

Chapter 12

Optimising the Impact of Vietnam's Higher Education Sector on Socio-Economic Development

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Introduction

All societies expect their education systems to serve the social and economic development of their nation. Vietnam is no exception. As it strives to escape the ravages associated with de-colonisation and the struggle for national independence, Vietnam is seeking to ensure that the development of its higher education contributes maximally to the social and economic progress for the nation, as well as, of course, to meeting the needs of individuals. The gap between lofty goals and the reality of the situation can, however, be wide in countries that lack resources and the institutional systems necessary to harness education investments. This chapter addresses four key social and economic challenges confronting aspirations for the growth of the higher education system in Vietnam.

It is important at the outset to note that Vietnam has been making rapid progress in terms of the development of its higher education system. One of the most visible signs of progress over recent years has been the increasing number of eligible candidates seeking admission to university. This increase represents a big change from the not-so-distant past. From the time of independence up until the early 1990s, higher education was reserved for a small group in Vietnamese society. Since then, participation has increased dramatically. By 2006–2007, there were over 1.54 million students enrolled in 139 universities and 183 colleges. The government has plans for even more dramatic growth over coming years. It has proposed a gross enrolment rate by 2020 of 45 per cent – a significant increase from the current rate of about 13 per cent. This positive story is, however, bounded by some important limitations.

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Uneven Economic and Social Development

Vietnam is a long, thin country that stretches along the South China Sea coast. It is rich in agricultural potential and has a large population (85 million) that is mostly literate. Socio-economic development was delayed by the long period of war and post-war reconstruction that followed national reunification. The country has rebounded with very high levels of economic growth from the late 1990s following the introduction of *doi moi* (economic liberalisation) policies. The cities and main urban and industrial areas now exhibit strong growth in trade and services. Declining fertility indicates the success of a consistent family planning programme (Van Arkadie and Mallon, 2003). Behind this economic success story, however, are some inequitable and problematic growth patterns.

Education is a critical resource for the poor in their attempt to move out of poverty, and so it is important that education should remain accessible to all groups to prevent the consolidation of inequality from generation to generation. A low education level limits access to employment and higher household income, which in turn is the key to greater access to education.¹ The increasing private cost of education fees as a consequence of the government's policy of "socialising" education (that is, imposing tuition fees and other charges on users)² is a trend pushing in the other direction. Access by the poor to all levels above primary education is less than that for the rich, and this is most noticeable in higher education (GSO, 2002). Improving the accessibility of higher education to the poor is an important policy goal for higher education reform.

The poor are a statistically significant minority in Vietnam, with more than 30 per cent of the population considered to be below the poverty line (GSO, 2004). This is a high level of poverty, but the trend over time is a positive one. In 1993, 58 per cent of the population was below the poverty line (GSO, 1994). Strong economic growth rates since then, together with effective public policies, have enabled large numbers of households to lift themselves from poverty. Poverty alleviation through public policies and economic growth has clearly had a positive impact. It is equally clear, though, that the lowest income groups still have not made much progress in raising their living standards.

There are some important dichotomies in the social and economic profile of the country. The rural/urban split captures the increasing concentration of wealth in the urban centres. The provinces around Hanoi in the North, Ho Chi Minh City in the South and Da Nang in the centre are the growth poles, with diversified economies and substantial investment in manufacturing and services. Most other provinces still require significant revenue support from the national government. The poorest

¹ The 2004 Vietnam Household Living Standards Survey (VHLSS 2004) demonstrated the correlation between poverty and education, with the poverty rate declining as the education level rises.

² The state, in fact, expects that everybody should contribute to the cost of education (that is, education should not be wholly reliant on tuition fees and other charges). Contributions should be made by the Vietnamese community at large, by Vietnamese overseas and by foreign counterparts.

geographical areas are the Northern Uplands, the Central Highlands and the North Central Coast.

Another dichotomy is between lowland and upland areas. This reflects historical, political and logistical factors that inhibit the growth of the upland regions relative to the lowland areas. The geographically isolated and economically disadvantaged areas include difficult-to-service regions in upland or mountainous areas along the Laotian and Chinese borders, where there are high concentrations of the poor. And yet, the population density of the lowland areas means that over one-third of the poor live in the rice bowls of the Mekong Delta and the Red River Delta. The Mekong Delta, despite being one of the country's major rice production areas, has not developed as quickly as other regions.³ Land allocation policies and management issues have also contributed to this situation. The central coastal areas are heavily populated and development is constrained by adverse agricultural and climatic conditions, such as the annual pounding inflicted by typhoons.

The lowland/upland divide carries with it one of the more pervasive dichotomies within Vietnamese society, that is, the disparity in social and economic development between the majority Kinh people and ethnic minorities. The majority ethnic group in Vietnam is the Kinh, or ethnic Vietnamese. In addition, Vietnam has over 50 different ethnic groups, comprising more than 14 per cent of the population. Most of these groups are quite small, but, with over 10 million people, the ethnic minority population of the country as a whole is larger than the entire population of many other countries.

There is no legal discrimination against ethnic minorities. Entrenched cultural attitudes and access to fewer resources and services have meant, however, that ethnic minorities are not benefiting from economic growth to the same extent as the Kinh (Evans, 2005). Access to services is hampered by the fact that many ethnic minority groups are concentrated in the most geographically isolated and economically disadvantaged areas, such as the Northern Uplands and the Central Highlands. Ethnic minorities account for 39 per cent of the country's poor, an increase from 29 per cent in 2002. The Kinh had a poverty rate of 13.5 per cent in 2004. Their poverty rate had dipped from 32 per cent in 1998. For ethnic minority population, however, the poverty rate in 1998 was 75 per cent (GSO, 1999).

The Government of Vietnam has an interest in the social welfare and economic development of the ethnic minority groups that stretches well beyond equity objectives. The location of ethnic minorities on sensitive borders with China and other states makes it important for these groups to be integrated with and to share in the benefits of the economic development of the state. The higher education sector has a recognised role to play in the social and economic development of these groups.

Changes in the structure of the economy pose other challenges for the higher education sector. In the early 1990s the economy was dominated by agriculture, fishing and forestry. Since then, manufacturing and services have grown rapidly, to a point where they now dominate the economy, with agriculture accounting for only

³ Insufficient public investment in infrastructure is a probable contributing factor.

20 per cent of GDP in 2005 (GSO, 2005). State enterprises, which were once dominant in the economy, have now been significantly replaced by private enterprises in the form of both large firms and small household-based businesses. The household unit has become more important in terms of social service planning as family aspirations grow and as household income increases across the country. Urban households are significantly better off than rural households, but there are many low-income urban households with large numbers working in the informal sector.

These changes in the structure of the economy and in the pattern of public-private ownership pattern underpin some growing regional disparities. They are also generating important new pressures on the higher education system. Students are now less likely to seek a higher education simply as a pathway to employment by a state enterprise or in the public sector. The private-sector labour market is now larger than the public-sector labour market, and it is expanding much more rapidly. Its ability to pay formal wages that are considerably higher than those available in the public sector adds a further twist to the nature of the demand for higher education courses.

Strengths and Weaknesses of the School System

While Vietnam is still ranked as a poor country it has human development indicators that are significantly higher than that for most countries of similar economic development status. Due in part to an ethos of egalitarian social relations, class distinctions are less evident than in many other countries in the region, and are therefore less of an impediment to the distribution of the benefits of economic growth.

The relatively higher level of social mobility in Vietnam is, at least in part, due to past investment in the social sectors by the state. Consistent with socialist ideology, Vietnam invested strongly in education, achieving universal primary education access during the 1990s. As a result, even most of the very poor have had access to basic education. Over the last decade, the education sector has grown rapidly. Following the success of national policies such as universalisation of primary education, the numbers completing lower and upper secondary education have rapidly increased – in 2004 the completion rates were 75.4 per cent and 56.6 per cent, respectively.⁴

Underpinning the rights that women have achieved in Vietnam has been their educational status. The state has invested in the education of women from the time of independence, and it has achieved educational outcomes in this regard that might more likely be expected of a country with a much higher socio-economic standing. The literacy rate for women early this decade was 89.3 per cent, while for men it was 95.1 per cent (GSO, 2002, 2003). The participation rates of women in all areas of education have been increasing. The government has committed to the elimination of gender disparities in all levels of education by 2015.⁵

⁴ UNDP Human Development Indicators, <http://www.undp.org.vn/undp/fact/indicators.pdf>

⁵ This commitment is contained in Vietnam's Millennium Development Goals.

In basic education, despite significant improvements of the school curriculum, many problems remain. The 1999 Census reports that 12 per cent of girls aged 5 and over never attended school, while the rate for boys was 7.5 per cent (MOET and ADB, 2006). Girls also continue to be more likely never to have attended school, to discontinue their schooling and to repeat year levels. The likelihood of these occurrences is greater among lower income groups.

Women's participation also decreases the higher the level of education. The number of women with a higher education (university and college) qualification is low, at around 2 per cent of the population. In higher education, there is a significant imbalance in the participation of women. Enrolment figures for undergraduate students in 2002 show that women accounted for 44 per cent of total enrolments. Due to strong gender stereotypes in the fields of studies chosen and the traditional gender division of labour, female students are concentrated mainly in social disciplines, such as education and social sciences, accounting for about 70 per cent of all students in these fields. Men dominate in technical disciplines, such as engineering, accounting for over 70 per cent of all students in these fields (Rorris, 2005a, b).

More important than gender, however, is ethnicity. School enrolment rates for ethnic minorities (non-Kinh and non-Hoa) are lower than the national average and frequently show significant gender disparities. Mean years of schooling for ethnic minorities are significantly lower than that for the population at large, with ethnic minority girls completing fewer years of schooling than any other group. From the lower secondary level upwards, an important gap between the Kinh and the ethnic minority enrolment rates remains. For the 2004–2005 school year, for example, the lower secondary net enrolment rate of the Kinh majority was almost 80 per cent, while, for the ethnic minorities, it was only 48 per cent.

These access problems at the school level have equity repercussions for participation patterns in higher education. There is a limited pool of qualified students from ethnic minorities, remote areas and the very poor. As a result, ethnic minorities are also not proportionately represented among academic staff, comprising only 1.5 per cent of all academic staff.⁶ At universities, they comprise only 0.8 per cent of staff, while at colleges they comprise 3.2 per cent of staff – but ethnic minorities comprise at least 14 per cent of the population as a whole.

The upstream impact of these access problems may be seen in the difficulty many provinces have in recruiting qualified teachers. For years, provinces in remote regions or with largely remote districts have resorted to employing unqualified teachers – teachers with 9 years (or less) of schooling themselves. Unable to attract sufficient qualified teachers, these provinces have tried to enrol local students in their provincial teacher training institutions. They have focused on a “home-grown” approach to addressing the shortage of qualified teachers. In spite of relatively high incomes offered, however, shortages of teachers for remote areas continue. The main source of the problem is that too few young people from remote districts complete a high-school education (Giacchino-Baker, 2007). Teacher training institutions have,

⁶ MOET Edustats database 2005, <http://www.edu.net.vn/Data/ThongKe/dhcd.htm>

therefore, had to implement bridging programmes for targeted students with less than 12 years of schooling. The plight of these remote communities is circular – because there are too few students completing high school, there are too few students entering teacher education, resulting in too few students completing high school.

A very significant additional problem affecting the school system in rural and remote districts is its poor quality. Many students attending these schools, especially students from ethnic minorities, achieve educational outcomes that fall well below national norms (MOET and ADB, 2006). Reasons for this situation include the lack of infrastructure, inaccessibility, language and cultural barriers, lack or limited quality of teachers, curricula that are not suitable to localities and the perception that returns from education are low (UNDP, 2004). In many communities there is also a lack of supportive interactions between parents, teachers and schools. Until recently, the curriculum delivered in schools where ethnic minority and other disadvantaged groups predominated was of a shorter duration and instruction was in Vietnamese, a foreign language to many ethnic minority children. The lack of well-educated young people among ethnic minority groups has direct implications not only for entry to higher education but also for poverty alleviation (jobs and income generation), family planning, health care, human resources for local governance and other community development issues.

The access and quality problems of the school system affect the calibre and capacity of students entering the higher education system. The challenge for higher education institutions is to find ways of improving the quality of teaching and learning when so many students coming into higher education arrive with substantial learning deficits as a result of the weaknesses in the school system.

Limitations of a Centralised Control Model

Higher education faces a number of internal challenges impacting on its capacity and options for growth. These have significant implications for its prospects for meeting the diverse social and economic needs of the country.

From independence, the higher education system was developed according to a Soviet model, characterised by significant centralised control. Under this arrangement, the state managed the establishment of higher education institutions and oversaw their management. The larger and better-endowed institutions were located in or near Hanoi, or, to a lesser extent, in or near Ho Chi Minh City. Larger cities such as Da Nang and Hue were also given strong higher education institutions. The less economically advantaged regions, however, particularly in the Northern Uplands, the North and the South Central Coast (except for Da Nang and Hue) were left to rely on provincially controlled institutions, usually focused on teacher training. The Mekong region (except for Can Tho) was similarly left to rely on institutions controlled by provincial governments.

This pattern of development has its genesis in the history of the country. While the establishment of universities was always seen as being important, very few resources were available except for a few centrally based institutions (Tran, 2006).

In the provinces, where warfare had decimated population numbers, the priority was educating sufficient teachers to staff the schools.⁷ In the Northern Uplands, because of issues relating to isolation, language and ethnicity, this form of provision was also adopted. It has taken many years of investment in teacher education to increase the average length of teacher training. The focus on teacher education, however, reduced the availability of resources available for other areas of higher education, such as in agriculture, aquaculture and medicine.

There is also, however, a level of decentralisation in the education system that mirrors the decentralisation of the Vietnamese economy as a whole. Due to the legacy of war and a poor communications infrastructure, many sectors of the economy were forced to become autonomous in some areas of decision making. As a consequence, some provinces developed and innovated ahead of receiving national policy directives, while others were more cautious. Regional diversity and local initiative have been noted as a hallmark of the Vietnamese economic system (Van Arkadie and Mallon, 2003), and so it is not unexpected to encounter the same trend in the education sector as well.

Moreover, lines of administrative control can be opaque in Vietnam, even in a seemingly centralised system. The balance of central and provincial lines of power may be more decentralised than indicated for the formal lines of sector governance. Provincial education officials are responsible to the central education ministry, receiving training and communication and instructions. They will also be responsible in many aspects to the provincial and local authorities with whom they are in everyday contact and to whom they will be required to report.⁸ Provincial officials are also likely to be from the provinces in question, with familial and cultural ties to that province.

Central control of the higher education system has been effective in enabling prioritisation and the creation of higher education institutions when the country could ill afford them. A cohort of academics and researchers was fostered, and it is from this base that the higher education system could develop. On the downside were (i) the very limited extent of institutional autonomy granted to higher education, (ii) the lack of much initiative in the system, and (iii) the creation of poorly equipped campuses where teaching practices are much too traditional and research is barely in existence (Ca, 2006, Dai, 2006).

The *doi moi* reforms helped move the system more in the direction of institutional autonomy, but not significantly. There have also been attempts to decentralise some aspects of control through rationalisations of management across and within higher education institutions. The state remains, however, strongly in control of the system.

⁷ In some areas, such as in the Mekong Delta, for some time after the American War, teachers were placed in schools after only 7 years schooling.

⁸ Van Arkadie and Mallon (2003) note the balance of political and administrative power in the national-provincial relationship is one manifestation of the foundation of consensus-building on which the economic and political system is based.

Funding Pressures in Higher Education

Growth in the higher education system has created a number of pressure points. Three of these are the need to provide new facilities, the need to train a large number of new teachers for the lower and upper secondary sectors and the need to increase the number and quality of university lecturers and staff. All require significant additional investments – that cannot all be met from the central budget.⁹

The school system generates a competing resource demand for higher education. The school system remains a priority area for public investment in Vietnam. Solid progress has been made towards the goal of the universalising lower secondary education, but this progress has flow-on effects on participation in the upper-secondary level, and it necessitates investment in the construction of new upper-secondary schools, the training of teachers and the provision of materials for schools. While local communities are asked to shoulder a greater share of the burden in meeting these costs, there are limits to what can (or should) be levied upon households. As a consequence, the higher education system then finds itself competing for its share of education funds. Primary and secondary schools, given their broad access policies that reach out to all communes, are better placed than universities in laying claim to public funds.

There has been a recent shift of sub-sector shares in state spending on education and training, with spending on education (pre-school, primary, lower and upper secondary) increasing, and spending on training (technical and vocational education and higher education) declining. These trends reflect the current priority accorded to basic education, as well as to education in remote and disadvantaged regions of the country. In 1998, expenditure on education accounted for 73 per cent of total education and training expenditure (The World Bank, 2005). By 2002, facilitated by a policy of “socialization” (the introduction of user-pays funding mechanisms) in the training sub-sector, education’s share rose to 78 per cent. Within the education sub-sector, spending on primary education declined (owing to a rapid demographic shifts, with the number primary school-age children falling), and spending on lower and upper secondary education increased (enrolment numbers at these levels have increased markedly over the recent period). In the near term, secondary education will require additional resources if access is to become universal. The higher education share of education and training expenditure fell from 12.4 per cent in 1998 to 9.7 per cent in 2002 as state subsidies were reduced. Government policy over recent years has favoured more reliance on tuition fees by this sub-sector.

A Decree on Financial Autonomy (Decree 10), in 2003, encouraged public educational institutions to manage autonomously their revenues, expenditures and staffing, while also seeking alternative revenue sources.¹⁰ With increasing financial

⁹ Funding for higher education institutions may come through MOET, line ministries or provincial government.

¹⁰ Decree no. 10/2002/ND-CP regulates financing of revenue generating service delivery agencies. Inter-ministerial Circular no. 21/2003/TTLT-BTC&BGD-BNV provides guidelines for financial

autonomy for institutions, the private costs of higher education are likely to increase. Within the higher education sector, strict caps were placed on tuition fees, but institutions were left free to increase charges for other university services, making higher education less accessible to the poor.

As higher education institutions have proceeded to raise more of their revenue from tuition fees, the gap in funding between some of the larger, more prestigious national institutions and many of the smaller provincial institutions has become more obvious. By 2004, tuition fees accounted for about 20 per cent of total expenditure for vocational schools, colleges and universities.¹¹ Many more private higher education institutions have also been allowed to open (Pham and Fry, 2004). These institutions fall into two categories: private universities and people-founded universities. These institutions accounted for approximately 9 per cent of all higher education institutions and 13 per cent of all enrolments in 2004. The government has plans for 40 per cent of enrolments to be in private institutions by 2020.¹²

With increasing financial autonomy at the institutional level comes an upward pressure on the private costs of higher education. While a cap continues to be placed on tuition-fee levels, institutions themselves feel compelled to increase their charges for other university services. This moves higher education further beyond the reach of the poor, unless there is a system of exemptions or subsidies.

Many sources show that traditional elites are more able to capture the benefits of an investment in higher education investment, as they generally have more access to a wider range of resources than do less economically advantaged groups in the population. Putting in place strategies that increase opportunities for those who have traditionally had less access to higher education will increase the flow of benefits, both social and economic, to a wider spread of the Vietnamese population.

Rampant corruption within the higher education system has been well documented (Overland, 2004, 2006; McCornac 2007). Continuing low levels of academic and public service salaries in the context of insufficient attention to quality assurance have enabled corrupt practices to flourish. Bribing teachers for exam answers or marks, buying the answers to exams or paying others to sit exams are all considered by many students to be part of the cost of an education. The lack of strict policies allows these practices to continue. New policies adopted on the use of identification cards and signatures in exams are initial steps, but the development of an anti-corrupt system will take considerable time and institutional development (Vietnam News, 2004, 2008). For as long as educational qualifications are viewed by many students and members of academic staff as a commodity able to be obtained through bribes and fraud, people from rural areas and ethnic minorities, who have fewer resources to draw upon, will be further disadvantaged.

management of revenue earning public service delivery units in the public education and training sector.

¹¹ UNDP 2005, p. 30.

¹² Resolution no. 14/2005/NQ-CP, dated 2 November 2005.

Some cities and provinces (for example, Ho Chi Minh City) are more capable than others of funding higher education because of their ability to raise more revenue (Tran, 2006). Some smaller and less economically advantaged provinces (for example, An Giang) make a big commitment to support higher education institutions in the expectation of a flow on direct economic benefits, but, for these provinces, the commitment entails a financial struggle.

Those higher education institutions in provinces or cities with a substantial degree of autonomy, and with a reasonable capacity to raise revenue from provincial sources, are in the best position to draw upon provincial financial support – as is evident in HCMC and Da Nang. This support enables the institutions concerned to develop their own areas of strength, not necessarily outside MOET directives, but in response to local demand.

There is large variation in the financial and administrative capacities of provinces. As might be expected, these financial and administrative capacities tend to reflect the economic development of each province. Decentralisation of MOET's planning and financing function to provinces, without an accompanying national framework to guide and promote investment, may result in provinces misdirecting investment and developing institutions that do not contribute to long-term economic and social development. Inefficiencies and duplication may result. The development of regional higher education consortia or alliances (which divide specialisations over a wider geographic area) may address this problem.

Prospects

Positive Economic Environment and Government Financial Commitment

In recent years, Vietnam has achieved a high and stable rate of growth in its GDP. Since 2000, the average annual rate of growth has been over 7 per cent, which provides a positive economic context for the future financing of higher education. Expenditure on education as a proportion of GDP is steadily increasing. As shown in Table 1, expenditure on education as a proportion of GDP was 3.5 per cent in 1994. By 2006, it had increased to 5.6 per cent. Education's share of total public expenditure is also increasing. In 1994, it was 14 per cent. By 2006, the proportion had increased to 17.1 per cent.

Compared with other countries in the region, Vietnam's commitment to expenditure on education, in terms of expenditure both as a proportion of GDP and as a proportion of total public spending, is generally stronger than is the case in Indonesia, India or Pakistan. But it remains weaker than that for Thailand or Malaysia. Details are presented in Table 2. These figures, of course, take no account of the volume of expenditure on education, but they do give some indication of Vietnam's relative standing when considered in terms of the extent to which, within the limit of its resources, it is investing in education.

Table 1 Education expenditure in relation to GDP and total government budget, 1994–2004

	1994*	1998*	2000*	2002*	2004**	2006
Expenditure as share of GDP (%)	3.5	3.5	3.5	4.2	4.1	5.6***
Expenditure as a share of public expenditure (%)	14.0	17.4	15.1	16.9	15.6	17.1****

* Actual figures. GOV and The World Bank, *Public Expenditure Review and Integrated Fiduciary Assessment* (PERIFA), 2005.

** MOET (Department of Planning and Finance) and MOF (Department of State Budget) provided data showing education expenditure and total state budget allocations.

*** Address by Dr Nguyen Thien Nhan, Deputy Prime Minister and Minister of Education and Training, Socialist Republic of Vietnam to Strategic Choices for Vietnam's Higher Education Seminar in Kuala Lumpur, Kuala Lumpur, Malaysia, 3 December 2007.

**** Authors' estimate based on Ministry of Finance actual total expenditure (www.mof.gov.vn).

Table 2 Education spending in selected countries, latest available year

	As percent of GDP	As percent of Total Public Expenditure
Japan	3.6	10.5
Singapore	3.6	17.4
India	4.1	12.7
Indonesia	1.3	9.8
Malaysia	7.9	20.0
Pakistan	1.8	7.8
Thailand	5.0	31.0
Vietnam (2006)	4.1	17.1

Source: Other countries: UNDP Human Development Report (2004).

Vietnam: Authors' estimates based on Ministry of Finance data.

It is planned that education spending as a share of total public spending should reach 20 per cent by 2010. The gap between the share of public expenditure for education in 2006 (17.1 per cent) and the 2010 target (20 per cent) provides some fiscal space for increased expenditure in higher education, although, as indicated earlier, the financial demands associated with the expansion of secondary education will take precedence.

The World Bank has noted that funding for the sector is insufficient with a heavy reliance on public funds (The World Bank, 2008). Overseas Vietnamese who are highly educated represent a source of private investment for higher education, as well as a means of enhancing capacity in science and technology (Pham and Fry, 2004). This group also brings knowledge of institutional practices and systems that can combat fraudulent and corrupt practices in the sector (McCornac, 2007). An increased role for private investment in the sector increases the overall funding pool available. The development of private institutions backed by overseas Vietnamese

may also generate increased competition, providing an impetus to enhance quality through the development and maintenance of high academic standards, consistent with international norms.

Promoting and Funding Diversity in Higher Education Institutions Across the Country

Fostering diversity within the Vietnamese higher education system will ensure optimisation of the impact of the sector on Vietnam's socio-economic development. Seeking an equivalent level of course delivery, research focus or size within all institutions will not meet the diverse regional or socio-economic requirements of the population or of economic growth patterns. Because of the spatial pattern of Vietnam's economic development, optimising the impact of the higher education contribution will require careful planning.

In addition, Vietnamese higher education institutions are facing increased pressures to respond to the requirements of global economic integration, while also supporting the development of new ideas and market activity to alleviate poverty and promote economic growth in Vietnam. Universities are facing dramatically increased demand for training in both established and new courses, as the level of education in Vietnam rises and as the labour market demand for new fields emerges. The requirement to develop new faculties, courses and subjects is acute. There is also a crossover of demand between the higher education sector and other types of public institutions, for example, the development of the public administration legal framework.

Provinces that are least economically and educationally developed (as measured by school performance results) will require specific treatment. In order to optimise the impact of local higher education institutions on socio-economic development, these provinces may want to continue their focus on teacher education, improving quality outcomes at upper secondary schools, English language tuition, foundation skills courses and bridging programmes during the next 10–15 years.

More developed provinces will have responsibilities towards the provincial or regional economy as well as to national requirements. These provinces should look to developing breadth as well as depth within their higher education institutions, for example by continuing to support teacher education and maths/science capacity and also by developing faculties including law, economics and trade.

Ensuring that the widest benefit of higher education flows to all regions in the country will require equitable access to all groups within society. A national policy framework to enhance access will have to deal with tuition-cost factors, entrance barriers and quality assurance. This will require at the very least (i) a tuition-fee policy with effective scholarship schemes and fee exemptions, (ii) a revised entrance examination system that restores community confidence in the integrity of the higher education entrance system and (iii) quality assurance systems that reach out and assist institutions in the poorer provinces.

Targeting Investment in Faculties and Course Specialisation for Maximum Economic Impact

For all provinces, increasing the impact of the higher education system will require linkages within the education system to enable movement between vocational and technical education and higher education. Better linkages with vocational and technical training will enable more efficient skill development and reduce inefficiencies through the duplication of training activities. This entails the accreditation of education providers to ensure a quality framework. It also requires a strong regulatory structure to enable recognition of prior learning and articulation of qualifications to benefit those older people who did not have access to education in their youth or those from areas with more limited education opportunities.

The system has always been strong on the production of foreign language graduates. The continuation of investment in English, Chinese and other foreign languages will enable economic opportunities to be taken up both in the major cities and in provincial centres, for example as international companies seeking industrial development seek out alternative locations.

Strengthening and Linking Research and Teaching Activities

A key question posed by any investment concerns how the benefits of the investment will be distributed equitably across a population. This question is particularly important in a very poor country such as Vietnam. Policy-makers at the central level need to balance the benefits that can be derived from an investment of scarce funds in research and development with those that can be derived from the production of suitable graduates for poor regions. Balancing (and where possible combining) the two investment streams remains a significant planning and operational challenge for Vietnam's planners and higher education institutions.

The potential impact of higher education within the economy is well understood by the government. It has expressed a strong intention to increase capacity in science and technology by developing top-tier research. The high cost of this research needs to be balanced with the potential economic benefits that can be derived from other research that could be undertaken by provincial higher education institutions.

Accountability and Quality Assurance

The higher education system in Vietnam will benefit from a framework that encourages the development of high standards in terms of academic management, accreditation and internal controls (The World Bank, 2008). This will benefit the country in the long term, not least by ensuring that disadvantaged groups will have continued access to higher education on an equitable basis. The development of such a system is a priority given the competitive pressures for the development of private institutions.

Conclusion

The Vietnamese economy is growing very rapidly. This growth is providing a strong incentive for a high rate of growth of enrolments in the higher education sector. It is also making the high rate of growth of the sector possible. Strategic challenges for further investment planning for growth of the system arise from the interplay of five sets of considerations: (i) the uneven economic growth across Vietnam's regions, (ii) the existing uneven distribution of poverty, (iii) significant variations in the quality of graduates produced by the school system, (iv) the current provincial differences in post-compulsory school participation and (v) a formal centralised control administrative structure trying to manage the operations of mostly province-based institutions.

Grand plans for the transformation of the higher education system in Vietnam are certainly required. Their success may well depend, however, on the extent to which they respond to the uneven social and economic development across regions and between groups. Successful modernisation of the higher education system cannot be built solely through the importation of outside models and systems. One enduring lesson of Vietnam is that what happens at the local level ultimately determines the direction and speed of change.

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