



# EDUCATION DEVELOPMENT IN THE VIETNAM'S CHANGING ECONOMY

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## 1. Effects of the economic reform on the education development

Before 1989, the Vietnamese economy, under the centrally planned mechanism is a purely agricultural and closed economy depending on aid from the USSR and other socialist countries. The population increases by some 3% a year. However, the Government and the VCP have paid proper attention to the education development. In the years 1965-75, the number of students almost made no increase because of war. After the war, despite of low living standard and a birth rate of some 2.3%, the government investment in education has produced certain good results: in the years 1975-89, the amount of pupils at primary schools represented from 76% to 83% of children of the 5-11 age bracket, students at middle schools from 13% to 28%, and the illiterates represented 15% of people over the age of 15.

Main characteristics of the education in this period are:

- The general education, that was supplied free by the Government, was a 10-year course in the North and a 12-year course in the South (before 1954, the general education in Vietnam was a French-style 12-year course and the North switched to the 10-year education course after 1954).

- Vocational and higher education was undertaken by the Government and was molded by the education system in socialist countries.

After the sixth VCP National Congress in 1986, the economic re-

form policy was adopted and in 1989, the centrally planned economy was changed into the socialist-oriented market economy under the direction of the Government. The economic reform allowed new forms of ownership. In the past, the economy had been based on the public and collective ownership, and the economic reform changed this structure. New policies were adopted to restructure the public sector. Farmers enjoyed full autonomy in their business. Private sector was recognized. New laws were made to attract foreign investment. Main results of the economic reform are:

- The amount of state companies reduced from 15,000 in 1991 to some 6,130 in 1996.

- Some 30,000 private businesses, limited and joint stock companies came into being and operated according to the Companies Law and Private Businesses Law.

- Up to December 1995, 1,604 investment projects with total capital of US\$19 billion were registered.

- The growth rate in the years 1990-95 was 8.5% per year and reached 9.5% in 1995.

- Some 91% of the working population are employed by non-state sectors.

The economic reform has also affected the public finance, especially policies on the education development. From 1989 on, two main policies on the education were: making the primary education compulsory, and requiring school fees (that is, all students, except for those in primary schools, have to pay school fees).

As a part of the socio-economic reform, the education policy allowed the formation of semi-public and private schools. Up to 1994, there were 230 semi-public and private schools, 3 private universities and many private vocational schools. Particularly, in HCMC, there were 121 private vocational schools. Besides full-time education, there is also the non-formal education supplied through the network of night classes, distant-learning and part-time courses. The Decree 90 CP issued by the PM on Jan. 24, 1993 states that the national education system is structured according to the modern education system of the world in which the general education, not including pre-school education, is a 12-year course, the vocational training course lasts from one to two years, training courses in technical college: from three to four years, higher education: from four to six years. The postgraduate education has two degrees: Master and Doctor (see Chart 1).

## 2. Education development: achievements and challenges

The economic reform not only leads to economic growth, but also provides the people with many benefits. The living standard has been improved recently and the education system has made good progress. Achievements of the education development in the past few years are:

- The policy on compulsory primary education and the diversification of ownership and kinds of schools have helped to increase the



amount of pupils and students. The percentage of registered pupils at primary schools increased from 97% in 1989 to 115% in 1995. The percentage of registered students at middle schools increased from 46.2% in 1989 to 54.8% in 1995 and this percentage of students at high schools from 16.4% to 18.9% in the same period. The amount of students (both admissions and graduates) at vocational schools, technical high schools and universities also increased remarkably.

Besides quantitative improvement, the quality of education services has also been improved: The general education in the North has been turned into a 12-year course, new education programs and methods have been made and applied. The higher education system has been reformed: all universities are offering two-stage bachelor courses along with doctor and master courses; a system of credits has also been introduced.

In the vocational education system, different courses in a variety of new trades needed for the development of the market economy have been offered, such as courses in information technology, electronics, clerical work, marketing, business management, etc.

Investment in education from all sources has increased remarkably in recent years. In the period 1990-94, the government investment in education increased from 8.3% to 10.44% of the budget expenditure (or from 1.83% to 2.7% of the GDP). According to our rough estimate, contribution from students' parents and other organizations represented some 40% of total expenditure on education, and aid from foreign sources contributed some 10%. At present, the government expenditure on education equals some US\$7 per capita. If contribution from private and foreign sources is included, the gross expenditure on education may reach US\$10-15 per capita. Thus, this expenditure has doubled in the past 10 years. The increase in investment in education has helped to improve facilities for study (new classrooms, libraries, computers and language labs).

The intellectual level of population has been enhanced. According to the 1989 population census, the above-five illiterates represented 16.93% of the population and this percentage reduced to 13.4% according to a census conducted by the General Department of Statistics in

1994. These censuses also showed that the percentage of people over the age of five completing the primary education increased from 20.36% to 30.84%, the proportion of graduates from secondary schools to the above-five population increased from 5.56% to 26.23%, the proportion of graduates from technical and vocational schools increased from 2.15% to 5.28%, graduates from universities and colleges increased from 1.22% to 1.5%. The per capita schooling increased from 3.2 years in 1980 to nearly 5 years at present.

Despite these achievements, the Vietnam's education system is facing great challenges and requirements, especially in the stage of industrialization and modernization.



In our opinion, these challenges are:

(1) Although the Vietnam's Constitution and other policies adopted by the Government ensure equal opportunity to receive good education for everybody, there is always inequality in education and a gap between men and women, cities and rural areas, and between rich and poor.

The demographic census in 1994 shows that 71.17% of people of the 10-19 age group living in cities are attending schools, whereas this percentage in rural areas is 56.89%. The proportion of children of the 10-14 age group with no schooling is 2% in cities, 14.2% in rural areas, 0.5% in the Hồng Delta and 16.6% in Central Highlands. The proportion of children of the 10-14 age group attending school is 87% in the Hồng Delta (including Hà Nội) and 76% in Central Highlands and the Mekong Delta. In primary schools, schoolgirls and schoolboys are usually of equal amount, but in more

advanced classes, the ratio of schoolgirls to schoolboys tends to decrease: 45:55 in secondary schools, 33:67 in colleges and universities. It even decreases to 16:100 in mountainous provinces.

Regarding income bracket, 97% of students from high-income families finish the primary education in comparison with 48% from low-income families. This difference becomes bigger in more advanced courses: 58% of students from high-income families, compared with 3% of students from low-income ones, finish the secondary education.

(2) Although better education is supplied, the quality of human resources doesn't meet requirements posed by the economic development.

There is a great lack of skilled and mental labor in all industries. The education system didn't meet requirements posed by the economy: it failed to produce what are much needed by industries, and at the same time, produced a lot of experts that no industry needs. Statistics show that trained laborers represents only 10-12% of the labor force. A survey conducted in HCMC shows that 26% of the unemployed have graduated from universities or vocational centers while companies in industrial estates or export processing zones are meeting with great difficulties in recruiting trained laborers.

(3) Generally, the quality of teachers is not high enough to carry out education reform and develop human resources. Statistics gathered in 1994 showed that only 14.4% of teachers at colleges and universities had had postgraduate degrees, 52.7% of teachers at technical schools and 76.1% of teachers at

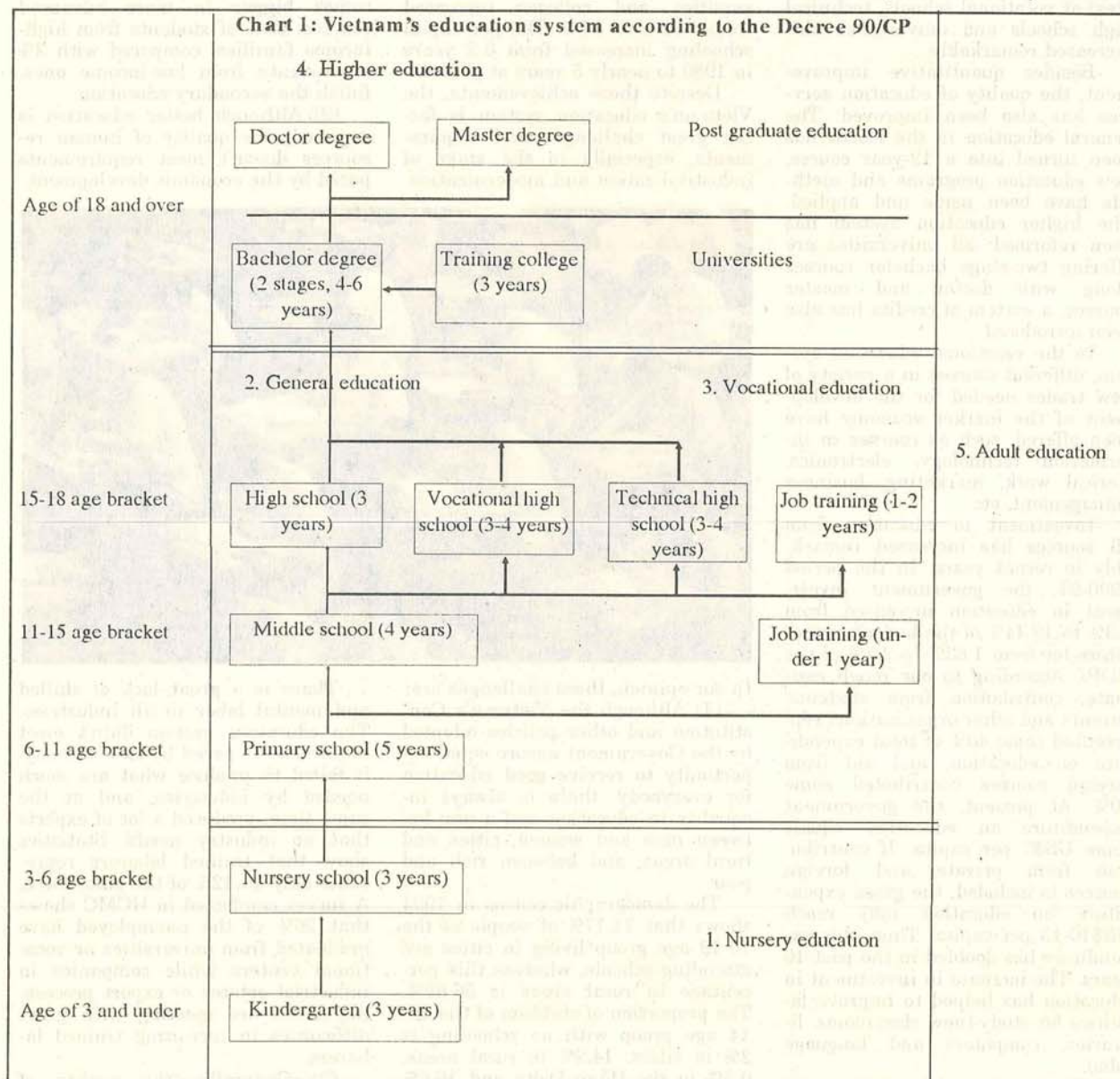


vocational high schools had had the bachelor degree. Most teachers at primary schools and middle schools had graduated from high schools or normal schools and the best part of them had no chance to take refresher or sandwich courses to improve their educational skills.

In recent years, although the Government has tried to raise teachers' salary scale, the income of

compared with VND600,000 earned by a laborer in the manufacturing sector, VND700,000 in the service sector and VND3 million in the foreign-invested sector. Because of low income, many good teachers have changed their job, done part-time jobs or offered after-school courses; and many good students don't want to be a teacher. This is one of reasons for the poor quality of educa-

comparison with US\$21 in the Philippines, US\$56 in Thailand, US\$162 in Malaysia and US\$225.3 in South Korea. With limited budget income, the Government has tried its best to ensure the primary education for all children, and as a result, the government investment in each pupil in primary schools was too small, only US\$36 per year. That is why there is always a short-



teacher, especially at primary and middle schools, is too small to compare with income of laborers in other businesses. According to a survey conducted in HCMC in 1995, the average official income of a teachers at primary and secondary schools is VND450,000 per month,

tion service.

(4) Investment in education, which has increased recently, is too small to ensure good development.

According to the Ministry of Education and Training (MET), the government investment in education in 1994 was US\$7 per capita in

age of classrooms: in primary schools, there is a classroom for 2 classes; in the general education system, one room is employed by 1.73 classes; and in some schools in HCMC, three classes use a room in rotation.

A rough estimate reveals that



40% of classrooms are badly built and most schools aren't made of concrete. Facilities for study are badly equipped and many schools, especially in rural areas, have no facilities at all. There is always a lack of textbook in all schools. The methods of supervising teachers and their work are poor. All these factors have affected badly the quality of education service.

(5) The mechanism for managing the education system is poor.

According to present regulations, government investment in education is transferred through two channels:

- Planned regular expenditure is transferred from the Ministry of Finance to provincial Services of Education through provincial Services of Finance; and regular outlay for schools under ministerial management is transferred through Ministries.

- Outlay on capital construction, after being approved by investment planning authorities (both central and local) is transferred from the government investment fund to each school with a view to helping to realize building works approved by relating authorities.

External sources of finance include projects proposed to the MET, to other ministries, provincial authorities and directly to schools. There is no mechanism to help the MET control these projects. Tuition fees are collected by schools and employed according to directives issued by the MET, other ministries or provincial authorities. However, there is also no mechanism for controlling the employment of tuition fees, and as a result, the use of this fund leads to a gap between schools, and even between teachers at the same school.

Being regulated by too many authorities (both central and local ones) the school management couldn't control and make the best use of all sources of finance. That is why investments in education are usually employed ineffectively. The quality of the army of education inspectors are poor, the management mechanism is ineffective and there is no consistent methods of estimating the quality of education services supplied, therefore the reliability of reports made by schools and local authorities is low.

### 3. Suggested measures to develop the education service

The Strategies for Socio-economic Development for the year 2000, 2010 and the next decades

has been made and approved by the Vietnamese Government. These strategies have planned to achieve the following objectives:

- Reaching an annual growth rate of 9.5-10.0% (or more exactly, the manufacturing sector will grow by some 13%, the service sector 9.6% and the primary sector 5%).

- Doubling the personal income by 2000 in comparison with 1995.

To achieve these objectives, there must be well-trained human resources. Most developed countries, especially Asian countries in the last ten years, succeeded in developing their economies because they had had well-prepared strategies to develop their human resources first. The Vietnamese Government and the VCP have been aware of this problem and have made policies to develop the education. In last December the 2<sup>nd</sup> conference of the VCP Central Committee of VIII term passed the Resolution on strategy to develop the education service. This Resolution set forth three main objectives:

- Enhancing the public intellectual level by ensuring primary education for everybody, eradicating the illiteracy especially in the 15-35 age bracket increasing the proportion of children of the 11-17 age group attending school from 42% at present to 50% by 2000 and 60% by 2010, and increasing the per capita schooling from 5 to 6 years by 2000 and 8 years by 2010.

- Developing human resources includes increasing the proportion of trained labor from 12% at present to 22-25% by 2000 and 50% by 2010 and proportion of technicians and experts with university degrees from 1% at present to 2.5% by 2000 and 4% by 2010.

- Spotting and developing talent by establishing aptitude schools and high-quality vocational training centers.

To deal with great challenges and meet requirements with limited resources, the Government and education authorities must make appropriate policies and take strong measures to achieve these objectives. These measures, in our opinion, are:

(1) Investment in the education: The government investment in education must be increased to at least 15% of total budget expenditure, however, because of limited budget income, the Government has to mobilize foreign sources of finance (the ODA for example) and private investment. The problem is how to

control and employ these sources effectively. To mobilize domestic investment, the Government had better encourage private sector and foreign investors to establish private schools or cooperate with the Government in developing semi-public schools.

(2) Improving the quality of the army of teachers: the teachers, the decisive factor in education development, can't help to enhance the quality of education service if they lack knowledge and morals. Solutions to this problem is to encourage good students to choose pedagogic careers, to enhance the position of teachers in society by giving them preferential treatment both materially and spiritually, and at the same time, to standardize their qualifications and to inspect their teaching quality and results regularly.

(3) Improving education programs, teaching methods and facilities for study: they are necessary factors for enhancing education quality. In this task, we think that we must study foreign experience and make it appropriate to Vietnam's socio-economic conditions.

(4) Reforming the mechanism for managing the education system: Firstly, a law on education development must be made in order to ensure right orientation for its development in the mix economy in Vietnam. Secondly, an army of education inspectors with profound knowledge and managerial skills must be trained. Thirdly, it's necessary to take measures to control, employ and allocate reasonably all sources of investment in, and income from, the education service.

(5) Ensuring equal opportunity for the poor: Realities show that illiteracy is common among the poor, especially in rural and mountainous areas. One of obstacles they meet in getting themselves educated is tuition fee. In our opinion, the Government had better allow students from families below the poverty line to be exempt from tuition fee, and supply soft loans to poor students ■

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