

Analysis of The Current Situation of Building Healthy Labor Relations in Non-State Construction Enterprises in Vientiane Capital, Laos

Hit NOLAUNG

Ph.D Candidate at Trade Union University, Viet Nam, Hitnorlaung@gmail.com ,
<https://orcid.org/0009-0005-5913-3857>

Abstract

This study aims to analyze the current state of healthy labor relations in non-state construction enterprises in Vientiane, Laos. It focuses on several key activities, including improving the capacity of stakeholders in labor relations, ensuring the signing and implementation of labor contracts, promoting dialogue and the establishment of collective labor agreements, and preventing and resolving labor disputes. Data for the study was collected from summary reports detailing initiatives aimed at building healthy labor relations within construction enterprises in Vientiane. The findings of this research will serve as a foundation for proposing solutions to enhance the development of healthy labor relations in non-state construction enterprises in Vientiane, Laos.

Keywords : Labor relations; Subjects of Labor Relations; Collective Labor Agreement; Labor Contract; Non-State Construction Enterprise.

1. INTRODUCTION

Building healthy labor relations within enterprises is crucial for maintaining harmony and stability and promoting effective production and business practices. However, the research and organization of labor relations have not received sufficient attention from stakeholders. There is no clearly defined theoretical framework for establishing healthy labor relations, and no comprehensive criteria-either qualitative or quantitative-exist to evaluate them. This absence presents significant challenges when enterprises attempt to foster these relationships, which should be harmonious, stable, and progressive. To achieve satisfaction in these relations, it is essential to consider both the perspectives of employees and the enterprise. This means that employees should feel fulfilled within the limits defined by the company. When the interests of either party are compromised, the relationship between employees and the enterprise can deteriorate, leading to decreased operational efficiency. The key issue is the need to establish a framework for resolving the relationships of interests within an enterprise, particularly the economic interests between employees and the organization, and in the trend of objective laws. To achieve this, it is essential to create a solid foundation that allows for harmonious resolution of the relationships that arise between employees and employers.

The legal system in Laos is still developing, and many issues need to be addressed in law enforcement. Additionally, there is not much experience in building labor relations in the market economy and international integration... Vientiane, the capital of Laos, is currently the center of most production and business activities. By the end of 2023, Vientiane had 1.118 non-state construction enterprises, employing approximately 102.923 workers. Establishing a harmonious relationship between workers and these non-state construction enterprises is essential for creating a stable and positive working environment. However, similar to the national context, labor relations within non-state construction enterprises in Vientiane still face numerous

challenges. The underlying issues include limited capacity among subjects involved in building labor relations, internal factors, and unhealthy competition within the industry. Furthermore, macro factors contribute to the problem, such as many business owners violating labor laws, particularly regarding working hours and rest periods, which negatively impacts the legal rights and interests of employees. Additionally, workplace dialogue activities are not being conducted seriously or comprehensively.

For such reasons, it is necessary to conduct a study on the current status of building healthy labor relations in non-state construction enterprises in Vientiane, Laos.

2. RESEARCH METHODS

Data were collected from the Vientiane Capital Statistics Office in Laos regarding the scale and business performance of non-state construction enterprises in Vientiane Capital. Additionally, data from the Vientiane Capital Federation of Trade Union, which pertains to the current status of labor relations in these non-state construction enterprises, will also be analyzed in this study.

The study focuses on data collected from Cha Lon Xe Kong Construction Company, a representative case of non-state construction enterprises in Vientiane, Laos. This medium-sized enterprise has a workforce consisting of 12 managers and 141 technical and unskilled workers. Between 2022 and 2023, Cha Lon Xe Kong Construction Company demonstrated strong business performance, achieving positive after-tax profits. Additionally, the company exemplifies healthy labor relations in Vientiane and consistently adheres to labor regulations under Lao law.

3. Current status of building healthy labor relations in non-state construction enterprises in Vientiane, Laos

3.1. Analysis of the current status of enhancing the capacity activities of healthy labor relations subjects in non-state construction enterprises in Vientiane Capital

Regarding the activities to improve the capacity of workers in non-state construction enterprises in Vientiane, these enterprises have implemented various initiatives, including sending workers for professional training. This effort aims to improve workers' professional knowledge and abilities, ultimately fostering a positive impact on the development of healthy labor relations within these enterprises.

Table 1: Number of Workers Participating In Construction Professional Training Courses At Non-State Construction Enterprises In Vientiane Capital

No.	Year Number of workers	Unit	2019	2020	2021	2022	2023
1	Total number of non-state construction enterprises	Enterprise	1.085	1.116	1.105	1.098	1.118
2	Total number of employees	Employees	98.735	102.728	101.108	100.796	102.923
3	Employees participating in professional training courses on construction	Employees	3.015	2.701	2.589	2.916	3.012
4	Percentage of employees participating in professional training courses on construction	%	3,05	2,63	2,56	2,89	2,93

Source: Vientiane Capital Federation of Trade Union

Between 2018 and 2023, changes in capacity-building activities for workers in non-state construction enterprises in Vientiane capital were particularly evident, especially during the 2020-2021 period when the world faced the COVID-19 pandemic.

As the pandemic situation gradually improved in 2022, the number of workers participating in training rose to 2,916 and continued to grow, reaching 3,012 in 2023. Consequently, the percentage of workers sent for training also increased, rising to 2,89% in 2022 and 2,93% in 2023. This growth reflects the resurgence of training activities, indicating that businesses are ready to reinvest in enhancing their workers' skills. Following the period of disruption, companies may have recognized the importance of building a team of highly skilled and specialized personnel to prepare for development and competition in the new era.

Table 2: Employees Participating in Training And Refresher Courses on Labor Law Knowledge Organized By Non-State Construction Enterprises in Vientiane Capital

No.	Indicators	Unit	2019	2020	2021	2022	2023
1	Total number of employees	Employees	98.735	102.728	101.108	100.796	102.923
2	Employees participating in training and refresher courses on labor law knowledge organized by the company	Employees	23.012	19.076	16.503	21.087	20.712
3	Percentage of employees participating in training and refresher courses on labor law knowledge organized by the company	%	23,31	18,57	16,32	20,92	20,12

Source: Vientiane Capital Federation of Trade Union

In 2019, the number of employees participating in training on labor law reached 23,012, which accounted for 23,31% of the total workforce. This figure is quite impressive, indicating that enterprises are prioritizing legal compliance and enhancing their employees' legal knowledge. However, the COVID-19 pandemic, which emerged in 2020, led to a significant decline in these training activities. Specifically, the number of employees involved in training dropped to 19,076, representing 18,57% of the workforce, and further decreased to 16,503 employees (16,32%) in 2021. This decline can be attributed to the pandemic's severe impact on business operations, forcing companies to focus on maintaining essential production and business functions instead of organizing training and coaching programs. Additionally, restrictions on large gatherings and social distancing measures hampered the ability to conduct in-person training sessions.

The effectiveness of the workers' representative organization plays a significant role in establishing healthy labor relations within non-state construction enterprises in Vientiane, Laos. Efforts to enhance the capabilities of this organization have been implemented, including the following activities:

Table 3: Activities To Enhance the Capacity of Representative Organizations of Workers At Non-State Construction Enterprises in The Capital Vientiane

No.	Year	Unit	2019	2020	2021	2022	2023
1	Number of union officials in non-state construction enterprises	Officials	956	981	1005	1013	1106
2	Number of union officials sent to study to improve their professional qualifications in trade unions	Officials	82	79	63	101	92
3	Percentage of union officials sent to study to improve their professional qualifications in trade unions	%	8,58	8,05	6,27	9,97	8,32
4	Number of union officials attending the training course on union work of the Vientiane Capital Federation of Trade Union	Officials	716	802	792	759	839
5	Percentage of union officials attending the training course on union work of the Vientiane Capital Federation of Trade Union	%	74,90	81,75	78,81	74,93	75,86

Source: Vientiane Capital Federation of Trade Union

The data indicates a significant rise in the number of union officials working in non-state construction enterprises in Vientiane. Specifically, the number of union officials grew from 956 in 2019 to 1.106 in 2023. This increase reflects the strengthening and expansion of union efforts, demonstrating a growing commitment among organizations to protect workers' rights.

Table 4. Activities to Enhance the Capacity of Trade Unions At Non-State Construction Enterprises in The Capital Vientiane

No.	Year	Unit	2019	2020	2021	2022	2023
1	Number of enterprises with grassroots trade unions	Enterprises	913	961	982	953	1001
2	Number of specialized training activities on labor law for employees organized by grassroots trade unions	Activities	358	276	192	301	489
3	Number of activities to improve skills for employees through collective experience activities	Activities	796	512	428	839	892

Source: Vientiane Capital Federation of Trade Union

The number of enterprises with grassroots trade unions increased from 913 in 2019 to 1.001 in 2023, showing positive development in establishing and maintaining trade unions at enterprises.

The number of specialized training activities on labor law for employees organized by grassroots trade unions has seen significant fluctuations. Specifically, these activities decreased from 358 in 2019 to just 276 in 2020, further declining to 192 in 2021. This drop may reflect the challenges in organizing events during the pandemic and other factors that limited mass gatherings. However,

from 2022 onward, the number of activities rebounded strongly, reaching 301 in 2022 and continuing to rise to 489 in 2023. This increase demonstrates the efforts of trade unions to enhance awareness and legal knowledge among employees.

3.2. Analysis of the Current Status of Activities to Ensure the Signing And Implementation of Labor Contracts at Construction Enterprises in Vientiane Capital

Ensuring the signing and implementation of labor contracts at construction enterprises in Vientiane is crucial for fostering healthy labor relations at non-state construction enterprises in the area. To enhance the signing and execution of these contracts, state management agencies in Vientiane regularly conduct scheduled and surprise inspections. These inspections aim to ensure that enterprises comply fully with labor contract regulations. The Department of Labour and Social Welfare usually organizes these inspections in coordination with relevant units.

Table 5. Number of Times Enterprises Inspected for Compliance With Labor Laws By The Department of Labour And Social Welfare of Vientiane Capital

No.	Year	Unit	2019	2020	2021	2022	2023
1	Number of non-state construction enterprises	Enterprise	1085	1116	1105	1098	1118
2	Total number of inspected enterprises	Enterprise	76	38	41	82	72
3	Percentage of businesses inspected	%	7,00	3,41	3,71	7,47	6,44

Labor and Social Welfare Department, Vientiane Capital

The data table presents information regarding the number of non-state construction enterprises in Vientiane Capital that were inspected for compliance with labor laws from 2019 to 2023. The data reveals fluctuations in both the number of non-state construction enterprises and the rate at which these enterprises were inspected.

Among the total number of non-state construction enterprises, the number of enterprises showed a gradual increase from 1.085 in 2019 to 1.116 in 2020. However, in the following years, the count slightly decreased to 1.105 in 2021 and 1.098 in 2022. Subsequently, it rebounded to 1.118 in 2023. This trend illustrates the stable development of enterprises within the construction sector.

The number of enterprises inspected for compliance with labor laws has significantly decreased in recent years. In 2019, 76 enterprises were inspected, but this number dropped sharply to only 38 in 2020. This decline may reflect challenges in conducting inspections during the pandemic or other factors. However, in 2021, the number of inspected enterprises rose again to 41 and increased further to 82 in 2022. In 2023, there was a slight decrease, with 72 enterprises being inspected.

2.3. Analysis of The Current Status of Activities to Enhance Dialogue and Sign Collective Labor Agreements for Construction Enterprises in Vientiane Capital

The data table provides information on the activities related to enhancing dialogue and signing collective labor agreements in non-state construction enterprises in Vientiane capital from 2019 to 2023. The number of non-state construction enterprises in Vientiane capital showed slight fluctuations, starting at 1.085 in 2019. It increased to 1.116 in 2020, then decreased to 1.105 in 2021 and 1.098 in 2022. However, it experienced another increase, reaching 1.118 enterprises in 2023. This trend indicates a stable development of the construction industry, despite the fluctuations during the period.

Table 6. Activities to Enhance Dialogue and Sign Collective Labor Agreements at Non-State Construction Enterprises in Vientiane Capital

Year	Unit	2019	2020	2021	2022	2023
Number of construction enterprises	Enterprises	1085	1116	1105	1098	1118
Number of enterprises successfully organizing workplace dialogue	Enterprises	613	798	635	692	736
Number of times held workplace dialogues	Times	832	885	786	791	812
The percentage of enterprises successfully conducting workplace dialogues to total enterprises	%	56,50	71,51	57,47	63,02	65,83

Source: Vientiane Capital Federation of Trade Union

Regarding the number of enterprises successfully organizing dialogues, in 2019, 613 enterprises successfully organized dialogues. This number increased to 798 in 2020 but then decreased to 635 in 2021. The decline in 2021 may be attributed to the challenges of organizing dialogues during the pandemic. However, starting in 2022, the number of enterprises holding dialogues began to recover, reaching 692 in 2022 and 736 in 2023.

The number of times of workplace dialogues fluctuated over the years. In 2019, there were 832 dialogues, which increased to 885 in 2020. However, this number decreased to 786 in 2021. Starting in 2022, the number of dialogues began to rise again, reaching 791 in that year and 812 in 2023. This trend reflects businesses' commitment to maintaining communication with their employees.

The percentage of enterprises that facilitated dialogue in the workplace changed over the years. It increased from 56,50% in 2019 to 71,51% in 2020 but then fell to 57,47% in 2021. Fortunately, this percentage recovered to 63,02% in 2022 and continued to rise, reaching 65,83% in 2023. These figures indicate a growing interest among enterprises in fostering dialogue with employees, which in turn helps improve labor relations and protect employees' rights.

Take Cha Lon Xe Kong Company as a typical example. The company has implemented initiatives to promote dialogue and establish collective labor agreements, ensuring a favorable working environment. These efforts contribute to fostering healthy labor relations within the organization.

Box 1. Example of activities to enhance dialogue and sign collective labor agreements at Cha Lon Xe Kong Company

Cha Lon Xe Kong Company organizes annual dialogue programs to address challenges and issues between the enterprise and its employees. In 2021 and 2022, the company faced difficulties in resolving salary and welfare concerns for its employees. To tackle this, the company collaborated with the union to meet with employees, negotiate, and seek their cooperation and support in sharing the company's challenges. A roadmap and proposed solutions were developed to address these issues. The employer's initiatives at Cha Lon Xe Kong Company help build trust and provide timely information, allowing employees to work with peace of mind, especially amid the general economic difficulties that have also impacted the company directly.

Source : Report on activities of the trade union of Cha Lon Xe Kong Company

2.4. Current Status of Activities to Ensure Prevention And Resolution of Labor Disputes in Construction Enterprises in Vientiane Capital

Activities to ensure the prevention and resolution of labor disputes have been implemented by construction enterprises in Vientiane capital, with specific results as follows :

Table 7. Number of activities to enhance resolution/limit disputes in non-state construction enterprises in Vientiane capital

No.	Year	Unit	2019	2020	2021	2022	2023
1	Number of sports activities	Activities	538	406	318	591	762
2	Number of mass art performances	Performances	412	102	93	285	302

Source: Vientiane Capital Federation of Trade Union

According to the results from the above data table, the data indicates that the number of sports activities in non-state construction enterprises fluctuated between 2019 and 2023. In 2019, there were 538 activities. However, this number dropped to 406 in 2020 and further decreased to 318 in 2021. This decline can be attributed to the complications arising from the COVID-19 pandemic, which prioritized the health and safety of individuals, particularly workers. As a result, sports activities were significantly limited during this period. Once the pandemic was brought under control, the number of sports activities began to rise again, reaching 591 in 2022 and further increasing to 762 in 2023.

For mass art performances. Similar to sports activities, there are fluctuations in this period with the number of mass art performances held in 2019 being 412, in 2020 being 102, in 2021 being 93, in 2022 being 285, and in 2023 being 302. Thus, it can be seen that in addition to various activities such as Activities to improve the capacity of the subjects of healthy labor relations at construction enterprises in Vientiane capital; Activities to ensure the signing and implementation of labor contracts at construction enterprises in Vientiane capital; Activities to enhance dialogue and signing of collective labor agreements at construction enterprises in Vientiane capital, activities to ensure the prevention and settlement of labor disputes at construction enterprises in Vientiane capital have also been interested and developed.

Box 2. Active activities of construction enterprises to minimize disputes in labor relations

Cha Lon Xe Kong Company regularly organizes sports events for all employees and arranges holidays to ensure their rights and well-being. In 2023, the company resumed its employee welfare programs as the production situation stabilized after the Covid-19 pandemic. The employee welfare expenditure is structured to guarantee rights and benefits, with the following distribution: The company spends from 1.5 to 3 million kip per employee for Lao National Day; and 4 million kip per employee for collective activities during the company's summer vacation; The company spends 1 million kip per employee for uniform expenses. These enhanced social welfare activities have helped minimize potential labor disputes, actively contributing to the establishment of healthy labor relations within the company.

Source: Report on activities of the trade union of Cha Lon Xe Kong Company

4. SOME RECOMMENDATIONS

To build better labor relations of non-state construction enterprises in Vientiane capital, the author proposes several recommendations as follows:

First, to enhance labor relations, it is essential to improve the capacity of all parties involved while increasing awareness of both employees and employers regarding their rights, obligations, and the various activities and contents within labor relations.

Second, there should be a mechanism in place to ensure that labor contracts are signed and implemented for all employees. Additionally, many enterprises are facing issues with social insurance debts. From 2021 to 2022, non-state construction companies struggled with production and business due to the impact of the COVID-19 pandemic, resulting in a high number of employees with unpaid social insurance. State management agencies need to establish a system to guarantee the signing and execution of labor contracts, while also minimizing social insurance debts to protect the rights of employees.

Third, there should be clearer sanctions and regulations for dialogue activities in the workplace.

Fourth, it is essential to actively create a harmonious working environment for all parties involved in labor relations, thereby supporting the prevention and resolution of labor disputes that have been implemented to limit labor disputes in non-state construction enterprises in Vientiane. Especially for non-state construction enterprises, the development of regulations and sanctions related to labor safety plays an important role in building healthy labor relations for these enterprises.

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