

Vietnam

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I. Brief Description of the Vietnamese Higher Education System

Significant reforms of the higher education system in Vietnam began in 1993 as part of the Communist Party of Vietnam's policy of *doi moi* ("renovation"), promulgated in 1986 to introduce a regulated market economy. Vietnam could draw on a rich Confucian tradition of higher education and imperial examinations dating back to the year 1070, when the Imperial Academy of the Temple of Literature (*Văn Miếu – Quốc Tử Giám*) was founded, although most remnants of the imperial system were largely decimated by the time of Vietnam's Communist era.

Authority over higher education in Vietnam today is exercised by three government ministries, which advise the government on national policy formulation, national target setting and sectoral financing for higher education: the Ministry of Education and Training (MOET), the Ministry of Finance and the Ministry of Planning and Investment. The MOET, by nature of its portfolio, holds some system-wide responsibilities, such as the allocation of enrolment quotas and powers of approval for the higher education curricula.

Additionally, other government ministries hold line-management responsibilities for individual universities and colleges, the majority of which tends to be mono-disciplinary, a legacy of Vietnam's Soviet-style, centrally planned economy. For instance, the Ministry of Natural Resources and the Environment is responsible for the University of Natural Resources and the Environment. The exception to this arrangement holds for the Vietnam National University in Hanoi and the Vietnam National University in Ho Chi Minh City, which report directly to the Cabinet; these two national universities operate under special charters given directly to them by the government, and are allowed provisions such as those for the Vietnamese prime minister to appoint their presidents.

Starting from 2003, the government's Decree No. 85 allowed local education authorities more power over higher education (with the exception of universities) and universities more powers over financing, research and human resources. Starting in 2008, universities were allowed to prepare and control their own budgets.

Types of institutions and enrolment numbers

The Vietnamese government has drawn a clear distinction between degree-granting higher education institutions (universities - *Đại học*) and higher education institutions that are restricted to awarding associate degrees (colleges, or what would be understood as polytechnics in some countries - *Cao đẳng*). Separately, there is a sector of technical and vocational institutions called *Trung học chuyên nghiệp* (literally "professional schools" in Vietnamese, but for which the MOET's official English terminology is "upper secondary technical and vocational institutions") – this sector of institutions is not covered in this article.

The total student enrolment in higher education grew from 162,000 in the 1992/93 academic year (the start of higher education reforms), to 1,045,382 in 2002/03, to 2,177,299 as of 2012-13 (latest enrolment figures available from MOET). Between the early 1990s and 2008, the higher education gross enrolment

ratio grew from 2 to 10 per cent.¹ This increase is a result of the dramatic growth of the number of students in some areas, such as economics, business administration, law, English and computer science. Student enrolment in science majors had not increased much through 2008, and in some specialties, enrolment has even decreased. However, this trend of increased number of students in the humanities and social sciences has been reversed, in favour of the natural sciences.²

“Non-Public” Higher Education in Communist Vietnam

Vietnam’s “non-public” sector of higher education, as it is officially termed, consists of different categories of privatisation and of private sector involvement that were introduced in 1993. This should be seen in the context of Vietnam’s policy of *doi moi*, or the gradual introduction of market reforms to the economy at large. By the 1999–2000 academic year, the surge in private higher education enrolments resulted in 17 non-public universities and 5 non-public colleges, with a total enrolment of 107,528 students, which in total accounted for over 12 per cent of all higher education students in the country.³

The key component of the “non-public” higher education sector is the universities and colleges that are “people-founded” (*Dân lập*, a term with Marxist resonance). These are essentially formed as civic society and community groups, but they source for investment capital to fund the infrastructure requirements for the institution. These institutions would have to operate with revenue from tuition fees, gifts and certain avenues for profit, such as from the sale of education-related services; they are not eligible for direct state funding. Nevertheless, the approval of the prime minister, acting on the advice of the MOET, must be obtained.

In the 2000s, a sector of fully private (*Tư thục*, or “independent”) universities and colleges was introduced, starting with foreign branch campuses of universities such as Royal Melbourne Institute of Technology (RMIT), which was set up in Ho Chi Minh City in 2001 through the legal framework on foreign direct investments. Gradually, by 2005, a more specific regulatory framework for private higher education institutions was established by the Vietnamese prime minister.

There is a continuing, widespread perception among the Vietnamese that private higher education institutions in their country are lower in status and inferior to the public universities and colleges. It would appear that private higher education institutions, by virtue of their higher tuition fees, cater to the children of middle or upper-middle class families who have attained lower entrance examination scores that preclude them from the public universities and colleges. These perceptions are further reinforced by the MOET, whether inadvertently or not, which stipulates that only graduates from the public sector institutions may progress on to postgraduate studies across a range of disciplinary majors.

Table 1 on the following page shows the latest available government figures (from the 2012-13 academic year) for higher education enrolment by the type of institution and by public/private status.

¹ World Bank. 2007. *Vietnam Education Financing*. The World Bank, Washington D.C.

² "Trường Đại Học Kinh Tế". 2016. *Tuyensinh.Uel.Edu.Vn*. <http://tuyensinh.uel.edu.vn/ArticleId/32cd4fd7-14d3-42ce-8c90-3ff518203c07/xu-the-chon-nghe-cua-hoc-sinh>.

³ "Bo Giao Duc". 2016. *Moet.Gov.Vn*. <http://www.moet.gov.vn/?page=11.5&view=9266>.

Table 1. Numbers of universities and colleges in Vietnam, and their enrolment numbers for 2012-13 (Source, MOET, Vietnam, latest figures available as retrieved in 2015)

	Public (no. of institutions)	Private (no. of institutions)	Enrolment
Universities (Đại học)	153	54	1,453,067
Colleges (Cao đẳng – equivalent to polytechnics)	185	29	724,232

Major contemporary issues

Since 2005, the discourses on the ongoing reform of higher education in Vietnam have revolved around the Higher Education Reform Agenda (HERA), otherwise known as the government’s Resolution 14 on the “Fundamental and Comprehensive Reform of Higher Education in Vietnam 2006–2020”.

HERA’s ambitious goals include the usual ones identified by similar developing countries: increasing higher education enrolment (to reach the proportion of 450 students per 10,000 population by 2020), meeting “international standards”, decentralisation initiatives, establishing quality assurance mechanisms and a higher education institution accreditation system. And as with other developing countries, the realisation of HERA’s goals have been met with considerable challenges relating to the lack of resources of the state and bureaucratic wrangling over the reform process. Additionally, given the nature of Vietnam’s bureaucratic-authoritarian regime, the limited quality and weak international linkages of the country’s research activities continue to pose problems for the further development of its higher education institutions.

Graduate unemployment, euphemistically described as “over-education,” has also emerged as a problem, due mainly to the phenomenon of a skills mismatch between the education system and the demands of the labour market. By October 2012, there were 165,000 unemployed graduates in Vietnam, or 17% of the overall jobless total.⁴

II. Financing Higher Education in Vietnam

The Vietnamese state budget for education as a whole was 5.2 per cent of GDP in 2012 (latest available data), down slightly from 5.6 per cent of GDP in 2006, during which over one-fifth of that was spent on higher education⁵. Government funds are directly distributed to institutions according to bureaucratic formulas. In recent years, the budget for higher education has varied from 11 to 13 percent of the education budget. As the budget increase was not proportional to the dramatic growth in enrolment, tuition and other non-public sources of funding are needed for Vietnamese higher education.

⁴ "Graduate Unemployment And Over-Education Rising". 2016. *University World News*. <http://www.universityworldnews.com/article.php?story=20130711163808113>.

⁵ World Bank. 2007. *Vietnam Education Financing*. The World Bank, Washington D.C.

Tuition fees

Tuition fees were introduced in the public higher education sector following the reforms of 1993. Today, between 75 to 80 per cent of the students in public higher education institutions pay the full portion or a partial portion of the stated tuition fees; those who do not are recipients of either equity- or merit-based scholarships from the state (further discussed below), or they are enrolled in programs, such as teacher education, which are fully exempted from tuition fees, regardless of the student's background. A 2005 MOET study estimated that about 30 per cent of the income of public universities and colleges come from tuition fees collected.

Table 2. Vietnam Higher Education Expenses Borne by Parents and Students First Degree, Academic Year 2014-15 (latest available data) - Instructional expenses for one academic year

[National currency Vietnamese dong (VND) converted to \$US by 2011 ICP Purchasing Power Parity Estimate at US\$1 = VND 6,709.19]

NB. Fees given as for Vietnamese citizens

	Public		Private ("non-public")	
	Low cost ⁶ Colleges & universities	High cost ⁷ Universities: medical degree (as a first degree)	Low cost ⁸ Colleges	High cost ⁹ Universities
Tuition fees	VND 2,800,000 (US\$ 417)	VND 8,000,000 (US\$ 1,192)	VND 5,000,000 (US\$ 745)	VND 29,000,000 (US\$ 4,322)
Other fees	-	VND 1,800,000 ¹⁰	-	VND 9,765,000 ¹¹
Books, etc	-	-	-	-
Subtotal	VND 2,800,000	VND 9,800,000	VND 5,000,000	VND 38,765,000
Lodging	VND 2,150,000	VND 2,150,000 ¹²	VND 2,150,000	VND 2,150,000
Food	VND 10,080,000	VND 10,080,000 ¹³	VND 10,080,000	VND 10,080,000
Transport	VND 1,000,000	VND 1,000,000 ¹⁴	VND 1,000,000	VND 1,000,000
Other personal	VND 4,000,000	VND 4,000,000 ¹⁵	VND 4,000,000	VND 4,000,000
Subtotal	VND 17,230,000	VND 17,230,000	VND 17,230,000	VND 17,230,000
TOTAL	VND 20,030,000 (US\$ 2,985)	VND 27,030,000 (US\$ 4,029)	VND 22,230,000 (US\$ 3,313)	VND 55,995,000 (US\$ 8,346)

⁶ For the Communication and Media and Law Major (College diploma).

"Mức Trần Học Phí Đối Với Các Trường Công Lập Giai Đoạn 2010 - 2015 - Thông Tin Tuyển Sinh". 2006. *Thongtintuyensinh.Vn*. http://www.thongtintuyensinh.vn/Muc-tran-hoc-phi-doi-voi-cac-truong-cong-lap-giai-doan-2010-2015_C248_D3940.htm#VcGJLPku_58.

⁷ Hanoi Medical University.

"Mức Trần Học Phí Đối Với Các Trường Công Lập Giai Đoạn 2010 - 2015 - Thông Tin Tuyển Sinh". 2006. *Thongtintuyensinh.Vn*. http://www.thongtintuyensinh.vn/Muc-tran-hoc-phi-doi-voi-cac-truong-cong-lap-giai-doan-2010-2015_C248_D3940.htm#VcGJLPku_58.

⁸ Phan Chau Trinh University, College diploma (AY14/15).

⁹ Van Lang University (Software Engineering – 2014): "Tuyển Sinh VLU". 2016. *Van Lang University*. Accessed June 28. <http://tuyensinh.vanlanguni.edu.vn/Tuy%E1%BB%83nsinhVLU/tabid/175/smld/911/osmid/925/Default.aspx>.

¹⁰ PetroVietnam University. 2014. "English supplementary course for under-qualified candidates at PetroVietnam University".

¹¹ Entry English course only for under-qualified candidates (FPT University).

"Học Phí". 2016. *FPT University*. Accessed June 27. <http://daihoc.fpt.edu.vn/bang-hoc-phi/>.

¹² My Dinh Student Dormitory for 10-month period of stay (not including utilities).

¹³ "Cổng Thông Tin Trường Đại Học Văn Lang". 2013. *Van Lang University*.

<http://dhdvnanlang.edu.vn/Trangch%E1%BB%A7/Tint%E1%BB%A9cChiti%E1%BA%Bf/tabid/135/smld/-1/nid/004137/sidx/44/Default.aspx>.

¹⁴ Based on VND 100,000 per 30-day multi-route bus ticket * 10 months.

"Tổng Công Ty Vận Tải Hà Nội". 2007. *Transerco*. <http://www.transerco.vn/Default.aspx?pageid=255>.

¹⁵ Average taken from statistics by Van Lang University's Students Assistance Centre.

Non-public higher education institutions do not receive direct financial support from the Vietnamese state, nor are their students eligible for state scholarships. Furthermore, student tuition fees at private higher education institutions have been capped at about twice the level of that charged by public-sector higher education institutions, although this may change if the proposals put forth in HERA are enacted. Beginning in 2009 though, non-public institutions were permitted to increase their tuition fees and to exercise some variety in the levels of tuition fees for different courses. The fully private institutions, in particular, have been permitted to make significant increases to the tuition fees they charge, sparking concerns about the extent of profit-making by these institutions in a country that is still assumed to function as a socialist-market economy in many ways. This move came in the light of rising inflation in the Vietnamese economy and in acknowledgement of the need to improve teaching quality in these private institutions.

The issue of the high tuition fees charged by some non-public higher education institutions has naturally attracted public attention, in a country otherwise known for restricting the reportage of negative news. One case in point was that of Hoa Sen University, which captured media attention in 2014 due to the conflict within its management, regarding whether the university ought to take a for-profit or non-profit approach.¹⁶ The kinds of conflicts that arise have been largely ascribed to the lack of an official definition or understanding on what constitutes a reasonable rate of return for investors in fully private institutions.

III. Financial assistance

Scholarships

Higher education scholarships awarded by the government count towards tuition fees, while a limited number include subsidies for housing, food and learning material. **Merit-based scholarships** tend to be awarded depending on the academic performance of students in the previous school year; they may receive full, half, or one-quarter of the living expenses for the ensuing school year. A "full" scholarship usually covers only one-third of the real cost of student living in municipal institutions and half of the cost of student living in rural institutions. **Equity-based scholarships** are reserved for disadvantaged students, including war invalids, orphans, certain ethnic minorities and students from mountainous regions.

Student loans

Student loans offered by the Vietnamese government are intended to be a supplementary source of financial assistance for students, and tend to be restricted to students making progress with their studies. When introduced in the 1990s, the main problem was in getting students to take them up. More recently, the problems relate to debt recovery, as would be expected. As such, there is now limited availability of loan funds from the government, leading to some failure in the administration of the scheme. Priority in the offering of these loans seems to go to students with disadvantaged backgrounds.

In 2013, the Vietnamese government raised the amount available for student loans by almost 40 per cent. That year, the loan amount increased from VND 800,000 (US\$38) per month per student, as stipulated in a 2007 government regulation, to VND1.1 million (US\$52) per month. Previously in 2012, the government had to earmark an additional VND2.5 trillion (US\$119 million) for the Vietnam Bank for Social Policies to ensure sufficient funding for loans for poor university students, amid fears of a shortage of funds.

¹⁶ "Chuyện Đang Xây Ra Ở Đại Học Hoa Sen". 2014. *Radio Free Asia*. http://www.rfa.org/vietnamese/in_depth/what-hap-at-hoasen-univer-08042014095309.html.

The private sector has been belatedly making its entry into the student loan market in Vietnam, but even then, not as a for-profit venture. Beginning in 2012, the Singapore-based Overseas Union Bank (UOB) launched a notable interest-free loan programme worth US\$300,000, in conjunction with the Vietnam National University in Hanoi. UOB was the first foreign financial institution to provide such a student loan programme in Vietnam, and did so as part of its stated corporate social responsibility efforts of investing in the future of the Vietnamese workforce. The loan programme offers a maximum of VND 10,000,000 per student for the whole period of their undergraduate studies, and students apparently qualify for it based on a mix of criteria involving their financial standing and on academic merit. Recipient students are required to pay back the loan starting 6 months after graduation; the loans can be amortised within 36 months since the date of graduation. To give a sense of the number of students who benefit from this scheme, the University of Economics and Business, a constituent university of the Vietnam National University in Hanoi, reported that 91 of its students received the UOB loan in 2012.¹⁷

¹⁷ United Overseas Bank. 2010. *United Overseas Bank Partners Vietnam National University To Offer Interest-Free Study Loan To Vietnamese Undergraduates*.

http://www.uobgroup.com/assets/pdfs/about/news/2010/news_12jan10.pdf;

Pham, Hiep. 2012. "Government's Student Loan Scheme Inadequate to Ensure Access". *University World News*. <http://www.universityworldnews.com/article.php?story=20121011111248502> Government's student loan scheme inadequate to ensure access.

"University Of Economics and Business". 2012. *Vietnam National University*.

<http://ueb.vnu.edu.vn/enNewdetail/44/Cooperation/7586/uob-interestfree-loans-for-ueb-students.htm>.