

SECTOR ASSESMENT (SUMMARY): EDUCATION¹

Sector Road Map

1. Sector Performance, Problems, and Opportunities

1. **Country context.** In Viet Nam, education is viewed as strongly linked to economic growth and accorded priority as a principal investment option for long-term socioeconomic development. The central goal of education is rapid human resource development to meet the labor needs of a highly competitive market economy while ensuring a high degree of equity. As a consequence of recent rapid economic growth, the sectoral composition of economy and required skills and knowledge of labors are changed. This will require a continued shift from primarily production using manual labor to the application of advanced technology and modern tools and control systems.

2. **Labor market context.** The labor force grew from 39 million in 2000 to 47 million in 2010. Female labor force participation is high at 48%. Viet Nam ranked 11th out of 134 countries on the rate of female labor force participation in the recent Global Competitiveness Report.² Problems remain that need urgent attention to maintain and improve Viet Nam's regional competitiveness. If current trends continue, Viet Nam is predicted to have by 2015 a work force of 52.8 million aged 15 to 60 years old. Currently, 1.3 million workers move each year from agriculture to industry and services, creating strong demand for the skills these former agricultural workers now need. Generally, the Vietnamese workforce has limited skills. Informal employment (e.g., in domestic enterprises, informal and formal household businesses, and agriculture) is significant in Viet Nam, engaging 85%-90% of the labor force.

3. **Education system structure.** While there are a number of providers of education, two ministries play major roles in providing and overseeing education nationally. The Ministry of Education and Training (MOET) is responsible for pre-school, primary, secondary, and higher education. The Ministry of Labor, Invalids, and Social Affairs (MOLISA) is responsible for managing much of technical and vocational education and training (TVET) with a focus on training students to enter the workforce. MOET is responsible for pre-primary programs for students aged from 3 to 5 years, primary education for students who undertake a 5-year primary program from age 6, and secondary education. Secondary education has three levels: lower secondary education covering grades 6–9 for students in the 12–15 age group, upper secondary education (USE) for grades 10–12 with a focus on higher education, and, alternatively, professional secondary education for grades 10–12 or 13 with a focus on TVET. Through programs conducted in professional secondary schools, MOET manages a quarter of TVET programs, with the rest overseen by MOLISA but managed by a range of ministries, state-owned enterprises, provincial and district governments, and private providers.

4. **Achievements in the Socio-Economic Development Plan, 2006–2010.** Achievements in education and training in Viet Nam were impressive. The general quality of education and training improved; professional certificates and teacher quality standards were developed and teachers trained and upgraded; student-centered teaching was introduced in schools; an independent agency for school accreditation was established; learning opportunities for girls, ethnic minority children, children in poor families, disabled children, and children in difficult circumstances were expanded; support to students with financial difficulties in vocational

¹ This summary is based on Education and Training Sector Assessment, Strategy, and Roadmap. Available on request.

² World Economic Forum. 2010. *Global Competitiveness Report 2010–2011*. Geneva.

training, colleges, and universities was expanded; and many universities introduced programs meeting international standards.³ The state budget for education increased from 15.5% of total government spending in 2001 to 20.0% in 2007 and was maintained at this level to 2010. The number of semi-public and private institutions significantly increased, as did enrollment at these institutions. In school year 2007/08, there were 6,000 public preschools (52% of the total) and 64 non-public colleges and universities (17% of the total). In 2010, 16% students were in non-public schools, up from 12% in 2000.

5. **Key sector constraints.** The Socio-Economic Development Plan, 2011–2015 identifies some of the constraints affecting the education system in Viet Nam: (i) the national education system is not comprehensive and lacks strategic links between education levels; (ii) the curriculum and textbooks are over-crowded; (iii) the physical condition of facilities is poor, while the quality of education in remote and ethnic minority areas is below the national average; (iv) vocational training does not meet labor market demands, while private enterprises, industrial zones, and trade villages are not fully mobilized to provide vocational training; (v) the quality of science programs is low, and few results of research are applied to economic production and social life; and (vi) too few private enterprises invest in advanced technology, capital investment in science and technology is inflexible, and working conditions at many research institutes are too poor to attract young and capable researchers.

6. Four main contributing factors are identified: (i) low quality and relevance, (ii) inequity in access, (iii) weaknesses in sector management and governance, and (iv) inadequate financing and investment in education. Low quality and relevance are considered to result in part from weak systems of curriculum development and student assessment, shortages of well-qualified teachers and instructors at all levels, weak links with industry in public vocational training and higher education, low enrolment in skill areas in high demand in the labor market, too little emphasis on non-cognitive skills throughout, and poor development of creative thinking and higher-order skills development. Inequity of access results partly from financial and cultural barriers to basic education for ethnic minority youth and disabled children, limited re-entry programs for out-of-school youth, and unequal access to skills development programs and higher education. Weak sector management and governance arise mainly from poor quality assurance in public and private institutions, complex and fragmented management in vocational training, and overly centralized and inflexible governance structures for higher education. Inadequate financing, particularly at higher levels of the system, reflects inadequate recurrent budget, unsuitable cost norms in skills programs, limited budgets for research and development in higher education, low private responsibility for the cost of higher education, and limited private provision of training.

2. Government's Sector Strategy

7. **Education Sector Strategic Development, 2011–2020 (draft).** The key policy targets of the strategy are (i) a 99% net enrollment rate in primary and lower secondary education; (ii) an 80% rate for USE or its equivalent; (iii) a 90% completion rate for primary, lower secondary, and USE; (iv) vocational training for 60% of the labor force; (v) a 21% share of state expenditures for education; (vi) secondary school students with subject knowledge, lifelong skills, general understanding of science and technology, vocational orientation, and proficiency in foreign languages; (vii) better-quality continuing education through diversified programs; (viii) a 70% schooling participation rate for people with disabilities; (ix) foreign-language training for all students from grade 3 onward; and (x) increased attention to the education of gifted students.

³ Government of Viet Nam. 2011. *Socio-Economic Development Plan 2011–2015*. Ha Noi

The targets outlined for higher education are (i) developing key higher education institutions into major scientific centers for the country by increasing income from science and technology services and products to 15% of the total higher education revenue by 2010 and to 25% by 2020; (ii) increasing enrolment to 200 students per 10,000 head of population by 2010 and to 450 students by 2020; (iii) raising the proportion of university staff with a master's degree or equivalent to 40% by 2010 and to 60% by 2020; (iv) raising the proportion of university teaching staff with a doctorate or equivalent to 25% by 2010 and to 35% by 2020; and (v) reducing the ratio of university students to teaching staff to 20:1 by 2020.

8. The Secondary Education Sector Master Plan, 2011–2015 was developed with the assistance of the Asian Development Bank (ADB) and other partners.⁴ A new plan will be developed for 2011–2015 in accordance with Education Sector Strategic Development, 2011–2020. The new plan will provide in-depth analysis of secondary education regarding (i) school facilities, equipment, and learning materials; (ii) secondary teacher quality; (iii) curriculum revision and update; (iv) learning assessment; (v) instruction time; (vi) accountability and standards of secondary teaching and learning; (vii) the budget process for education; (viii) school-level funding needs; (ix) capital and recurrent expenditure allocation; (x) fiscal forecasting tools; (xi) education sector expenditures overall; (xii) the composition of education expenditure by subsector; (xiii) the economic composition of education expenditure; (xiv) state budget and education expenditure projections; (xv) forecasts of total public expenditures on education; (xvi) expenditure forecasts for secondary education; (xvii) projected demand for secondary education and unit cost estimates; (xviii) an education financing strategy; (xix) sustainability risk assessment; and (xx) policy recommendations for a new strategy on school fees and charges.

9. **Vocational Training and Education Development Strategy, 2011–2020.** The Vocational Training and Education Development Strategy sets out general and specific objectives, strategic tasks, and seven sets of means (or solutions, as well as broad implementation and financing guidelines). The means include (i) improved awareness of the value and importance of vocational training, (ii) expanded scale and structure of vocational training, (iii) enhanced quality assurance to achieve a breakthrough in training technical workers, (iv) developed vocational training standards, (v) enterprises enabled to become important stakeholders in vocational training, (vi) strengthened resource mobilization for vocational training, (vii) strengthen management of vocational training, (viii) resources ensured for developing vocational training, and (ix) international cooperation in vocational training promoted. The strategy has a great deal to recommend it. It gives first priority to developing high-tech training where the economic payoff is likely to be high without ignoring the need to develop skills in underprivileged regions and of underprivileged people. These are the two main strategic tasks, according important roles for enterprise-based training and the private provision of skills needed for economic growth.

10. **Higher education policy and strategies.** The government's Higher Education Reform Agenda, 2006–2020 is the most ambitious and accomplished reform effort to date and exemplifies the government's commitment to higher education. This round of reform aims to increase access and quality, while strengthening the institutional foundation of the higher education system. The agenda envisions a system that is much larger, with 3–4 times current enrolment and increased participation of the private sector. Further, it promotes a system that is more research-oriented and better aligned with international standards of quality. While the agenda lays out a set of goals and targets for higher education, it does not sufficiently address

⁴ ADB. 2005. *Technical Assistance to the Socialist Republic of Viet Nam for Strategic Secondary Education Planning and Cooperation*. Manila.

how they will be realized, which will likely weaken implementation.

3. ADB Sector Experience and Assistance Program

11. **Lessons learned from completed projects.** Two loans for secondary education and one loan for vocational training have been completed. The key lessons and better practices learned from these projects, as reflected in their project completion reports, are to (i) provide adequate operational and maintenance funding, (ii) better coordinate with development partners, (iii) build capacity over the long term, (iv) focus on results, (v) use pro-poor geographic targeting, and (vi) minimize implementation delay.

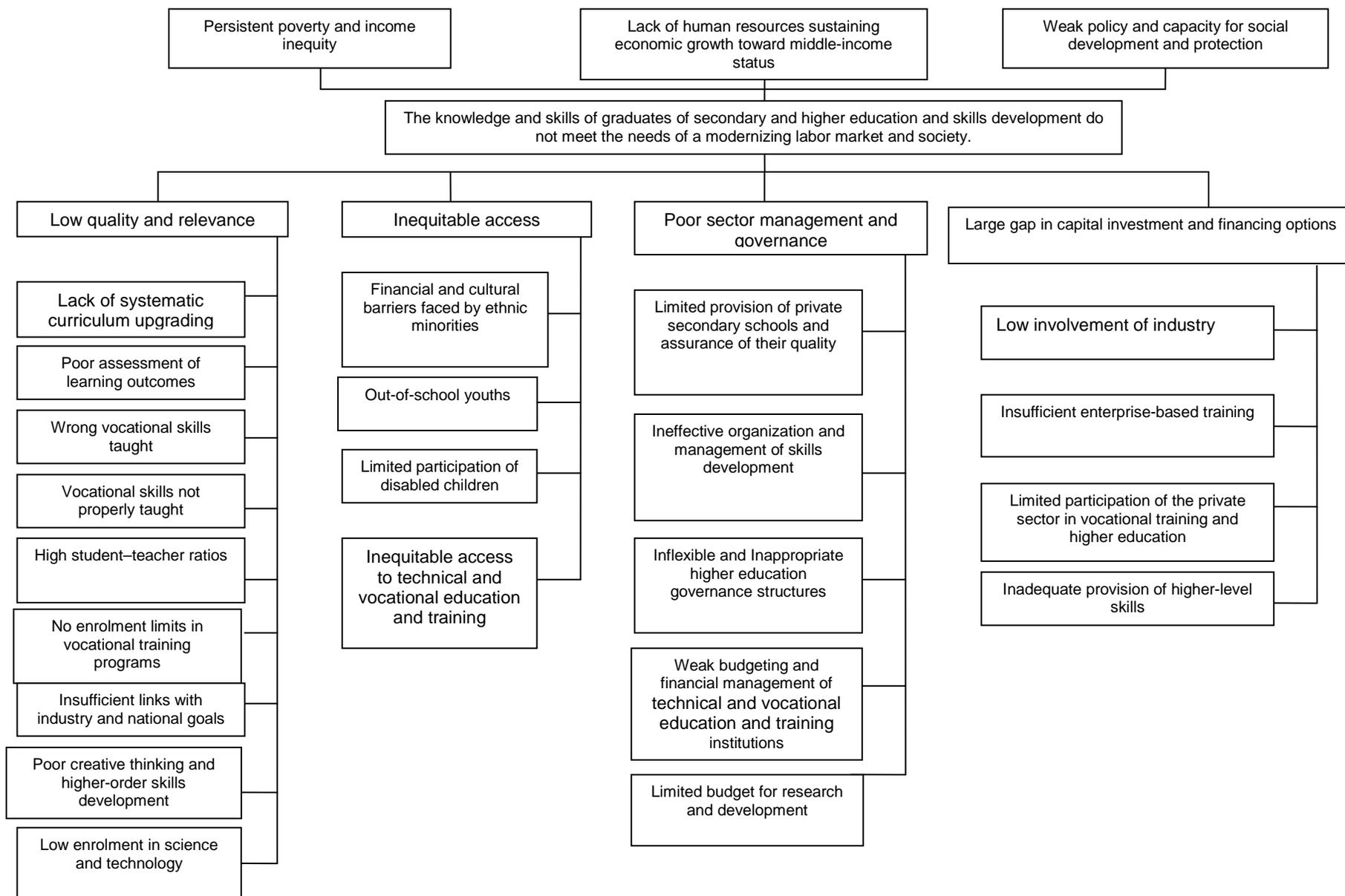
12. **Ongoing portfolio.** ADB has a current project portfolio in education valued at \$517 million, comprising the following projects: (i) Upper Secondary Education Development (\$55 million); (ii) Secondary Lower Secondary Education Development (\$55 million); (iii) Upper Secondary and Professional Teacher Development (\$34 million); (iv) Lower Secondary Education for the Most Disadvantaged Regions (\$50 million); (v) Secondary Education Sector Development (\$60 million); (vi) Skills Enhancement (\$70 million); (vii) A New Model University (\$190 million), and (viii) two Japan Fund for Poverty Reduction programs totaling \$3 million.

13. **Forward strategy.** Viet Nam is industrializing rapidly and has in fact already reached lower-middle-income status. However, the economy is not performing efficiently compared with its neighbors, and labor productivity is low. Further increases in competitiveness can be spurred by increasing productivity and reducing skills shortages, particularly in industries with foreign direct investment, where there are frequent complaints about the lack of highly skilled labor, managers, and supervisors. In addition, Viet Nam needs to improve its efficiency by moving to higher-value-added and knowledge industries. At the same time, measures are needed to ensure that growing industrialization and improved efficiency do not widen inequality. The strong thrust toward greater competitiveness and higher value added must be accompanied by equally strong social inclusiveness.

14. ADB's support to education has mirrored Viet Nam's development. Initial support was to basic education and middle-level skills development. This very successfully expanded access and inclusiveness in basic education and laid the foundation for a modern vocational training system. However, significant work remains toward improving quality and relevance at all levels. The government and industry are aware of the consequences of shortages of higher-level skills and determined to improve the responsiveness of the education and training system to the needs of the changing labor market.

15. In response, ADB is strengthening its focus on the upper levels of the education system and the transfer of higher-level skills. The aim is to help prepare students with the general skills needed to function effectively in a rapidly industrializing society with changing workplaces, along with the development of higher-level skills for key high-technology industries and capacity building for research and innovation. ADB's future investment will focus on USE, college-level vocational training, and higher education, with a focus on greater relevance to societal and labor market needs. One way in which this will be promoted is through increased industry and private sector participation in planning and providing training. At the same time, the strong focus on inclusiveness—for which ADB has become known through its considerable support to basic education and alleviating disadvantage—will be maintained to enhance social and gender equity.

Problem Tree for Education



Sector Results Framework (Education, 2011–2015)

Country Sector Outcomes		Country Sector Outputs		ADB Sector Operations	
Outcomes with ADB Contribution	Indicators with Targets and Baselines	Outputs with ADB Contribution	Indicators with Incremental Targets	Planned and Ongoing ADB Interventions	Main Outputs Expected from ADB Interventions
The knowledge and skills of graduates from secondary and higher education and skills development meet the needs of a modernizing labor market and society.	20% of the total labor force receives academic qualification and/or vocational training by 2020 (2010 baseline: 14.7%)	Quality and relevance improved	<p>85% of secondary teachers assessed as qualified through newly developed teacher standards by 2015 (2009 baseline: 75%)</p> <p>20% increase in employees in the skilled labor force by 2020</p> <p>Increased employer satisfaction with the knowledge, skills, and attitudes of employees from vocational colleges by 2020</p> <p>80% of graduates meet job's requirements, of which at least 5% have qualifications equal to a good student from a top university in the Association of Southeast Asian Nations</p> <p>Viet Nam becoming among the 50 leading countries in terms of human resource competitiveness by 2020</p>	<p>(i) Planned key activity areas and pipeline projects</p> <p>Upper Secondary Education (37.5% of funds); Phase 2 (\$90 million)</p> <p>Lower Secondary Education (33.3% of funds); Lower Secondary Education for the Most Disadvantaged Regions (Phase 2) (\$80 million)</p> <p>Vocational and Technical Training Secondary (29.2% of funds); Skills Enhancement (Phase 2) (\$70 million)</p> <p>(ii) Ongoing projects with approved amounts</p> <p>Upper and Professional Secondary Teacher Development (\$34 million)</p> <p>Lower Secondary Education for the Most Disadvantaged Regions (\$50 million)</p> <p>Secondary Education Sector Development Program (\$60 million)</p> <p>University of Science and Technology of Hanoi Development (\$190 million)</p> <p>Skills Enhancement (\$70 million, effective 2010)</p>	<p>(i) Planned key activity areas</p> <p>90% of upper secondary curriculums upgraded by 2015 and gender-sensitive</p> <p>Lower secondary education net enrollment rate increased from 82% in 2011 to 85% in 2015, with 48% of enrollees female</p> <p>(ii) Ongoing projects</p> <p>40% of unqualified teachers receive upgrading training by 2015, of which 50% are women</p> <p>Ministry of Education and Training registers in PISA, and the average performance of Vietnamese grade 12 participants improves from the average performance of Vietnamese students in PISA 2012 to that in PISA 2015</p> <p>42,000 secondary teachers trained, 50% of them female</p> <p>20% increase in graduates in 15 occupational training programs by 2015, 30% of them female</p> <p>85% of graduates from 15 occupational training programs employed within 6 months of graduation, 40% of them female</p> <p>100% of University Science and Technology Hanoi Development Project academic staff, including 20% females, with PhDs by 2017</p> <p>90% of graduates, including 35% females, in related employment or undertaking further study by 2016</p>

PISA = Programme on International Student Assessment (organized by Organisation for Economic Cooperation and Development).

Source: Asian Development Bank.