

EDUCATION AND TRAINING POSITION PAPER

*Prepared by
Education and Training Working Group*

Introduction

The Vietnamese people place a very high value on education and are recognised for their self drive and passion for self development. This is a great attribute for any country and should be one of Vietnam's competitive advantages. In practice we don't feel that this competitive advantage is being maximised mainly because of the operational challenges facing non state institutions in the higher and vocational education sector. The goal of the Education Working Group is to address the operational challenges of the non state sector in higher education and vocational education.

Let's start with some good news which we should recognise. The good news is that the number of non state universities and colleges has increased from 23 in 2001 to 82 in 2012. The main operational challenge facing these universities is the lack of autonomy. If the reputable non state universities could be given more autonomy it would allow them to better meet the needs of the economy and society. Even when the law gives autonomy in practice everything is controlled or tried to be controlled.

We will address the four high level areas that we feel are paramount to the achievement of a high quality and internationally recognised education system here in Vietnam.

- 1. The National Administration of Higher Education;*
- 2. The quality and relevance of Higher Education;*
- 3. Issues relating to Decree 73; and*
- 4. Technical and Vocational Education and Training.*

1. The National Administration of Higher Education

The establishment and nurturing of quality higher education institutions is of paramount importance. At national level there needs to be an agreed consensus to create a legal and operational environment to aid the improving of quality of local institutions in addition to attracting quality overseas higher education institutions. This would include things like

- Identify not just the present but also the future human resource needs of industry in Vietnam. This will help the Universities and Vocational Colleges develop programs and learning methodologies that are relevant to industry needs. If Vietnam wants to build the tourism sector where is the education and training to support this coming from?
- Provide the framework to ensure that students are not only studying courses that are relevant to industry needs, i.e. technical skills, but also building up their soft skills. The lack of development of soft skills has been identified as a shortcoming on the educational system. This can be done by creating a framework and giving autonomy.
- Provide educational institutions with a robust framework to work within. At the same time give sufficient autonomy to function in an efficient and effective manner. The Law on Higher Education has given autonomous rights to foreign invested-capital higher education institutions. However, there is no detailed legal framework to stipulate the level of these autonomous rights. The law should include transparent provisions on autonomy.

- Within the issue of autonomy, there should be a legal framework that gives more autonomy to local institutions to cooperate and joint venture with foreign institutions. The focus should be on outcomes. This would encourage more internationally collaborative academic programmes.
- Identify ways to institute a high level of corporate governance into educational institutions.
- Implement a transparent and independent ranking system for all higher educational institutions.

2. The quality and relevance of Higher Education

As previously mentioned the graduates from the higher education institutions need to have both a quality education and one that is relevant to industry needs. It needs to be both effective, i.e. relevant, and efficient, i.e. have the desired quality. The following are some recommendations that we consider would help achieving a higher quality educational system:

- Give institutions some autonomy/flexibility to adapt curricula to meet the fast changing needs of industries in Vietnam.
- Identify realistic ways to improve the standard of academic staff to ensure that a modern learning focused classroom environment is implemented. It's not realistic to issue a target that X% of lecturers must have a Phd when in fact a masters qualification is totally fine and the figure X is simply not achievable by any University.
- Identify ways to improve the management and administration of Higher Educational Institutions by listening to what institutions need.

There have been some successes such as the Higher Engineering Education Alliance Program (HEEAP) is a good example of an initiative to provide industry with a supply of "work ready" students from Vietnamese Universities and Vocational Colleges.

3. Issues relating to the implementation of Decree 73

- **There is no circular to instruct implementation of the decree which came into effect since November 2012**
Currently, the Regulations on Foreign Investment in the education field have only Decree 73/2012/ND-CP ("Decree 73"). This Decree was promulgated on 26th September 2012; however, until now there is no circular guiding implementation this decree. This is causing confusion for foreign investors who would like to invest and/or re-invest in education field. The granting of licenses will be prolonged due to the authorities having no the detailed regulations to guide them.
- **There is no provisions to encourage reinvestment of profits**
The current legislation has no provisions to encourage foreign and local investors already operational in Vietnam, to re-invest their profits back into Vietnam instead of transferring the profit to the overseas.

The legal procedures for granting licenses for new investment projects are the same as the legal procedures of the re-investment projects. For example, if a successful

university wished to expand its campus into a new location it has to go through the same application process as if it were a totally new investment. The same applies to language centres and vocational training centres.

- **The new legislation recently promulgated is much more complicated than before.**

Previously, the process of establishing a foreign language training centre required only an investment license and an operation license (i.e. 2 licenses). However, new Decree 73 requires 3 separate licenses and takes much longer to obtain.

The Government should differentiate between organisations that are already active in Vietnam wishing to expand and those that are not yet established.

In addition, there are no specific legal instructions for the launching of new programs by foreign-invested higher education institutions. Most of the provisions on education have been developed for Vietnamese educational institutions. Due to incomplete legislation for foreign investment in education, foreign investors must refer to the legal regulations which apply to Vietnamese educational institution. This results in big obstacles for the foreign investors operating in Vietnam.

Proposed solutions:

1. The draft of implementing circular to decree 73 should have detailed and separate provisions on procedures for approving the establishment of short-term training institution. This is because the conditions and operations methods of short-term training institution are quite different from those of higher education institutions. The opening of a new training centre for a short-term training institution should be simpler than the establishment of the new campus for higher education institutions.
2. Other provisions of training program and facilities of the different type of educational institution should be specific at the instruction circular or other detail regulations to avoid the troubles which might be happening due to the different understanding of each authority.
3. Legal procedures for new investment project and re-investment project should be different to create the favourable condition for the investors who have many years contributed.

4. Technical and Vocational Education and Training

The Government should continue improving the quality of vocational training programs based on industry needs. For example, foreign owned enterprises in the manufacturing sector that are contributing to Vietnam's economic development, requires more skilled technicians who can improve quality and productivity. The activities of the Project for Human Resource Development of Technicians at Hanoi University of Industry (HaUI-JICA Project) provided various useful lessons on how to improve training programs in partnerships with industry. The Higher Engineering Education Alliance Program (HEEAP) that brings together government, academia, and industry to modernize Vietnamese public higher education in engineering is also relevant here. Some recommendations are as follows:

¹ See the website of the Project for further details: <http://hau.edu.vn/en/hau-jicaproject>. The third-phase of HaUI-JICA project has launched in the middle of 2013, aiming at disseminating the results of previous two projects and improving the capacity of instructors from other TVET institutions.

- It is suggested that the responsible government agencies, such as the General Department of Vocational Training (GDVT) under MOLISA, should assist technical and vocational education and training (TVET) institutions to improve their training programs by carefully analysing industry needs. As a first step for this, it is useful to formulate a platform where representatives of government agencies, TVET institutions, and the intermediate organizations of industry, such as local and foreign chambers of commerce and industry or management companies of industrial parks, can exchange the information of the human resources and skills that are regularly in demand. In addition, TVET institutions and GDVT should also consider the needs of foreign and local small and medium enterprises (SMEs) as well as those of large companies. Recently, it seems that FDI from SME's are gradually increasing. In the manufacturing sector, SMEs plays very important roles in development of supporting industries. The provision of tax incentive or other kind of subsidies may encourage SMEs to invest more in human resource development.
- In addition to the improvement of training programs, TVET institutions should improve their employment support systems, which consist of interconnected activities such as provision of job opportunity information, job fairs, career counselling, effective internships, and opportunities to learn about industries. The effective employment support system will not only help students gain suitable jobs, but also encourage them to consider their career path in the long run. This would contribute to reducing unnecessary job hopping which may happen when students start working without knowing the contents of their jobs and possible career paths. In addition, considering that FDI is gradually spreading over to the areas far from large cities such as Mekong Delta, the promotion of U-turn job, which means that people who came to study in cities will go back to their home towns for their jobs, would be useful, while the capacity of local TVET institutions should be improved at the same time.
- The Government should urge high schools to promote vocational courses as a future option to their students. This can be achieved by cooperation with TVET Institutions in the form of seminars on particular subjects. More technicians are needed by industry and the reality is that not all high school graduates will be able to enter university courses. In order to persuade more high school students to become interested in vocational training programs, it is suggested that the Government should improve the paths that vocational college graduates can use to transfer to university courses. This has already been started within some universities on a pilot basis, but should be expanded further.

In addition, the further promotion of skill evaluation and testing could be another means to attract more young people to vocational courses through improvement of social and economic status of technicians. The national skill tests have already been launched, on a pilot basis, in the field of mining, graphic designing, mechatronics, operation of machining centres, and operation of conventional lathes. It is suggested that the Government should develop a sustainable mechanism of skill evaluation system for expanding this trial to nationwide in more trades, in consultation with business communities.

In the annex you can find recommendations on how to improve the people capacity of the tourism sector.

Conclusion

Vietnam produces quite good talent with an education system that's widely recognised as not being good enough. Imagine the quality of talent that can be produced through a better education system and what it would do to the country's development. In the same way that mobile phones allowed Vietnam to leapfrog having to install landlines everywhere. The country has an opportunity to leapfrog its education system.

This document covers many areas but the key focus of our group can be summed up in one word – "autonomy". The Education and Training Working Group, through the VBF, will continue with its commitment to assist Vietnam in achieving its economic potential.

Thank you.

Annex: How people can be better trained for the tourism industry

Issue description: The tourism industry is still experiencing a shortage of well-trained staff. Much of the training being delivered is by academics. Our members believe that students would greatly benefit from receiving training from industry practitioners who could share real-life experience.

Certain measures aimed at resolving the issue have been put in motion; in mid-2013, the ESRT programme developed a National Training Needs Assessment (TNA), in conjunction with the VNAT. The purpose of the TNA is to provide up-to-date information on the skills and training needs of both public and private sector organisations and enterprises in the sector. The study recognises the skill needs in all regions and provinces across country, the demands of emerging tourism sectors, and the specific needs of women and ethnic minorities seeking to work in the industry.

Potential gains/concerns for Vietnam: Increasing the number of trained and qualified personnel in all sectors of the Tourism and Hospitality industry, would enhance the quality of products and services that are on offer. This, in turn, would have a positive impact on Vietnam's image and reputation. Better services also translate into greater competitiveness, more visitors hence increasing potential GDP contribution and revenue for the Government. As Tourism is a significant sector for the country, there might also be positive knock on effects in other industries, improving overall skill levels across the supply chain. This is likely to increase employment and wages for the local population.

Moreover, with the upcoming establishment of ASEAN Economic Community in 2015, VNAT (with the support of the ESRT programme) has produced the ASEAN Mutual Recognition Arrangement on Tourism Professionals Handbook. This project, set to be endorsed at the ASEAN Tourism Ministers Meeting, aims to facilitate the mobility of tourism sector professionals. Improving the education and training of the workforce will thus serve as a catalyst for Vietnam's participation in the initiative.

Recommendations: Our members have the following specific recommendations

- Introduce a national tourism certification scheme to ensure that a tourism company and its employees meet the core industry standards. For instance, support the roll out of Vietnam Tourism Occupational Standards (VTOS).
- Provide a legal status to the Vietnam Tourism Certification Board (VTCB).
- Encourage the VNAT to work with the General Department of Vocational Training (GDVT) of MOLISA to support the formation of an ASEAN - National Tourism Professional Board (NTPB).
- Introduce a requirement for all training establishments and colleges to implement the VTOS training materials with accreditation from the VTCB.
- Encourage industry stakeholders, universities and colleges to utilise the results of the Vietnam Training Needs Assessment 2013, which provides up-to-date information to complement MCST's plan for "Human Resource Development in Tourism till 2015 and Vision 2020".
- Introduce an industry internship for all students, including courses designed and developed by international experts in training programs on cross-cultural understanding and customer service skills.