



Technical Assistance Consultant's Report

Project Number: 4207901
August 2010

Viet Nam: Preparing the Higher Education Sector Development Project (HESDP)

Prepared by SMEC International Pty. Ltd.

For Ministry of Education and Training

This consultant's report does not necessarily reflect the views of ADB or the Government concerned, and ADB and the Government cannot be held liable for its contents. (For project preparatory technical assistance: All the views expressed herein may not be incorporated into the proposed project's design.)

Asian Development Bank

ADB TA 7105 VIE:
Preparing the Higher Education Sector Development Project -
Developing New Model Universities (NMUs) in Vietnam

Vietnam Higher Education Sector Analysis

Gai Sheridan

June 2010

Prepared as an information to explore aspects of the requirements for developing New Model Universities in Vietnam. The views are those of the author, and were used to inform decisions made by the TA team for recommendations for the Project Final Report.

Contents

	Page
Introduction and setting for to Higher Education in Vietnam	1
Socio-economic Environment for the development of the Higher Education system	2
Higher Education Size and Resources	3
Post-Graduate Studies	9
Research in Vietnam Higher Education	10
Structure and Ownership of Higher Education Institutions	12
State Management and System Governance	15
Financing	20
Data for Planning and System Research	29
Quality – Relevance and Learning Outcomes	31
Quality Assurance System	32
Equity of Access	37

Acronyms

ADB	Asian Development Bank
AIT-CV	Asian Institute of Technology (Vietnam Branch)
ATPs	Advanced Training Programs
DIU	Danang International University (planned – one of the NMUs)
FPT	Acronym for the Vietnamese name for a private telecommunications firm
GDETA	General Department of Education Testing and Accreditation (MOET)
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GNI	Gross National Income
HCMC	Ho Chi Minh City
HE	Higher Education
HEDPO1	Higher Education Development Policy Operation No 1 (approved 2009)
HEIs	Higher Education Institutions
HEMPIS	Higher Education Management and Policy Information System
HEP1/HEP2	Higher Education Project (No 1 or No 2) (WB funded ODA loan)
HERA	Higher Education Reform Agenda (of Vietnam for the period 2005-2020)
HESDP	Higher Education Sector Development Project (ADB funded ODA proposed loan)
HUST	Hanoi University of Science and Technology (one of the NMUs)
MIT	Massachusetts Institute of Technology
MOET	Ministry of Education and Training (Vietnam)
MOST	Ministry of Science and Technology (Vietnam)
NMU	New Model University (NMUs plural)
MPI	Ministry of Planning and Investment (Vietnam)
ODA	Official Development Assistance
QAC	Quality Assurance Centre (in universities)
QIGs	Quality Improvement Grants (available under HEP1)
PhD	Doctor of Philosophy (in any named field/discipline)
PG	Post-Graduate (Study programs after Bachelor awards) #
R&D	Research and Development
RMIT	Royal Melbourne Institute of Technology
SEDP	Socio-Economic Development Plan (of Vietnam for the period 2006-2010)
TRIGs	Teaching and Research Improvement Grants (available under HEP2)
UG	Undergraduate (Bachelor Program student)#
UK	The United Kingdom (Great Britain)
UNESCO	United Nations Education and Science Cooperation Programme
UNIDO	United Nations Industrial Development Organisation
VAST	Vietnam Institutes of Science and Technology
VGU	Vietnam German University (one of the NMUs)
VHLSS	Vietnam Household Living Standards Survey
VND	Vietnam Dong (name for Vietnamese currency)
WB	The World Bank
WTO	The World Trade Organisation

in Vietnam the most commonly translated terminology for university programs differs from that in common usage in Western countries. Thus in Vietnam : (i) 'Bachelor' course refers to programs elsewhere called 'under-graduate'; and (ii) 'Graduate' refers to programs studied after obtaining a Bachelor award, elsewhere usually called "Post-Graduate".

Higher Education System, Vietnam – Sector Analysis

Introduction and Setting for Higher education in Vietnam

The higher education system in Vietnam is in a phase of rapid and sustained change. Since 1993, when the Fourth Plenum of the Communist Party Central Committee declared education as a priority area for national investment, the proportion of the relevant age group participating in higher education has increased from 2 per cent to over 13 per cent, and a higher education system that was comprised of small, specialised institutions has been transformed into one in which a small number of leading universities are large, multidisciplinary and progressively developing a research capability. The pace of change is likely to intensify over coming years. A Higher Education Reform Agenda (Resolution 14/2005/NQ-CP) adopted in 2005 introduced measures intended to achieve further significant growth and change in the system by 2020. It is planned, for example, that, by 2020, 45 per cent of the relevant age group will participate in higher education, that higher education institutions will be more financially self-reliant, and that as many as 40 per cent of all enrolments will be in the non-public (or private) sector of higher education. But there are many challenges involved in trying to develop an internationally competitive system against a background of low per capita national income and a continuing legacy of centralised planning. The rapid expansion in capacity has been at the expense of quality and new voices in Vietnam are questioning the value of the system to meet the needs of the next stage of economic development, as the country moves from a rural economy with an emerging adaptive industrial base to one in which a higher reliance of internationalised trade and innovation will be the driver of continuing development.

These trends point to a need to increase the total investment in higher education, to continue to support both the rising student demand and the need for higher skills as the economy continues to grow and change with global integration and industrialization and to adapt to new challenges of climate change.

The Vietnam Socio-Economic development Plan (SEDP) recognizes that education and knowledge are fundamental to social and economic development, and it aims to proactively invest to equip citizens with the knowledge, skills, and attitudes needed to compete economically in a rapidly changing society. Building high-quality research and teaching universities that are innovative and relevant to market demands is essential. Research universities can operate as incubators for the innovation and creative thinking needed for an economically competitive society by carrying out research and development (R&D) and developing human resources for a knowledge-based economy.

The Government has clear goals for higher education in its “Socio-Economic Development Plan 2006-2010,” (SEDP).¹ The SEDP aims for an overall quantitative goal of “increasing enrolment in universities and colleges by 10 percent annually, to reach a level of 200 students over 10,000 population by 2010” and an overall qualitative goal of “approaching the advanced education standards of the region and the world,” specifically inter alia by: renovating curricula and teaching methods; developing systems that increase study opportunities through transfers; renovating financial mechanisms and policies to make institutions more pro-active and responsible for finance, staff and organization; renovating management with stronger decentralization, and clearer responsibilities and authorities for different entities; implementing quality assurance and accreditation schemes, gradually applying standards and criteria used by developed countries and joining international educational quality accreditation systems;

¹ Socio-Economic Development Plan 2006-2010, attachment to Government Resolution No. 25/2006/NQ-CP, dated October 9, 2006.

encouraging the establishment of private institutions, including high-quality, accredited and 100 percent foreign-invested institutions in science, technology, and economic management; encouraging foreign scientific and educational experts and Vietnamese expatriates to teach in Vietnam.

*The Government has detailed its aspirations for higher education in the “Higher Education Reform Agenda” (HERA).*² HERA develops a strategy for the development of higher education and research. The main objectives of the strategy are: (i) a dramatic increase in capacity to allow an increase of the participation rate in higher education (or tertiary) institutions, which implies huge investments in infrastructure and in training of new lecturers and faculty; (ii) simultaneous increase in quality and/or efficiency of the system;³ (iii) the introduction or reinforcement of research in universities -- in order better to train the future new teachers, to enrich and upgrade present teachers’ teaching and to upgrade the quality level and international visibility of Vietnamese universities; and (iv) improved governance of the higher education and research system at both national and regional levels, as well as of universities. These goals imply greater autonomy for individual institutions and measures that create a climate of competition between and within institutions. In HERA, the Government has set the following targets for the higher education sector: (i) revenue from science and technology activities increased to 15 percent of total university revenue by 2010, and to 25 percent by 2020; (ii) the proportion of university teaching staff with masters level degrees increased to 40 percent by 2010, and to 60 percent by 2020; (iii) the proportion of university teaching staff with doctoral level degrees increased to 25 percent by 2010, and to 35 percent by 2020; and (iv) the ratio of university students to teaching staff reduced to 20:1 by 2020.

Socio-economic Environment for the development of the Higher Education system

With a land area of 332,000 square kilometres, Viet Nam is well endowed with natural resources, including two major “rice baskets” of the Red River and the Mekong River deltas, sizable forest cover, and reserves of coal, petroleum, natural gas and hydro-electric potential. It has a population of about 89 million (2009), some 74% of which live in rural areas. Viet Nam remains among the poorer countries, with a per capita income estimate of approximately US\$890 in 2008, on a straight conversion to US\$, \$2700 per head at purchasing power parity.. The population growth rate is about 1.1% per annum.

The 30-year war, which concluded in 1975, resulted in a great many difficulties for Viet Nam. After reunification in 1975, Viet Nam first pursued development as a centralized planned economy. Progress was fraught, with problems of integrating the disparate economic systems and conditions in the North and South. The economy was in crisis: production stood still, inflation skyrocketed, there was an economic blockade, and there was widespread hardship and an erosion of confidence. The US embargo, not finally lifted until 1994, made these problems worse.

In 1986 the Government adopted ‘doi moi’, a policy of transition from a centralized planned economy to a market economy. After a decade of persistent effort in implementing this policy, Viet Nam is making rapid progress in terms of its socio-economic development, political infrastructure, and internal and external

² Government Resolution No. 14/2005/NQ-CP, dated November 2, 2005, on substantial and comprehensive renewal of Vietnam’s tertiary education in the 2006-2020 period. .

³ Including: lower teacher-student ratios, a reformed entrance examination, better trained teachers, better pedagogy, the development within universities of research activities indispensable for deepening and broadening the teachers’ scholarship, the transformation of selected institutions into teaching and research institutions, improved curriculum frameworks and better assessment or learning outcomes, greater flexibility of study programs and student mobility with the introduction of a credit accumulation system, and the development of a quality culture within the institutions, including the implementation of an accreditation system of all institutions (public and non-public) at the national level.

relations.⁴ During the past decade, relatively high annual rates of growth in GDP have been maintained, as may be seen from Table 1. Vietnam has a faster rate of growth than many countries with a similar poverty ranking, and so is climbing up the ranks towards “Lower Middle Income” status.

Table 1: Annual % Rates of Economic Growth, Vietnam⁵

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
5.76	4.77	6.79	6.89	7.08	7.26	7.69	8.4	8.2	8.5	6.2

Viet Nam is committed to goals of industrialization and modernization. These goals are intended to provide the nation with a modern material-technical base, an appropriate economic structure, increased economic productivity, a better quality of material and social life, and firm national defence and security. The common national aim of Viet Nam is *a rich people, a strong country, and an equitable, democratic and civilized society*.

Higher Education Size and Resources

Higher education in Viet Nam has a long tradition. The ancient system was established in the 11th century with Quoc Tu Giam, Vietnam's first university. The current system dates from 1904, when a part of the University of IndoChina was established in Hanoi. Since the August Revolution of 1945, and especially after the victory in the war of resistance against the French in 1954, the number of universities and colleges increased substantially. In the last 25 years or so growth has been particularly rapid – from 101 universities and colleges in 1987 to the present total of 376.

Responsibility for the activities which in many countries are conducted within a unified system of higher education is fragmented in Vietnam. Among the total of 376 universities and colleges MOET governs just 54 (14.5%); other ministries and sectors govern 116 (31%); People's Committees (PCs) control 125 institutions (33%); and there are 81 private institutions (21.5%). Scientific research is largely in the hands of separate research institutes responsible to the Ministry of Science and Technology. Many institutions are mono-disciplinary in character; this applies not only to specialist institutions reporting to other Ministries but also to some of the national universities reporting to MOET.

Partly because of this fragmentation, information about Vietnam's higher education system is disjointed and incomplete. Some very basic statistics focussing on student numbers are derived from administrative sources such as budget submissions, and are published in MOET's annual statistical yearbook. However there is no systematic HE statistics collection. Universities and colleges are required to send annual reports to MOET but only 54% did so for the 2008-09 academic year.

Proposals for a Higher Education Management and Policy Information System (HEMPIS) are included as one of the activities under the World Bank-funded HEP2 program but have not yet made headway. Meanwhile HESDP has used for this analysis whatever data is available. Some of these sources conflict; and some suggest a level of accuracy (eg enrolment figures giving the exact number of students) which the underlying data may not support.

⁴ Lam Quang Thiep. Current status of and options for strengthening and reconstructing the Vietnamese H.E. system. *Workshop on Policy Options for H.E. Reform*. Hanoi, 8/1993; see also Lam Quang Thiep. Ten years of Reform in the Higher Education System in Vietnam: Initial Achievements and New Challenges. *Vietnamese Studies Review*, 3, RMIT, Australia, 1998.

⁵ Economy of Vietnam and the World 2004-2005, *Vietnam Economic Times*, Jan., Hanoi, 2004, and World Bank, East Asia and Pacific Economic Update, April 2010.

With those caveats, Table 2 provides a general statistical overview of Viet Nam's higher education system in 2009.

Table 2: Statistical data on Viet Nam's Higher Education - Academic Year: May 2009⁶

Number of Higher Education and Research Institutions	
Total:	376
- Universities & Research institutes	150
- Colleges	226
Including	
- Non-public universities	44
- Non-public colleges	37
Institutions offering Postgraduate Studies	
- Total	159
- Universities	88
- Research Institutes	71
Number of students	
Total, 2009	1,752,561
Of which:	
Graduate and advanced professional students, 2009	33,142
- Doctoral students	2,504
- Master students	30,638
-	
Undergraduate students, 2008-09	1,719,419
- Public universities and colleges	1,501,310
- Non-public universities and colleges	218,189
Participation Rates	
Number of HE Students in Vietnam in 2009 per 10,000 Population	195
International Comparisons of Participation Rates, 2005⁷	
China	20%
Korea	91%
Laos	8%
Malaysia	32%
Thailand	43%
Vietnam	16%

⁶ MOET report "On the Development of the Higher Education System and the Solutions to Ensure Quality Assurance and Improve the Quality of Education", Doc No, 760/BC-BGDDT, Hanoi 29/10/2009.

⁷ The comparisons are of tertiary education participation rates for ISCED levels 5 and 6. The source is the UNESCO Global Education Digest 2007.

Graduations	
Number of graduates in Vietnam in 2009	222,665
Faculty Staff 2009	
Total:	61,190
- Professors and Assoc. Professors	2,286
- Ph. D. and Doctor of Science	6,217
- Master and advanced professional	24,831
- Bachelor and lower diplomas	30,142

The last 25 years has seen very rapid growth in the size of the higher education system, as illustrated in Tables 3 and 4 (next page). The growth in institutions has also accelerated since 2005-06, as illustrated in Tables 4 and 5.

Total enrolments in 2009 reached 1.75 million. Table 3 indicates that student enrolments increased 13 fold over the twenty-two year period. The number of graduations increased 11 fold, suggesting some increase in rates of repetition or drop-out. Vietnam is on course to meet its target of 200 HE students per 10,000 population by 2010; but has a target of 450 students per 10,000 population by 2020 (equivalent to about 45% of the Gross Enrolment Rate (GER)).

Participation rates, however, are low relative to industrialised countries, and even to other less developed regional countries. The GER for Vietnam is variously estimated to be in the range of 13%-16%⁸. Notwithstanding the expansion in institutions the enrolment capacity has not kept ahead of population growth and successes in increasing participation rates in Basic and Secondary education. In 1975 it was estimated that about 15% of secondary school graduates could find a place in the then small number of higher education institutions, a situation that remains similar in 2010⁹.

Growth in Non-Government provision: While most higher education institutions, including all of the leading universities, remain publicly owned and funded, the growth of a 'non-public' sector has been striking. In 2006 approximately 11 per cent of all students attended higher education institutions that, though communally owned in most cases, rely almost entirely on tuition fees for their income. It is planned that this proportion should increase to 40 per cent by 2010.

⁸ . Vietnam uses Participation Rates calculated as number of students enrolled per 10,000 population. Other country calculations use GER, defined as the number of students enrolled in the sub-sector as a proportion of the relevant age group in the population. This makes comparisons with other countries problematic. Table 2 above draws participation rate estimates from UNESCO, which are give an estimate for Vietnam (at 16% in 2005). The WB 2008, 'Skills for Growth Report', 'shows a GER rate of 13% in 2006-07.

⁹ A.R. Welsh, 'Internationalisation of Vietnamese Higher Education', Chapter 14 of Harman, Hayden, and Nghi (EDS) *Reforming Vietnam's Higher Education*, Springer, 2010, p200.

Table 3: Time Series Data on the Growth of the HE System in Vietnam

	1987	1997	2009
No. of Universities and Colleges	101	126	376
No of Students (UG)	133,136	715,231	1,719,419
No of Graduates	19,900	73,736	222,665
No of Academic Staff	20,172	20,112	61,190

Table 4: Increase in Higher education institutions, by type and by public/private

	1999- 2000	2001- 2002	2003- 2004	2005- 2006	2007- 2008	2008- 2009
Colleges	84	114	127	151	209	226
Public	79	108	119	142	185	189
Private	5	6	8	9	24	37
Universities (incl RIs)¹⁰	69	77	87	104	160	150
Public	52	60	68	79	120	105
Private	17	17	19	25	40	44
Total HEIs	153	191	214	255	369	376
Share of private institutions (%)	14	12	13	13	17	23

Source: MOET (Table extracted from WB, HEDPO1, 2009, and updated from the data referenced in Ft 2 above to add 2008-09 column)

Table 5: Share of enrollment by private higher education institutions

Level	2000- 2001	2001- 2002	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007
Colleges	7.93	8.7	9.6	11.0	9.08	7.39	9.89
Universities	12.23	10.8	11.32	13.9	10.79	12.71	13.82
Total	9.5	9.8	10.96	12.5	10.44	11.57	13.0

Source: MOET (Table extracted from WB HEDPO1, 2009)

¹⁰ A discrepancy in the data appears for the years 2007/08 and 2008/09. This data is sourced from MOET at two different times, the first five columns extracted from the WB HEDPO1 report, which used MOET Data available in early 2009, and the 2008/09 data is from new MOET data compiled in later 2009 and posted on the MOET website, as referenced above in footnote 6. The discrepancy may possibly be explained by different definitions for inclusion in the column or by other vagaries due to the weakness in the overall data collections for HE in Vietnam alluded to in the section data above.

Student Numbers

The average GER in OECD countries now exceeds 50%¹¹, and in other regional countries on similar development trajectories it ranges from 20% in China and 43% in Thailand (Table 2 above). A participation rate in higher education in the arena of 50% is seen as important to sustaining a developed economy status, particularly to support continually increasing demands for high skilled workers in an environment of expanding knowledge based economies driving a need for technological skills to support new solutions for international industry competitiveness and new climate challenges. Newly developing countries are equally affected by these pressures, and to achieve its development goal of becoming an industrialised economy by 2020 Vietnam will need to increase its higher education participation rate, and within that, to also increase the proportion of students who are enrolled in science and technology. However such increases must also be balanced with quality, and current concerns that quality enhancement cannot keep up with rapid participation increases may prompt a review of the 2020 target for participation rates.

Fields of Study

There is no official publication for Vietnam of the number of students by field of study. Table 6 (over page) is gleaned from the UNESCO Institute of Statistics¹², and follows their classification of fields of study.

The omission of Science from this table is puzzling since Natural Sciences are one of the seven fields used by MOET to classify university studies. Since the total number of graduates given for 2008 is, at 243,500, above the total of 222,500 for 2009 given by MOET in Table 2 above, it seems likely that the Science students have been included under another heading. The Engineering, Manufacturing and Construction graduates make up 19.8% of the total.

Table 1.1 of the Skills for Growth Report¹³ shows that in 2005 *Science enrolments* in Vietnamese HE were 4% of the total. The report comments on the low proportion of students studying the hard sciences in Vietnam, which forms part of the rationale for the focus on Science and Technology for the New Model Universities.

Table 6: Graduates from higher education institutions in Vietnam

Year	2005	2007	2008
General Programmes	5463	8130	8756
Education	62383	90079	80899
Humanities and Arts	7925	7800	9564
Social Sciences, Business and Law	54210	66886	66457
Science	-	-	-
Engineering, Manufacturing and Construction	38786	49529	48129
Agriculture	8716	11756	12222

¹¹ Hayden and Thiep, in 'Vietnam's Higher Education System', Chapter 2 of Harman, Hayden, and Nghi (Eds) *Reforming Vietnam's Higher Education*, Springer, 2010, p16, using GER calculations.

¹² Thanks to the VGU Preparation Team for compiling this table.

¹³ *Vietnam; Higher Education and Skills for Growth* World Bank Report 44428Vn, June 2008.

Graduates in Health and Welfare	5006	7846	7780
Graduates in Services	-	-	9710
Unspecified Programmes	-	-	-
Total graduates in all programmes	182,489	242026	243,517

Staffing

Current (2009) total staffing in the system is 61,190 (Table 3 above). This table also shows that over the period 1987-2009 academic staff numbers increased 3 fold, much more slowly than student numbers. Consequently the student to staff ratio moved from 6.6:1 in 1987 to 28:1 in 2009.

Table 7 (below) indicates that, in numerical terms, there was a very large increase in the number of academic staff holding PhDs, but this was matched by the growth in the size of the academic staff so that the proportion of academic staff holding PhDs was 10% in 2009, approximately the same as it was in 1987, and less than the 14% it had reached in 2000.

The very steep increase in the student to staff ratio with no increase in the proportion of staff qualified to doctor level raises strong concerns about the maintenance of quality. The proportion of PhD qualified staff is significantly lower than regional or international standards, and this low level impedes both the quality of teaching and the level of research that Vietnam universities can undertake.

Table 7: Staff qualification in higher education institutions (%)

	1999- 2000	2001- 2002	2003- 2004	2005- 2006	2007- 2008
PhD	14.8	13.8	13.4	12.4	10.5
Masters	22.4	26.6	29.3	32.3	36.1
Other university & college qualifications	59.1	56.6	54.6	53.4	51.7
Professional qualifications	1.9	1.7	1.4	0.9	0.8
Others	1.8	1.3	1.3	1.1	0.9
Total	100.0	100.0	100.0	100.0	100.0

Source: MOET

The HERA targets are for 25% of university staff qualified to doctor level by 2010 and 35% by 2020. It would take 6000 PhDs just to raise the 2010 percentage of PhDs in Vietnamese universities from 10 to 20%, where as the annual number of persons graduating PhD in Vietnam is about 500. Moreover universities have to compete for these graduates with non-university research institutes and the private sector. The importance of increasing domestic production of PhDs so as to reduce reliance on the expensive alternatives of foreign training of Vietnamese or the recruitment of foreign doctors is clear.

Post-Graduate Studies.

Table 2 shows that the postgraduate sector in Vietnam is still relatively small, with only 2,500 PhDs under training in 2009, representing 52 undergraduate students for every one post-graduate. It is also highly dispersed. There are now 121 institutions offering PhD degrees, and 100 offering Master degrees. The low numbers are a legacy of the earlier Soviet-based system where postgraduate studies were restricted to research institutes. In 1998 universities were also granted rights to offer post-graduate training, (subject to meeting centrally monitored criteria) and encouraged to develop a „research capability”¹⁴. However this development has continued to be constrained by limited resources, both physical in the form of laboratories, and adequate libraries, qualified personnel to supervise and funding for research projects. The advent of the New Model Universities is intended to enhance quality, especially at doctoral level, by building up significant concentrations of post-graduate students, with access to the high-calibre staff, improved autonomy and advanced equipment needed for their studies.

Post-Graduate Vietnamese Studying Abroad

Several points of Vietnam’s engagement in the global exchange of higher education are significant for NMUs:

- The despatch by the Vietnamese Government of outstanding students for further training overseas
- The number of Vietnamese who elect to study overseas at the expense of their families, employers or donors; and
- The number of foreigners who choose to study in Vietnam.

Well before the 2005 HERA target of 25% staff having PhDs, the MOET recognised the need to be upgrading qualifications of university staff. In 2000 the Government announced Scheme 322 - a scholarships scheme to send Vietnamese to foreign universities for post-graduate studies (Decision No. 322/QĐ-TTg, 19 April 2000) which was to apply for 10 years to 2010, and aimed to send 400 a year to foreign destinations. This included plans for 300 to study PhDs, 100 for Masters, 40 for Bachelors and 60 for scientific practice. In 2005 the Government subsequently extended the Scheme to extend it to 2014 (with another Decision No. 356/QĐ-TTg, April 28). In October 2009 MOET reported that in the ten years from 2000 to October 2009, just over 7000 scholarships had been taken up for foreign studies. Of these 2,029 were for PhDs, and 1,589 for Masters, the balance for undergraduate degrees or other shorter term „intern” studies. This represents an average of 700 of all levels per annum, but MOET indicated that the annual uptake is now increasing up to about 1000.¹⁵ If the Scheme continues PhD scholarships at the intended rate to 2014, there should be approximately 4,000 additional PhDs trained over 15 years from the year 2000. Clearly this is a very important increment to new supply. The cost, however, is much greater than for educating the students in Vietnam and the number is not sufficient to support the targets for higher quality researchers/teachers in the system. Even taking account of others gaining PhD scholarships from foreign donors and universities, and the current rate of 500 per annum local graduates, plus the potential additional PhDs graduating from the new NMUs of VGU and HUST (estimated at best to be about 400 in total in 2020 if full design capacity is reached) it remains unlikely that the target of 25% of university staff holding a PhD by 2020 can be achieved.

¹⁴ Hayden and Thiep, op-cit, p 17

¹⁵ Data on the numbers of scholarships taken up is included in MOET, No: 760 /BC-BGDĐT, “Report On the Development of Tertiary Education System, Solutions to Ensure and Improve the Training Quality”, dated October 29, 2009, released on MOET Website January 2010, p 8 accessed on 20 May 2010.

The number of students who study abroad with official support is a small proportion of the total number studying abroad. In 2007¹⁶ there were 27,865 Vietnamese students studying abroad at ISCED levels 5 and 6, including 6,169 in the USA, 5164 in France, 4,042 in Australia, 2,087 in Japan and 1,844 in Germany. In the same year there were 3,230 foreign students in Vietnam. This number is increasing rapidly as living standards and GNI expand. Welsh estimated in 2008 that about 15,000 Vietnamese went abroad for higher education, and noted that this is also accompanied by an unstated proportion who do not return, which he speculated could be as high as a similar trend in China, estimated at 25%¹⁷. Scholarship holders, whether they are Vietnam government or foreign donor provided, do usually return, because of high financial penalties if they do not, but anecdotal information indicates there is a high attrition rate back to foreign countries after several years.

A higher and more rapid investment in post-graduate studies is needed. Over time NMUs, if built to the 2009 design capacity plans for Post-graduate studies, (approximately 50% Post Graduates, representing initially about 7,500 across VGU, HUST and DIU), should provide more opportunities for Vietnamese to pursue advanced study in Vietnam and increase the attractiveness of Vietnam as a destination for students from other countries as a study destination. However to reap full benefits from the increased investment the Government will need to continue periodic investment of capital to scale up the capacity in the NMUs over time to at least between 5,000-10,000 Post-Graduate students each.

Research in Universities

Research is weak with academics in universities having little time available due to high student teaching load and access to very limited funding. Notwithstanding the changes noted above, most research is still conducted in specialised research Institutes, which are not yet linked closely with teaching, even where they are part of a university¹⁸. In part the weakness is a legacy of the concept that universities were seen more as teaching institutions that are “narrowly focussed on professional training and certification to the neglect of ...other roles”¹⁹, and to an emerging concept of ‘research universities’ that is not well developed or understood. The weakness is also derived from an extremely low level of staff in universities with PhD qualifications that fit them to undertake research effectively.

The publication of research results in international refereed journals is used as an indicator of research strength and quality in institutions and countries. Publication of research conducted in Vietnam is very low, relative to other regional neighbours. A case study conducted by one of Vietnam’s most prominent scientists revealed that “a vast gulf still separates Vietnamese universities from their peer institutions in the region”²⁰. PD Hien finds that within the South East Asian countries, the level of research intensity within a country correlates strongly with per-capita GDP and even more strongly with the UNDP Human Development index, reflecting the mutual impact of socio-economic development and scientific research²¹. This finding is consistent with WB publications, which have noted that studies on the determinants of national innovative capacity have shown that “countries that have located a higher share of their R&D

¹⁶ Source; UNESCO Global Education Digest 2009. ISCED Levels 5 & 6 equate to university under-graduate and post-graduate programs.

¹⁷ A R Welsh, op-cit, p 202

¹⁸ *ibid*, p28

¹⁹ P.T Nghi, “The Higher Education Reform Agenda: A vision for 2020” in Harman, Hayden, and Nghi (Eds) *Reforming Vietnam’s Higher Education*, Springer, 2010, p 56

²⁰ P D Hien, “A Comparative Study of Research Capabilities of East Asian countries and Implications for Vietnam”, Springer Science+Business Media B.V 2010, published online, February 2010, p2

²¹ *ibid*, p3

strategy in the education sector have been able to achieve significantly higher patenting productivity”²² This is attributed to graduates of research universities having higher research skills and up to date knowledge to take to employment in manufacturing firms, which are the main mechanisms through which the results of research projects are transferred to the local economy.

Hien made a detailed analysis of publications that are authored by Vietnamese resident and working in Vietnam and of those that are authored by Vietnamese working abroad or co-authored with foreigners. He revealed that Vietnam’s four leading universities each generate 15-30 times fewer publications than either of Thailand’s two most prestigious universities. Vietnam co-authors account for only 29% of all Vietnam publications in 2004, and 37% in 2008. In contrast Thai co-authors are 70% in 2004 and nearly 80% in 2008²³. This analysis also demonstrates that local research work has strength in Mathematics and theoretical physics, disciplines that do not need strong investment in laboratories. In other disciplines that have more impact on development, such as medicine and agriculture, the numbers of foreign co-authors are much higher, demonstrating the relative lack of resources in Vietnam that can support local authors with sufficient strength to facilitate own publications²⁴. Harman and Ngoc also reviewed publications rates, including in Vietnamese publications, finding that only a few universities (as distinct from non-teaching Research Institutes) are involved in significant levels of research, and that the productivity level of research (in terms of articles published per staff member) is low, at 0.36 per staff member in national universities and 0.09 in regional universities²⁵.

Hien concluded that “without question, the most important factor explaining the weakness of applied sciences as engineering in Vietnam is the inadequacy of government policy and a lack of investment research and training capacity²⁶. He noted further the growth in the Vietnamese economy is overwhelmingly concentrated in low value added sectors such as agriculture, natural resource exploitation and light manufacturing, and that “if Vietnam is to move up the value-added ladder and integrate into global supply chains, it will need a much larger corps of skilled workers, especially in science and technology related fields, than its university system is currently capable of producing. Fulfilling this demand will require a radical change in Vietnam’s R&D organisations, and in higher education system.”²⁷

The policy direction is changing, with the HERA recognising the need to improved funding for research and linkages between research and teaching. The HERA objective relating to promoting research in universities states seeks to increase Science and Technology activities undertaken in universities and including developing universities “into major scientific centres for the entire country”.²⁸.. New resources to commence this new build-up have been provided for 23 universities (those that received grants for quality improvement under both of the two Development Projects funded by the World Bank (HEP1 and HEP2), which have largely provided new resources for computing equipment, laboratories and libraries. The total investment, however, remains limited relative to the need and has been implemented slowly over 10 years. The planned advent of four NMUs specialising on science and technology will add significantly to

²² Quoted in G Harman and Le Thi Bich Ngoc, “The Research Role of Vietnam’s Universities”, Chapter 6 in Harman, Grant; Hayden, Martin; and Nghi, Pham Thanh (Eds). *Reforming Higher Education in Vietnam*: Springer, 2010, p88

²³ PD Hien, op-cit, p7

²⁴ ibid, p5

²⁵ G Harman and Ngoc, op-cit, p97.

²⁶ PD Hien, op-cit, p8

²⁷ ibid, p10

²⁸ G Harman and Ngoc, op-cit, p88

this investment in expanded research capacity, but at best it is still a low base, relative to the population and growth potential of the economy, and to be truly effective in ensuring that research can have the desired development impact, this type of investment will need a long term strategy of regular investment injections for expansion in student capacity and research output over the coming decades, with improved level and coordination of research financing programs (see more below under financing of research).

Structure and Ownership of Higher Education Institutions

Until 1993 Viet Nam had a few small universities offering programs in the humanities, social and natural sciences, and a much larger number of small, mono-disciplinary colleges grouped according to their specialties. These mono-disciplinary institutions, established in the Soviet tradition, limited the organization of training on a wider scale and restricted the capacity to associate research and social service in a comprehensive way.

Three types of higher education institution are prescribed by Government decree (decree 43/2000/ND-CP, dated August 30, 2000).

- 1) the "*Đại học*" (*university*), which is a multidisciplinary institution offering a wide range of study areas and which has research capacities.
- 2) the "*trường đại học*" (*senior college*), which is more narrowly focused, sometimes on a single field
- 3) the "*học viện*" (*institute*), which is also narrowly focused in its curriculum, but which may also have a specialised research capability.

The structure of the Vietnam Higher Education Qualifications that are taught across these 'tiers' is illustrated in Annex 1.

From the end of 1993, various new types of higher education institutions were established. These included:

- five major multi-disciplinary universities (Vietnam National University, Hanoi - founded in December 1993; Vietnam National University, Ho Chi Minh City, – founded in January, 1995; and Hue, Da Nang and Thai Nguyen Universities – founded in April, 1994) – these were created via mergers of a number of mono-disciplinary institutions;
- two open-admission universities (the Open University of Ho Chi Minh City- founded in July, 1993, and the Hanoi Open University – founded in November, 1993),
- a number of people-founded (private) universities and colleges, and
- a number of community colleges.

In addition, there are some military and security higher education institutions.

In 2001, the Government (Decision 47/2001) further prescribed the existence of a network of post-school community colleges, which seem to be seen as higher education institutions. These provide vocational training programs of different duration, as well as two-year training programs for students transferring to other specialised senior colleges and to universities. Community colleges are funded by and are accountable to local government committees.

In 2004 a further decision was taken to recognise an additional layer of the 'tiered' system, creating a group of the *Dai Hoc* as the 'Key' Universities, of which 14 were declared²⁹. These were to receive additional assistance to improve quality and develop increased capacity to undertake research. Most of these were the beneficiaries of 'Quality Improvement Grants' (QIGs) under the Higher Education Project

²⁹ Decision 1269/CP-KG, dated 6 September, 2004

No 1 (HEP1), and then subsequently also received further „Teaching and Research Improvement Grants’ (TRIGs) under the Higher Education Project No 2 (HEP2). This was the beginning of a recognition that quality improvement and developing higher research capacity is expensive, and that the limited resources of the Government may best be channelled to a degree of concentration of resources in selected „top tier’ institutions as the most realistic initial approach to improving quality of higher education outcomes.

As part of the HERA strategy the Government also adapted the concept of the „tiers’ of institutions, determining that there would essentially be two types of higher education institutions, “one to be research oriented (accounting for 20 per cent of all enrolments) and the other to be more vocationally applied³⁰. Further analysis and policy development on the structure of the system of institutions, including the nature of „tiers’ is indicated to be studied under work to be done under capacity building for system reform, under the HEP2³¹.

Of note is the existence of two strong research institutes outside the higher education system in Vietnam. These are the Vietnam Institute of Science and Technology (VAST) and the Institute of Social Sciences, both having survived since the time of the Soviet model. The Government has tried but failed to merge these institutes with national universities. In December 2008, with the in-principle decision to establish the new Hanoi University of Science and Technology (HUST) the Prime Minister directed that VAST be the national partner and sponsor of the new university. VAST was the initiating force for the concept of HUST and is a willing partner, and the HUST will be established initially using premises at VAST, but VAST has no wish to merge with the new university.

Non-Public Higher Education Institutions

Regarding ownership, until 1988 only public institutions could operate. Following changes in the law that allowed a cautious introduction of non-publicly investment, three new types higher education institution were permitted: People-Founded, Semi-Public and Private. Decree 73/1999/ND-CP, issued on August 19, 1999, provided encouragement for the growth of the non-public higher education sector, encouraging the granting of public property to these institutions, exemptions from land taxes, and support for the transfer of academic staff from public institutions. The first People-Founded University was Thang Long University, established in 1988. In 2005, the Cabinet (resolution 05/2005/NQ-CP April 18, 2005) provided even stronger support for this policy for People-Founded universities but also determined that the 'semi-public' category would be phased out, with these universities and colleges becoming either People-Founded or Private. The Government also resolved at that time to set a target that the „non-public’ categories would cater for 40% of all higher education enrolments by 2010. This proved too ambitious and the target date was subsequently changed to 2012 and more recently to 2020³².

During 2005 the government adapted the plan again, to require that certain of the stronger public „Key’ universities should actively plan to move to a status similar to the People-Founded universities, in that they could have higher management autonomy over programs and finances by agreeing to move outside

³⁰ Hayden and Thiep, op-cit, p 18. The authors noted that this in effect could mean that as many 80% of all higher education students could be taking vocationally oriented courses, not involving award of a Bachelor Degree.

³¹ Tenders for the analytic and policy advisory services were called in early 2009, a contract was under negotiation for 9 months from September 2009, and commenced in mid June 2010.

³² *ibid*, p17

the system of State budget support and accepting responsibility for recovering sufficient income from fees and other external sources to support all operational costs.³³

While most of the non-public investment focussed initially on people-founded non-commercial ventures using small rented or granted premises and offering general education in social and commercial disciplines, there is emerging interest from strong industries in Vietnam, which are now taking active steps to make new significant capital investment to enhance the quality of technically skilled workers to support their expanding industry. In 2009-10 new plans were progressed for capital investment for construction of new greenfields campuses for private universities to support the Information Technology industry, financed by FPT, (the private Vietnam -owned telecommunications firm); and another for the petroleum industry, funded by the Petro-Vietnam State Owned Enterprise.

The changes also permitted wholly foreign direct investment to establish higher education institutions in Vietnam. The Government (decree 18/2001, dated May 4, 2001) has created a legal framework for foreign countries and organizations to establish representative offices and education institutions in Vietnam. To date, two representative offices in education have been established in Hanoi – the DAAD from Germany, and East Anglia University from the UK, the AIT-CV (the Viet Nam Branch of Asian Institute of Technology). The RMIT (Australia) was approved in April 2000 as a private enterprise under the trade laws, and is thus regulated under commercial law rather than under the Education law³⁴. It is, accordingly, not usually included in the MOET lists of higher education institutions³⁵.

More recently, in 2008, the Deputy Prime Minister, Nguyen Thien Nhan, who was also Minister for Education, announced new policies to establish Vietnamese public universities as „New Model Universities’ that would be approved and registered under the Education Law but be sponsored and assisted (for initial 10 years) by consortiums of foreign universities from single donor countries. The first of these, the Vietnam German University, was formally established by the Prime Minister in 2008 and its operating charter was formally approved in March 2009. This approval was followed in November 2009 with the approval of the establishment of the Hanoi University of Science and Technology (HUST), which is to be supported by a consortium of French universities. It is intended that degrees awarded by these NMUs will be accredited as Vietnamese Degrees, but current university planning by the foreign sponsors will also see the Degrees having dual accreditation in Germany (for VGU) and in France (for HUST) under the umbrella of the Bologna Agreement. A further two such NMUs are also planned, to be in Danang and in Cantho, but these are yet to be developed to approval stage.

The process for approval of new private universities is complex, lengthy and expensive to investors. Government control over approval processes is an important quality protection factor, but the high cost of investment in private universities is exacerbated by the excessive cost in approvals procedures. If the Government is to achieve its objectives for using private investment as a significant strategy for capacity expansion and quality improvement, the existing processes will need to be simplified and streamlined.

³³ There is limited information about how this plan has been implemented. Comment from some academics indicates it has not worked in favour of the universities gaining the level of autonomy they expected.

³⁴ The establishment required authorization under a Government Decree 06/2000/ND-CP (Foreign Direct investment in Health Care, Education and Training, and Scientific research) March 2000, plus an investment license from the Ministry of Planning and Investment, received in April 2000. These followed four years of discussion, including two years of active preparation and approval processes, from May 1996-April 2000. Details of this processes are described in A.R. Welsh, op-cit, p206

³⁵ It is unknown if the enrolled students are included in statistics of participation.

The non-public receive no form of State support (other than some initial grants of land or buildings for some people-founded universities) and must survive on fees and other externally generated income. Notwithstanding lack of state support, they are, however, still subject to strong state regulation in the quotas on enrolment, and maximum tuition fee levels (which have direct impact on revenue), and structure and content of training programmes. In general the non-public universities concentrate on areas of significant unmet student demand, such as business studies, information technology, foreign languages³⁶.

State Management and System Governance

High quality universities thrive in an environment that fosters responsiveness to labour market needs, competitiveness, unrestrained scientific inquiry, critical thinking, innovation, and creativity. Institutions that have strong autonomy are more agile in continuous development because they are not bound by cumbersome bureaucracies and externally imposed standards, even in light of the legitimate accountability mechanisms that do bind them. As a result, they can manage their resources efficiently and quickly respond to the demands of a rapidly changing global market.

Vietnam's universities do not exhibit these features. The system is constrained by highly centralised management by the state that inhibits flexible management and teaching, serious underfunding, funding mechanisms that are inflexible, aging facilities that are inadequate tools for effective teaching and student learning, out of date learning resources and curriculum, under resourcing in teachers and researchers who have adequate qualifications, low capacity for supporting higher skills training and for developing strong capabilities in research and critical analysis, under investment in science and technology, and strong separation of teaching and research, with limited research undertaken in public universities, a practice that reinforces the inability of universities to continually renovate content and teaching methodology.

Central control of university operations is pervasive. The government regulates the enrolment numbers, staff numbers, salaries and promotions to ensure it retains necessary control over the level of state budget grants to universities, and therefore over total expenditure for the HE sector. MOET also develops and administers a national university entrance examination and manages the process of selecting students for admission to the universities and the courses. MOET controls the appointment of Rectors, and while it allows a consultation process, MOET retains final say and appointments are made by the Minister. MOET regulates all major decisions about income expenditure.

An outstanding feature of the continuance of central control is the centralised curriculum. Notwithstanding many other adaptations and reforms, the curriculum remains centrally controlled. This applies to both public and private HEIs. MOET authority to set curriculum centrally is set out in Article 41 of the Education Law, 2005. This authority includes that the Minister prescribes the curriculum framework for all undergraduate courses, the number of courses, content of the subject, duration of training, time allocation for studying, and practicing, and textbooks recommended. Student assessment must also follow strict central guidelines³⁷. Any university wishing to introduce new training courses must first get permission from MOET and in most cases must await the MOET timetable to establish an expert panel and develop the curriculum framework. Private universities must also follow this requirement.

³⁶ DV Khanh and M Hayden, "Reforming the Governance of Higher Education in Vietnam", Chapter 9 in Harman, Grant; Hayden, Martin; and Nghi, Pham Thanh (Eds). *Reforming Higher Education in Vietnam*: Springer, 2010, P132.

³⁷ K Harman and NTN Bich, "Reforming Teaching and Learning in Vietnam's Higher Education System", in Chapter 5, Harman, Hayden, and Nghi (Eds) *Reforming Vietnam's Higher Education*, Springer, 2010, p 80

The Government uses centrally appointed panels to develop, then authorise, curriculum for teaching. This is perceived as a quality control measure, the key method to ensure the standards of content taught and therefore the quality of the Degree awarded from the completion of the approved curriculum. All universities, including private universities, must adhere to this centrally approved curriculum. All Degree awards are granted based on this curriculum. As a result of this long tradition of central control over curriculum development there is very limited capacity in universities for internal program conception and curriculum development. This central control and limited university based capacity in turn reduces flexibility to respond to the rapid changes in the social and economic environment, which keeps curriculum outdated and less relevant to needs of students and industry. In recent years, the government has allowed limited range of foreign curriculum to be imported and adapted for delivery in some selected universities amongst the key universities. These are known as ‘advanced programs’ and must also be approved by the Government before use.

The Government controls the establishment of all links with international institutions. While it has consciously expanded the range of universities that have approval to establish links for shared programs and teaching, this area remains a matter of State regulations and university may not act in their own right to initiate new links. Once a link is established there is relative scope to develop and expand it, but not to move beyond the original approval of institutions.

HERA indicated reforms to Governance

While there have been many intentions for policy change in governance, most recently articulated in the comprehensive plan for the HERA approved in late 2005, in practice Vietnam has been slow to modernize the governance of its higher education system. “The forms and structures of governance established during the period of soviet influence from the mid-1950s up until the end of the 1980s have remained largely intact.”³⁸ The need and options for reform have been studied for 15 years, since 1995, but implementation of reforms has been inhibited by lack of capacity to embrace the detail of changes needed in the policy and regulatory environment to enable new operating environments in universities.

The HERA stated a number of critical and far reaching reforms on higher education governance, including:

- Reorganise public higher education institutions by conferring on them legal autonomy in their operations, giving them the right to decide and be responsible for training, research, human resource management and budget planning; and
- Eliminate line-ministry controls and develop a mechanism for having state ownership represented within public institutions; ensure community based monitoring and evaluation, involving unions and community groups especially in monitoring and evaluating higher education quality as it relates to career orientation.³⁹

Hayden and Khanh identified that, across the world, there are two main styles of university governance, which they labelled either ‘corporate’ or ‘civil-service’ models. They noted that “the corporate model is becoming globally dominant” because this model is most conducive to attainment of the highest

³⁸ D V Khanh and Martin Hayden, “Reforming the Governance of Higher Education in Vietnam”, Chapter 9 in Harman, Hayden, and Nghi (Eds) *Reforming Vietnam’s Higher Education*, Springer, 2010, p129

³⁹ Government of Vietnam, Resolution No 14/2005/NQ-CP, 2 November 2005, on “the Substantial and Comprehensive Renewal of Vietnam’s Tertiary Education in the 2006-2010 Period” (usually referred to as the Higher Education Reform Agenda, (HERA)).

standards, and that three-quarters of the top 100 universities in the Shanghai Jiao Tong University index conform to a fully corporate model⁴⁰.

The corporate model is identified as providing the most effective level of institutional autonomy, linked to accountability, which facilitates quality of research and teaching and market responsiveness. The corporate model “universities are effectively self-governing corporations, each with a governing body, variously referred to as a board of trustees, a governing council, a board of regents or even a board of directors, that determines the institution’s mission and strategic direction, approves the budget, appoints senior managers (including the university president), and ensures management effectiveness. Advising this body is an academic committee, variously referred to as an academic board or an academic senate. This academic committee represents the academic community, sets the academic standards of the university, recommends on the accreditation of study programs and approves the granting of all awards”⁴¹. In contrast, within a civil-service model, “universities are effectively arms of government. They are line-managed by ministries, staffed by civil servants, and different only from other parts of the state government because of specific provisions made to provide for academic autonomy”⁴². This model is rapidly phasing out and being converted to corporate models or to close variants of it. The Vietnam system is a ‘civil-service’ model, though the above key aims of the HERA indicate that it is the intention of the Government to move closer to the more common international standard model⁴³. In this the Government is responding to strong demand from the academic community. Nghi notes that there is high consensus amongst scholars that “governance patterns based on autonomy and accountability are important”⁴⁴ to facilitate high quality institutions.

This promise of the HERA was re-committed in 2009 as part of the analytical work with the World Bank for the agreement for a new WB Development Policy Lending program (called the Higher Education Development Policy Operation No 1, (HEDPO1))⁴⁵. Even more recently in February 2010, most of the provisions of HERA were re-articulated and promulgated under a new Prime Ministerial Directive 296, published by MOET in response to a requirement of the National Assembly⁴⁶. This was intended to clarify the main directions of reform and the government agencies to be responsible for implementing it, but it is still, as was the HERA, a set of aspirations rather than a structured framework for implementing reform.

While the Government, through MOET, has continually articulated an intention to reform, the practical strategies and mechanisms to do so have been much slower to develop and in mid-2010, are not yet in place. During 2009 intensive work was done on developing practical mechanisms for a range of state management changes that would support the concept of the New Model Universities, which are intended to be a locus for demonstration of practical reforms. Notwithstanding this, by mid 2010, MOET had accepted only a minimal change in the level of state control to apply to these demonstration institutions.

⁴⁰ M Hayden and DV Khan, “*Principles for The Governance Of ‘World Class’, Public-Sector Universities*”, Governance Paper A, unpublished, prepared for the ADB HESDP preparation Project, August 2009, p3

⁴¹ *ibid*, p2

⁴² *ibid*, p2

⁴³ MOET, however, does not care to use the term ‘corporate’ model, and remains uncertain about the extent of devolved management autonomy to grant the public universities.

⁴⁴ Pham Thanh Nghi, “The Higher Education Reform Agenda: a Vision for 2020”, Chapter 4 in Harman, Hayden, and Nghi (Eds) *Reforming Vietnam’s Higher Education*, Springer, 2010, p 61.

⁴⁵ The approved project document for this loan was published by the WB on its website: www.worldbank.org in June 2009.

⁴⁶ Prime Minister, No 296/CT-TTg, 27 February, 2010, DIRECTIVE, “On renovating Higher Education management for the period of 2010 – 2012” released on MOET website, accessed on 4 June 2010.

University Responsibilities and Charters

The level of autonomy, or of the rights of the universities to take on responsibility for the educational quality and outcomes is much discussed in Vietnam but remains unclear and subject to conflicting policies and contradictory practices.

As part of an earlier reform strategy, in 2003, the Prime Minister issued a „Charter’ for all HEIs (Decision 153/2003/QĐ-TTg, 30 July 2003), that in effect required all universities and colleges to establish new governing councils with responsibilities for “ (i) setting up the mission, goals and strategic plans for the institution; (2) building specific regulations and rules for all activities in the institution; (3) approving important expenditures and investment projects of the institutions: and (4) supervising the implementation of democratisation of the institution⁴⁷. At the same time as decreeing the councils with these responsibilities MOET did not make consequential adjustment to the role and authorities of MOET and the rectors. Accordingly confusion exists between the role of the new councils and the continuing roles of Rector and the State, causing many institution managers to see the councils as unworkable and leading to many universities not proceeding to establish or to use such councils.

Also as part of earlier reform strategies, the government established the two national universities, the Vietnam National University in Hanoi and the Vietnam National University in Ho Chi Minh City, which operate under charters given directly to them by the Prime Minister. These universities enjoy special privileges, including that the Prime Minister appoints their Rectors. The two universities are different also in that they have more academic and financial autonomy than any of the other public-sector institutions. They can, for example, make a great many more budgetary decisions without reference to a ministry. They can also, if they choose, depart from the MOET-approved national curriculum frameworks – though, in practice, it seems that they generally conform to these frameworks.

The non-public universities have different rights of self-governance. They must establish individual governing boards. In nearly all cases, the members of governing boards are elected or appointed by the shareholders responsible for the establishment of the institution. For the People-Founded Universities many of these individuals are former (retired) professors from other universities or senior staff from MOET. The governing boards of these institutions have a higher level of financial autonomy, at least in relation to expenditure decisions. Notwithstanding this level of autonomy, they must still comply with admission quotas and curriculum frameworks given to them by MOET, and they are not able to vary tuition fees for regular full-time courses above ceiling levels set by the Government.

During 2008 MOET engaged in in-depth discussions with a group of German universities to establish a new operating charter for the first of the planned four NMUs, the Vietnam German University (VGU). This was to grant the university substantive new autonomy, including rights to determine its own curriculum, set its own fees, and determine its own enrolment criteria and numbers and to manage internal financial allocations and university assets, to make academic appointments below the level of Rector and Professors, and to make internal „regulations’ about administration processes. This charter was approved by the Deputy Prime Minister on 12 March 2009. While this charter does grant significant new autonomies to the university, it maintains a high level of state control over critical areas of university responsibility, including: the size, structure and membership of the University Councils; the appointment of the President (Chair of the Council) and Rector; the operational rules of the University Council, including voting rights; the number, roles, size, structure and internal operations of the various sub-committees such as the Academic Council, limits on the management roles of the Rector and Chair of the Council; and the final appointment of staff to professorships (which is retained for the National Committee

⁴⁷ DV Khanh and M Hayden, op-cit, p 132

on selection and appointment of professors). While the NMUs will have rights to manage the assets, MOET has not been willing to allow the emerging universities to exert control over the plans for construction of their new campus assets, insisting that this must be retained in the full control of the central MOET and the Minister, and that control over the assets will only commence once construction is completed and handed over to the university to operate. In a further indicator of the retained strong central control, the Deputy Prime Minister/Minister of Education appointed himself to serve the initial five year term as the Chair of the VGU Council. While this is clearly a demonstration of deep commitment to support the early years of the university's development, it also illustrates the hesitant transition nature of the reforms to governance and the slow process of devolving full responsibility for university service delivery and quality of outcomes to the academic leadership of the country.

During the rest of 2009 further work was done to research development of charters to apply to the next two planned NMUs, the Hanoi University of Science and Technology (HUST) and the Danang International University (DIU). In particular this research sought to develop a model that would extend the authority of the University Council to determine internal structures and management and to clarify the roles of key office holders and committees and provide greater scope for improving efficiency of management. However, MOET was unwilling to adopt any governance framework that differed from that agreed for the VGU as described above. To date these NMu charters cannot really be regarded as a significant move towards reducing the role of the state in operational matters of universities, nor allowing the universities the levels of management autonomy that is commensurate with the standard for high performing international universities elsewhere in the world. While much has been achieved with the concepts of NMUs, much more remains to be done to validate the status intended for them, as true international standard institutions.

There have been strong public calls for increased autonomy over internal affairs from the senior university leaders in the country. Throughout 2008 and 2009, simultaneously with the above development of policy on autonomy for the NMUs, MOET was also working on a revision of the 2003 charter for all other universities⁴⁸. The revised charter was intended to give effect to the HERA intentions on reducing state management and increasing university responsibility. It was also intended to have new charters that differentiate the level of autonomy between universities and colleges. What those levels would be, or to what extent they would draw lessons from the development of the charters for the NMu demonstration institutions, is unknown. The new policy has not been publicly discussed and the new charters are not yet finalised and approved.

There are exceptions to the controlled management, in the wholly private owned foreign Investment universities. For example the RMIT, is not subject to the central requirements on curriculum, enrolment numbers and fees because it is not technically approved by the State as a university under the Education law, but rather is operated under commercial laws for trade and foreign investment. It offers Degree programs that are recognised under the Australian Quality Framework, but delivered wholly in Vietnam. Programs and courses were carefully developed to fit market demand and its Degrees are well accepted by employers in Vietnam. New private universities of the FPT and the Petro-Vietnam enterprise have similar levels of autonomy, except it is understood that they must comply with MOET approved Curriculum Frameworks. Such central curriculum frameworks do not currently exist, and a pragmatic working understanding allows room for these private universities to develop their own 'industry' sensitive curriculum that will in due course be granted MOET approval. It is also understood that MOET was directly involved in the development a proposed charter for the petroleum university, (perhaps because it

⁴⁸ The issuing of these new charters during 2009 was included in the commitments of the Government to qualify for the second WB Development Policy Operation (HEDPO2). However it had not been issued by June 2010.

is a state-owned enterprise).⁴⁹

The HERA indicated move away from direct line management of universities should see the central government shift from being a day-to-day manager to being the “steward” of the system. As a steward, the government would set the overall policy orientation ensuring adequate and equitable financing for the sector, and ensuring that information about the sector is consistently made available to students, parents, employers and the public at large. A change such as this will be a very big change for the Vietnamese universities and colleges and a very big challenge both for the Government and for the institutions themselves.

While aspirations for such a devolved model has been incorporated in HERA and approved since November 2005, the process of implementing these measures is proving to be slow and complicated. There remains a need to determine appropriate descriptions of new relationships between MOET and universities, and to articulate of the respective roles and responsibilities is an essential element of the governance reforms. Capacity building funded under the WB Higher Education Project No 2 (HEP2) is available to undertake a review of the structure of the sector and propose new governance relationships for each level agreed. [A contract for policy analysis and advising services for this work commenced in June 2010].

The infrastructure for the exercise of institutional autonomy is poorly developed. There will need to be a significant level of capacity building, together with a change in how key actors view institutional self-management, in order for these reforms to be successful. The HEP2 has funding to support new training in institutional management for university leaders. The plans for the development of the ‘new model’ universities mentioned above are also intended to move forward the reforms by using them as vehicles to demonstrate how the revised system policies can be applied at institutional levels and tailored to allow for flexibility and diversity across the different missions and scope of various universities.

Financing

The state is key provider and financier of the sector. There is a lack of systematic data about the HE system in Vietnam and this is particularly acute for financial matters. Data that is available includes:

- Information about *planned Government expenditure* on higher education in the year immediately ahead, and on tuition fees, is included in the State Budget papers. MOET gives a longer term perspective in its Medium-Term Expenditure Framework. These sources are highly aggregated and do not cover expenditure funded from non-government sources;
- Universities are required to send *annual financial reports* to MOET but less than 50% comply; and the one report from an individual university which MOET made available for the information of the NMU preparation team proved uninformative.

At present systematic financial information for the Vietnamese higher education system is available only from ad hoc surveys. The MOET University Survey of 2005⁵⁰ is the most recent of these known to the authors. For the future, the progressive introduction of annual audited accounts for all universities is one of the objectives of the World-bank funded Development Policy Lending program.

⁴⁹ Information conveyed to author verbally only. Not able to be verified at time of writing.

⁵⁰ Reported in Chapters 2 and 3 of *Vietnam, Higher Education and Skills for Growth*, World Bank publication No. 44428-Vn, June 2008.

Summary of Overall Education financing and relative Higher Education Financing

Vietnam has almost doubled the percentage of its GDP that is devoted to education since 2000, from 3% to almost 6% in 2008, and the education percentage of state budget allocation rose steadily, but more slowly, from 15% to 18.2% in the same timeframe. This is illustrated below, in Table 8. Table 9 offers a different breakdown on plans for expenditure in 2009 extracted from the published State Budget.

Table 8: State budget for education and training, 2000-2008

Fiscal Year	Expenditure for education and training as percentage of GDP (%)	Expenditure on Education and Training (as % of total state expenditure)	Including		
			Regular expenditure (as % of total expenditure on education & training)	Targeted programs (as % of total expenditure on education & training)	Investment (%total expenditure on education & training)
2000	3.0	15.0	71.6	4.8	23.5
2001	4.1	15.3	73.0	4.0	22.3
2002	4.2	15.6	71.0	4.0	24.9
2003	4.7	16.4	81.7	4.3	14.0
2004	4.9	17.1	79.0	4.3	16.7
2005	5.1	18.1	79.8	4.3	15.9
2006	5.6	18.4	82.5	5.4	17.5
2007	5.6	18.1	77.6	5.1	17.2
2008	5.9	18.2	73.9	8.9	17.2

Source: MOET (table extracted from WB, HEDPO1, 2009)

Table 9 – State Budget of Vietnam 2009 – Planned Expenditure on Education and Training, and Science and Technology, VND Billions⁵¹

Row	Development Investment	Total	Central govt	Provinces
1	Education and Training	14,379	6,794	7,585
2	Science and Technology	3,477	1,615	1,862
3	Total Development Investment for all sectors	112,800	61,300	51,500
4	(1) as % of (3)	12.7%	11.1%	14.7%
	Recurrent Expenditure			
5	Education and Training	67,330	14,730	52,600
6	Science and Technology	4,390	3,310	1,080
7	Total Recurrent Expenditure on Main Sectors	269,300	160,231	109,069
8	(5) as % of (7)	25.0%	9.2%	48.2%
9	Total State Budget balancing expenditures	491,300	314,544	176,756
10	(1+5) as % of (9)	16.6%	6.8%	29.1%

⁵¹ Source: Extracted from Ministry of Finance website, State Budget Table 4, “Plan of State Budget, Central Budget, Local Budget Expenditures FY 2009”. VND1billion = US\$54,054 @ VND18,500 to the dollar. This total % of 16.6% seems to differ from the pattern of gradual increase shown in Table 8, and the discrepancy might possibly be explicable by different sources of data used.

The Table 9 shows that expenditure on *education and training* is about 13% of the investment expenditure budget, and 25% of recurrent expenditures on main sectors. On a broader measure of budget spending, 1/6th of the State budget goes to education and training. While investment expenditure on education and training is almost equally divided between central government and the provinces, 78% of current expenditure is incurred by the provinces, reflecting the high weight of the schools sector in overall spending.

Expenditure on *science and technology* is relatively small, and mostly undertaken by central government.

Within the education and training sector, expenditure on *higher education* is incurred mainly through Central Government grants to universities and colleges. MOET's projections from its Medium-Term Expenditure Framework⁵² for the period 2009-2014 show in respect of higher education:

- An increase in student numbers of nearly 50% from 1.389m in 2009 to 2.068m in 2014
- Nominal funding (State Budget + tuition fees) more than doubling from VND10,273 billion in 2009 to VND21,670 billion in 2014
- An increase of 42% in nominal funding per student between 2009 and 2014.

The inflation assumptions underlying these projections are not stated, but it is understood that they may be about 7% a year. If so funding per student at 2009 prices would remain roughly constant over the period.

The Skills for Growth Report commented in its Table 3.1 that Vietnam's 2002 public funding allocated to HE was 0.4% of GDP, which appeared low in comparison with other countries in the region. No properly calculated expenditure to GDP ratio for HE in Vietnam is available for a recent date, but a rough calculation suggests that the ratio in 2009 may have been about 0.6%⁵³ Public funding per student for the system as a whole remains low. For 2009 VND10,273 billion is divided between 1,389,000 students. At the official exchange rate that amounts to \$400 per student, about three times that at purchasing power parity.

Such broad-brush figures are of limited value as a guide to the expenditure and funding of HE institutions. Further information was provided by the MOET University Survey of 2005 referred to above, and summarised in the Skills for Growth Report (Table 3.5). For the period 2003-05 it shows in respect of *public* universities in Vietnam that:

- State budget grants provided on average 66.6% of income
- Fees for tuition and other services (eg dormitories) provided 31.0%
- Contractual R & D provided 1.7%; and
- Gifts provided 0.7%.

By contrast the people-founded universities received no support from the State Budget and earned about 90% of their income from fees.

The general picture at the present time for public universities is of a high degree of dependence on State budget grants and income from State-regulated fees. There is however considerable variety around this picture:

⁵² See *Scheme for the Reform of the Financing Mechanism for Education and Training 2009-2014*, MOET May 2009

⁵³ The CIA Factbook estimates Vietnam's GDP in 2009 at \$92.84bn at the official exchange rate. VND10273bn = \$0.555bn at VND18,500=\$1.

- Many colleges and provincial universities are almost entirely dependent on the State Budget and student fees for their income
- At the other end of the spectrum, a few national public universities⁵⁴ have earnings at a level which means that they receive no regular recurrent subventions from the State budget. Typically they achieve this through training services for employers, consultancy and courses for “irregular” students whose fees are not controlled. These types of earnings are most readily obtained in fields of high market demand where the cost of educational provision is relatively low – eg Accounting, Banking and Finance, Law and Information Technology⁵⁵.
- Income from Government Research grants, from R & D under contract to the private sector and from donations, which are more likely to support Science and Engineering, is low in the public universities – well under 5% of total revenue in 2005⁵⁶. The HERA target is that these sources should grow to 15% of revenue, a very big shift from current practice. Hanoi University of Technology is an example of a university which has had some success in building links and earning revenue from industry, often through the transfer of basic technology.
- The NMUs by virtue of the quality of their staff and facilities should be well placed to pioneer growth towards the HERA target through the supply of hi-tech services, but it will take time and Government support to sustain research infrastructure.

Patterns of Expenditure

The latest available data on patterns of expenditure by higher education institutions in Vietnam derive from the 2005 University Survey and are reproduced in the Skills for Growth Report. Table 10 (next page) summarises the information: As well as being old, the data suffer from being averaged across a heterogeneous sector (universities and colleges) and from an unusual and rather obscure classification of expenditure. What is clear is that the average level of expenditure on HE in Vietnam is very low even taking into account Vietnam’s low price level. A fresh approach to expenditure levels and the means of financing them is need if leading Vietnamese universities are to integrate teaching and research, and to raise standards of quality to international levels, and ultimately to world class.

A recent development is the introduction of Advanced Training Programs (ATPs). ATPs are courses at Bachelor level taught at various universities throughout Vietnam. They use imported international curriculum and may be taught in English. The courses are supported by Teaching and Research Improvement Grants under the WB HEP 2. MOET has published estimates of the cost of providing them.⁵⁷ According to these MOET estimates, average annual operating costs per student by discipline fall within the range from US\$2400 to \$3100. Surprisingly Social Sciences lie at the top of this range and Technology at the bottom. Fees for ATPs are much higher than for standard Vietnamese university courses, reflecting the costs of the foreign curriculum and bringing in visiting lecturers from overseas. It is MOET policy that the universities must progressively raise the fees for ATPs, so that once the Grant funding is ceased, they can continue through self-financing, and not require substitution of state budget funding for the start-up grants. Some concerns have been expressed amongst academics and students that fee increases were beginning to lower the quality of admissions as universities were forced to pick

⁵⁴ For example, National Economic University, Hanoi

⁵⁵ Figure 3.9 in the Skills for Growth Report.

⁵⁶ Table 3.5 in the Skills for Growth Report.

⁵⁷ See "The Proposal for Delivering ATPs in Some Universities of Vietnam over the period 2008-2015" published by MOET on 15-10-2008.

those who were able to pay rather than the best qualified. But there is as yet no evaluation of ATPs which would enable the point to be verified.

Table 10: Summary Analysis of the Expenditure of Public HEIs in Vietnam, 2005

Row	Item	Expenditure – US\$	Percentage
1	All public HEIs	\$337,800,000	100
2	Number of Students	1,072,384	100
3	Expenditure per Student	\$315	NA
4	Staff Salaries and Wages	\$121,600,000	36%
5	Other Staff Costs	\$6,756,000	2%
5	Administration and Other Recurrent Expenditure	\$104,718,000	31%
6	Recurrent Expenditure on Fixed Assets	\$37,158,000	11%
7	Research-related Infrastructure and Special projects	\$40,536,000	12%
8	Scholarships	\$20,268,000	6%
9	Research Expenses	\$6,656,000	2%

Source: Derived from Table 3/10 and Figure 3/11 in the Skills for Growth Report

Fees and Scholarships

Tuition fees for HE in Vietnam have traditionally been prescribed by Government, and kept at low levels; in 2008 VND180,000 (\$US10) per month across all subjects, a level which had been frozen for some years. In 2009 the Government published proposals to differentiate tuition fees between the seven fields of study; under these proposals for Science and Technology would have risen by annual steps to reach VND650,000 per month by 2014. There was considerable public opposition to such steep increases, and smaller increases are likely to be implemented from year to year. Accordingly the contribution of student tuition fees to the funding of the HE system as a whole seems likely to remain moderate. Students also pay fees for dormitory accommodation. These are also kept low, with students unable to find places in the dormitories paying much more to rent privately.

Publicly funded scholarship and loan schemes⁵⁸ include:

- *programs offering tuition fee exemptions or rebates*, and in some cases also scholarships to support living expenses, for tightly-defined equity groups
- *merit scholarships*: Universities are expected by the Government to devote 15% of their tuition fee income to the support of merit scholarships; and
- *student loans* from the Social Policy Bank.

⁵⁸ See details in R Horne and Le Thi Bich Ngoc, 'Financing New Model Universities, Paper C: Student Assistance, Options for Policies on Student Assistance', Annex A, unpublished paper prepared for ADB HESDP Preparation Project, included in Volume V of the Final Report.

The levels of assistance available under these programs are modest. All scholarships awarded include tuition waivers, while only some of them include some subsidies for learning materials. MOET reports that up to 2009 “1.4 million students have accessed the loans”⁵⁹.

There are questions as to the efficacy of these measures, either singly or taken together, to adequately address the needs of poor students to gain access to universities. Because the scholarship funds must be derived from university budgets, including their own generated income from fees, the universities have little incentive to award scholarships. In addition, scholarships are awarded on merit basis, so the proportion of students from upper and middle income families who receive scholarships is much higher than those from the low-income families, because the former have better learning conditions. As a result this limits the capacity to assist students from socially disadvantaged backgrounds to cover the costs of higher education. In the absence of adequate data it is difficult to form a clear view on the impact of the program of assistance for less advantaged students.

Management of Financing

The management of the financing of higher education is fragmented. Responsibility for implementation of the education sector budget is shared between the MOET, other line ministries and local authorities. MOET reported in 2009 that among the total number of 376 universities and colleges MOET directly governs 54 (14.4%); other sector line ministries govern 116 (30.8%); People’s Committees (PCs) have primary control over 125 institutes (33.2%); and there are 81 private institutes (21.5%)⁶⁰.

Budgeting is a bottom-up process whereby MOET-controlled HEIs submit their annual plan and budget estimates to MOET for approval and consolidation, and other public HEIs submit theirs to the controlling ministries or provincial people’s committees. This gives rise to some incoherence and opaqueness in the sector policies in setting enrolment quotas, in budget allocation and determining the levels of scholarships and fees.

Funding for Future Growth and Quality Improvement

The demand for places in higher education in Vietnam is increasing at a faster pace than their availability. At the same time, there is official endorsement through the HERA of a policy of raising higher education participation rates further, to closer to 15% – an internationally-accepted threshold for transition from an ‘elite’ to a ‘mass’ higher education system.

As in many developing countries, the funding of higher education in Vietnam faces the challenge of how to meet burgeoning demand for increased participation and enhanced quality within limited resources. In Vietnam the pressures are particularly acute because current levels of funding are so low. Over the last 15 years or so, Vietnam has managed a huge numerical expansion of the system but the State Budget has not been able to support the maintenance, let alone the enhancement, of quality. Efforts to diversify funding have had some success in the growth of private universities. For the public universities the Government has recognised the need to raise more income from the supply by universities of research, consultancy and training services to the private sector and from tuition fees, but the big break-throughs in these areas are yet to be made.

⁵⁹ MOET, No: 760 /BC-BGDĐT, Op-cit, p7. It is unclear if the 1.4 million students accessing the scheme are the number cumulatively since the introduction of the scheme, or the number of students in 2009 with loans. No up to date information could be located on numbers of students receiving fee rebates or merit scholarships.

⁶⁰ *ibid*, p9

Against this background, the foundation within the public university system of NMUs intended to specialise in Science and Technology and to attain international standards raises acute questions. It is clear that not just their capital, but also their recurrent funding will need to be several times greater than that of other public universities if they are to achieve their objectives. It is for the Government to decide whether that is politically acceptable, and affordable. Other developing countries have confronted this question and allowed steep differentiation in the interests of excellence, for example the 985 Program in China or the Indian Institutes of Technology.

Financing this growth will inevitably require more public investment, and expansion of private investment. Public investment is being made from the state budget in the form of regular creation of new higher education institutions (many by upgrading of small tertiary colleges). Private investment has been available from three sources - foreign investors, eg the RMIT university with campuses in HCMC and in Hanoi; from co-operatives that support the People-founded universities, and from parents and students who pay full tuition fees.

The additional costs inherent in the HERA planned expansion are intended to be financed from a combination of public funds, private funds and ODA funds. In early 2009 MOET indicated a plan for half of the additional costs to be met from private sources, with the other half to be met from a combination of the State's own funds and ODA resources. The current proposals for raising these funds (see following paragraphs) make a major contribution to this plan but still fall short of the total required⁶¹.

Table 11: Projected sources of funding for Government's Higher Education Reform Agenda, 2006-2020

	Share (%)	Amount (VND billion)	Amount (US\$ million)
State budget	30	96,000	6,000
Private contributions (tuition fees, etc.)	50	160,000	10,000
Overseas Development Assistance (ODA)	20	64,000	4,000
Total	100	320,000	20,000

Source: MOET, Higher Education Reform Agenda: background paper (2006)

MOET has indicated that there is an intention to increase the proportion of the State budget for higher education as a proportion of the State budget for education. The MOET is proposing to increase the proportion to 11 percent over the period to 2012.⁶² Over the same period, the proportion allocated to basic education would decline in light of the decrease in the school-age population. For the five-year period 2008-2012, the increase in the State budget allocated to higher education would provide some VND 40 trillion above the 2005 baseline level. These are illustrated in Tables 12 and 13 below.

⁶¹ This information, and all tables 9, 10 and 11 are extracted from the WB HEDPPO1 report, 2009.

⁶² MOET, *Đề án Đổi mới Cơ chế Tài chính của Giáo dục và Đào tạo Giai đoạn 2008-2012* (2008).

Table 12: Share of state budget for education (projected), by level (%)

	2006	2008	2010	2012
Basic education (early child, primary, lower secondary)	60.3	55.7	54.6	54.4
Post-basic education (upper secondary, vocational, technical, non-formal)	20.9	23.9	23.8	23.7
Higher education	8.9	11.3	11.2	11.1
Other	10.0	9.1	10.5	10.8
Total	100.0	100.0	100.0	100.0

Source: MOET, *Đề án Đổi mới Cơ chế Tài chính của Giáo dục và Đào tạo Giai đoạn 2008-2012 (2008)* [2006 figure is actual] Extracted from WB, HEDPO1

Table 13: State budget for higher education (projected) (VND billion)

	2006	2008	2009	2010	2011	2012
Higher education	4,883	8,838	10,288	11,634	13,418	15,318

Source: MOET, *Đề án Đổi mới Cơ chế Tài chính của Giáo dục và Đào tạo Giai đoạn 2008-2012 (2008)* [2006 figure is actual], Extracted from HEDPO1

The MOET has proposed granting HEIs greater flexibility to set student tuition fees. This policy was projected to result in an increase in HEIs' revenue derived from tuition fees, from 34 percent of the combined State budget and fees revenue in 2006 to 45 percent in 2012. For the five-year period 2008-2012, the increase in the State budget allocated to higher education was indicated to provide some VND 55 trillion above the 2005 baseline level. However, National Assembly resistance to increases in Government proscribed tuition has placed this plan in jeopardy and it may not proceed.

The Government also has plans to raise major ODA financing for the development of the higher education sub-sector. The WB and the ADB currently have proposals to provide US\$ 735 million specifically to Vietnam's higher education sub-sector⁶³ over the next six years, to about 2015-16. A component of this will be budget support funding from current approved and indicated potential future WB Development Policy Lending (total over three years to be \$150 million (if all three operations are approved)). The plan for New-Model Universities would support the establishment and development of at least two and possibly four "new-model" universities that aim to reach international standards in teaching and research. This may total up to \$500 million (thought that figure is yet to be finalised). Other ODA contributions to the HERA strategy come from bilateral sources, including Netherlands Government assistance directly to certain HEIs, plus various scholarship programs that enable HEI faculty to complete their doctoral studies in overseas universities.

⁶³ This estimate is set out in more detail in the Draft Feasibility Report/RRP prepared by the ADB HESDP Preparation Project, shown at Appendix 12, Volume 1, Final Report, February 2010.

New developments may see an acceleration of focus on financing for system improvement. In 2004 a new Budget Law made the National Assembly and People's Councils at all levels responsible for resource appropriations, which should lead to increasing public awareness of the needs for investment in more effective higher education. In 2006, a new anti-corruption law was passed, with the emphasis shifting from punitive measures to increased transparency and the strengthening of the systems through which the government operates. In 2007, Vietnam acceded to the WTO, which will drive the demand for new innovation and increased competitiveness in the economy, and this will eventually lead to higher investment in higher education to support the continuing transformation of the economy to an internationalised with a stronger industrial base.

Funding for Science and Technology in Vietnam Universities

Currently, the Vietnamese Government provides only very limited recurrent funding to support university research activities. The latest available estimate seems to be from Tran Ngoc Ca, in 2006, where he estimated that expenditure on R&D activities in universities constituted about 4% of total annual investment in Science and technology, noting that this represents about 15% of R&D expenditure of all universities, with the rest coming from contracts⁶⁴. Harman and Ngoc note data from the MOET 2005 University surveys indicating that five of the key universities that have the highest research activity rely on state financing for an average of about 95% of research funds. They also note that in 2004 and 2005 respectively the total state budget allocated to science, technology and environment amounted to only 1.25% of the total state budget.⁶⁵

State financing for university research comes from a range of budget sources, and is not coordinated within a strategic framework. The Ministry of Planning and Investment (MPI) provides capital investment for the establishment of new research facilities. The Ministry of Science and Technology (MOST) funds a National competitive research grant program that contributes to some of the operational costs of research facilities. Recently, a new program has been established by MOST to support researchers with a good record of international publications to access funds over 2 years to undertake fundamental research. However, these grants schemes are usually for research projects of 2-5 year duration.

The Government plans to increase financing of university research by increasing the contribution from external sources. The HERA objective is to increase income for the universities from science projects and consulting to 15% of total HE income by 2010 and to 25% by 2025. This is in line with a worldwide trend to expand research and its linkages with industry, to both expand capacity and to improve relevance and quality. However, while universities often attract significant levels of industry funding, this still tends to be a modest proportion of their total funding. For example the Massachusetts Institute of Technology in the United States received \$US643million in funding for research in fiscal year 2008, of which 73% came from federal government sources, 13% from industry, 7% from not-for-profit organizations, 3% from local, state and foreign governments, and 2% from internal MIT sources.⁶⁶ In 2007-08 financial year, Imperial College London received endowment funding of \$US22.6 million and \$US416.3 million in research grants and contracts, but it is not clear what proportion of those grants and contracts came from

⁶⁴ Tran Ngoc Ca. *Universities as Drivers of the Urban Economies in Asia: The case of Vietnam*, National Institute for Science and Technology Policy and Strategy studies, for the World Bank Policy Research Working Paper No 3949, June 2006, p13

⁶⁵ Harman and Ngoc, op-cit, p 92

⁶⁶ See MIT website at <http://web.mit.edu/facts> accessed in May 2009. Information reported in M Fatseas, *Financial Framework for New Model Universities*, Paper A, unpublished paper prepared for the ADB HESDP Preparation Project, included in Volume V of the Final Report, February 2010, p 20

industry. In 2008 the Hong Kong University of Science and Technology received US\$22.1 million in donations and benefactions.⁶⁷ The fact that even very high ranking world class universities still rely significantly on Government sources of research funding indicates that Governments internationally still play a key role in research funding, and that if Vietnam is to build new capacity to international standards it must expand and sustain a strong and well coordinated research funding commitment by the Vietnamese Government. There should be strong industry involvement in imitating technology from overseas, but strong Government involvement in funding research aimed at adapting technologies to local needs and at generating new knowledge and technologies. This is because adapting overseas technology requires a highly skilled workforce able to understand the technology and then how to adapt it to local needs, and higher capability is needed to generate new knowledge and technologies. Often, industry is unwilling, especially in developing countries, to make this level of financial commitment to developing the capability of their workforce. Hence the Government role is crucial⁶⁸.

In Vietnam, there are many barriers to university-industry cooperation. The quality of research undertaken and its relevance to industry needs are major impediments, as are the poor standard of infrastructure and limited government research funding. Structural and cultural challenges have included a lack of appropriate structures and processes within universities and research institutes to support technology commercialization and transfer, a lack of incentives for stakeholders, and little tradition of information sharing and collaboration within and across institutions.⁶⁹

There are also barriers to the most effective use of the limited government funding that is available, due to a lack of cross-ministry coordination and effective strategy. A study undertaken in the year 2000 for UNIDO on Vietnam technology and innovation noted the lack of effective coordination and cooperation across ministries.⁷⁰ This situation seems to still be a factor impeding opportunities for enhancing capabilities for science and technology ten years later. HESDP consultants observed limited cooperation between MOET and MOST and saw no evidence of a sense of common mission that drives collaboration in policy and coordination of funding for science and technology research. There is an urgent need for improvements in the high –level cooperation across ministries that have responsibilities for financing of science, including education, science and industry ministries such as agriculture and environment, and provincial authorities.

Data for Planning and System Research

In order to monitor the development of the higher education system, as well as its efficiency, over time, it is necessary to have a solid statistical basis for measuring the main developments and performance of the system.

The HE data collection in Vietnam is primitive. Data is inadequate to support even basic analysis of the system or to inform new planning that will support appropriate development of the system to meet needs.

⁶⁷ Robert Horne and Vu Cuong, *Financial Frameworks for New Model Universities*, Paper B, Estimating the Operational Costs of New Model Universities, 2009

⁶⁸ M Fatseas, op-cit, p 20

⁶⁹ Tran Ngoc Ca, *Learning Technological Capability for Vietnam's Industrial Upgrading: Challenges of the Globalisation*, December 2002, p. 5, and Fatseas, Marea, "Research–Industry Cooperation Supporting Development in Vietnam: The Challenge of Translating Policy into Practice" Chapter 7 in Harman, Grant; Hayden, Martin; and Nghi, Pham Thanh (Eds). *Reforming Higher Education in Vietnam*: Springer, 2010, p22.

⁷⁰ K Bezanson, 'A Science Technology and Industry Strategy for Vietnam', Paper prepared for UNDP/UNIDO, project DP/VIE/99/002, contribution to the preparation of the Socio-Economic Development Strategy to the year 2010, March 2000, p12.

Data collections were developed for implementation in the first development loan provided by the World Bank (HEP1). These included an institutional monitoring collection and a graduate tracer survey. System data from these surveys is complemented by the MOET management information system used to record institutions, enrollments and funding payments. Considerable difficulties were experienced by MOET in implementing the surveys on the intended annual basis, and the results have not been available in an appropriate way to support appropriate system monitoring or policy development. The surveys have not been maintained after the completion of the loan. The capacity to manage the implementation of the surveys and the processing and analysis of the data appears to be severely limited. Over 7 years of HEP1 implementation, from 1998-2006, only two university monitoring surveys and three student tracer surveys appear to have been conducted. There were lengthy delays in the processing and presentation of results, limiting their value. Data from a 2005 collection is still not available from MOET in 2010 in a data publication suitable for interrogation by researchers or policy analysts⁷¹. Such a limited and untimely approach does not meet the needs of a rapidly changing system, and provides a continuing barrier to future improvements and development.

Review of this data system conducted during the preparation of the HEP2 revealed that the approach to the implementation and processing of the data collections were unsound and do not offer a valid basis for system performance monitoring or policy development. The collections do not meet statistical standards for validity or reliability. Definitions for data were inadequate, and not able to offer consistency with international standards to support system performance comparisons. Trend data cannot be reliably obtained. The potential for statistical error is high and basic calculations such as Full-Time Equivalent staff and students cannot be calculated accurately from the data. It was also established that the student survey is inadequate to answer the more important questions about the quality of the system, and there are concerns about the appropriateness of the surveying techniques used. MOET does not appear to have internal capacity to conduct the surveys, nor process and present data for analysis. The collections were outsourced, but used different firms who in turn used different interpretation and analysis approaches, rendering the data invalid for trend data purposes. The conduct of the HEP1 surveys reveal a severe lack of technical statistical expertise to support such collections, and a far too limited capacity either in MOET or in the supplier firms to interpret and analyse the information for monitoring and policy purposes. The conclusions were that the system needed to be redesigned and redeveloped, commencing with a complete review of the concepts for the system design and data definitions, and followed by a systematic redesign of the collections, approaches and systems for data processing and reporting, and underpinned by an effective pilot testing and substantive training program to build the skills in MOET and other institutions for better interpreting and analysis skills.

Funding and Capacity building for this was included in the design of the HEP2 loan, which became effective in early 2008. However, in mid 2010, MOET had not yet made any substantial progress in the procurement to obtain the TA required to implement it. This sector analysis and other reviews for the NMU project preparation have been limited due to the lack of current data. The main data that is available comes from administration data on funding and enrolment, and from specific analysis undertaken by the World Bank for its several lending programs since 1995.

⁷¹ The WB researchers producing the *'Vietnam, Higher Education and Skills for Growth'*, World Bank publication No. 44428-Vn, June 2008, quoted data from 2005. However, when the ADB TA 7105 team sought access from the WB to the original data from which it derived the Tables in that report, the data was not able to be located.

Quality – Relevance and Learning Outcomes

In the Vietnam system there is a major issue relating to *quality*. It is widely accepted that there is a pressing need to raise the quality of the inputs, processes and outcomes of the higher education sector. There is particular concern about the quality of teaching and curriculum across the system. Academics are generally not well recompensed for their services, and the technological and administrative infrastructure supporting them is generally regarded as being inadequate. There is an urgent need to increase the extent to which teaching is underpinned by research. There is also a need to develop curriculum frameworks that relate better to industry needs, and to implement programs of study that will develop generic academic competencies as well as basic disciplinary understanding. A critical consideration is the need to develop internationally-significant scientific research in niche areas of comparative advantage. The need to create opportunities for gifted younger academic staff to achieve more rapid career advancement in the system is a further matter for attention. These quality enhancements are fundamental to achieving international standards in HE teaching and research.

The quality of outputs from Vietnam universities is seen to be low when measured against the needs of industry and society for skills and capabilities that meet continually changing needs, especially for well-rounded graduates who have skills in critical thinking, and adaptability to fit into new environments and apply their skills to needs of the workplace. However it is not a universally poor picture. Vietnam universities do produce graduates with strong theoretical knowledge based on universal knowledge content. There are very strong performances in mathematics, physics, chemistry, natural sciences, languages and cultural studies.

Public investment in improvements in quality are being made primarily via significant ODA loans from the World Bank, currently up to \$150 million since 1998 under the Higher Education Projects No 1 & 2 (with a further loans of up to \$300 million planned to be made available by the World Bank under a Development Policy Lending modality over three years from 2009-2011). The Government now plans to use additional ODA borrowings to fast-track the expansion and to support new investment in the critical areas of enhancing the country's capacity for driving innovation and economic development through science and technology. The proposed new-model universities will be the initial investment to demonstrate the way forward.

Quality improvements can also be made through reforms in teacher training and continuing professional development. Vietnam universities have a low level of staff with PhD qualifications (see discussion above and Tables 3 and 7). The Government has made progress in redressing this under its implementation of the HERA objective to increase the PhDs available for universities through the government scholarship program mentioned above.

In rebuilding and modernizing Vietnam's higher education system, it is acknowledged by many of the country's senior educators that the foremost aims should be directed to improving teaching quality and link teaching activities and training closely with the social and economic needs of the fast-developing economy. The vision in HERA supports this but "appropriate strategies and matching resources need to follow"⁷². In particular the need to extend the university from the elite to a "mass or near universal audience ...[requires] ...greater emphasis on the quality of teaching and the more effective use of teaching

⁷² K Harman and Nguyen Thi Bich Ngoc, "Reforming Teaching and Learning in Vietnam's Higher Education system", Chapter 5 in Harman, Grant; Hayden, Martin; and Nghi, Pham Thanh (Eds). *Reforming Higher Education in Vietnam*: Springer, 2010, p73

methods that produce high-level learning.”⁷³ In particular Kay Harman advocates that there is a need to make a shift from the Instructional to the Learning paradigm. She argues that the “demand for this kind of knowledge relates directly to the needs of knowledge economies...[and that]... faculty members now need to know how to support and advise students, how to facilitate learning through applying a range of innovative learning processes and be able to link learning with life experiences in the community”⁷⁴.

To move the learning outcomes closer to international standards Vietnam needs to offer appropriate re-training and professional development to teachers to support them to learn new teaching methodology. HE teachers need to develop new techniques for „learning –to-learn’ for themselves, so they can keep up to date and also pass that skill to students. Kay Harman argues that “as so much more new information is being generated and disseminated more quickly than ever before, there is a critical need for lecturers to continue acquiring new skills, develop new mindsets and practices and expand their knowledge bases throughout their careers. Teachers who are flexible, possess a capacity for continuous learning, keep up to date with and regularly practice modern teaching methodologies and new ways of communicating ideas and practices through use of electronic and other means will be well placed to adjust to the future teaching and learning demands”⁷⁵.

New teaching methodologies are increasingly linked to effective use of internet based knowledge. With increasing access to the worldwide internet students are exposed to information from anywhere and everywhere. Vietnam is slowly investing in new internet access for universities, though the key universities have been the main ones targeted for upgrades of IT equipment, leaving many still struggling for modern equipment. As internet access is expanded, however, the Vietnamese teaching staff will need to make further adaptations in technique, to adopt a role of „teacher as guide’, where teachers are no longer the sole keepers and imparters of knowledge. In this role, teachers need to help student access knowledge independently of teachers. A critical marker of quality learning, and teaching, is to address the “need for students to possess the necessary critical skills to enable them to assess the value of that knowledge”⁷⁶.

In summarizing the emerging needs for improving quality of teaching in Vietnam’s university Harman and Ngoc advise: “In order to enhance quality and build research capacity in teaching and learning, there is a clear need in Vietnam’s HEIs to upgrade lecturer qualifications with postgraduate research degrees, raise salary levels, reduce teaching loads, offer incentives for teachers to become research-led teachers, and encourage staff development training programmes in particular priority areas such as developing skills in research methodologies, curriculum development and assessment procedures. Curriculum improvement needs to be matched with quality assurance mechanisms, especially in assessing teaching and learning, lesson content, text books and assessment procedures”⁷⁷.

Quality Assurance System

The development of plans for enhancing quality in universities is inextricably linked to the policies for system quality. In particular it is linked to policies on autonomy and institution governance, curriculum development and learning standards, student admission policies and standards, staff remuneration, access to time for undertaking research, and access to related learning assets such as libraries and

⁷³ ibid, p68

⁷⁴ ibid, p68

⁷⁵ ibid p69

⁷⁶ ibid, p69

⁷⁷ ibid p84.

laboratories. While the systemic policy needs to be soundly based, it is also critical that the quality assurance system also facilitates opportunities for each university to move beyond minimum standards and to establish internal approaches that encourage reflection on change and embed a culture for continuous improvement. An internal quality system is an essential component for any roadmap for institutional development that will bring responsiveness to economic and industry needs.

Modern national quality assurance systems are made up a number of inter-related components at both national and institutional levels. Such systems usually specify details of government and institutional responsibilities for collection and publication of data, especially related to student entry levels, student course experience and satisfaction, and graduate destinations and employment.⁷⁸ In many countries there is also a strong emphasis on the importance of internal institutional quality assurance including both self-review and monitoring processes. While external review of such processes is often integral parts of both accreditation and academic audit functions, a number of countries now have legislative provisions requiring universities and colleges to have their own processes of internal quality assurance. The strong emphasis on internal processes is based on the assumption that the quality of teaching and research and the quality of graduates and research outputs will depend more on internal institutional processes rather than on national frameworks and mechanisms.

A recent theme in the quality assurance literature relates to how the purposes of accountability and improvement may be combined in a common strategy. Both accreditation and audits approaches share a number of elements of common methodology including self evaluation of the effectiveness of internal quality assurance processes and evidence of quality of outcomes, external review by peer review including a site visit, and publication of a report. Overall, countries with improvement driven systems tend to place more emphasis on the operation of internal quality systems and self-reviews, and there is considerable common ground with external reviews. However, improvement oriented systems tend to report the results of external reviews in terms of commendations and suggestions for improvement while accreditation models tend to put more emphasis on the use of assessment criteria and making judgements about whether or not the assessment resulted in positive outcomes such as awarding accreditation or registration.

Systemic Quality Assurance in Vietnam

With the expansion of the system capacity the Government has also taken new steps to redevelop the regulatory arrangements to support an enhanced level of quality assurance. In developing this new framework MOET has proceeded from a base where no mechanisms for quality assurance existed other than the original scrutiny for approval of a new institution. This mechanism was a legacy of the strong central control over all university operations that had inherent assumptions that the management control of MOET was in itself a guarantor of quality. The central control over curriculum structure and content and over the appointment of university leadership, including Rectors and Professors, was deemed to be in themselves a quality management approach. The expansion of numbers of institutions, however, brought new resource demands and new calls for a more systematic approach to quality control, including regular assessments by external independent organisations.

⁷⁸ G Harman, “*University Quality Assurance For ‘New-Model’ Universities In Hanoi And Danang*”, Academic Development Paper D, unpublished, prepared for the ADB HESDP, August 2009. This paper contains an analysis of philosophy and design of quality assurance systems in many countries, together with a description of the new system adopted in Vietnam since 2005. The outline of the MOET system presented here is extracted wholly from this paper.

Modern quality assurance initially was introduced into Vietnam's higher education via the World Bank's first Vietnam higher education project that provided funding to some 30 Vietnamese universities to strengthen their infrastructure. This project also provided some funding to the first institutional Quality Assurance Centres (QACs) that had been established at the two national universities. In 2000, a major conference on quality assurance was convened at Dalat that popularised quality assurance ideas and by 2001 the national education strategic plan for 2001-2010 stated that a national accreditation system should be established by 2005 for the whole education system. Early in 2003, it appears that the Vietnamese Government accepted the need for systematic reform especially to improve the quality of teaching and learning, and so quality assurance was seen as one means for helping achieve this goal.

In 2002 a new office for quality assurance called the Accreditation Division was established in MOET. This Division in 2003 was renamed the General Directorate for Educational Testing and Accreditation (GDETA) with the responsibility of not only establishing an accreditation system but coordinating examinations used for student entrance examinations to universities. Subsequently, GDETA was also given responsibility for the administration of testing across all education sectors. Unfortunately, GDETA was under-resourced for its wide-ranging responsibilities, which in turn had an adverse impact on progress with the speed of development of the accreditation system for higher education.

Lively discussion followed the announcement in 2004 of MOET's intention to establish a modern quality assurance system for higher education. Debate focussed particular on what kind of an approach should be used and whether the agency to coordinate quality assurance should be located within MOET or whether it should follow models in a number of overseas countries where quality assurance agencies were separate from the Ministry of Education. In the end, MOET confirmed that the quality assurance agency would be coordinated from within MOET and that Vietnam would develop an American-style accreditation model. GDETA went on to establish contacts in the United States with experts on university accreditation, resulting in the formulation of ten quality standards as the core of a provisional regulation on the accreditation of higher education institutions that was published at the end of 2004. This laid the basis for pilot testing of the quality standards in 20 Vietnamese universities, with assistance from donor organisations particularly the Dutch Government. Dutch Government funding assisted in developing QACs in five regional universities and also provided assistance at the national level with the accreditation pilot project⁷⁹.

When Vietnam decided to adopt an American-style accreditation model, a decision was made to employ both the processes of institutional self-study and national external evaluation. Recent studies have shown the self-study process was well accepted in Vietnam, although some local concerns were that the purpose of the self-studies needed more clarification and that the external evaluation does not fit so readily within Vietnam's historical and socio-cultural context.

Self-study reports required institutions to address the 10 standards and 53 criteria, pointing the strengths and weaknesses and documenting plans for improvement. The original 10 standards covered the following key activities of higher education institutions:

⁷⁹ A detailed analysis of the development and implementation of the MOET accreditation system is set out in Westerheijden, Cremonini & van Empel, "Accreditation in Vietnam's Higher education system", Chapter 13 of Harman, Grant; Hayden, Martin; and Nghi, Pham Thanh (Eds). *Reforming Higher Education in Vietnam*, Springer, 2010.

1. Mission and objectives of the university (two criteria);
2. Organisation and management (five criteria);
3. Training program (five criteria);
4. Training activities (five criteria);
5. Managerial staff, lecturers and staff (10 criteria);
6. Learners (nine criteria);
7. Scientific research and technology development (five criteria);
8. International cooperation (three criteria);
9. Library, learning equipment and other facilities (seven criteria); and
10. Finance and Financial management (three criteria) (Ministry of Education and Training 2007).

In the official documentation, there is no elaboration of what is meant by each standard except for the detailed criteria that follow. Each criterion is defined and this followed by a list of ‚key words’ and then by listing of suggested evidence that might be used to demonstrate that the criterion has been met. Institutions have some scope to interpret how to apply the standard.

In 2006 and 2007, the first pilot external reviews were conducted in 20 major universities. These universities were split into two groups, with 12 being reviewed in the first phase and 8 in the next. With assistance from the Dutch ProfQim Project, procedures and protocols were developed to assist members of accreditation panels to work in a consistent fashion. Panel members were provided with Handbooks and a one-week training course prior to undertaking the first assessments. The results of both sets were reviewed at a conference held in January 2007 at which was reported that there was a serious lack of homogeneity in the achievement of standards by the different institutions. On the recommendation of the overseas agency that carried out the second set of reviews adaptations were made to the assessment instruments.

With the help of international and national experts, documentation was created to provide advice to the higher education institutions for providing evidence to external evaluators. After two years of piloting and review, in 2007 a final revised set of 10 standards and 61 criteria (53 previously defined criteria plus eight added criteria) was accepted and issued as a revised ‚Regulations for Higher Education Accreditation’ setting out the standards to assist universities to conduct self-studies. The purpose of self-studies was stated to be to ‚maintain and continuously improve educational quality (accountability); recognise universities that achieve the training objectives (recognition); and assist students and educational clients to obtain basic information for selecting universities (transparency)’ (Ministry of Education & Training 2007).

Since the beginning of 2008, the processes of accreditation have been speeded up with the use of independent consultants to comprise external review panels. Many of these consultants are university academics or retired MOET staff. An additional 70 institutions have submitted self-evaluation reports and 40 of these have received reviews by external panels. This year additional external reviews will be conducted, hopefully bringing the total number of reviews completed by early 2010 to 110. DGETA is gaining greater confidence in the accreditation processes and it working cooperatively with institutions. Institutions are advised to gain greater experience in review processes by completing internal reviews each year. When they submit their initial external review documentation, DGETA works closely with them and does not appoint review panels until the self-study documentation is judged to adequately address the standards and criteria. Despite this support, the process is somewhat slower than anticipated largely because of delays at institutional levels. While 160 universities were invited to submit self-studies, by July 2009 only 70 had done so.

Experience points to the value of the institutional QACs that were initially established at the national universities in Hanoi and Ho Chi Minh. Additional QACs were established at five more universities (Thai Nguyen, Hue, Vinh, Da Nang and Can Tho) as part of the Dutch ProfQim Project. At each of these universities, quality assurance teams were appointed at lower levels within institutions including within academic units. All these QACs developed their own regulations relating to quality assurance and annual work plans.

At Danang University, for example, the QAC was established in 2006 with support from the Dutch ProfQim Project, replacing an earlier Centre for Educational Quality Evaluation that had been established in 1999. The mission of the Danang QAC is to consult and support member colleges of the University in developing a quality culture and conducting activities to achieve continuous improvement of education quality. A key strategy has been to establish within each of the eight member colleges separate Quality Assurance Teams. The University of Danang QAC has been involved in range of activities including: support for the accreditation of the various college members; design and implementation of student, employer and alumni surveys; organisation of staff seminars; and participation in the national quality assurance network.

The QAC at Can Tho University was established in December 2006 with support from the Dutch ProfQim Project. Its objectives are to implement accreditation activities in the University related to education and testing. It supports the Rectorate in handling quality assurance issues, advises on the development of quality assurance plans, runs workshops and other training activities, and supports the various schools and colleges with regard to developing and implementing quality assurance plans. The QAC has a Director and three other staff, who are supported by 15 teams and 5 groups across the University. Regular course evaluations have been conducted since 2001 with 15 undergraduate programs out of 113 having been evaluated between 2006 and 2008. In terms of structure, the Director of the QAC reports directly the Rector of Danang University.

More recently, with the encouragement of DGETA and with support for the second World Bank Higher Education project for a QAC network, many other universities have established QACs. By July 2009, 110 out of 160 universities had QACs, with a number having their own websites. While involvement of 'normal' academic staff is essential for a quality culture to take root, a specialised support unit can play a vital role in assisting a university to develop an effective internal quality assurance program and contribute to self-studies as part of the MOET accreditation program.

Further, a National Accreditation Council was established on 23 October 2008 within MOET. The Council now makes all accreditation decisions and provides advice to MOET on outcomes. It consists of six members, with four drawn from MOET and two external members, while the secretariat for the Council is provided by DGETA. Creation of a Council as a separate entity within MOET confirms more strongly the anchoring of quality assurance as an integral part of the Vietnamese higher education system. The Council has already approved accreditation for 20 universities.

G Harman has demonstrated that most countries have been adapting and enhancing their system design for QA systems, as more is learned (and shared) about effectiveness of the various approaches. Looking to the future, as the implementation of this first QA system is fully implemented, Vietnam could benefit from further enhancements and evolution of its system, to develop a more comprehensive quality assurance framework including, for example, a qualifications framework, statements of desired outcomes for different levels of qualifications, publication of national performance data, national surveys of student course experience and satisfaction, and surveys of graduate destinations and employment. It is highly

desirable that a national quality assurance framework should include other elements than rely only on a basic system of accreditation.

Access and Equity⁸⁰

In this part the participation of students from “disadvantaged” groups is illustrated. The term ‘disadvantaged’ is used to include anyone who may be disadvantaged in relation to access to higher education relative to the majority community. Thus the disadvantaged may include:

- Women, in contexts where they would be a marked minority, eg in engineering studies;
- Persons from poor backgrounds and/or remote areas where educational opportunities are fewer;
- Members of ethnic minorities, who are often also disadvantaged by poverty and the remoteness of their homes;
- People with disabilities.

Gender:

Between 1999-2000 and 2006-07 the number of students in higher education in Vietnam rose from 720,000 to 1,173,000, and that in that time the proportion of women students rose from 42% to 55%. Thus in HE as a whole women students are now a clear majority in Vietnam.

Table 14: *Enrolment by Gender/minorities*

Year	1999-2000	2006-07
Total Students	719,842	1,173,147
Females	302,598	645,101
% Females	42.04%	54.99%
Minorities	1,454	6,226
% Minorities	0.20%	0.53%

Source: MOET – www.MOET.gov.vn

Current HE statistics in Vietnam do not break down subject of study by gender. Data from the VHLSS⁸¹ indicates gender differences in students’ subjects of study, noting that males dominate sciences and technology subjects, with, in 2006, males representing 80-90% of students in Engineering and Technology; 57% in Physical Sciences; 46% in Life Sciences; 43% in Mathematics and Statistics; and 44% in Business and Administration. The proportion of the intake to Hanoi University of Technology averaged over the years 2002-03 to 2006-07 who were female was just 12%.

Within the Vietnamese HE system as a whole the proportion of lecturers who are women rose from 34% in 1999-2000 to 43% in 2007-08. In universities specialising in science and technology this proportion is much lower.

⁸⁰ Data quoted in this part is extracted from the Technical Paper prepared for the HESDP by Nguyen Thị Mai Ha, ‘Social Assessments Paper: Proposals on Gender and Ethnic Minority’, HESDP, unpublished, 2009

⁸¹ Vietnam Household Living Standards Survey, 2006 sweep.

Ethnic Minorities

Ethnic minorities make up about 13% of the population of Vietnam. According to the MOET HE statistics the proportion of HE students who come from ethnic minorities is increasing but remains very small; it rose from 0.2% in 1999-2000 to 0.5% in 2006-07. VHLSS 2004 shows ethnic minority participation much higher at 4.6%⁸² but still only about one-third of what it would be if ethnic minorities were represented in higher education pro rata to their share of the general population.

Within the Vietnamese HE system as a whole the proportion of lecturers who come from ethnic minorities fluctuated in a band between 1% and 0.5% over the period from 1999-2000 to 2007-08. The number of EM lecturers showed no consistent trend to increase, with the result that the percentage tended to decrease as the total number of academic staff increased.

Low Income students

Low-income households have a low share of the HE student population. According to VHLSS 2004⁸³, about 21% of the HE student population come from the two lowest income quintiles; about 65% from the two highest quintiles; and about 14% from the middle quintile. The VHLSS 2006 found a similar pattern in assessments of learning capacity; in the top income quintile 28% were assessed at Distinction level, grading down to 6% in the lowest income quintile.

It should be emphasised that:

- Other countries show similar patterns of low participation by disadvantaged groups in HE; and
- Participation by the disadvantaged in HE in Vietnam has improved, and is likely to improve further as overall participation in HE increases.

Issues for the New Model Universities in contributing to improved social access

The NMUs are intended to be:

- Small, and highly selective in their intakes
- Focussed mainly on Science and Technology, and at DIU, Management Studies
- Committed to a high proportion of post-graduate students
- High quality institutions, charging fees much higher than most public universities.

Of themselves these orientations make it more difficult for the NMUs to be at the leading edge of enhancing access to HE for disadvantaged groups, but it is right that the special opportunities which NMUs offer should be open to all; and in the NMUs' own interest that students from all different backgrounds should be able to compete for places.

A number of possible strategies were identified by the Social Assessments report that could offer some remedies to overcome the barriers to access by women and others disadvantaged in accessing higher education. These include

- Assisting opportunities for enrolment by providing access to English Language, to assist those who are qualified academically
- “affirmative action” to reserve places for “nominated students” from ethnic minorities

⁸² Vietnam, *Higher Education and Skills for Growth*, World Bank 2008, Figure 1 7.

⁸³ Vietnam, *Higher Education and Skills for Growth*, World Bank 2008, Figure 1 8.

- establishing links with schools to assist them to identify and develop promising students with appropriate information and teaching
- Provision of student support that covers the full cost of fees, with universities receiving funding from state budget grants to cover the fee waivers which they are required by law to give
- Provision of purpose-built low-cost accommodation, with priority for students from disadvantaged groups in the allocation of places in on-campus dormitories
- Building endowment funds to finance scholarships for students; and
- Offering enhanced in-university Student Services that advise students on sources of support for their studies. These services should have access to a small pool of funds to help students (especially those with disabilities) whose needs cannot be fully catered for by the standard schemes.

Curriculum and Teaching

In order to break down gender stereotyping, and to support ethnic minority students, it is important that the curriculum is taught in ways which disadvantaged students perceive as relevant to their needs. This is one aspect of the learner-centred approach to study at the NMUs recommended by the TA Team⁸⁴. This includes that universities have opportunities to integrate relevant issues within the curriculum and teaching methods; and that universities have resources that can help the academic staff to achieve that.

Changing teaching practice, and student perceptions of it, is hard. It will certainly help if women and ethnic minorities are well represented on the academic staff; and, as circumstances permit, ethnic minorities and people with disabilities also. Opportunities to do this effectively would be increased if universities in Vietnam had scope to set percentage targets for female faculty according to discipline. The availability of creches on or close to campuses can also promote the retention of female staff, and the participation of female post-graduate students.

Part-time post graduate courses are already well-established in Vietnam. Most postgraduates support their studies mainly from earnings rather than loans or grants. There are some concerns about potential for lower quality, and higher drop-out in part-time courses, but from an equity point of view wide availability of part-time modes is certainly desirable.

Facilities

In modern settings the universities can facilitate access by students with physical disabilities if buildings are constructed or modified to allow for easier access, especially for wheelchair bound students. Campus Design Guide-lines are available that give good advice on ways to ensure appropriate design in facilities.

Monitoring and Evaluation of Access

To make monitoring possible, universities need to have resources to record, and capture (without names) in their statistics, the gender, and ethnic status of their students and staff, any disability they may have; and perhaps some indicator or proxy for poverty where appropriate. This can then be used to measure by disadvantaged group rates of participation, subjects of study, drop-out, graduation rates, proportion of

⁸⁴ See especially the paper by K Roberts, “*Developing Excellence in Teaching and Research*”, unpublished paper prepared for ADB HESDP Preparation Project, Included in Volume V of the Final Report, February, 2010

staff possessing a given status etc. Results for key indicators should be reported in University Annual Reports which will be published on their web-sites, or on the MOET site

These actions will only be fully effective if accompanied by a system-wide improvement in HE statistics which would enable universities to bench-mark their performance against similar universities in Vietnam and elsewhere in the world. Tenders for the design of a the HEMPIS have been called but not yet concluded.

Annex 1

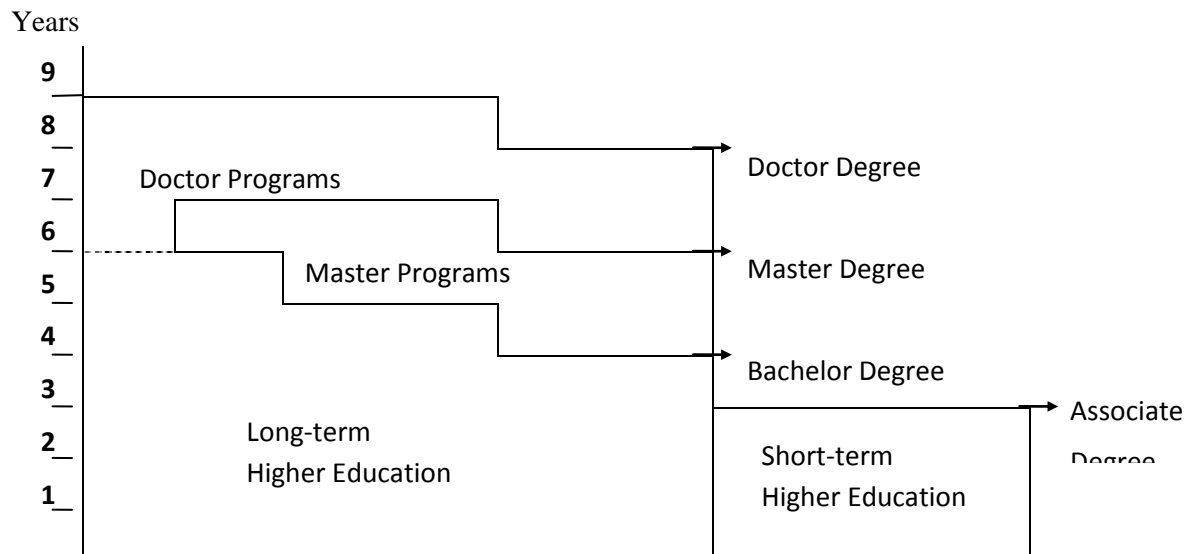
Structure of the Qualifications and Institutions

Higher Education Qualifications

As indicated in Figure 1 below, higher education in Viet Nam has four main training programs that lead to higher education qualifications. These are as follows:

- *Associate Degree (cao dang)*: a three year program, usually known as the *short-term training program*, delivered by junior colleges (teachers colleges and others) and by some universities as additional programs;
- *Bachelor Degree (cu nhan)*: a 4-6 year program referred to as the *long-term training program*, - this Degree includes 6 years for students of medical and dental sciences, 5 years for students of industrial engineering, and 4 years for the majority of other awards; graduates are awarded a degree with the title related to their specialty, such as *cu nhan* (bachelor), *ky su* (engineer), *bac sy* (medical doctor), or *luat su* (lawyer), etc;
- *Master's Degree (thac si)*: which lasts 2 years (full-time) or 3 years (part-time) and is accessible by graduates who have completed a Bachelor Degree; and
- *Doctoral Degree (PhD - tien si)*, which is accessible by graduates with a Master's degree or, if excellent grades have been attained, a degree obtained from a Bachelor program; candidates who are successful in defending their doctoral dissertation are awarded a degree Ph.D. in a given specialty or profession. It can take between 7-9 years to attain a PhD through the Vietnam HE system.

There is also an *informal mode of education*, providing continuing and life-long learning opportunities for working people. Some of these programs enable a student to obtain a degree by means of part-time and distance education. The *Structure of Higher Education Qualifications in Vietnam* is illustrated below.



References

- Bezanson, K, 'A Science Technology and Industry Strategy for Vietnam', Paper prepared for UNDP/UNIDO, project DP/VIE/99/002, contribution to the preparation of the Socio-Economic Development Strategy to the year 2010, March 2000.
- Dao Van Khanh and Martin Hayden, "Reforming the Governance of Higher Education in Vietnam" , Chapter 9 in Harman, Grant; Hayden, Martin; and Nghi, Pham Thanh (Eds). *Reforming Higher Education in Vietnam: Challenges and Priorities*. Dordrecht, The Netherlands, Springer, 2010.
- Fatseas, M, 'Financial Framework for New Model Universities', Finance Paper A, unpublished paper prepared for the ADB HESDP Preparation Project, included in Volume V of the Final Report, February 2010.
- Harman, Grant; Hayden, Martin; and Nghi, Pham Thanh (Eds). *Reforming Higher Education in Vietnam: Challenges and Priorities*. Dordrecht, The Netherlands, Springer, 2010. (ISBN978-90-481-3693-3)
- Harman, G, "University Quality Assurance For 'New-Model' Universities In Hanoi And Danang", Academic Development Paper D, unpublished, prepared for the ADB HESDP, August 2009, included in Volume V of the Final Report, February 2010.
- Harman, K, and Nguyen Thi Bich Ngoc, "Reforming Teaching and Learning in Vietnam's Higher Education system" , Chapter 5 in Harman, Grant; Hayden, Martin; and Nghi, Pham Thanh (Eds). *Reforming Higher Education in Vietnam: Challenges and Priorities*. Dordrecht, The Netherlands, Springer, 2010.
- Harman, G, and Le Thi Bich Ngoc, "The Research Role of Vietnam's Universities", Chapter 6 in Harman, Grant; Hayden, Martin; and Nghi, Pham Thanh (Eds). *Reforming Higher Education in Vietnam*: Springer, 2010
- Hayden and Thiep, in 'Vietnam's Higher Education System', Chapter 2 of Harman, Hayden, and Nghi (Eds) *Reforming Vietnam's Higher Education*, Springer, 2010.
- Horne, R, and Le Thi Bich Ngoc, "Financing New Model Universities", Paper C: Student Assistance, Options for Policies on Student Assistance', Annex A, unpublished paper prepared for ADB HESDP Preparation Project, included in Volume V of the Final Report, February 2010.
- Horne, R, and Vu Cuong, *Financial Frameworks for New Model Universities*, Finance Paper B, Estimating the Operational Costs of New Model Universities, 2009, unpublished, paper prepared for ADB HESDP Preparation Project, Included in Volume V of the Final Report, February, 2010
- Lam Quang Thiep. Current status of and options for strengthening and reconstructing the Vietnamese H.E. system. *Workshop on Policy Options for H.E. Reform*. Hanoi, 8/1993; see also Lam

Nguyen Thị Mai Ha, '*Social Assessments Paper: Proposals on Gender and Ethnic Minority*', unpublished, paper prepared for ADB HESDP Preparation Project, Included in Volume V of the Final Report, February, 2010

Quang Thiep. Ten years of Reform in the Higher Education System in Vietnam: Initial Achievements and New Challenges. *Vietnamese Studies Review*, 3, RMIT, Australia, 1998.

Nghi, P,T, "The Higher Education Reform Agenda: A vision for 2020" in Harman, Hayden, and Nghi (Eds) *Reforming Vietnam's Higher Education*, Springer, 2010

Pham Duy Hien, "*A Comparative Study of Research Capabilities of East Asian countries and Implications for Vietnam*", Springer Science+Business Media B.V 2010, published online, February 2010

Roberts, Keith, "*Developing Excellence in Teaching and Research*", unpublished paper prepared for ADB HESDP Preparation Project, Included in Volume V of the Final Report, February, 2010

Tran Ngoc Ca. '*Universities as Drivers of the Urban Economies in Asia: The case of Vietnam*', National Institute for Science and Technology Policy and Strategy studies, for the World Bank Policy Research Working Paper No 3949, June 2006

Tran Ngoc Ca, *Learning Technological Capability for Vietnam's Industrial Upgrading: Challenges of the Globalisation*, December 2002

UNESCO Global Education Digest 2007.

Vietnam Economic Times, "*Economy of Vietnam and the World 2004-2005*", Jan., Hanoi, 2004, and World Bank, East Asia and Pacific Economic Update, April 2010.

Welsh, A R, "Internationalisation of Vietnamese Higher Education", Chapter 14 of Harman, Grant; Hayden, Martin; and Nghi, Pham Thanh (Eds). *Reforming Higher Education in Vietnam: Challenges and Priorities*. Dordrecht, The Netherlands, Springer, 2010.

Westerheijden, Cremonini & van Empel, "Accreditation in Vietnam's Higher education system", Chapter 13 of Harman, Grant; Hayden, Martin; and Nghi, Pham Thanh (Eds). *Reforming Higher Education in Vietnam: Challenges and Priorities*. Dordrecht, The Netherlands, Springer, 2010

World Bank, (IDA), Program Document for ...the Higher Education Development Policy Program: First Operation (HEDPO1), June 2009

World Bank, *Vietnam; Higher Education and Skills for Growth*, Report 44428Vn, June 2008.

Government of Vietnam Official Documents

MOET, No: 760 /BC-BGDĐT, “*Report On the Development of Tertiary Education System, Solutions to Ensure and Improve the Training Quality*”, dated October 29, 2009, released on MOET Website January 2010, accessed on 4 June 2010.

MOET, "The Proposal for Delivering ATPs in Some Universities of Vietnam over the period 2008-2015" , 15-10-2008.

MOET, Scheme for the Reform of the Financing Mechanism for Education and Training 2009-2014, May 2009

MOET, Decision 1269/CP-KG, dated 6 September, 2004

Ministry of Finance, State Budget Table 4, “Plan of State Budget, Central Budget, Local Budget Expenditures FY 2009”.

Resolution No 14/2005/NQ-CP, 2 November 2005, on “the Substantial and Comprehensive Renewal of Vietnam’s Tertiary Education in the 2006-2010 Period” (usually referred to as the Higher Education Reform Agenda, (HERA)).

PRIME MINISTER, No 296/CT-TTg, 27 February, 2010, DIRECTIVE, “On renovating HIGHER EDUCATION management for the period of 2010 – 2012” released on MOET website, accessed on 4 June 2010

Socio-Economic Development Plan 2006-2010, attachment to Government Resolution No. 25/2006/NQ-CP, dated October 9, 2006.

Vietnam Household Living Standards Survey, 2006 sweep