IMPACT OF ECONOMIC DOWNTURN ON CHILD LABOUR: 
THE CASE OF VIETNAM

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Abstract:

This paper examines how the economic recession has affected child labor in Vietnam. The economic downturn increases the proportion of child labor because their parents, the breadwinner of the family, are unemployed or cut down on their income, leaving their children out of school to help with their household business or look for work for extra income, moreover, the economic downturn can increase children working in poor conditions and forced labor. This makes the prevention and elimination of child labor even more difficult, especially in a developing country like Vietnam as the number of employees working in the informal sector is high, they often aren't supported by social security policies such as unemployment insurance, and social insurance ... This article proposes some recommendations to minimize the negative effects of the economic recession on the prevention and elimination of child labor in Vietnam, such as building policies to promote sustainable economic development; promulgating appropriate social security policies to promptly support workers and their families out of difficulties caused by job loss; organizing the effective implementation of legal regulations on the elimination of child labor, as well as raising awareness among the society in preventing and eliminating child labor.

Keywords: impact; economic downturn; child labor

I. INTRODUCTION

1 Dr. Nguyen Thanh Huyen is a lecturer in the Department of Business Law, the School of Law, Vietnam National University, Hanoi. She specializes in Labour law and Social security law. She has published many research papers on labor law and social security law in Vietnamese scientific journals, as well as domestic and international seminars. Besides, she is also involved in teaching labor law and social security law for Vietnamese enterprises participating in the Better Work Program of the International Labor Organization in Vietnam.
The world has witnessed many crises and economic recessions in history, but many experts believe that the economic downturn caused by the COVID-19 epidemic is considered the biggest crisis that the world has faced since the Second World War and is the biggest economic disaster since the Great Depression of 1930\(^2\). The economic downturn has affected all aspects of social life, including the issue of child labor which the international community, countries, and the whole society are trying to eliminate because of its serious consequences for the younger generation. This study identifies and evaluates the impact of the economic downturn on child labor in the case of Vietnam such as increasing child labor; limiting children's opportunities for learning and career development; forcing children to join work early, work overtime, or work in poor working conditions and prohibited job. This study then proposes solutions to prevent and eliminate child labor in Vietnam.

II. RESEARCH METHODS

The method of collecting data from research results on the impact of the economic recession on child labor in the world and in Vietnam during the previous economic crisis is used in this study. In addition, research methods of analysis, synthesis, and comparison based on research data are also used to assess the impact of the economic downturn on child labor. The comparative method is used to assess the impact of the economic downturn on child labor in different countries with the case of Vietnam.

III. RESULT OF RESEARCHING

1. Definition of child labor

What is child labor? So far, in the international scale and in Vietnam, there is no legal document explaining the term “child labor”. Children participating in work are still happening everywhere in the world, but not every child involved in work is

considered child labor and should be prevented and eliminated. So we need to explain and clarify the concept of “child labor”.

First of all, the term of “child” has also had different definitions. The concept of child is explained by Convention on the Rights of the Child based on the age: “A child means every human being below the age of eighteen years unless under the law applicable to the child, majority is attained earlier”3. As such, this Convention allows States which are its members to determine the age to be considered “a child” below that specified above. Vietnamese law stipulates that “A child is a person below the age of sixteen”4. However, that does not mean that a person aged 16 years or older is already an adult under Vietnamese law because Vietnam's Civil Code 2015 defines “A minor is a person who does not yet reach full eighteen years of age”5.

The concept of “child labor” is a term that refers to children participating in work contrary to the provisions of the law. Whether a particular labor is called “child labor” or not depends on the age when the child participates labor activities, the types of work and working hours, the working conditions of children, and the goals pursued by each country. According to the International Labor Organization (ILO), the term “child labor” is generally defined as work that deprives children of their childhood, potential, and dignity and is harmful to their physical development and morale. It refers to work that is: mentally, physically, socially, or morally dangerous and harmful to children; and/or interfere with their education by depriving them of their opportunity to attend school; forcing them to leave school early, or ask them to try to combine schoolwork with heavy and lengthy assignments6.

2. Impact of economic recession on child labor - the practiced in Vietnam

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3 Article 1, Convention on the Rights of the Child, 1989
4 Article 1, Vietnam’s Law on Children, 2016
5 Clause 1, Article 1, Vietnam’s Civil Code 2015
The survey results on child labor have shown that household economic conditions, poverty, and pressure on income generation are still the main reasons leading to children's participation in labor and child labor. The economic downturn in general and the impact of the COVID-19 epidemic in particular have had many impacts on child labor.

Firstly, the epidemic and economic recession make children ineligible to study well, even leave school early to join the labor force to help support the family economy.

The Ebola epidemic from 2014-2016 was a reason of the significant increase in child labor in West Africa. Large numbers of children were left vulnerable, and child labor (as well as child marriage) in affected areas increased. Children also reported doing more household chores, such as collecting firewood and fetching water. In Vietnam, the COVID-19 epidemic has also severely affected the whole society. As of December 2020, Vietnam has had 32.1 million people aged 15 and over be affected. In the first quarter of 2021, the number of people of working age who are unemployed is nearly 1.1 million, an increase of 12,100 people compared to the first quarter of 2020. Unemployment, rotational leave means no income or reduced income, all directly affects the lives of workers and their families. Therefore, they have to cut many types of spending, including spending on their children's education and learning. The Covid-19 pandemic has also affected the learning of nearly 23 million students (from pre-school to high school), especially poor children who are not eligible for online or television learning.

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During the period of implementation of social distancing, the number of children absent from school tends to increase mainly due to the difficulty of their families’ economy, so they drop out of school to help support the family, especially the children in highlands, deep-lying, remote, and economically disadvantaged areas. The high dropout rate (with over 10 students per year) is mainly concentrated in ethnic groups such as Mong, Dao, Xodan, Ede, Cham, Khmer.¹¹

Due to the economic recession, the absence of children from school does not only help families reduce spending but also contributes labor to find more income for the family, many families even believe that children's participation working will help them grow up faster. Children are mainly involved in economic activities in the informal economy, but in the formal economy, there are still a few cases of child labor participating in labor before reaching the age of majority at least as required by law or children working in hazardous conditions prohibited by law.¹² According to the survey results in Vietnam, up to 15.6 percent of children do not go to school for reasons to make income for themselves and their families or to assist in the production and business process of households and 14.4 percent of children do not go to school because they do not have money to pay for their studies¹³, nearly 30 percent of children work to make income.¹⁴ Thus, if economic is not the main reason, up to 30 percent of children are not deprived of the right to study and over 15 percent of children do not have to work to earn their living. Children's participation in labor can earn some money to serve their life today, but it deprives them of the opportunity to work sustainably in the future because they are not educated and trained.

Secondly, the economic downturn is also a cause for children to work in unsafe working conditions.

According to statistics, more than 50 percent of out-of-school children (children who do not attend school) are working to help their families earn extra income. They often have to work from 8 hours to 10 hours per day to help support their families. Due to the economic recession, children who have to participate in labor can work as employees or work with their families where working conditions are not guaranteed such as working age, working time, rest time, employment, and hazardous workplace with dangerous elements.

1) The age at which working children start to work.

Due to the economic downturn, children often have to join the labor force at an early age to support the family economy or to earn their living. According to Vietnam’s survey results, most working children started to work at the age of 12 years and over, accounting for nearly 55.5 percent of the total number of 1,754,066 working children, nearly 8 percent of working children started to work when they were less than 10 years old, and in particular, nearly 3 percent started to work at the age of 5-7 years. This age is too young to join the workforce with jobs suitable for health and study.

2) Regarding the conditions of working time and rest time.

Some children participating in work are not guaranteed the working time and rest time. According to the Labor Code of Vietnam 2019, the working hours of people under 15 years old must not exceed 04 hours per day and 20 hours per week; the minor is not allowed to work overtime and work at night. Working hours of

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17 Clause 1 Article 146 Labor Code of Vietnam 2019
people from full 15 years old to fewer than 18 years old must not exceed 8 hours per
day and 40 hours per week. In fact, nearly 20.1 percent of these children (2.7
percent of whom were under 13 years old) had extended working hours of over 40
hours per week, which negatively affects the health of most working children,
especially the young ones.

(3) About work and workplace.

For children participating in economic activities from the age of 5 to 14, the
main types of work are: agricultural service activities (52.2 percent), animal raising
(60.9 percent), paper production and paper operations (50.2 percent).

The main place of work of children in this age group is at home, accounting
for 73.6 percent, then at farm, field, and garden for 23.8 percent, especially, 1.2
percent of children aged 13 to 17 works at the construction site and 1.6 percent of
children aged 5 to 14 years works in rivers/lakes/marsh. Of the total number of
children in child labour, 53.6 percent works in the agriculture sector; nearly 23.7
percent works in the industry-construction sector, and nearly 21 percent works in the
services sector. In the past period, due to the impact of the COVID-19 epidemic,
children had to stay home from school, many families did not have a babysitter
(especially kindergarten and primary school age), their parents had to take their
children to work (like selling goods at the market, working on the farm or working
in a small factory at home), both working and looking after them. In these cases,
children do not participate in labor, but the safety of them is not guaranteed.

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18 Clause 2 Article 146 Labor Code of Vietnam 2019
Labor Survey 2018 Key finding", page 34.
Thirdly, the economic downturn increases the risk that children are forced to engage in bad jobs that are prohibited by law. In compliance with the provisions on prohibition and urgent action to eliminate the worst forms of child labor in Convention No. 182, 1999 of ILO, Viet Nam has issued a list of jobs and workplaces where it is strictly forbidden for minors to participate. In fact, according to the survey results, nearly 10.5 percent of children in child labor had to lift heavy objects weighing 30 or more kilograms, and nearly 9.1 percent of them had to operate production machines and equipment during their working process. However, most of these children belonged to the 15-17 year age group and at this age children are more physically mature and more aware of labor safety at work.

In addition, children often worked in places that presented an unsafe environment and working conditions, 27.7 percent of these children were in contact with dust, rubbish, and smoke at their workplace; 11.5 percent of them worked in places with high levels of vibration and strong movement; nearly 11 percent were engaged in an extremely hot or cold work environment, and over 8 percent were in contact with chemical substances when at work. Particularly, more than 3.2 percent of them worked on construction sites and more than 3 percent worked underwater. These are workplaces that pose a risk to children's physical health.

The economic recession has increased the number of child laborers doing hazardous and dangerous jobs for a living. To get a job in difficult times, many children have to accept working even in conditions that adversely affect their health. Besides, due to the difficulties caused by the economic recession, it is also difficult

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22 Article 147 Labor Code 2019 and Appendix III and Appendix IV issued together with Circular No. 09/2020/TT-BLDTBXH dated November 12, 2020 of the Minister of Labor, War Invalids and Social Affairs
for production facilities to invest in machinery and improve working conditions, especially for small and micro production units. According to the result of the research, Vietnamese children doing these jobs are mainly in the age group from 15 to 17 years old with relatively good physical strength but the number is worth considering (519,805 children), accounting for 50.4 percent of the total number of child laborers and account for 2.7 percent of the country's population of children aged 5 to 17\(^{25}\) and 40.6 percent of child laborers doing heavy, hazardous and dangerous work with 40 working hours or more per week\(^{26}\).

*Fourthly*, the economic downturn makes children involved in the work will face the risk of forced labor.

According to statistics, for every 1000 children in the world, 4.4 children are victims of modern slavery and children account for 25 percent of all victims of modern slavery\(^{27}\). In Vietnam, there are no official survey data on forced labor against children. However, in reality, many children participate in work to earn their living in remote places, without the protection of their parents, so some children are forced to work at the request of their employers, are not agreed and guaranteed in terms of wages, working hours, rest time or are physically and mentally abused.

### 3. Some solutions to limit the negative impact of the economic downturn on the prevention and elimination of child labor

*Firstly*, disadvantaged people facing difficulties due to economic decline should be supported on time to minimize negative impacts on children in general and child labor in particular.

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In Vietnam, social security policies such as paying unemployment insurance, supporting workers who are temporarily suspended from work, subsidizing the poor and those who have lost their income due to the impact of the COVID-19 epidemic (implementation of social distancing) was promptly and effectively implemented. The number of unemployed people who have decided to receive unemployment benefits received by the social insurance agency to organize payment in 2020 is 1.019 million people, an increase of 141,290 people (16.1 percent) compared to 2019. The amount of unemployment insurance payment was 16.219 billion VND, an increase of 4.043 billion VND (33.2 percent) over the same period in 2019. The reason for the increase in the number of people receiving unemployment benefits is that many businesses have to suspend their business or dissolve or go bankrupt due to the impact of the epidemic and the economic recession.

Workers in the informal sector need more attention as this group accounts for a large proportion, is vulnerable, suffers the most, and maybe outside the scope of benefits of the current policy. The Vietnamese government has implemented a support package of 62 trillion VND, for both employees and self-employed people across the country, so it is difficult to determine the beneficiaries. This is the reason that this support is difficult to quickly and promptly reach those who need help. To solve this situation, the government needs to assign local authorities to identify the self-employed so that they can receive timely support. When workers affected by the economic downturn receive timely help, it will help their families' lives be less disturbed, help them have the opportunity to find suitable jobs, adapt to new situations, and not fall into unnecessary tragedies. This policy is the basis for reducing child labor in Vietnam.

Secondly, the government and businesses need to issue and implement comprehensive solutions to promote economic recovery. These are important
solutions to minimize the negative impacts of the economic downturn on all aspects of social life, including child labor.

First of all, the government needs to accelerate the implementation of public investment to help the economy recover from the COVID-19 recession and create more direct jobs in the short term and other indirect jobs in the long term. The Fiscal Monitor of International Monetary Fund (IMF) estimates that 1 percent of GDP increase in public investment, in advanced economies and emerging markets, has the potential to push GDP up by 2.7 percent, private investment by 10 percent and, most importantly, to create between 20 and 33 million jobs, directly and indirectly\(^\text{28}\). In Vietnam, the General Statistics Office (GSO) estimates that for every 1 percentage point increase in public investment, GDP will rise by 0.06 percentage points\(^\text{29}\).

In addition, the government also needs to issue policies to help businesses overcome the economic downturn; some policies have been issued and implemented by the Vietnamese government, such as (1) To reduce 15% of the land rent to be paid in 2020 for enterprises, organizations, households and individuals that are directly leased land by the State according to Decision and/ or contract of competent State agency in the form of annual rent payment, who has to stop production and business due to the effect of Covid-19 pandemic. (2) To exempt the guarantee charge arising in 2020 for government guaranteed loans to aviation businesses with outstanding loans until December 31, 2019; (3) To reduce by 50% the price takeoff, landing ships flying and operating services prices fly away, come for flights flying inland from March to the end of September, 2020; (4) Reduce 2% interest rates for direct loans, indirect loans for small and medium enterprises from the Small and


Medium Enterprises Development Fund; (4) To reduce 30% of the corporate income tax payable for 2020 for small and micro enterprises to support in the context of the Covid-19 pandemic. However, according to experts, the policy of reducing tax and land rent does not help businesses overcome difficulties. The government needs a comprehensive solution to support enterprises to recover from the impact of COVID-19.

When the economy is restored, and more workers have jobs and incomes, their lives and that of their families will be improved, and it will have a positive impact on the reduction and elimination of child labor.

*Thirdly,* perfecting legal regulations to prevent and eliminate child labor.

In addition to specific legal provisions aimed at recovering the economy and helping businesses overcome the recession caused by the COVID-19 pandemic, the law also needs to clearly define the content of the concept of “child labor” to the prevention and elimination of child labor is made easier in practice. We must all affirm: “Child labor is the use of children to work contrary to the provisions of the law.”

For jobs that children can participate in, Vietnam's labor law only stipulates a list of light jobs that people from full 13 to fewer than 15 years old are allowed to do. Employers may not recruit and employ persons aged under full 13 years, except the jobs in the fields of arts and physical training and sports, provided that such jobs are not harmful to physical, intellectual and personality development of these children.

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30 Resolution No 84/2020/NQ-CP of the Government in May 29th, 2020, Regarding the tasks and solutions to continue to remove difficulties in production and business, accelerate the disbursement of public investment and ensure social order and safety in the context of Covid-19 pandemic.
32 “Children” should be understood as persons under the age of 18.
33 Appendix II, Circular No. 09/2020/TT-BLDTBXH in November 12th, 2020 of The Ministry of Labor, Invalids and Social affairs, Detailing and guiding the implementation of a number of articles of the Labor Code on minor workers.
persons, and shall get the consent of specialized agencies in charge of labor under provincial-level People’s Committees. In addition, the labor law also stipulates a list of jobs that harm the physical, intellectual, and personality development of minors; the list of workplaces that harm the physical, mental, and personality development of minors. So any entity that employs minors to do prohibited jobs or work in such prohibited places will be handled by the law. However, the regulations on the handling of administrative violations for violations against the rules on minor labor only sanction the employer (the entity that hires or employs the employee to do the job for themselves under the agreement) commit this violation. The criminal handling of crimes against regulations on the employment of employees under 16 years old is also difficult because one of the cases for criminal handling is that the violation has been sanctioned for administrative violations of this behavior. When children do prohibited jobs and workplaces for their own families, Decree 28/2020/ND-CP cannot be applied to administrative sanctions and also faces difficulties when dealing with children's criminal prosecution in this case. To prevent and eliminate child labor, these legal obstacles need to be amended.

Finally, raising awareness in preventing and eliminating child labor.

We need to strengthen propaganda to raise awareness of people and businesses about the prohibition of using child labor, especially using child labor to do terrible jobs. Families, schools, and employers need to be acutely aware of the

34 Clause 3, Article 145 Vietnam Labor Code 2019
35 Appendix III, Circular No. 09/2020/TT-BLDTBXH in November 12th, 2020 of The Ministry of Labor, Invalids and Social affairs, Detailing and guiding the implementation of a number of articles of the Labor Code on minor workers.
36 Appendix IV, Circular No. 09/2020/TT-BLDTBXH in November 12th, 2020 of The Ministry of Labor, Invalids and Social affairs, Detailing and guiding the implementation of a number of articles of the Labor Code on minor workers.
37 Article 28, Decree No. 28/2020/ND-CP, March 01, 2020 of Government, Providing penalties for administrative violations in the fields of labor, social insurance, and overseas manpower supply under contract
long-term harmful effects of child labor on children and their families as well as on society as a whole, as children are the future of our society.

IV. CONCLUSION

The economic recession has an impact on all aspects of socio-economic life; especially it causes an increase in child labor. In this study, the author mentioned the impact of the economic downturn on child labor such as: children have to leave school early to join the labor force to help support the family economy; children have to work in unsafe working conditions or accept terrible jobs to make a living and to earn income. To prevent and eliminate child labor, first of all, it is necessary to have appropriate welfare policies to support workers and their families through the difficulties of the economic downturn, and at the same time, the policies to restore and promote economic development needs to be effectively built and implemented because it will create more jobs, as well as better working conditions and income for workers. This is a sustainable basis for children to study and not be required to engage in labor to earn a living. In addition, legal provisions on the prevention and abolition of child labor also need to be improved.

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“Public investment is major driver of Vietnam’s economic growth in 2020”

Thùy Linh, “Gần 23 triệu học sinh cả nước khai giảng năm học mới 2020-2021”

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Báo cáo tác động của dịch COVID-19 đến tình hình lao động, việc làm quý IV và năm 2020

