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## **Developing high quality human resource to benefit from CP-TPP and IR 4.0**

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**DOI:** <https://doi.org/10.33545/26648792.2019.v1.i2a.8>

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### **Abstract**

CP-TPP is a non-US transpacific free trade agreement. However, this is still one of the major free trade agreements in the world with Japan being the world's third-largest economy. Together with Industrial Revolution 4.0 (IR 4.0), it presents great opportunities and challenges for the Vietnamese economy. Developing high quality human resources is one of the key pillars of the Vietnamese economy if it is to seek the benefits of CP-TPP and IR 4.0. In fact, high quality human resources in Vietnam are very weak and fragmented. This paper will address high quality human resource development solutions in line with the real situation of the Vietnamese economy in the hope that it can help Vietnam achieve the maximum benefits provided by CP-TPP and IR 4.0.

**Keywords:** high quality human resource, CP-TPP, Industrial Revolution 4.0, Vietnamese enterprises

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### **Introduction**

#### **1. The nature of CP-TPP**

Trans-Pacific Partnership Agreement (TPP) is a free trade agreement negotiated since March 2010, including 12 member countries including the United States, Canada, Mexico, Peru, Chile, New Zealand, Australia, Japan, Singapore, Brunei, Malaysia and Vietnam. The TPP was officially signed on February 4, 2016 and is expected to take effect from 2018. However, in January 2017, the United States announced its withdrawal from the TPP, making it unable to meet the conditions to come into force as originally planned. In November 2017, 11 TPP members issued a Joint Declaration to rename TPP into the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The CPTPP was officially signed in March 2018 by the remaining 11 member states of TPP (excluding the United States). The CPTPP will take effect if at least 6 countries or half of the CPTPP members ratify this agreement. The CPTPP maintains almost all of the TPP commitments except (i) the commitments of the US and with the US; (ii) 22 points of suspension (with a detailed list) and (iii) some amendments in bilateral letters among the Parties of the CPTPP [1].

As above, the CPTPP agreement essentially maintains the content of the TPP Agreement but allows member countries to postpone a few obligations to ensure the balance in the new context. Like TPP, CPTPP is considered a high standard free trade agreement (FTA), not only referring to traditional areas such as tariff reductions on goods, opening of service markets, and intellectual property, technical barriers related to trade etc. but also dealing with new, non-traditional issues such as labor, environment, government procurement, SOEs, etc. In addition, this agreement sets high requirements and standards for transparency as well as provides a binding and coherent dispute resolution mechanism [2]. In order to ensure that the CPTPP agreement quickly comes to life, benefiting Vietnamese businesses and people, the Government directs the Ministry of Industry and Trade and

relevant ministries and branches to propagate and disseminate the content and the impact of the agreement on the public. In addition, the government continues to carry out the revision of necessary legal documents to implement the CPTPP agreement's commitments. In addition, the government is committed to continuing to build a constructive government, promoting economic restructuring; drastically renovating and restructuring state-owned enterprises; accelerate reform and simplify administrative procedures; create linkages among ministries and branches to improve the competitiveness of the business environment, promote connection and cooperation between domestic enterprises and foreign enterprises. With these solutions, along with the initiative of businesses and every citizen in information seeking, preparing ourselves for a regional and international competitive spirit, creative thinking, innovation and business acumen, plan to build capacity, especially brand name or reputation and quality to do business in the scale and long term in the future, from which to make good use of the opportunities under the CPTPP agreement bring in order to continue developing for the cause of the rich people, strong country, fair and civilized society [2].

#### **2. Situation of high quality human resources in Vietnam**

In the process of national development and renewal, the number of Vietnamese workers has increased from 35 million (1996) to 54 million (2016). Vietnam is making efforts to accelerate the industrialization process to narrow down the development gap in international economic integration. However, Vietnamese labor force is focused only on the segment of unskilled workers, low and medium quality workers. Therefore, each specific industry group still lacks high-skilled labor force and enterprises have to compete fiercely to attract them. For example, information technology, high technology, clean green and renewable technologies sectors are still thirsty for human resources.

In ASEAN, skilled and highly skilled workers are concentrated in Singapore, Malaysia and Thailand, the three countries with the highest income per capita and the highest development level in the region. And in other countries like Vietnam, the number of employees with technical and professional qualifications only accounts for more than 10 million people, or 21% of the total labor force of the country; low labor productivity, averaging at current prices of US \$ 3,666 per year, that is only 4.4% of Singapore, 17.4% of Malaysia, 35.2% of Thailand, 50% of the Philippines and Indonesia<sup>[3]</sup>.

In general, Vietnam's labor is assessed as agile, diligent, industrious, smart but lacking in labor discipline and non-compliance with the law. This is due to the lack of soft skills and teamwork skills, weak foreign language skills, lack of critical thinking and creativity. Therefore, in order for Vietnamese human resources in general and high quality human resources in particular to adapt to the requirements of the labor market in the region, take advantage of the advantages brought by the CP-TPP agreement, gaining inherent capacity and learning new skills. This is indeed a huge challenge for the government, businesses and workers themselves.

### **3. Benefits from CP-TPP based on developing high quality human resources for businesses and the Vietnamese economy**

Vietnamese businesses and Vietnamese economy can only gain maximum benefits from the CP-TPP, maximize their advantages and make full use of the potential opportunities from the open market, once they have gained certain achievements in developing high-quality human resources to actively serve the process of international integration in line with this agreement. The role of universities, which provide the market with high-quality labor force, is enormous in fulfilling this lofty mission.

Firstly, if there is a highly qualified human resource comparable to other countries in the region and the world, CP-TPP members of Vietnam's labor productivity will be improved from that position and capacity. The competitiveness of the economy and businesses has been strengthened and enhanced, as well as workers' income and opportunities for career development.

Second, a developed and diversified education system will contribute to the diversification of the economy, especially in the service sector where the Vietnamese economy has not developed and there are still many bottlenecks that need to be improved. It is the very dynamic development service industries that encompass key areas of the economy that contribute greatly to GDP and GDP growth of each country. In the future, Vietnam will have the opportunity and / or co-operation with CP-TPP countries to exploit these potential areas to maintain growth and integration. Vietnamese universities will have to find ways to equip and foster so that our human resources can confidently cooperate effectively with colleagues from different partners in the region.

Third, developing high-quality human resources will create the momentum of the country's progress not only in the context of CP-TPP integration but also in the challenges and opportunities brought about by the 4.0 industrial revolution in the world. It is the Industrial Revolution 4.0 that, more than ever, will mercilessly eliminate unskilled labor, replacing them with automated machines equipped with artificial intelligence that simulate functions, competencies and actions of the people doing simple, universal jobs. At that time, highly qualified human

resources will prevail because science and technology still need more time to replace this labor force. This resource will be a hard-to-copy competitive advantage of Vietnamese businesses and the country in the race to gain market share in overseas markets, while not losing at home.

### **4. Solutions for developing high-quality human resources for Vietnam facing the reality of CP-TPP**

For the CP-TPP agreement, it is important for countries to understand the impact and requirements of CP-TPP on sectors and industries in the economy. In order to meet the needs of highly qualified and diverse human resources of the common market of CP-TPP countries, especially the highly developed countries such as Japan, Singapore, Australia, Canada ..., educational institutions needs to be strongly renewed from training, scientific research and technology transfer to school administration to create competent human resources working in creative and competitive environments. The article proposes some solutions as follows<sup>[4, 5]</sup>:

- a) Firstly, improve undergraduate and graduate training programs according to practical requirements and needs, associated with enterprises and the expanding labor market. The following is the role of higher education and postgraduate specialization<sup>[4]</sup>:
  - Fostering - supplementing knowledge, skills (competencies) necessary when the level and knowledge of students are not enough to perform well their jobs and professional career.
  - Enhancing - upgrading qualifications, related to updating knowledge and skills in relation to technological development or changing workplace facilities.
  - Improve morale and attitude - encourage ambition and motivate to promote students' creativity in a way that ultimately results in improving their career position, performing current jobs better, improve management capacity and professional ability to be able to run business independently and start a business.

According to Jaumotte<sup>[6]</sup>, in order to support the implementation of the above solutions, undergraduate and postgraduate programs need to meet the following conditions:

- Must be designed to develop thinking and strengthen creative skills, ability to solve problems, apply scientific methods in real work and working environment.
- Must aim at the ability to self-study, self-study and seek knowledge as needed.
- Must be more or less interdisciplinary, helping students acquire more professional knowledge from other nearby fields, facilitate broadening the horizons of knowledge, seek new business and start-up opportunities in the context of scene of trends in technology integration, appearance and intertwining between industries of the 4.0 industrial revolution.
- Must promote creativity, willingness to accept and deal with risks related to innovation and find new solutions to problems, as well as proven technology transfer.
- Finally, the postgraduate technical programs, in addition to the transfer of professional knowledge, also need to foster the necessary economic, legal, social and humanities knowledge for students. so that they can work effectively in groups, participate in management at all levels and be more

active in the framework of other activities of agencies, unions and society.

b) Secondly, link with higher education institutions in advanced countries, import and customize foreign training programs, especially high-developed countries right in the CP-TPP block. The solution mentioned here is based on the viewpoint of using international cooperation and linking training with foreign countries as a launching pad for training high quality (qualified) human resources at Vietnamese universities, building an educational environment that is both competitive and humane. International cooperation with foreign educational institutions to create conditions for Vietnamese lecturers and researchers to meet international standards so that they can work abroad in an advanced environment with enlightenment and development. more attractive career development <sup>[5]</sup>.

c) Thirdly, strengthen the autonomy mechanism for university autonomy, financial autonomy, financial autonomy, transfer of science and technology, autonomy in education policy and international cooperation. This is a prerequisite for successful implementation of solutions a) and b).

d) Fourthly, it is necessary to have policies to encourage labor export, short-term and long-term training, creating motivation for Vietnamese laborers to adapt to each labor market under the CP-TPP framework in each field. In order to advance labor, Vietnam can compete with CP-TPP countries in the region and the world in terms of qualifications, skills and labor productivity and can directly train qualified human resources. High quality for less developed countries in ASEAN.

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