

SIT Graduate Institute/SIT Study Abroad
SIT Digital Collections

Independent Study Project (ISP) Collection

SIT Study Abroad

Spring 2010

Innovation Education: Problems and Prospects in Governance and Management of the Vietnamese Higher Education System

Taylor Brooks
SIT Study Abroad

Follow this and additional works at: https://digitalcollections.sit.edu/isp_collection



Part of the [Education Policy Commons](#), and the [Higher Education Administration Commons](#)

Recommended Citation

Brooks, Taylor, "Innovation Education: Problems and Prospects in Governance and Management of the Vietnamese Higher Education System" (2010). *Independent Study Project (ISP) Collection*. 874.
https://digitalcollections.sit.edu/isp_collection/874

This Unpublished Paper is brought to you for free and open access by the SIT Study Abroad at SIT Digital Collections. It has been accepted for inclusion in Independent Study Project (ISP) Collection by an authorized administrator of SIT Digital Collections. For more information, please contact digitalcollections@sit.edu.

**Innovation Education:
Problems and Prospects in Governance and Management of the
Vietnamese Higher Education System**

**Taylor Brooks
Emory University
School for International Training Study Abroad
Vietnam: Globalizaton and National Development
Independent Study Project
Spring 2010**

**Academic Director: Duong Van Thanh, Ph.D.
Project Advisor: Le Dong Phuong, Ph.D.**

Table of Contents

Abstract

Acknowledgements

I. Introduction

- a. A Note on the Nature of the Study
- b. The Focus of the Research
- c. Research Methodology

II. Findings and Discussion

- a. Higher Education Reform in Vietnam in Broad Context
- b. The Higher Education System Since *Doi Moi*
- c. Institutional Autonomy: A Primary Goal

III. Other Sources of Action

- a. Overview of Needs
- b. The World Bank and its Projects in Vietnam

IV. Conclusions

Sources

Appendix

ABSTRACT

Vietnam is currently in the process of creating and implementing an important series of reforms to their higher education system. Their commitment to the process is encouraging, but the level of institutional autonomy at the college and university level is still low. Higher education institutions are unable to fully make academic and financial decisions without government oversight, an issue that appears to be hindering innovation and development within the sector. Based on the high importance of human resource development, and higher education's distinct role in that process, these reforms are becoming increasingly important and necessary. Reforms are being created but not implemented and thus the entire process is slowed to a dangerously slow level—without resolute action, the large economic growth Vietnam has experienced will become unsustainable. The aim of the research is to come to a better understanding of what kind of system of government management and governance is currently in place in the higher education sector. Additionally it will focus on the reform process, including who is involved and what steps are being taken. Great emphasis is placed on increased institutional autonomy. By interviewing former government officials, university administrators, professors, and educational policy experts involved in the reform process and conducting extensive secondary research, this study hopes to gain perspective into the realities of educational reform in Vietnam, specifically related to the governance structure of higher education.

ACKNOWLEDGEMENTS

This period of independent study has been a challenging and trying period of my study abroad experience. I have learned a great deal about negotiating the complexities of a foreign system completely unfamiliar to me. I want to specifically thank my SIT Academic Director, Dr. Duong Van Thanh, who more than anybody, has helped me to understand and come to love her home, Vietnam. I have been the direct beneficiary of her time, wisdom, and experience. Without her vast array of connections throughout the country, none of my research could have been completed. Thank you to Vy Ho, the SIT Program Assistant, who has also given me her time, her effort, and her kindness. My semester in Vietnam was truly made special by the care and constant work that these two women gave on my groups' behalf. From the classroom in Ho Chi Minh City to the mountaintops of Dalat, there was never a moment that I was not thrilled to be experiencing Vietnam with them.

I would also like to thank those who helped me with my research. Thank you specifically to Dr. Le Dong Phuong, Dr. Richard Doner, Dr. Lam Quang Thiep, and Dr. Le Viet Khuyen, for talking with me, even when I didn't have a clear idea of what I wanted to know. Their wisdom provided the basis of all of the information that I collected during this research process each helped me to establish a framework for the study. Thank you to the other university administrators, professors, and World Bank staff who agreed to teach me a little of what they know. I am grateful to have been able to gain access to such important and dedicated people, and my research was greatly improved because of it.

I would like to thank Hanoi University students, and my friends, Pham Thu Thuy and Nguyen Phuong Dzung, for translating during my interview. Their knowledge of the English language is a testament to their high abilities and they helped me immensely in my report. I expect them both to accomplish great things in Vietnam. In addition, I would like to thank all of the friends that I have met here in Vietnam. It was my connection and friendship with the students that really made my experience here unique. Not many travelers get to establish friendships in a country so far from home, and I feel grateful for their genuine kindness, openness, and beautiful ability to make a person feel welcome.

I.) INTRODUCTION

a. A Note on the Nature of the Study

To study the complete nature of educational reform in Vietnam is task that is beyond both my own personal abilities as an undergraduate political science major and the time investment I have been able to make in this project. In fact, I believe that it is nearly impossible for any foreigner, let alone an American, to fully seize the staggering and culturally imbued complexities that exist within Vietnamese political power bureaucracies and systems. Of course some of these complexities are related to a structured command-oriented system, but there are even issues intertwined here that are thousands of years in the making; rooted in the annals of Confucian ethical systems. Simply by entering this project on the assumption that Vietnamese higher education system is dysfunctional and inefficient would be a biased approach that is both counterproductive and based largely on anecdotal evidence. The task that I wanted to undertake with this project was not to simply paint a picture of the problems with higher education in Vietnam and it's roadblocks to reform. I have collected evidence that suggests a true desire to reform at some level. The actual implementation of this desire is another issue entirely that will be addressed later, but for the time being I think it is important to remember that investment in education is a long term process. It's a process that takes centuries of development, not just five or ten years. The Socialist Republic of Vietnam committed to that investment in the early 1990's and, as it does in any country, whether considered developing or developed, that investment continues.

b. The Focus of the Research

This research is focused on examining the current system of management that the Vietnamese Government has established to govern the higher education system of Vietnam. It will examine the history of educational reform within the country and analyze the specific policies currently in place. As Vietnam continues to develop various sectors of its economy and society, it is important to study education in particular, as human resource development has been identified as one of the most fundamental necessities in and causes of economic growth, especially in developing countries (Keeley 2007). Innovation coming from universities is

. . . truly decisive for the competitiveness of firms . . . if universities can significantly augment the flow of innovation through their own basic and applied research across a number of disciplines . . . and if such innovations can be used by the business sector, countries with dynamic university sectors can count on higher rates of growth . . . (Yusuf and Nabeshima, 8).

These innovations are driven by the needs of the “knowledge-based economy” that relies on “the use of ideas rather than physical abilities . . . where knowledge is created, acquired, transmitted, and used more effectively by individuals, enterprises, organizations, and communities to promote economic and social development” (Linden and Patrinos 2003). Vietnam has entered this stage of development. Since 2006, the country has been a member of the World Trade Organization (WTO) which will place even greater emphasis on the need of a large, skilled work force.

Thus the issue of the governance of the higher education system is one of particular relevance to the current framework of development in Vietnam. Although it represents only one aspect of a set of larger issues that the country faces, it does present a striking and powerful

barrier to reform. An attempt will be made to understand what the current system of management is and what specific issues need to be addressed. Further, this research seeks to identify and review the proposed reforms promulgated by the Vietnamese Government, the status of the implementation of these reforms, and what other methods are being employed not only by the government but by other third parties and the higher education institutions themselves to produce a better, more efficient, equitable, and innovative system of education.

c. Research Methodology

The research within this report consists primarily of qualitative analysis of secondary sources and interpretation of primary field research. A majority of my research was conducted in the Vietnam Development Information Center, a facility associated with the World Bank office in Vietnam. There I had direct access to a number of World Bank reports as well as a number of World Bank staff who have been managing educational development projects in Vietnam for years. I have collected government documents, reports created by policy experts both in country and abroad, and conference presentations. These secondary sources have provided me with a rich understanding of the current system of reforms as well as more specific statistical details related to a number of projects.

My primary research was based solely on personal interviews that I conducted both in Ho Chi Minh City and Hanoi. I have talked with and been advised by former Ministry of Education and Training (MOET) officials and National Assembly members, experts at the World Bank, preeminent scholars in the field of education, university administrators, and professors. Although a majority of my research was conducted in Hanoi, my inspiration came from a lecture in Ho Chi Minh City by Dr. Le Quang Minh, Vice-President of Vietnam National University-Ho

Chi Minh City, former National Assembly member, and current member of the task force for higher education reform headed by the Minister of Education and Training. The formal interviews were conducted in a standard format. I would prepare a list of topical questions in advance and depending on the situation, submit them to the subject in advance for review.

Interviews conducted with former government officials were facilitated by Dr. Duong Van Thanh, the SIT Academic Director. The purpose of her presence was to ensure my own legitimacy as a researcher, to ease communication with professional translation, and to monitor the conversation to ensure that subjects of high sensitivity were treated appropriately.

Although most interviewees were extremely candid and open with me, I always made the effort to be careful how I framed my questions. Words like “autonomy” are common in educational circles, but asking a question like “Do you feel you have enough institutional autonomy?” to a university administrator has proven not to be an appropriate or answerable question. Instead I learned to frame my questions in a more general manner. Instead, asking “What functions of management are decided at the university level?” yielded much more fruitful and open discussions. A majority of my questions focused on educational reform history as well as the current system of management and governance over higher education. I was specifically searching for more in depth information about autonomy in higher education institutions. Some of the former MOET officials were able to give me a better understanding of how the political process works in Vietnam, especially within the MOET.

I am pleased with the outcomes of this research because I believe it gives me and, hopefully, other interested people some basic understanding of the challenges and importance of higher education reform in Vietnam. Vietnam is in a great transformation period, and fifteen years from now, could look like a completely different country from a political, economic, and

societal standpoint. Although I have attempted to be as neutral as possible, there is no doubt some inherent bias that I have as a westerner. Whether this same project, conducted by a Vietnamese person would reveal different results I don't know, but I believe that the information I have collected is accurate and representative of what I have learned, experienced, and studied during my time here.

II.) FINDINGS AND DISCUSSION

a. Higher Education Reform in Vietnam in Broad Context

The year 1986 was a pivotal year in Vietnamese history. In the late months of the year, the Vietnamese government issued a series of economic reforms collectively known as *Doi Moi* or “renovation.” These groundbreaking economic reforms transformed nearly every sector of Vietnamese society, and higher education is certainly no exception. It would be nearly impossible to understand the true nature of the Vietnamese higher education system, or any other sector of the modern Vietnamese society for that matter, without referencing the *Doi Moi* reforms and the subsequent transition period. Today the entire educational system in Vietnam is struggling to provide high quality education that is widely accessible. The country’s emergence into the global marketplace as well as its strikingly fast paced economic growth have placed tough demands on higher education and human resource development to supply human capital advanced enough to function in a global market. Since the beginning of the 1990’s, Vietnam has committed to placing education in a place of foremost national importance, realizing the important role education plays in economic and societal development. The Education Law of 2005 assures that “Educational development is the first national priority” (2005). Even today, the issue of educational reform policy is heatedly debated in all levels of Vietnamese society.

The issues that remain are apparent to students, educators, and policy experts alike. Preliminary and basic reforms have thus far come slowly and vaguely—complete implementation of the reforms has not occurred. The successes and accomplishments thus far achieved are not yet enough to provide Vietnam with the high quality educational development it needs to prosper and thrive in its current economic environment (Interview, Lam Quang Thiep).

Vietnam has a long tradition of “Old” education systems, primarily driven from the top down, and influenced heavily by foreign systems (Interview, Le Quang Minh). Before the mid 19th century, the Vietnamese education was based on Chinese and neo-Confucian models—Confucianism in Vietnam placed high societal importance on the educated and intellectualism. The first Vietnamese university, founded in 1070 was *Van Mieu - Quoc Tu Giam* which was located in Hanoi and directly overseen by the King for the purpose of preparing feudal mandarins (Loc 2006). This system remained in place for centuries with few reforms until the mid 19th century when the education system of Vietnam was strongly influenced by the French educational system. After Vietnam gained full independence from the French in 1954, the government issued a series of reforms that, particularly in northern Vietnam, incorporated the Soviet model of education. Meanwhile in southern Vietnam, the French model continued and overlapped with an influx of American influence (Loc 2006).

When Vietnam was reunified in 1975 after the US-Vietnam War,¹ a sweeping reform was issued that also unified the educational system throughout the country into a Soviet based model (Kelly 2000). This model is characterized by small mono-disciplinary universities specialized in a particular field. Other characteristics of this model are highly centralized control and a

¹ I have chosen to use the term “US-Vietnam War” because of the multitude of names associated with this conflict. In the US it is known as the Vietnam War, but in Vietnam it is referred to as the American War. I of course recognize that there were many other countries involved in the conflict, but for the sake of simplicity, this is the name I will use.

separation of teaching and research. Each of the small mono-disciplinary institutions reported directly to either the MOET or another “line ministry” responsible for the oversight of the sector in which the institution operates (Kelly 2000). Thus over the past century, the Vietnamese education system been shaped and reshaped by an overlap and conglomeration of foreign models of education: Chinese/Confucian, French, Soviet, and American. This has left little ability for the Vietnamese educational system itself to maintain any continuity. The government and society have not been able to invest in a system for the long-term due to instability and fluctuation in the fundamentals of the educational system itself (Interview, Le Viet Khuyen).

By the mid 1980’s, the Vietnamese economy was in crisis, experiencing dramatic inflation, nearing 700 percent. Finally, in 1986, the government embarked on its *Doi Moi* process and retooled its economy, calling it a “commodity production economy” or a “market economy with socialist orientation” (Interview, Vo Tri Thanh). After a series of reforms following a discontinuation of funding from the Soviet Union, the economy experienced relatively rapid growth in the early 1990’s, and integrated itself more directly into the world market (Kelly 2000). The economy experienced a huge growth in its Gross Domestic Product (GDP) over the last decade, averaging more than seven percent, and at the same time reduced the percentage of population living below the poverty line from 58 percent in 1993 to 16 percent in 2006 (Waite 2009). That year, Vietnam joined the World Trade Organization and was continuing to maintain its ties with the Association of Southeast Asian Nations (ASEAN)—two partnerships that Vietnam has been developing ever since. During this time of astounding economic growth, the education system also experienced a marked increase in both the number of students enrolled in higher education institutions and also in the number of operational higher education institutions (Gropello 2008).

b. The Higher Education System Since *Doi Moi*

Education was not left out of the *Doi Moi* renovation process. In 1993, the government issued Decree 90² which began the reconstruction of the entire system. It reorganized a number of mono-disciplinary institutions into five national and regional universities (Interview, Le Quang Minh). In effect, these reforms were completely opposite of the Soviet model that had defined the education system previously. Decree 90 also made education a universal right for the people of Vietnam. In addition, it approved the establishment of non-public higher education institutions (Gropello 2008) . Since 1993, both enrollment and the number of institutions have increased dramatically (Table 1).

Table 1

School year	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08
Universities	153	178	191	202	214	230	255	322	369
Junior colleges	84	104	114	121	127	137	151	183	206
Teachers	30,309	32,205	35,938	38,608	39,985	47,646	48,579	53,518	56,120
Students	893,754	918,228	974,119	1,020,667	1,131,030	1,319,754	1,363,167	1,540,201	1,603,484
Student/ teacher ratio	29.5	28.5	27.1	26.4	28.3	27.7	28.0	28.8	28.6

Source: The Ministry of Education and Training: <http://www.moet.gov.vn/?page=11.5&view=9266>)ct

² Decree No. 90/CP, dated November 24, 1993

In 2005, eighty-eight percent of higher education institutions were public universities, with the remainder classified as “non-public.”³ The five national and regional public universities, including The Vietnam National University Hanoi (established in 1993), The Vietnam National University at Ho Chi Minh City (established in 1995), Da Nang University (established in 1994), Hue University (established in 1995), and the Thai Nguyen University (established in 1994), were created from the reorganization of multiple mono-disciplinary institutions (Gropello 2008). The two national universities have a larger amount of autonomy than any other public institution in Vietnam, but remain supervised by the office of the Prime Minister (Interview, Do Duy Truyen). The other higher education institutions in the public system are managed by MOET or their respective sector “line ministries.” They must follow specific MOET guidelines concerning admissions criteria, curriculum standards, financial budgeting, and personnel management. Non-public institutions have institutional management but must still follow a number of MOET guidelines including enrollment levels and tuition rates (Gropello 2008).

The funding of public and non-public universities differs greatly. Public universities rely on a combination of government funding (68 percent), tuition fees (26 percent), and other sources (Gropello 2008). As the size and scope of the National Universities increase, they are consistently needing additional funding (Interview, Do Duy Truyen). Non-public universities do not receive any funds from the central government and thus rely completely on tuition fees (80 to 90 percent depending on type of non-public institution) and other sources of revenue (Gropello 2008). Most non-public institutions, whether for-profit or not for-profit receive their startup costs from stockholder investment. These stockholders invest money for the operation of these

³ There are three categories of non-public institutions: “Semi-public,” “people-founded,” and “private.” According to Resolution No. 05/2005/NQ-CP of 18 April 2005, semi-public institutions must choose between being considered public or non-public. The first non-public institution, “Thanglong People-founded Center of Higher Education” was established in 1988 and renamed Thanglong University in 1994. Source: Gropello, E.d., *Vietnam: Higher Education and Skills for Growth*. 2008, The World Bank.

non-public universities too, but mostly the revenue is raised from tuition fees. As a result, tuition fees at non-public universities are typically much higher than those at public universities (Interview, Nguyen Kim Son).

Ever since the MOET began to allow tuition paying students to enter higher education institutions in addition to the government allotted quota of non-paying students, public institutions have begun to heavily rely on tuition, fees, and other sources of revenue to manage their projects—nearly one third of their budget comes from these sources. Decree No. 10/2002/NĐ-CP allows these public institutions to have a large amount of autonomy over revenue collected from these non-governmental sources as well as the ability to seek alternative revenue sources (Gropello 2008). An increased amount of revenue source diversification allows these public institutions to solicit funds from multilateral lending organizations like the World Bank to invest in programs, activities, personnel management, infrastructure needs, technology acquisition and more, based on localized and institutional perceptions of market need. In some sense, this may be one important method of increasing institutional autonomy that will not require direct political action—an important step considering the major gap and disconnect between planning and action that appears to be one of the “key weaknesses in the country” (Interview, Lam Quang Thiep).

Another key source of additional revenue that many public and non public institutions take advantage of is offering customer based, non-degree oriented courses and also in-service degree seeking courses. In-service degree seeking students already make up almost half of the total enrollment in the higher education system. These degree seekers are typically part time students who work full time and take classes on the side. There is much less regulation of classes of this nature, so tuition is typically higher for a class of this sort. They are good money

makers because they require little resources from the institution itself but bring in a decent amount of discretionary revenue. Non-degree oriented courses are offered for personal interest or career advancement. For example, when Vietnam established a stock exchange, many working people returned to take classes to learn about how to navigate in the financial market sector (Interview B, Le Dong Phuong).

c. Institutional Autonomy: A Primary Goal

The Education Law of 2005 and the World Bank report *Vietnam: Higher Education and Skills for Growth* lay out distinctly the current governance structure of the higher education sector. A main characteristic of the system is a highly centralized and directed management system, with little institutional autonomy. The line ministries, and in particular, the MOET, have singular managerial powers over the organization and management structure, the funding of education, admissions, organization of instruction, management of personnel, quality assurance, regulatory framework, and accountability. Of course there are differences between the amount and type of regulation that the government has over public versus non-public institutions. These differences are mainly focused on budgeting, spending, and personnel management. Non-public institutions are exempt from regulations over business matters such as these, but remain under MOET scrutiny and must make all decisions with respect to national enrollment quotas and tuition rate caps that all higher education institutions are subject to, regardless of ownership type (Gropello 2008).

There appears to be consensus among education experts outside of the MOET that increased autonomy at an institutional level is a necessary and fundamental reform. Without such a paradigm shift, the rigid and centralized management system will not be able to move beyond

the planning stages of reform. The academic policies that are prepared and planned centrally leave no room for higher education institutions to offer flexibility in degree programs that match the demand of the constantly fluctuating labor market or promote innovative research (Barrera-Osorio, Fasih et al. 2009). There are two main considerations when constructing a model for decentralized control. First is the amount of autonomy being shifted to the institutional level, and second is to whom the authority is given (Barrera-Osorio, Fasih et al. 2009). Dr. Le Viet Khuyen, former Vice Director of the Higher Education Department in the MOET suggests that a more autonomous system would need to be “run by real educators,” specifically a board or other body that contains parties from multiple sectors (Interview, Le Viet Khuyen). The MOET and the State would be represented within the board and the fundamental managerial decisions would be made by the board instead of the line ministries. Other suggestions offered are establishing a “buffer body” that would contain all relevant parties but would act as a neutral intermediary between the government and the higher education sector (Gropello 2008).

One of the primary reasons institutional autonomy is so important is that it allows for accountability from the institution itself. Giving these higher education institutions power to control their inputs (discretionary funding, personnel management, types and numbers of students, etc), the institutions in turn would be held responsible for managing them efficiently and effectively turning them into positive outputs. Institutional autonomy forces the institutions to be held accountable to their “clients,” or in this case, students, parents, and the private sector (Barrera-Osorio, Fasih et al. 2009). Of course, a system of accountability is dependent upon the level of transparency in evaluation. If the higher education institutions are not releasing evaluation and performance reports and statistics, the clients have no rational basis for making choices.

Jeffrey Waite, former Lead Education Specialist in the East Asia and Pacific office of the World Bank believes that the role of the central government and the individual institutions in the higher education system is one of the largest challenges that the country faces in its goal of educational development (WorldBank 2009). When the educational system was smaller, the central government could handle the day-to-day management responsibilities. However, with the rapid expansion of both the number of students and institutions in the past years, the governance structure has been worn thin. Waite believes that the central government should incrementally shift their role as a “day-to-day” manager towards the capacity of a “steward” of the system, responsible for setting “overall policy orientation ensuring adequate and equitable financing” as well as playing an information role to “ensure information about the sector is available for the students, parents, employers, and public” (WorldBank 2009). The daily management responsibilities would then be left to the individual institutions to ensure autonomy related to personnel management, programming, fund allocation, and other projects that the individual institution would identify under their own needs assessment. The current governance structure does not respond to such “diverse needs” at the institutional level (Gropello 2008).

III.) OTHER SOURCES OF ACTION

a. Overview of Needs

As Dr. Lam Quang Thiep, former Director of the Higher Education Department of the MOET, and preeminent scholar on higher education reform in Vietnam suggested to me in an interview, the issue of implementation of reform is one of the key issues in Vietnam. The leisurely pace at which reforms are being implemented suggests a large disconnect between the designs of the top levels of the Socialist Party in the National Assembly and mid-level

government workers at the MOET, and administrators in the individual institutions (Interviews, Lam Quang Thiep, Le Viet Khuyen). This is a very discouraging fact not just for proponents of the shift towards decentralization in Vietnam, but to those people and institutions who follow educational development in Vietnam's transition economy. Large institutions like the World Bank have created strategies and projects which attempt to catalyze reform and development. These programs, sanctioned by and in partnership with the Vietnamese government, cannot offer a full solution to the problems the country faces in light of the implementation problems, but they can provide some desperately needed action in a system where the government appears to be dragging its feet.

This section of the report will deal primarily with two programs initiated by the World Bank, known as the Higher Education Development Policy Programs (HEP1 and HEP2). Through these programs, the World Bank has effectively increased higher education institutional autonomy by offering other sources of discretionary revenue by means of grants and loans to a number of universities and colleges throughout the country. Additionally, these projects have worked in partnership with the Vietnamese government to increase and reform managerial capacity. It is important to remember that third parties like the World Bank are not capable of reforming the education system and are not a replacement for real, operational reform from within the government (Interview, Lam Quang Thiep). However, as it does anywhere, money talks, and any source of additional revenue is not one that a higher education institution can afford to ignore. Money, in this case, offers greater autonomy, which can spawn innovation if it is cultivated in a responsible and accountable manner. A majority of the information in the following section were taken from interviews I conducted with Ms. Mai Thi Thanh, Senior Operations Officer of Education in the World Bank in Vietnam, and Dr. Le Dong Phuong,

Director of the Center for Higher and Vocational Educational Studies in the Vietnam Institute of Educational Sciences (VIES). Both were and are heavily involved in the HEP1 and HEP2 projects.

b. The World Bank and its Projects in Vietnam

The World Bank entered Vietnam shortly after US President Bill Clinton lifted the US embargo on Vietnam. In 1994, on behalf of the MOET, Dr. Phuong, and the VIES organized a series of system-wide pilot surveys of the then 100 public higher education institutions in order to provide detailed information about the system related to academics and finances. This survey, and the analysis of the results was the basis of the First Higher Education Project (HEP1) by the World Bank, which ran from 1998 until 2007 (Interview B, Le Dong Phuong). The first project was divided into two components: quality and capacity building. The World Bank worked with the MOET during this period to establish the “Higher Education Reform Agenda for 2006-2020” (HERA), one of the most progressive reforms to come out of the MOET to date. Following the success of HEP1, the World Bank initiated the HEP2, a follow-up project linked more directly to HERA and focused on policy development, increasing research and innovation capacity, oversight, and implementation (Interview, Mai Thi Thanh). HEP2 is still an active World Bank program that was initiated in 2007 and is scheduled to run through 2012. These projects are intended to develop quality and research capacity by addressing fundamental governance issues and increase autonomy by providing grants to increase discretionary revenue at the institutional level.

HEP1 was an 83 million USD Specific Investment Loan (SIL) approved to run from August 1998 until June 2007, and was the World Bank’s first higher education project in

Vietnam. HEP1 focused primarily on quality improvement. To accomplish this, the program focused on capacity building through resource management, institutional planning development and IT development (WorldBank 2008). They created a competitive grant system called Quality Improvement Grants (QIG), so individual higher education institutions could compete for funding through bids and formal proposals. These proposals required the institutions to report important statistics about their revenue and academic performance. For those institutions that met specific criteria, three competitive grant cycles were held for specific projects. Of the 87 QIG's dispersed during HEP1, projects varied in focus and aim and size. The primary focus of the projects included capacity improvements in research, training, management, and administration, training of academic staff, revision of course curricula, content, and methods, equipment purchase for teaching improvements, improving infrastructure capacity and IT build-up (WorldBank 2008).

The QIGs' effect on the higher education system was notable. They increased institutional autonomy by providing discretionary revenue, enabling universities to engage in strategic and localized management. The competitive nature of the grants required increased transparency and thus created greater public accountability (Higher Education Development Unit 2007). The governmental capacity development component of this project helped facilitate the adoption of the HERA and Resolution 14 in 2005. According to the World Bank, this agenda is forward thinking and is "strategic, comprehensive, and operational" (Higher Education Development Unit 2007). The agenda addresses teaching and research quality, extending academic and administrative autonomy to individual institutions, and increasing private sector investment in higher education. It represented the first actionable plan promulgated by the

Vietnamese government by enumerating specific assignments, deadlines, and budgets.⁴ This agenda further demonstrates the government's long-term commitment to higher education reform.

One of the primary lessons that the World Bank team learned from HEP1 was that due to the history of centrally planned system, the higher education institutions did not possess the ability to manage and drive these projects themselves in any strategic way (WorldBank 2007). Neither the managers at the central or institutional level possessed the knowledge about how to implement large scale external projects such as HEP1. The project was continuously delayed by inefficiencies in the planning system. However, over the duration of the project, incremental changes in managerial behavior eventually were developed that increased autonomy, accountability by increasing institutional capacity (WorldBank 2007). By the end of the project, a pool of experts had been created that possessed the skills necessary to implement these kinds of projects. The administrators needed to learn the fundamentals of management and strategic planning before any reform could be achieved (WorldBank 2008). The process of decentralizing the responsibility of implementation away from the central government by building actual administrative skills at the institutional level was a very successful part of this project (WorldBank 2008).

As a result of the successes of HEP1 and the development of HERA, the World Bank created HEP2 in 2007 and scheduled to run until 2012. It incorporated many of the successful aspects of HEP1 but made some fundamental changes to the project design as well. It is a \$70.5 million SIL that seeks to address teaching and research quality and to specifically develop policy building capacity within the central government to increase institutional autonomy (Higher

⁴ MOET. (2005). "Higher Education Reform Agenda 2006-2020." 2010, from <http://www.studycalifornia.org/HERA%20REPORT.pdf>.

Education Development Unit 2007). One of the major flaws of HEP1 was a lack of attention being paid to capacity building within the MOET, so HEP2 was intended to be tied closely to the HERA agenda, the project works to develop the relationship between the central government and the higher education institutions (WorldBank 2010). A Development Lending Policy (DPL) called the Higher Education Reform Support Program will provide financing for the implementation stages of the HERA between 2009 and 2013 as a means of supporting work completed under the SIL. Under the SIL, an advisory task force called the Project Management Unit has been established within the MOET which will attempt to (WorldBank 2010):

- a. Establish a credit based degree delivery system
- b. Adopt a policy and legal framework for private investment
- c. Build a higher education management information system to monitor performance in the higher education sector
- d. Build a rational and transparent financial system
- e. Adopt a fairer and more efficient admissions system
- f. Establish an independent accreditation mechanism and quality assessment model

Additionally, this project also incorporated a competitive grant system, this time known as Teaching and Research Innovation Grants (TRIGs). These grants will be focused on building capacity of research facilities and management at an institutional level. As in HEP1, increased discretionary revenue is working to increase institutional autonomy at a local level. As of this writing, the grants have been issued, and the project is currently continuing its training programs and capacity building efforts within the higher education institutions. In fact, a HEP3 is in the works, and a few other exciting World Bank problems are being negotiated to begin after the conclusion and success of HEP2 (Interview, Le Dong Phuong).

The fundamental expertise in management and implementation of projects at the intuitional level that was created during the HEP1 project was utilized and further developed in HEP2 (WorldBank 2007). As the management continues to decentralize and there becomes

increased responsibility on the institutions themselves to implement and drive reform, there will be increased need for strong management at an institutional level. HEP2 addresses these issues by creating training sessions, workshops, and technical assistance programs that are able to further expand the basis of skills and knowledge within the administrative levels and work towards formulating more strategic and long term planning for the future (WorldBank 2010).

III.) CONCLUSIONS

It is clear that Vietnam wants to reform its higher education system. It has recognized the primary importance of higher education to national and economic development since the early 1990's. As recently as March of 2010, the government released a "Directive on Renovation of Higher Education Management for the period of 2010-2012" which reaffirmed that the "state management mechanism towards [the] higher educational system and the management of universities and colleges remains persistently inadequate" (see Appendix 1). Issues like this take years to resolve. Investment for the long-term is required for any education system, and fortunately, Vietnam has demonstrated such a commitment. Clearly the desire for reform exists, but so far there has been a general lack of impetus; ambitious reforms have been created, but little has actually been operationalized. Reform must be driven by the government, but if the government is unable or unwilling to take action, alternatives must exist.

The World Bank is attempting to provide, in its own small way, a means of acquiring excess, discretionary income that will allow greater autonomy at the institutional level. As mentioned earlier, HEP1 and HEP2 are not a cure of the systemic ills that face Vietnamese higher education. At best they can address the symptoms of the problem, leaving for others the

task of curing and reforming the true source of the issues. Unfortunately, unless there is a major overhaul in the accountability of the bureaucratic system within the central government, it may be very difficult to attain the truly decentralized structure prescribed in the governmental reforms coming out of the National Assembly. The meaning of the reforms will continue to be lost in the deluge of bureaucratic complexities (Interview B, Le Dong Phuong).

There is, however, hope. The government continues to release directives, regulations, promulgations, and reports. An accreditation mechanism is in the works. Clearly, with the help of experts inside and outside of the government, reforms are slowly being implemented. Vietnam has proven to be extremely effective in implementing reforms in the past, as it did in its universal education project that brought literacy rates to staggeringly high levels during the 1990's. According to many of the experts that I spoke with, in order to reform, the government must work to establish a set of rational legal documents that outline precisely how, when, who, and with what funds particular reforms will be implemented. There must be a clear and precise systemic framework put in place that addresses issues of government and institutional management, that are accepted and understood by every actor involved in the system—from the highest members of the Socialist Party to the bureaucrats in the MOET, to the administrators within each individual institution. Reforms must be realistic and gradual, taking care not to bankrupt and sink the system in the process.

Rational reforms are of primary importance. No matter how innovative and progressive reforms like Resolution 14 appear, on closer inspection they may actually be infeasible and unrealistic. In an educational system that is currently comprised of 50,000 academic staff with an average student to lecturer ratio of 30 to 1, it is too financially ambitious to set a goal of reducing that ratio to 20 to 1 in such a short time. That would require the system to somehow

increase the number of staff 1.5 times, or accumulate 25,000 additional staff before considering the expanding student enrollment numbers. As Dr. Le Dong Phuong has said to me many times, “the finances aren’t there” (Interview, Le Dong Phuong) to fully implement these kinds of ambitious reforms. Despite unrealistic goals, the general action of goal setting is important sign that the reform process itself is functioning at some level. And perhaps as Vietnam continues to develop economically, the finances will one day be there, and available to implement fully their ambitious goals.

Decentralization of management is a key; giving more autonomy to the higher education institutions will only create more quality innovation and human resource development. It is up to the managers of the system to make their vision of a competitive and highly educated Vietnam a reality. Third parties can perhaps assist with finances, giving advice, or forming partnerships. Such relationships should be encouraged. The true test, however, will be to see how Vietnam develops itself in the next decade and beyond. In fifteen years, Vietnam could have an innovatively vibrant, globally competitive, and high quality higher education system. I am excited to follow the nation’s progress and believe that the will and the way do exist, but time will tell whether Vietnam will rise to meet the challenge.

Sources

- (2005). Education Law 38/2005/QH11. N. Assembly. Hanoi.
- Barrera-Osorio, F., T. Fasih, et al., Eds. (2009). Decentralized Decision-Making in Schools: The Theory and Evidence on School-Based Management, The World Bank.
- Gropello, E. d. (2008). Vietnam: Higher Education and Skills for Growth, The World Bank.
- Higher Education Development Unit, E. A. a. P. R. (2007). Project Appraisal Document on a Proposed Credit in the Amount of SDR 39.0 Million (US\$ 59.4 Million Equivalent) to the Socialist Republic of Vietnam for a Second Higher Education Project. Washington, DC, The World Bank.
- Keeley, B. (2007). Human Capital, Organization for Economic Co-operation and Development.
- Kelly, K. (2000). "The Higher Education System in Vietnam." World Education News and Review 13(3).
- Linden, T. and A. Patrinos (2003). Lifelong Learning in the Global Knowledge Economy: Challenges for Developing Countries. Directions in Development. J. Salmi. Washington, DC, The World Bank.
- Loc, N. (2006). Viet Nam's Education in the Transition Period. A.-P. E. Corporation.
- MOET. (2005). "Higher Education Reform Agenda 2006-2020." 2010, from <http://www.studycalifornia.org/HERA%20REPORT.pdf>.
- Waite, J. (2009). Higher Education Reform in Vietnam: Support for an Incremental Paradigm Shift, World Bank.
- WorldBank (2007). Project Information Document: Appraisal Stage, Human Development Unit, Vietnam Country Unit, East Asia and Pacific, World Bank
- WorldBank (2008). Implementation and Completion Report on a Credit in the Amount of US\$ 83.3 Million to the Socialist Republic of Vietnam for a Higher Education Project. Washington, DC, Human Development Unit, Vietnam Country Unit, East Asia and Pacific, World Bank.
- WorldBank (2009). Vietnam: Higher Education Development Policy Program, The World Bank. T. W. Bank, The World Bank.
- WorldBank. (2010). "Second Higher Education Project." Vietnam Retrieved 15 May, 2010, from www.worldbank.org/vn.

Interviews

Interview with Dr. Le Quang Minh. 5 April 2010. University of Economics, Ho Chi Minh City.

Interview with Dr. Vo Tri Thanh. Department for International Economic Integration Studies, Central Institute of Economic Management. Hanoi, Vietnam. 16 April 2010.

Interview A with Dr. Le Dong Phuong. Vietnam Institute for Education Sciences: Center for Higher and Vocational Education, Hanoi, Vietnam. 24 April 2010.

Interview B with Dr. Le Dong Phuong. Vietnam Institute for Education Sciences: Center for Higher and Vocational Education, Hanoi, Vietnam. 15 May 2010.

Interview with Dr. Le Viet Khuyen. Hanoi, Vietnam. 22 April 2010.

Interview with Dr. Lam Quang Thiep. Private residence, Hanoi, Vietnam. 24 April 2010.

Interview with Mr. Douglas Jardine. Hanoi University, Hanoi, Vietnam. 5 May 2010.

Interview with Ms. Mai Thi Thanh. The World Bank, Hanoi, Vietnam. 13 May 2010.

Interview with Dr. Do Duy Truyen. Hanoi University, Hanoi, Vietnam. 14 May 2010.

Interview with Dr. Nguyen Kim Son. Hanoi University of Business and Technology, Hanoi, Vietnam. 14 May 2010.

Appendix 1

PRIME MINISTER

No 296/CT-TTg

27 February, 2010

DIRECTIVE

On renovating HIGHER EDUCATION management

for the period of 2010 - 2012

As from implementing the renovation guidelines, under the leadership of the Communist Party of Vietnam, with great efforts of the whole people, Vietnam has developed comprehensively in all aspects, including education and training. After implementing the Strategy for educational development from 2001 to 2010, Vietnam's higher education has developed gradually and obviously in terms of scope, diversified types of institutions and training type, more mobilized social sources and achieved many positive results, provided high-level human resources for the national industrialization and modernization, making important contribution to the economic growth, social stability, ensuring national security and defense and victorious world economic integration.

However, higher education also shows many restrictions and shortcomings: Training quality in general remains low and fails to keep pace with the socio-economic development of the country; State management mechanism towards higher educational system and the management of universities and colleges remains persistently inadequate, impossible to create sufficient driving force to bring into full play creativity and self-responsibility of the lecturers, managers and students to renovate higher education strongly and basically. Investment potential of the society and foreign investors for developing higher education has not brought into full play. There are many reasons for this situation, mostly the weakness in the State management of higher education and the weakness in the management of universities and colleges by themselves.

Faced by such situation, implementing the guidance by the Prime Minister, the Ministry of Education and Training has promulgated the Action Plan for renovating higher educational management in the period 2010 - 2012, regarding it as the breakthrough to enhance quality and comprehensively develop higher education, serving as the prerequisite for the development of

synchronous solutions to remedy weaknesses in the industry, enhance quality and efficiency of higher education.

Renovating higher educational management can achieve true and sustainable results only under the resolute guidance of Party executive committees and governments at various levels; strict coordination between the organizations and the consideration of the whole society. Therefore, the Prime Minister directs :

1. It is necessary to grasp thoroughly the perception: Developing higher educational scope must be parallel with ensuring and enhancing training quality. Resolutely terminating the failure to control training quality. It is important to create mechanism and driving force in the State management and management of training institutions to achieve the objective of ensuring and enhancing training quality.
2. Regarding the renovation of higher educational management including State management on higher education and management of training institutions as the breakthrough to create comprehensive renovation of higher education, thereby ensuring and enhancing training quality, enhancing scientific research efficiency in a sustainable manner.
3. To develop the renovation of higher educational management, the Prime Minister assigns:

Ministry of Education and Training:

1. To coordinate with Vietnam Education Trade Union and Ho Chi Minh Communist Youth Union to organize discussions among all tertiary educational institutions: Why to enhance training quality, how to ensure and enhance training quality in this period ?
2. Based on comparing with the actual development of higher educational system and the targets decided in the Resolution No. 14/2005/NQ-CP dated 02 November 2005 by the Government on basic and comprehensive renovation of Vietnam higher education in the period 2006 - 2020 and the Decision No. 121/2007/QD-TTg dated 27 July 2007 by the Prime Minister on the Plan for network of universities and colleges, the Ministry of Education and Training coordinates with the Ministry of Planning and Investment, Ministry of Finance to renovate planning, review development targets of higher education to 2020, concurrently strengthening forecast so that the development targets and indicators of higher education are feasible and serve as basis for establishing the Strategy for educational development in the period 2011 - 2020.
3. To review, adjust, amend and supplement the promulgated legal documents, concurrently establishing and timely promulgating new legal documents on establishing universities or colleges, recruiting students, organizing training, managing finance, managing quality, recruitment, including specifying responsibility and regime of the teacher in training and scientific research, relationship between the university/college managing board,

university/college council, Party Committee, organizations in university/college so that the universities/colleges exercise self-control and self-responsibility to the society and the State under the Educational Law.

4. To carry out the Resolution No. 35/2009/QH12 dated 19 June 2009 by the 12th National Assembly on the guidelines and orientation of renovating some financial mechanisms in education and training from the academic year 2010 - 2011 to the academic year 2014 - 2015. Guide and check the application of new ceiling tuition fee by universities/colleges, i.e. increasing tuition fees associated with specific solutions to enhance training quality. Effectively carry out tuition fee exemption policies, student credit policies and offset exempted tuition fees for the universities/colleges.

5. To coordinate with the Ministry of Construction to establish and implement the Construction Plan for universities in the provinces and cities; plan and build student dormitories. Plan and build the system of universities and colleges in Hanoi Capital Region and Ho Chi Minh City Region. Carry out the project for building student dormitories for universities and colleges with a view to creating more accommodations for 200,000 students by 2011.

6. To consult the Government in dividing management levels for universities, colleges by clarifying State management responsibility between the Ministry of Education and Training and the Ministries and Branches managing university/college and the People's Committee of provinces and cities to check and supervise universities and colleges in the locality.

Strongly divide responsibilities among universities, concurrently bringing into full play the self-control, self-responsibility and self-management of universities/colleges based on the State regulations and universities, strengthening the supervision and inspection by the State, the society and such universities/colleges.

7. To check and speed up the fulfillment of commitments by the universities/colleges in the project for building universities/colleges, material facilities, lecturers, programs and syllabuses to ensure and gradually enhance training quality; work out strict handling mechanism towards the universities after 3 years of establishment which fail to meet criteria and conditions of a university/college as committed by the investors. Boost up inspecting associated training, in-service training, remote training, master and doctoral training.

8. To further boost up the training guidelines to the social need; organize preliminary summing up and assessment for 3 years (2008 - 2010) the training to the social need and build up training plan to the social need at national level, in each locality and each training institution.

9. To promote the assessment and verification of higher educational quality in the direction of accelerating the self-assessment of universities and colleges, gradually verifying universities and colleges; setting up standard and formulating some independent higher educational quality inspection agencies.

10. To increase management capacity of the Rectors and Vice Rectors of universities/colleges in setting up title standard, university/college leader planning in the period 2010 - 2015 and fostering higher educational management.
11. To enhance management capacity and scientific research at universities, contributing actively to enhancing training quality and serving socioeconomic development.
12. To guide and inspect universities/colleges in setting up university/college development strategy in the period 2011 - 2015, meeting the national requirement and higher education in the present context.

Ministries, Branches:

To actively coordinate with the Ministry of Education and Training in directing subsidiary higher educational institutions specialized in building up and carrying out the Action Plan for renovating higher educational management in the period 2010 - 2012, establishing (or reviewing or adjusting) university/college development strategy in the period 2011 - 2015; based on the State management function of the Ministries and departments, study, supplement and finish management mechanisms and policies to meet the development requirement of the whole tertiary educational system; notify the Ministry of Education and Training of the implementation result to summarize and report to the Prime Minister.

Chairman of the People's Committee of provinces and cities directly under the Central Government:

To coordinate strictly with the Ministry of Education and Training in directing the educational management agencies and higher educational institutions to establish and implement the Action Plan for renovating higher educational management in the period 2010 - 2012; coordinate strictly with the Ministry of Education and Training in exercising the State management task in higher educational according to the level division by the Prime Minister; notify to the Ministry of Education and Training of the implementation result to summarize and report to the Prime Minister.

Ministry of Information - Communication:

To coordinate with the Ministry of Education and Training in directing press agencies in propagandizing, supporting the renovation of higher educational management.

Vietnam Television and Radio Voice of Vietnam:

To coordinate with the Ministry of Education and Training in opening the Periodical propaganda column on implementing the Action Plan for renovating higher educational management.

Ministers, Heads of Ministry-ranking agencies, Heads of Governmental agencies, Chairman of the People's Committee of provinces and cities directly under the Central Government take responsibility for organizing and carrying out this Directive.

The Minister of Education and Training is responsible for annually summarizing and reporting the implementation result of this Directive of the Ministries, Branches and Localities throughout the country to the Government.

PRIME MINISTER

(Signed)

Nguyen Tan Dung