



## **CONFERENCE**

# **ENHANCING THE QUALITY OF VIETNAMESE WORKFORCE IN THE CONTEXT OF EVFTA ACCESSION**

## **Opportunities, Challenges and Policy Suggestions**

**Ms. Mai Lan Anh | Chairwoman**

**Human Resources & Training Sector Committee**

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# About EuroCham Human Resources and Training Sector Committee



- Represents EuroCham's members (with businesses ranging from SMEs to MNCs) when it comes to **HR and training issues** in Vietnam
- **Key stakeholders:** MOLISA, ILO, VBF, VCCI
- **Key interests:** subleasing, work permits and immigration, overtime, probation, social insurance, etc.
- HRSC will continue to utilise any opportunities to work with the Government to contribute feedback and recommendations, and will continuously support efforts to improve the investment and working environment in Vietnam in the context of globalisation and international integration



**HUMAN RESOURCES  
AND TRAINING**

*A EuroCham Vietnam Sector Committee* 

**1**

**EU-Vietnam Free Trade Agreement  
implementation: Opportunities and Challenges**

**2**

**EuroCham's policy suggestions to reform and  
enhance labour workforce in Vietnam**



# **VIETNAM-EU FREE TRADE AGREEMENT OPPORTUNITIES AND CHALLENGES FOR VIETNAMESE WORKFORCE**



# 1. Opportunities



Opportunities for Vietnam to attract FDI from 28 EU countries. Create more eventful job opportunities in Vietnam.



Opportunities for Vietnam to promote trade and investment with EU countries. Create increasing changes for Vietnamese talents to perform and develop.



Business shortcut to higher labour productivity in order to offer better quality of products and services



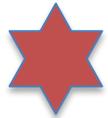
Utilization of highly skilled workforce, professionalism in productivity sectors from EU countries to up-skill Vietnamese workforce and improve Vietnam's competitiveness

# 1. Challenges (1/2)

Competition is severe with strict requirements for products and services. European customers do not only care about quality and safety, but also environment protection, sustainable development and Corporate Social Responsibility (CSR)

- EVFTA contains a comprehensive chapter on trade and sustainable development which gives a unique opportunity for Vietnam to improve some aspects of its economy.
- There are some other requirements such as fair labour and working conditions, health and safety; effects to community; etc.
- EVFTA reaffirms the four basic labour standards specified in the ILO Declaration

# 1. Challenges (2/2)



Limited workforce who were rated as high-quality manpower who can directly generate the creation, development, dissemination and application of knowledge. Biggest barriers: language, technology and professional skills



Lack of legal framework for labor reform to implement the four basic labour standards specified in the ILO Declaration and reaffirmed in Vietnam-EU FTA



Quality of vocational training is still a big concern/question. The corporates still have to invest significantly on re-training Vietnamese workforce for effectiveness at workplace.



Working conditions, health and safety, sustainable development, Corporate Social Responsibility etc. must be improved and monitored strictly to meet the Vietnam-EU FTA and globalization's requirements



# **VIETNAM-EU FREE TRADE AGREEMENT POLICY SUGGESTIONS TO REFORM AND ENHANCE LABOUR WORKFORCE IN VIETNAM**



## 2. EuroCham's role in facilitating the policies' implementation

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- ❑ Conduct dialogue between the Government and businesses and other institutions to raise the concerns and recommendations on Vietnamese legislations
- ❑ Contribute to the legislation drafting/reviewing process of the Government by sending comments and proposals from EuroCham's Sector Committees to the relevant Government bodies.
- ❑ Organizing advocacy events to disseminate new legislations, as well as consult on what should be prepared by businesses in the context of new legislations on the topics such as: labour and employment, taxation, transfer pricing, customs, logistics, etc.
- ❑ Regular updates for members on recent changes in legal framework, laws, regulations.

	Suggestions
<b>Labour and Employment Commitments</b>	<p><b>Freedom of association</b></p> <ul style="list-style-type: none"><li>▪ To commerce the ratification of Convention No. 87 of ILO ASAP, preferably by 2018</li><li>▪ To localize Convention No. 87 by revising the Labor Code, Trade Union Law and guiding legislation, preferably by 2020</li><li>▪ To include the independence trade unions in the revisions of Labor Code</li></ul> <p><b>Effective recognition of the right to collective bargaining</b></p> <ul style="list-style-type: none"><li>▪ To fully implement the regulations in practice</li><li>▪ To encourage enterprises to promote and facilitate productive dialogues between employers and employees</li></ul>
<b>Elimination of all forms of forced or compulsory labour</b>	<ul style="list-style-type: none"><li>▪ To commerce the ratification of Convention No. 105 of ILO ASAP, preferably by 2018</li><li>▪ To issue guiding legislative documents to clarify the implementation of Article 8.3 of Labor Code, preferable by 2020. ILO definition and clarification of forced and compulsory labour must be reflected.</li></ul>

## Policy Suggestions (2)

	Suggestions
<b>Effective abolition of child labour</b>	<p>To implement fully and effectively the stipulations on abolition of child labour</p> <ul style="list-style-type: none"><li>▪ Ratified ILO Convention No. 138 on child labour on minimum age to work and Convention No. 182 on elimination of bad forms of child labour.</li><li>▪ Endorsed the Sustainable Development Goals to eliminate child labor in all forms by 2025</li><li>▪ Approved a program to prevent and reduce child labour during the period of 2016-2020.</li><li>▪ Key regulations such as Labour Code and Children's Law taking effect from 1<sup>st</sup> June 2017, has been comprehensive to ensure the abolition of child labour. Article 21 of the Children's Law of 2016 provides for the children's right to be protected from labour exploitation</li></ul>
<b>Elimination of discrimination</b>	<p>To encourage the Government to continue broadening the definition of non-discrimination during the revision process of the Labour Code.</p>

# EuroCham's Policy Suggestions (3)



	Suggestions
<b>Improving the labour productivity</b>	<p>To conduct appropriate policy to boost labour productivity:</p> <ul style="list-style-type: none"><li>▪ To invest significantly in equipment, improve managerial capacity, and promote innovations. Investment in science and technology is a must.</li><li>▪ To focus on high-quality vocational training for workers, especially in manufacturing, business and services who determine the productivity.</li><li>▪ To consider in restructuring the sectors such as shift from low to high productivity sectors and conduct the appropriate education and training to equip the right and high-quality future workforce.</li><li>▪ To adjust legal framework accordingly to encourage productivity. The very employee-friendly Labour Code is one of the factors leading to ineffective labour productivity.</li></ul>
<b>Enhancing working conditions, CSR, sustainable development</b>	<ul style="list-style-type: none"><li>▪ To enforce the legislative documents to ensure the expected standard of working conditions, sustainability development in producing products and services.</li><li>▪ To enhance legal framework and positive initiatives to encourage and monitor the Corporate Social Responsibilities of the enterprises.</li><li>▪ To learn and apply the best practices from EU enterprises where possible</li></ul>



# THANK YOU!

