective, which may be a significant indirect effect of the labor reform.

Similar arguments can be made regarding the CSM of the EVFTA: the Vietnamese DAG, as it is currently constituted, remains largely detached from apparel workers' struggles. Currently, labor is only represented by the Institute for Workers and Trade Unions under the VGCL; and although the VGCL can be vocal, especially on workers' material welfare and working conditions, it remains constrained by its loyalty to the CPV and its own interest in sustaining its monopoly. As a government-controlled mechanism, hence, the DAG is unlikely to open new avenues for workers to bargain concession from the state.

These mismatches between the TSD chapter and labor regimes in the Vietnamese apparel export sector point to a more fundamental contradiction of promoting labor standards through FTAs. While it is too early to assess the commercial effects of the EVFTA, as tariff reductions are phased in over a 7-year period, it is likely to deepen Vietnam's integration into low-wage, labor-intensive and highly competitive industries. Both the Commission and the Vietnamese government project that apparel and footwear will see the largest gains from the EVFTA; according to estimates by MOIT, exports from these sectors to the EU will rise by 67% and 99% by 2025, respectively (VCCI 2021). In 2019, footwear and apparel were the 2nd and 3rd lowest-paid out of 24 branches of the manufacturing sector in Vietnam (GSO 2022). Although a new industrial strategy for textile, apparel and footwear, approved in December 2022, seeks to promote higher-value production, increase localization and close the wage gap, it is clear the government – fueled by the new-generation FTAs – envisions a drastic expansion of labor-intensive production (Prime Minister 2022). In the EU, the EVFTA was pushed strongly by import-dependent firms, for whom Vietnam was – and remains – a promising

sourcing location, especially in the context of rising costs in China (Eckhardt and Poletti, 2016). Indeed, a list of meetings obtained through an access to information request to the Commission shows that textile-apparel – represented by lobby groups such as the Federation of the European Sporting Goods Industry (FESI) and the European Branded Clothing Alliance (EBCA) – was the sector with the greatest access to DG Trade during negotiations and pre-ratification, accounting for 17% of all meetings that DG Trade held on the EVFTA with external stakeholders. Considering this influence of European firms, who benefit from cheaper imports, it is expected that the Commission will only, as a very last resort, allow the breach of labor provisions to jeopardize its efforts to integrate Vietnam deeper into EU-centered GPNs.

6. Conclusions

While the TSD chapter of the EVFTA was a crucial external catalyst for labor reform in Vietnam, the analysis presented in this article shows that its impact has been inhibited in its encounter with prevailing labor regimes. The most important elements of the reform program – the introduction of independent WROs at the firm-level and the inclusion of independent CSOs in the DAG – have been resisted by conservative forces in the party-state, for whom regime stability remains the overriding priority. This backtracking on the commitments made by Vietnam ahead of ratification happened despite sustained pressure from the EU, whose teeth have been blunted, as its pre-ratification leverage has dissipated. These developments suggest that in the post-ratification phase, the Vietnamese leadership is re-evaluating the situation, seeking formal compliance at minimal sacrifice. While the labor reforms will likely continue – the WRO decree is under preparation, and dossiers for a new trade union law and the ratification of ILO Convention No. 87 are expected to be presented to the National Assembly in 2024 – it is clear that the CPV is determined to keep the process under strict control.

Even if implemented, an illustrative assessment of the apparel export sector in Vietnam indicates that the TSD chapter holds little relevance for workers' struggles. It neither addresses the most pressing issues for workers, low wages and excessive overtime; nor the aggressive purchasing practices of buyers, rooted in the asymmetric power relations of apparel GPNs, which are at the heart of these problems. Further, there appears to be little demand for establishing formal WROs among apparel workers, for whom informal activism, with the tacit support of the state and the VGCL, has been an effective strategy for achieving selective gains. It is, therefore, doubtful in which way independent WROs will increase workers' bargaining power vis-à-vis employers and the state. They may also end up benefitting employers by fostering a proliferation of yellow unions, fragmenting the labor movement and circumventing the VGCL. Along similar lines, the Vietnamese DAG, as currently constituted, is detached from workers' struggles and appears unlikely to open up new channels for labor to exert influence on employers and the state. In this regard, the TSD chapter remains an 'elite project', as described by one informant in Vietnam.

But there are also some potentially positive impacts of the TSD chapter post-ratification. It should not be underestimated how significant the establishment of the DAG is in the context of Vietnam's state-society relations; and if Vietnam ratifies convention 87 as planned, it will be another important change, on paper at least. The most important indirect impact might be the pressure on the VGCL for

reform, which has led to initiatives to increase membership and become more representative of workers and their demands. Particularly, the medium-term impact that this could have on changing the role of civil society could be important. However, recent shifts in power to conservative fractions and a general tightening of civic space reflect the eagerness of the CPV to keep civil society in check and prevent the rise of counter-hegemonic movements.

The case of the EVFTA also shows that stronger instruments may be needed for the EU to ensure that partner countries (and the EU) stay on the reform path in the post-ratification phase. The new TSD model proposed by the European Commission in June 2022, now under negotiation in the European Parliament, is a step in the direction towards a more assertive approach. But it remains to be seen how far the Commission is willing to go on labor provisions, both in the EVFTA and in future FTAs. The room of maneuver of the EU on the trade-labor nexus is constrained by the disproportionate influence of export-oriented and import-dependent capital in policymaking, and by its own market-opening *raison d'etre*, which means that meaningful impacts of the TSD chapter strongly depend on internal EU power relations and social struggles in partner countries.

The article's primary contribution is the proposed combination of strategic-relational state theory with the notion of multi-scalar labor regimes for assessing the impact of labor clauses. This perspective brings attention to the various social struggles that permeate state institutions, inter-state interaction and GPNs, reflecting material interests and power relations in society, which decisively shape state action. As illustrated by the case of the EVFTA, this framing highlights two aspects that have received limited attention in the literature: first, how the implementation of TSD chapters may be subject to contestation within state apparatuses, with different actors and interests seeking influence over how labor clauses are transformed into concrete regulation and policy; second, how FTAs and GPNs have overlapping and intersecting power relations, with lead firms occupying a central position in both. The latter aspect reminds us that FTAs essentially serve to improve access to markets and sourcing locations for capital, pointing to a fundamental contradiction in promoting labor standards through FTAs.

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Appendix 1

	<i>Independence of DAG</i>	<i>Operational effectiveness</i>	<i>Clear purpose and mandate</i>	<i>Sufficient political will of EU and/or partner country?</i>	<i>Fit with pressing labour issues?</i>
Central America	Lacking trade union representatives (Orbie et al. 2016)		Meetings to “tick the box”, little impact (Orbie et al. 2016)		Trade-related unemployment not addressed (Harrison et al. 2019b)
Colombia, Peru and Ecuador	Peru: chaired by Ministry of Labour, government decides about meetings, no specification that members need to be independent, mainly exist for ‘photo opportunities’ (Orbie et al. 2017) Columbia: all Columbian representatives from	Lack of formal coordination, civil society monitoring weaker than in other FTAs (Marx et al. 2016; Orbie et al. 2017) Colombia: no meeting attendance by union representatives due to lack of funding (Marx et al. 2016)	No agreement on improving labour standards, just not weakening them; discussions about labor rights stayed on a superficial level (Orbie et al. 2017; Marx et al. 2016)	From EU side: yes (Orbie et al. 2017) Columbia: lack of accountability for CSO mechanism on both sides (Marx et al. 2016)	Weakening of labor inspection, no implementation of CLS, no progress regarding trade union rights (Van der Putte 2016; Marx et al. 2016)

	Ministry of Trade (Marx et al. 2016)				
Georgia	Unclear; direct contact with DG trade & representatives are badly informed about their role and purpose (Martens et al. 2020)	Ambivalent; CSF is well funded; DAG is lacking financial resources (Martens et al. 2020)	“Tick the box meetings”; various platforms with unclear purpose (Martens et al. 2020)	DAG has no influence on decision making (Martens et al. 2020)	
Moldova	Limited representation of civil society & imbalance between labor and business representation (Smith et al. 2017, 2018)	Underfunding (Harrison et al. 2019a)	Little attention paid to labor issues (Harrison et al. 2019a)	No complaints initiated; EU-side saw their role narrowly; aim was not to create common understanding (Harrison et al. 2019a)	Poverty wages not addressed (Smith et al. 2018; Harrison et al. 2019b)
South Korea	Questionable; members of one of the largest unions were not invited to participate (Orbie et al. 2016)	Better than in other countries; Procedural activities well developed but lack of progress on substantive labor issues (Orbie et al. 2016)	Dialogue and hearings but no sufficient impact (Orbie et al. 2016)	EU-side saw their role narrowly, aim was not to create common understanding (Harrison et al. 2019a)	No, but at the same time: pressure on automotive industry and weakening of labor conditions (Orbie et al. 2016; Campling et al. 2021)
Ukraine		Lack capacity and mandate (De Deugd/Roozendaal 2022)	Limited mandate (De Deugd/Roozendaal 2022)	Lack of compliance in law and practice with the labor standards enshrined in the AA; Ukrainian government seems to undervalue the need to conform to international regulations and conventions (De Deugd/Roozendaal 2022)	Labor law reform has been delayed, already before the war (De Deugd/Roozendaal 2022)