

## SECTOR ASSESSMENT (SUMMARY): EDUCATION<sup>1</sup>

### 1. Sector Performance, Problems, and Opportunities

1. Achievements in education and training in Viet Nam have been impressive. The general quality of education and training has improved; professional certificates and quality standards of teachers have been developed and upgraded; student-centered teaching has been introduced in schools and an independent agency for school accreditation has been established. Children belonging to ethnic minorities, those from poor families, and those with disabilities and in difficult circumstances have received additional support. Increased support has also been provided for students in vocational training and universities who face financial difficulties.<sup>2</sup> The government has placed a high priority on education: the state budget for education increased from 15.5% of total spending in 2001 to 20% in 2007, and has been maintained at this level through 2010. Additionally, the number of non-state owned institutions has increased significantly,<sup>3</sup> as has enrollment at these institutions. In school year 2007/08,<sup>4</sup> there were 6,000 public preschools (52% of the total), and 64 non-public colleges and universities (17% of the total). In 2010, 16% of students were in non-public schools compared to 12% in 2000.

2. **Overall education system and structure.** While there are a number of education providers, two ministries play a major role in providing and overseeing education at the national level: (i) the Ministry of Education and Training (MOET), which has responsibility for pre-school, primary, secondary, and higher education; and (ii) the Ministry of Labor, Invalids and Social Affairs (MOLISA), which has responsibility for managing much of the technical and vocational education and training (TVET) sector. MOET is responsible for pre-primary programs from age 3 to 5 years; primary education, which provides a 5-year primary program; and secondary education. Secondary education is provided at three levels: lower secondary education (LSE), covering grades 6–9 and catering for students 12 to 15 years of age; upper secondary education (USE), for grades 10–12, with a focus on higher education; and professional secondary education, for grades 10–12 (or 13) with a focus on TVET.

#### a. Gaps between Educational Programs and Emerging Economic and Social Needs

3. Viet Nam has achieved steady economic growth and improved equity over the past 10 years, which can be attributed in part, to the government's strong policy of strengthening human resource development through a focus on education and the acquisition of technological and scientific skills. While the government has achieved almost universal basic education—which has provided the economy with semi-skilled young laborers—the government now seeks to increase the share of trained skilled workers over 35 years old in the labor force to 55% by 2015 and 60% by 2020 to ensure increased competitiveness with other nations, and continued economic and social growth. In 2010, gross domestic product growth differed by sector, with agriculture growing 2.8%, industry 7.7% and services 7.5%. This structural change will require a further shift from primarily using manual labor to the application of advanced technology and modern production tools and control systems. This requires considerable development, investment and reform in education as the labor market requirements have become more demanding, and the need for highly skilled laborers has increased. Education programs at all

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<sup>1</sup> 2012. ADB. *Education and Training Sector Assessment, Strategy and Roadmap for Viet Nam*. Manila.

<sup>2</sup> Government of Viet Nam. 2011. *Socioeconomic Development Plan, 2011–2015*. Ha Noi.

<sup>3</sup> Semi-public and private institutions.

<sup>4</sup> In Viet Nam, school year starts on 1 September and ends on 31 May.

levels urgently need to increase their relevance and quality and this is especially the case for secondary education and above, so that upper secondary school graduates are well equipped to meet future challenges, and have achieved educational outcomes that meet international standards. Improved access for a range of disadvantaged groups is also vital, to ensure social cohesion is maintained and economic growth is shared.

4. **Labor market context.** The size of the labor force grew from about 39 million in 2000 to 47 million in 2010. Female labor force participation is high (around 48%), and Viet Nam is ranked 11th out of 134 countries in terms of its female labor force participation rate.<sup>5</sup> However, problems remain, and urgent attention is needed to maintain and improve Viet Nam's regional competitiveness. By 2015 Viet Nam's workforce (aged 15–60 years) will number 52.8 million. Currently 1.3 million workers are moving each year from working in agriculture to working in industry and services. This is creating a strong demand to provide these former agricultural workers with the skills needed for employment in industry and services. The Vietnamese workforce generally has low skills. The informal labor sector is significant in Viet Nam, accommodating 85%–90% of the labor force (e.g., domestic enterprise, informal and formal household businesses and agriculture).

#### **b. Gaps in Education Sector Management**

5. While MOET oversees the overall school and higher education sector and sets broad policy direction for all levels of education, the responsibility for the management of school buildings, staffing, and the distribution of financial resources is progressively decentralized. Universities are managed directly by MOET, but upper secondary and professional secondary schools are managed at the provincial level by the Departments of Education and Training (DOETs), while lower secondary schools and primary schools are managed locally at the district or commune level by Bureaus of Education and Training (BOETs).

6. Although central policies are directed to DOETs and BOETs from MOET, there are considerable differences in the educational outcomes among provinces and districts, caused mainly by the socioeconomic and geographical characteristics of each locality, in combination with the varying quality of local management. The government has attempted to eliminate such disparities by establishing minimum standards and providing various support for disadvantaged students and households. Through targeted programs, the state provides fee relief and scholarships for students who are policy beneficiaries (e.g., talented students, ethnic minorities, and students who live in difficult circumstances). This support is provided at all levels of schooling for students attending both public and nonpublic schools. Weak sector management and governance arise mainly from poor quality assurance of public and private institutions; the limited capacity of local managers to successfully introduce change; complex and fragmented management structures; and inadequate support for managers, including school principals.

#### **c. Gaps in Quality, Relevance and Equity**

7. **Challenges facing secondary education.** The Socio-Economic Development Plan (SEDP) 2011–2015 identifies some of the constraints affecting the overall education system in Viet Nam (footnote 2). Firstly, the national education system is not comprehensive and lacks strategic links between education levels. Secondly, the curriculum is overcrowded within a limited course hours available. Thirdly, the physical condition of facilities is poor, while the quality

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<sup>5</sup> 2012. World Economic Forum. 2009. *Global Competitiveness Report 2009–2010*. Geneva.

of education in remote and ethnic minority areas is below the national average. Fourthly, there are insufficient links between the curriculum and the needs of industry and commerce.

8. There are four main contributing factors that need to be addressed in order to improve the quality of education provided. These factors are: (i) low quality and relevance of programs, (ii) inequities 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 from inadequate curriculum development including insufficient linkage between what is taught and national economic and social needs; low validity and reliability of assessment practices; a shortage of well-qualified teachers; too little emphasis on non-cognitive skills; and poor creative thinking and higher-order skills development. The inequities in access result partly from financial and cultural barriers to basic education for ethnic minority youth and children with disabilities, limited re-entry programs for out-of-school youth, and unequal access to skills development programs and higher education. Concerns over finance and investment include not only the levels of funding but also the funding processes used to determine block grants and the use by local authorities of those block grants.

## **2. Government's Sector Strategy**

9. **Education Strategic Development Plan 2011–2020.** The key policy targets of the Education Strategic Development Plan (ESDP) are: (i) a 99% net enrollment rate (NER) for primary and LSE; (ii) an 80% NER for USE or its equivalent; (iii) a 90% completion rate for primary, LSE, and USE; (iv) vocational training for 60% of the labor force; (v) a 21% share for education in state expenditures; (vi) secondary school students with subject knowledge, lifelong skills, a general understanding of science and technology, a 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.

10. **The Secondary Education Sector Master Plan 2011–2015.** A new Secondary Education Sector Master Plan (SESMP) will be developed for 2011–2015 in accordance with the ESDP 2011–2020, and with the assistance of ADB. The SESMP will include an in-depth analysis of secondary education, covering (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 teaching and learning, (vii) budget process for the educational sector, (viii) school-level funding needs, (ix) capital and recurrent expenditure allocation, (x) fiscal forecasting tools, (xi) overall education sector expenditure, (xii) composition of education expenditure by sub-sectors, (xiii) economic composition of education expenditure, (xiv) state budget and education expenditure projections, (xv) forecasts for total public expenditure for education, (xvi) expenditure forecasts for secondary education, (xvii) projected demand for secondary education and unit cost estimates, (xviii) education financing strategy, (xix) sustainability risk assessment, and (xx) policy recommendation for a new strategy on school fees and charges.

11. **Vocational Training Development Strategy 2011–2020.** The strategy sets out general and specific objectives, strategic tasks, and broad implementation and financing guidelines. Specifically, the strategy seeks to develop vocational training by: (i) increasing awareness of its value and importance, (ii) expanding the scale and structure of training, (iii) enhancing quality assurance to achieve a breakthrough in the training of technical workers, (iv) developing training standards, (v) enabling enterprises to become important stakeholders, (vi) strengthening

resource mobilization, (vii) strengthening management, (viii) ensuring adequate resources for development of training are available, and (ix) promoting international cooperation. The strategy has two main strategic tasks: firstly it gives priority to the development of “high-tech” training, in which the economic payoff is likely to be high, and secondly, it recognizes the need to provide skills development for underprivileged regions and people.

12. **Higher education policy and strategies.** The government’s most recent Higher Education Reform Agenda (HERA) 2006–2020 is the most ambitious and accomplished reform effort to date and represents an important commitment by the government to the higher education sector. This reform aims to increase access and quality, while also strengthening the institutional foundation of the higher education system. HERA envisions a much larger system (three to four times current enrollment levels), which includes increased participation from the non-public sector. Further, it seeks to promote a system that is more research-oriented and aligned with international standards of quality.

### 3. ADB Sector Experience and Assistance Program

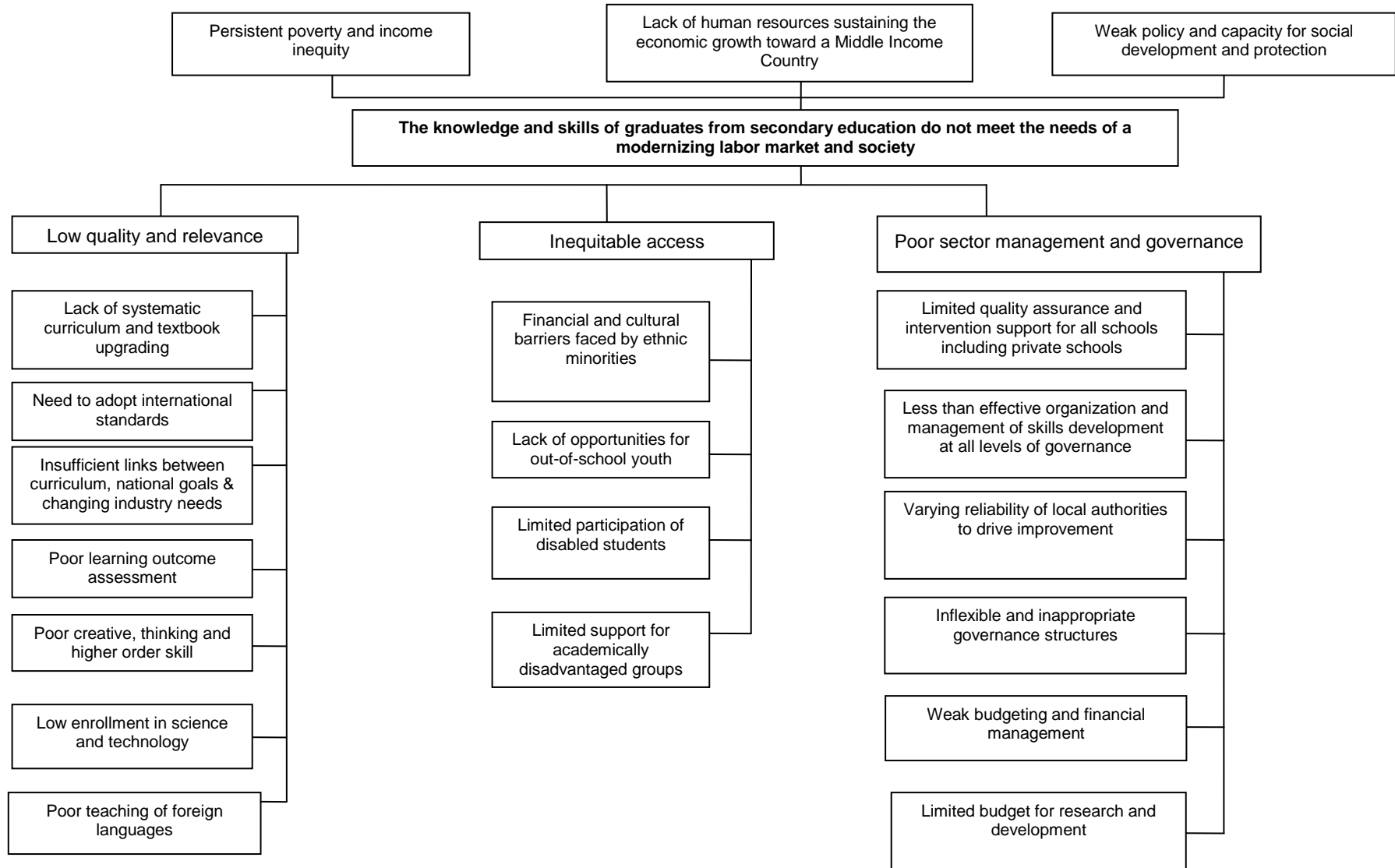
13. **Lessons from completed projects.** Two loans for secondary education and one loan for vocational training have been completed. The key lessons stemming from these projects, based on project completion reports, have pointed the need to (i) provide adequate operational and maintenance costs, (ii) improve coordination with development partners, (iii) engage in long-term capacity building, (iv) focus on results, (v) use geographic targeting for pro-poor programs, and (vi) minimize implementation delays.

14. **Ongoing portfolio.** ADB has a current project portfolio valued at about \$514 million, composed of the following: (i) Upper Secondary Education Development (\$55 million), (ii) 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), and (vii) A New Model University (\$190 million).

15. **Future strategy.** Viet Nam is industrializing rapidly and has already reached lower middle-income status. However, the economy is not performing efficiently compared with its neighbors. Further increases in competitiveness can result from increased productivity and reduced skills shortages, particularly in foreign direct investment industries, where there are frequent complaints about the lack of highly skilled labor and difficulty in recruiting quality managers. At the same time, measures must be put in place to ensure that growing industrialization and the need to improve efficiency are not accompanied by widening inequality.

16. ADB’s support to education has mirrored Viet Nam’s development. Initial support was to basic education (LSE) and middle-level skills development. This was successful in helping basic education to be more accessible and strengthening the vocational training system. However, there is still significant work to be done in improving quality and relevance. In response, ADB is strengthening its focus on the upper levels of the education system with the goal of preparing students with the general skills needed to function effectively in a rapidly industrializing. ADB’s future investment support will therefore focus on USE, college-level vocational training and higher education. This will be promoted in part through increased industry and private sector participation in the planning and provision of training. At the same time, the strong focus on inclusiveness—for which ADB has become known through its considerable support to basic education and the alleviation of disadvantage—will be maintained to enhance social and gender equity.

## Problem Tree for Education



Source: Asian Development Bank.

## Education Sector Results Framework 2012–2015

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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 total labor force receive academic qualification and/or vocational training by 2020 (2010 baseline 14.7%)	Quality and relevance improved	<ul style="list-style-type: none"> <li>• 85% of secondary teachers will be assessed as qualified through newly-developed teacher standards by 2015 (2009 baseline 75%)</li> <li>• 20% increase in employees in the skilled labor force by 2020</li> <li>• Increased employer satisfaction with the knowledge, skills and attitudes of employees from VCs by 2020</li> <li>• 80% of graduates meet the job's requirements, of which at least 5% have qualification recognized as equal to those from a top university in ASEAN</li> <li>• Viet Nam will become a member of 50 leading countries in terms of human resource competitiveness by 2020</li> </ul>	<p><b>(i) Planned key activity areas and pipeline projects</b></p> <ul style="list-style-type: none"> <li>• Upper Secondary Education (37.5% of funds). USEDP II (\$90m)</li> <li>• Lower Secondary Education (33.3% of funds). LSE for the Most Disadvantaged Regions II (\$80m)</li> <li>• Vocational and Technical Training Secondary (29.2% of funds). Skills Enhancement II (\$70m)</li> </ul> <p><b>(ii) Ongoing Projects with approved amounts</b></p> <ul style="list-style-type: none"> <li>• Upper Secondary and Professional Teacher Development (\$34m)</li> <li>• LSE for the Most Disadvantaged Regions (\$50m)</li> <li>• Secondary Education Sector Development Program (\$60m)</li> <li>• University of Science and Technology of Ha Noi Development (\$190m)</li> <li>• Skills Enhancement (\$70m, Effective 2010)</li> </ul>	<p><b>Planned key activity areas</b></p> <ul style="list-style-type: none"> <li>• 90% of the USE curriculum is upgraded by 2015 and gender-sensitive.</li> <li>• LSE NER increase from 82% in 2011 to 85% in 2015 of which 48% are female</li> <li>• 40% of unqualified teachers receive the upgrading training by 2015, of which 50% are women</li> <li>• MOET registers in PISA and the average performance of Vietnamese G12 participants improves from the PISA result in 2012 to that in 2015</li> <li>• 42,000 secondary teachers to be trained, 50% of which are female</li> <li>• New occupational training programs to be developed</li> <li>• 20% increase in graduates in 15 occupational training programs by 2015, of which 30% are female</li> <li>• 85% of graduates from 15 occupational training programs gain employment within 6 months after graduation, of which 40% are female</li> <li>• 100% of USTH academic staff, including 20% females, have PhDs, by 2017</li> <li>• 90% of graduates, including 35% females, are in related employment or undertaking further study by 2016</li> </ul>

ADB = Asian Development Bank, ASEAN = Association of Southeast Asian Nations, G12 = grade 12, LSE = lower secondary education, MOET = Ministry of Education and Training, NER = net enrollment rate, PISA = Programme for International Student Assessment, USE = upper secondary education, USTH = University of Science and Technology of Ha Noi, USEDP = Upper Secondary Education Development Project, VC = vocational college.

Source: Asian Development Bank (Viet Nam Education and Training Sector Assessment, Strategies and Roadmap).