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Vietnamese higher education in the context of globalization: Qualitative or quantitative targets?

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The adoption of a more market-oriented economy has paved the way for the Vietnamese education system to undergo continuous change for more than twenty years. This paper sets out: (1) to examine the impacts of globalization and liberalization on the education sector in developing countries, with a main focus on Vietnam, and (2) to determine how the education sector in Vietnam is adapting to globalization and liberalization by examining key reforms implemented in the higher education sector. This paper argues that to adapt to liberalization, the Vietnamese higher education sector needs to adopt a holistic approach to reforming the sector, such as reforms to curricula, access, research and development, and capacity building, rather than focusing mainly on achieving quantitative targets as is outlined in the Vietnam’s Higher Education Reform Agenda.

Keywords: Vietnam, higher education, international education, globalization, liberalization.

INTRODUCTION

The Vietnamese education sector has experienced substantial change in the past decade. Restructuring of the Vietnamese public sector and the combined impact of global culture and economics has resulted in a more diverse and competitive social environment. These impacts have created a need for a more educated and a skilled labour force capable of adapting administrative and industrial processes to the new market context. Increased privatization of the education and training sector has yielded an expansion of school and higher education systems. The purpose of this paper is to examine key reforms implemented in the education sector to determine the impacts of globalization and liberalization on the education sector in developing countries, and how the higher education sector in Vietnam has adapted to meet the challenges posed by globalization and liberalization. This paper argues that to adapt to liberalization, the Vietnamese higher education sector needs to adopt a holistic approach to reform—including reforms to curricula, access, research and development, and capacity building—and not focus predominantly on achieving quantitative targets as outlined in Vietnam’s Higher Education Reform Agenda. The paper outlines implications for higher education in Vietnam, for capacity building, and the long-term development of the Vietnamese higher education sector.
GLOBALIZATION AND DEVELOPING COUNTRIES—STRUCTURAL ADJUSTMENT

There are several major elements to the globalization phenomenon. First there is an integration of the financial and currency markets; that is, the enhanced integration of economies across the world (Bacchus, 2004; Burbules & Torres, 2000; Fenna, 2004; Ngok & Kwong, 2003; Seitz, 2002). Second, globalization involves the integration of production, trade and capital formation across national boundaries in global corporations (Fenna, 2004; Webber, Wang, & Zhu, 2002). Third, international agencies and organizations, such as the World Bank and the World Trade Organization (WTO), increasingly regulate national economic, social and environmental policies. Fourth, market relations increasingly influence spheres of cultural and social life that were previously immune from market pressures (Webber, et al., 2002).

Different countries have adopted various ways to adapt to globalization, but Mok and Welch (2003a) note that there has generally been a restructuring of governments and public sectors. The term “structural adjustment” has been coined to characterize this restructuring process; it highlights the on-going sets of changes—adjustments—made to economies. Often the changes are drawn from neo-liberal strategies and hinge on an agenda supported by international lending organizations such as the International Monetary Fund (IMF) and the World Bank (Welch, 2004; Welch & Mok, 2003). Economic changes implemented by governments under structural adjustment regimes are designed to generate medium and long-term economic benefit for their populations, but “these changes are often contentious and carry social and political costs” (Commins, Gevers, Randa, & World Bank, 2001, p. 1). Structural adjustment policies are directly linked to globalization (Morrow & Torres, 2000) to the extent that nation-development strategies support the imperative of creating stability for foreign capital. The policies significantly impact on the operations of many sectors including education.

These adjustments lead to a deregulation of the economy and the labour market, restricting union activities, and allowing a more flexible use of the labour force within a competitive arena (Narodowski & Nores, 2003). To improve the efficiency and effectiveness of public service delivery, many governments seek greater input from the private sector to enable the maximization of national productivity (Mok & Welch, 2003a) through the strategies of “privatization” and “marketization”. At the heart of these terms, according to Mok and Welch (2003a), are two core principles: first, an ideological commitment to neo-liberalism, which holds that the state should not be primarily responsible for serving all public-welfare functions (see also Dale, 1997); and second, the recognition of the state’s severely limited capacity to act in policy areas (Mok & Welch, 2003a). For example, policies of decentralization and privatization were implemented in most developing countries, including Vietnam, in the late 1980s partly under the guidance of structural adjustment schemes required by agencies such as the World Bank, the IMF and the Asian Development Bank (ADB) (Le, 2008, 2009).

In line with structural adjustment programs imposed for reasons of economic growth, and under the pressure of globalization, education restructuring has taken place in most states in the Asian and Pacific areas, such as in Vietnam, Singapore, Taiwan, Hong Kong, the Philippines, China, Cambodia, and Australia (Mok & Welch, 2003b; Welch, 2004), as well as in Latin American and African countries (Carnoy, 1998). Welch and Mok (2003) assert that, as one of the major public services provided in all countries, the
education sector is not immune to the tide of marketization, privatization and decentralization of administration.

**GLOBALIZATION AND ECONOMIC REFORMS IN VIETNAM**

The Vietnamese government response to the requirement for structural adjustments was the adoption of a market approach called “market-oriented economy” (or, in Vietnamese, *doi moi*) at the Sixth Party Congress in 1986 (Nguyen & Sloper, 1995; Warner, 2001). The approach has caused significant reform to the structure and conditions of the Vietnamese economy and government.

The newest term for the Vietnamese economy is: “factor driven economy,” which relies significantly on a populous country with unskilled labour and natural resources for its global competitiveness (Harman, Hayden, & Pham, 2010a). Reforms of the socio-economic and political condition of Vietnam marked a watershed in the country’s development (see e.g., Auffret & World Bank, 2003; Dollar, 2001; Kelly, 2000; National Centre for Social Sciences and Humanities (NCSSH), 2001; Research Institute for Asia and the Pacific, 2003; Taylor, 2004; Warner, 2001; World Bank, 2003). The development of the education sector in Vietnam is, therefore, strongly influenced by these economic reforms— to be discussed later in this paper.

A significant change has been a profound shift of the country’s economic policy from closed open-door policy (Kelly, 2000; Van Arkadie & Mallon, 2003; Warner, 2001). To achieve economic growth and poverty reduction, a subsidized system for production and goods distribution was abolished (Nguyen & Sloper, 1995; Van Arkadie & Mallon, 2003). Vietnam has been integrating into the international economy and allowing involvement of the private sector in all areas of development, thereby creating a mixed economy, while simultaneously preserving a socialist orientation.

At the centre of the open-door policy is “Socialization” or, in Vietnamese, *Xa hoi hoa*; the term’s meaning is somewhat equivalent to privatization but emphasizes the terms’ usage within a socialist system. Socialization has occurred in every sector of the economy, including services, education, industry and agriculture. As already noted, increased privatization and some decentralization are parts of the structural adjustment requirements imposed by lending agencies: the so-called “loan conditions” of the World Bank, IMF, and ADB (Jones, 1998; Mok & Welch, 2003a; Welch, 2004; Welch & Mok, 2003). Overall, a key component of the reforms is the recognition of the vital role of the private sector in Vietnam’s economic development. As part of the reforms, Vietnam has privatized and internationalized its higher education system (Le, 2003).

While development of the private sector was emphasized after *doi moi*, the necessity of reforming state-owned enterprises (SOEs) was also stressed. After the elimination of government subsidies, SOEs were given greater financial autonomy and responsibility, which meant that they had more freedom to set input and output prices, as well as freedom in how to manage production, marketing, investment and personnel (Jansen, 1997). While a dramatic reduction in the number of SOEs has resulted (Warner, 2001), the Vietnamese economy is still criticized for being dominated by SOEs which still account for about 40 percent of GDP, albeit with the involvement of the private sector since *doi moi* (Central Intelligence Agency, 2011).
Another key aspect of *doi moi* was a focus on reducing inflation. The inflation rate declined from over 160 percent per annum in 1988 to less than 10 percent in 1997 (see e.g., Dollar, 2001; Nguyen & Sloper, 1995). This was the result of fiscal adjustment and monetary restraint in Vietnam in the early 1990s (Dollar, 2001; Warner, 2001). Nevertheless, Vietnam has struggled to maintain a stable inflation rate and still has one of the region’s highest inflation rates at approximately 11.8 percent in 2010 (Central Intelligence Agency, 2011). Vietnam’s economy and living standards have, nonetheless, improved sharply, and Vietnam was approved as a member of the WTO in January 2007. The economic improvements have positively affected the development of the education sector in Vietnam.

Notwithstanding the success of *doi moi*, Vietnam is still in the process of poverty reduction (Baliscan, Pernia, & Estrada, 2003; Le, 2004, 2008; World Bank, 2003). Vietnam is also still dependent on foreign capital as well as on external loans from the World Bank and the ADB (Central Intelligence Agency, 2011) that, to a large extent, depend upon reform of Vietnam’s education sector.

**THE EDUCATION AND TRAINING SECTOR IN VIETNAM AND LIBERALIZATION**

The Vietnamese government regards education and training as key means for narrowing the economic and information gap between Vietnam and other countries (Ministry of Education and Training (MOET), 2001). Further, the impressive economic growth in the last twenty years means that the government is attempting to further develop its research capacity through the higher education system, particularly in science and technology, to transform Vietnam into a more modern, industrialized and knowledge-based nation (World Bank, 2008). Therefore, the Vietnamese education system has been undergoing continuous change for more than twenty years. This development has been noted as a period of adjustment after the third education reform that occurred after the re-unification of Vietnam (Pham, 1998).

Before the reforms, state-owned educational institutions were the only model. As a result of the reform process, *xa hoi hoa* of education has enabled many different actors to become financially involved in the sector (Pham, 1998). The privatization agenda aimed to diversify the financing of resources for education through a combination of government subsidies, tuition fees and funds from individuals, the private sector, and other international funding sources (Tran & MOET, 2000). Thus, new forms of education and training have been developed simultaneously in addition to traditional public education, including new semi-public and private schools and kindergartens that provide basic and higher education (Research Institute for Asia and the Pacific, 2003) and comprehensive universities (Tran & MOET, 2000). In higher education, for example, various forms of training are now offered, including full-time, part-time, and distance education (MOET, 2001; World Bank, 2008) for various degrees/qualifications such as undergraduate, postgraduate, and vocational and technical training.

The involvement of private institutions in Vietnam has changed the operation and funding structure of the education sector. Private schools and institutions cover nearly all their operating costs from student fees (Hayden & Lam, 2010; Kelly, 2000). Student enrolments at private institutions (or non-public universities) have been increasing steadily from about 13 percent in the late 2000s; they have a goal of reaching 40 percent.
of total higher education enrolments by 2020 (Hayden & Dao, 2010; World Bank, 2008). The emergence of private institutions has encouraged competition among schools to increase the quality of teaching and to compete for students by providing relevant forms of education that, in turn, should encourage student achievement (Le, 2005). Additionally, private higher education has been encouraged to grow because of the need for a more qualified workforce and for taking up excess student demand in areas of study that the public sector is not able to adequately provide for (Hayden & Dao, 2010). However, the emergence of more private sector involvement in school does not automatically ensure the quality of teaching staff or student outcomes; both are regarded as major concerns and challenges for contemporary Vietnamese education and training (MOET, 2001; NCSSH, 2001). Also, private higher education is not considered as an equal partner with public higher education institutions (Hayden & Dao, 2010). Many private schools are considered as refuges for those who fail public school entry tests, because entry requirements in private schools, physical infrastructure, as well as teaching quality, unfortunately, appear to be lower. Hayden and Dao (2010) comment that it is not clear how the private sector can reach an ambitious enrolment rate of 40 percent when neither private students nor private universities receive state funding.

Paralleling the inclusion of the private sector in education, the management of the financing of education and training has shifted from Soviet-style central planning to a more decentralized, privatized style (Kelly, 2000; McDaniel, Schermerhorn Jr, & Huynh, 1999; St. George, 2010), which follows a more Western style of management (Harman, Hayden, & Pham, 2010b). However, this management style and the level of privatization and decentralization of the education sector in Vietnam might be different compared with other Western countries. The implementation of the privatization of education can help schools become more democratic (Pham, 1998). Universities now make their own decisions with regard to fundamental issues of institutional development, but within the overall direction set by the government. The new policy allows public institutions to levy tuition fees, though within rather strict limits—up to about 30 percent of their income (see Hayden & Lam, 2010), and to charge for other goods and services sold to the public (Kelly, 2000; St. George, 2010). Unfortunately, levying tuition fees inhibits equitable access to higher education for those from low-income families (World Bank, 2008). It is also unclear how the funding from outside the public sector to universities works in practice (St. George, 2010). Further, a number of universities offer fee-paying open enrolment to bring in additional income for their staff and operations. This increases the number of student enrolments (most of whom had failed the university entrance examination) and decreases the overall quality of enrolled students.

To perform well at schools and to pass the university entrance examination, a majority of school students have to attend extra classes (private tuitions) throughout their school years and even after entering university. This creates another issue of the quality control of education, teachers’ time and preparation for their day jobs and financial pressures for parents—especially for the poor. To supplement income and create higher demand for extra tuition, teachers may reduce learning content and the duration of the school classes (Tran & Harpham, 2005). Tran and Harpham (2005) note that, regardless of the government’s restrictions on having illegal extra classes, teacher home-based classes have become a concern to society. Unfortunately, the above issues increase a tendency for education to be mainly accessible to the rich and/or urban citizens rather than the poor.
Since reforms were introduced, there has been a shift in the management of education and training institutions. In the early 1990s, most training institutions were under the responsibility of the Ministry of Education and Training (MOET). In 1998, vocational and technical education (VTE) was placed under the supervision of the Ministry of Labour, War Invalids and Social Affairs (MOLISA) through a Prime Minister’s decree (Kelly, 2000). Other Ministries such as Health, and Culture and Information, which traditionally managed a number of universities, retained the mono-disciplinary institutions but not the multi-disciplinary ones (Kelly, 2000). The newest trend in the higher education system in Vietnam is that many mono-disciplinary institutions (college rather than university level institutions, by Western standards) merged to become multi-disciplinary universities (Hayden & Lam, 2010). Those universities and research institutes, if they met certain criteria, were given permission to teach and award postgraduate degrees that were previously only awarded by research institutions (Hayden & Lam, 2010). However, the distinction between universities and colleges, to some extent, is ambiguous. Overall, the training and education system, and, particularly, most university-level institutions, are under the academic management of the MOET (Kelly, 2000; St. George, 2010; Tran & MOET, 2000). For example, the MOET is responsible for promulgating regulations for training subjects in pre-school education, general and continuing education, VTE, higher education, publishing textbooks, formulating regulations for enrolment, assessment of training, and so forth (Tran & MOET, 2000).

QUALITY AND ACCESS OF HIGHER EDUCATION IN VIETNAM

Another important development is that education expenditure has increased somewhat, although the state had reduced its total outlay due to the regional economic difficulties of the late 1990s (NCSSH, 2001). Yet, funds and loans from international organizations such as the World Bank, the ADB, and AusAID have continued to assist Vietnamese education and training (World Bank, 2008). Thanks to the high value placed on education, training and human resources development, and due to an increasing demand in the labour market for more highly educated graduates, both the scale and the scope of the higher education system in Vietnam has been expanded. There has been a significant increase in education enrolment rates for the whole population and in the number of students studying in tertiary education (Hayden & Lam, 2010; MOET, 2001; World Bank, 2008). Over 1.3 million Vietnamese enrolled in 230 higher education institutions in the late 2000s, which is an increase of about 8 percent compared with 1993 figures (World Bank, 2008). The 2008 World Bank report notes that graduates with tertiary qualifications tend to substantially contribute to firm productivity.

In spite of reforms and increases in the availability of educational opportunities, Vietnam’s education system is not able to adequately meet the country’s increased need for innovation, research and development, and for high-quality, skilled human resources—needs caused by the fast development of the Vietnamese economy (World Bank, 2008). In the early 2000s, the higher education system was criticized for over-producing science and technology graduates (Research Institute for Asia and the Pacific, 2003); such graduates sometimes had to take jobs below and/or different from those for which they were trained (Vallely & Wilkinson, 2008). Further, the higher education system has not fulfilled the role of an incubator of technical innovation, which constrains the creation of new knowledge and is hindering levels of productivity.
and competitiveness (World Bank, 2008). Unfortunately, despite the larger numbers of higher education graduates, the education system has not produced the educated workforce that the Vietnamese economy and society are demanding (Vallely & Wilkinson, 2008), as will be further discussed later in this paper. As a result of these constraints on the provision of innovation and essential skills, the adaptation of new technologies has been hindered and the gap between demand and supply of key skills seems to have widened (World Bank, 2008).

In addition, the quality and relevance of the higher education programs and equitable access and inclusiveness for all citizens, especially the poor, are of great concern (World Bank, 2008). To add to the issue of the quality of the education system, Vallely and Wilkinson (2008) indicate that no Vietnamese university is recognized for either its quality of teaching or research in any league table of leading Asian universities, or are they mentioned in global rankings. These authors emphasize that, unfortunately, universities in Vietnam are isolated from international currents of knowledge and show very little evidence of research publications, especially in comparison with some of the universities in the Republic of Korea, China and Singapore. In this context, Vietnam appears to lag far behind its Southeast and East Asian neighbours, and even further behind when compared to developed countries. However, equally, it must be noted that Vietnamese universities have made great progress in increasing the number of research publications and citations in the past 20 years (Welch, 2012), especially in light of the country’s current economic conditions.

Another serious issue lies within the curricula of the Vietnamese higher education system, which neither adequately prepares Vietnamese graduates with needed skills nor for professional life or studying abroad (Vallely & Wilkinson, 2008). These issues reveal difficulties for international investors when hiring locally qualified and/or skilled graduates, even though the candidates have apparently appropriate undergraduate qualifications.

Thus, the above overview of contemporary Vietnamese higher education reveals serious barriers and negative implications for skilled workforce development and attracting foreign direct investment, and, most importantly, for the long-term competitiveness and growth of Vietnam in the global knowledge economy.

THE GOVERNMENT’S RESPONSE TO THE QUALITY ISSUES OF HIGHER EDUCATION

To address the above issues and to adjust to the globalization process, the government developed a plan to reform the higher education sector; namely, the 2006 to 2020 Higher Education Reform Agenda (HERA) (Harman, et al., 2010a, 2010b; Hayden & Lam, 2010). This reform, however, was seen to be too ambitious (World Bank, 2008). The HERA focused heavily on a number of quantitative targets, such as: a significant increase in student enrolments; a significant increase in qualified academics and an improved staff-student ratio; a plan to develop improved higher education curriculum; an expansion of non-public institutions with more decentralization of training functions; the establishment of research-focused and vocation-focused higher institutions; and the development of a research and development culture within the higher education sector (Harman, et al., 2010a; Hayden & Lam, 2010; Pham, 2010).
In order to pursue the HERA plan, the government has reform strategies (World Bank, 2008). First, the government aims to increase the access to and the quality of the higher education sector through increased enrolment levels and, especially, greater participation from the non-public sector—evidently by a goal to achieve an enrolment rate of 40 per cent in 2020. Second, strategies to improve the curriculum are proposed such as greater research focus, more applicable and professional orientation, updated teaching materials which link to research and application of ICT to teaching and learning (Harman & Nguyen, 2010). Finally, to raise the quality of Vietnam’s higher education sector to international standards, an emphasis on research in the higher education sector; which includes not only an increase in numbers of publications by academics in Vietnam and capacity building of Vietnamese academics but, more importantly, a change to long-term strategic planning to retain human resources and an application of new knowledge for human resource development in the country. In practice, to achieve more qualified academics, the government has provided many state-funded scholarships (which are different from scholarships given by aid programs or overseas universities) to academics to undertake higher degrees by research in Australia, the UK, the US and other countries. While the commitment of the government in this aspect is evident, it creates a new issue of “brain drain” in which well-educated and qualified academics may not return to serve the country regardless of the government’s efforts. In reality, the free-trade context has also stimulated academic mobility internationally (Altbach & Knight, 2007). This trend has become a significant issue for the government (Welch, 2010) in its efforts to increase the number of qualified academics in many areas as part of HERA’s aims. Although HERA has a positive vision and aims, it has faced various challenges, such as discrepancies between policy and practices, and a lack of resources, especially in the institutional governance of the sector (Pham, 2010). Further, there are questions about the viability of many of the measures in HERA (see Hayden & Lam, 2010) and in which ways the above aims will be achieved both in terms of quality and quantity.

In addition to its efforts to reform the higher education sector, Vietnam shows strong trends in the internationalization of its education system to increase the capacity building of its workforce and academics (Welch, 2010). Many off-shore programs and/or campuses have been developed with overseas universities, such as the wholly foreign-owned institution of the Royal Melbourne Institute of Technology (RMIT) (Welch, 2010), and other off-shore partnership programs between La Trobe University and Hanoi University, and between Hanoi Economics and the UK Henley Management Centre. These partnerships are a positive sign of the sector’s ability to accommodate the needs of its labour force and to enhance the competitiveness of the sector. Further, internationalization of the Vietnamese higher education sector indicates the country’s willingness to further decentralize the sector as part of developing a knowledge economy. However, several questions have been raised in relation to the suitability of overseas curricula to local conditions, and the commitment to quality assurance of the courses offered off shore in Vietnam, and the equality of the wages and working conditions with those offered to academic staff from overseas universities (Welch, 2012).
FUTURE AGENDA FOR THE VIETNAMESE EDUCATION SECTOR

In summary, this paper provides an overview of the impact of globalization and liberalization on the education sector in Vietnam, and how the Vietnamese education sector is adapting to this process. The paper argues that to successfully adapt to liberalization, the Vietnamese higher education sector needs to adopt a holistic approach to reform rather than focus mainly on achieving quantitative targets as outlined in the HERA.

As discussed, the economic reforms in Vietnam have provided the main impetus for the changes in every sector, including higher education. On the advice of the World Bank, the ADB, and other international agencies, since the late 1980s, privatization, decentralization and deregulation have been introduced in Vietnam to enhance economic efficiency and improve Vietnamese living standards. The expansion of the service sector also reflects the integration of the Vietnamese economy into the global market.

Key reforms have been implemented in the education and training sectors in line with the emergence of a knowledge economy. Privatizing the education and training sectors has yielded an expansion of the schooling system and, especially, the recent reforms of the higher education sector, notably through the introduction of the HERA, has further improved access to higher education.

In accordance with the ambitions of the HERA and the aims of the government to support education as the most important conduit for further developing Vietnam’s knowledge economy, and to ensure that the reforms in higher education in Vietnam are successful, several steps need to be taken by the education sector and the government.

First, improvements in institutional performance levels are important. Such improvements could be stimulated by changes to major policies influencing the sector, such as developing a curriculum in which students can learn the theoretical ideas and skills needed in the workforce; and the provision of more scholarships, further reduced tuition fees and/or educational loans to increase accessibility for the poor to attend universities. Currently, the entry score to universities is lower for students who live in regional and remote areas and who are likely to be poor and have limited access to good teachers when compared with the students who live in urban areas. This is a positive bias, but without financial support from the family or government those students often have to work part-time to support themselves, which could negatively impact on their study.

Second, the operation and governance of the higher education system and the decision-making by the education sector may need to be more flexible, allowing greater initiatives for an individual institution to compete in the market. The current governance of educational institutions seems to lack such flexibility. Further, at the institutional level, while the participation of the private sector and foreign investors in higher education in Vietnam is important for achieving better performance levels in higher education and enhancing competitiveness within the sector, a system of quality assurance for teaching and learning, including for entry level students, and the suitability of overseas curricula for locals, are important considerations for the sector.

Finally, capacity building in the field is significant because Vietnam has few qualified academics and low research capacity. The establishment of institutional training...
programs for academics in Vietnam is vital. A flexible mode of training must be developed, such as distance learning, rather than the traditional full-time degree mode of training, which might be considered appropriate for the older generation of academics. For the younger generation of academics, a higher research degree from a reputable, high-quality education system overseas would be preferred. This means that not only must staff have higher research degrees (such as a PhD), but they must also be actively involved in regular research publications in domestic and international journals. In the first stage of the reforms, a number of research areas, such as agriculture, science and technology, should be given more emphasis because the Vietnamese economy relies heavily on agricultural products as well as a growing technology sector that requires modern skills from its local human resources. Subsequently, further areas in the service sector can be incorporated as potential areas of research and development.

While higher education reform (HERA) in Vietnam is very challenging, concerted efforts from stakeholders, improved higher education curricula, more qualified academics, better retention of qualified academics, greater research focus, better controls of teaching and learning quality, and support from foreign partners will be important to ensure the long-term success of the sector.

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