

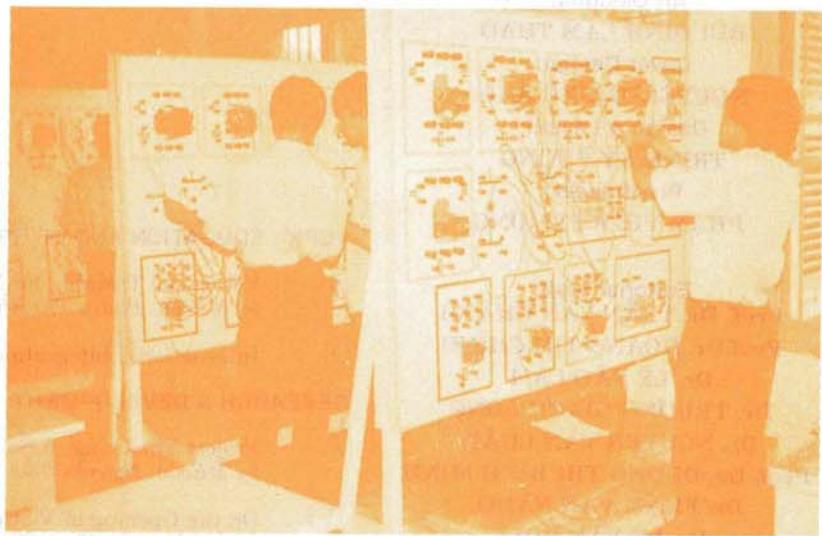
VOCATIONAL TRAINING FOR INDUSTRIALIZATION AND MODERNIZATION

by MEcon. PHẠM THỊ KHANH

I. SITUATION OF VOCATIONAL TRAINING SERVICE

According to the 1998 labor census, the working population in Vietnam was 38 million, and 85% of them engaged in economic activities. Of these laborers, only 17.8% passed some training schools and the rest (82.2%) were untrained laborers. We may say that this is one of factors that hindered the economic growth in the past few years when new opportunities were open to Vietnam (open policies, international integration, foreign investment, etc.). In Hà Nội where the proportion of trained laborers to the labor force is of the highest level, only 30% of working population are trained while in Thái Bình, the figure is 18%.

For many years, the education service in Vietnam has an upside



down pyramid model and no proper attention was paid to the vocational training. In this model, nine out of 10 students, after graduating from high schools, tried to go to universities and only one went to vocational schools. That is why Vietnam suffered great shortage of technicians and technical workers. The structure of technical labor is unreasonable: 1 university graduate/ 1.5 technical

school graduate/ 3.5 workers while this structure in developed countries is as follows: 1/4/15.

The inadequacy of this structure also shows itself in the distribution of students among schools. Influenced by current trends, most students, after graduating from high schools, try to go to universities and choose such fashionable subjects as economics, foreign languages and

computing instead of going to vocational colleges.

The trained labor force in Vietnam is not only small, but also of poor quality. At present, only 4% of workers reached high grades of skill (grade 6 or 7). Most laborers take only short training courses in vocational centers and it's hard to say they have any standard skills. Such a system of vocational training certainly fails to supply technicians and skilled workers to companies in all industries, especially in industrial parks and export processing zones.

There are many causes of this situation:

Firstly, the system of vocational schools isn't made suitable to new developments of the economy. Under the centrally-planned mechanism, all vocational training centers and technical schools educated learners according to plans and programs set by the state without paying attention to the market demand for labor. Proper attention wasn't paid to the vocational training, only small part of public investment was put in these training centers and the army of teachers with the result that the quality of education service supplied by these centers was poor. In the first years of economic reform, voca-

tional centers saw no improvements. Under influence of the market economy, many centers were closed or failed to play their role properly, especially centers that train laborers needed for agricultural and engineering development. The number of vocational training schools reduced from 150 in 1987 to 75 in June 1991. At present, these schools are run by the following ministries:

- The Ministry of Industry controls 15 vocational training schools that supply some 65% of workers employed by various industries. The rest come from 25 other technical high schools or colleges. The ministry delegates the management of these vocational training schools to state-run companies under its direction.

- The Ministry of Agriculture and Rural Development controls 21 vocational schools, two of them are under direct management of state-run companies belonging to the ministry.

- The Ministry of Construction controls 14 schools, 13 of them are run by companies.

Generally, these schools aren't distributed evenly among industries while many businesses (in hospitality, garment or tourism sectors for example) only require workers to pass short-term training courses. The agricultural sector that employs 70% of the working population but there are only 21 schools training agricultural workers. Only a few schools could train and supply workers to technology-intensive industries (computing, petrochemical, engineering, etc.) or industrial parks and export processing zones, and they couldn't develop because of the lack of investment.

In addition, these schools aren't distributed evenly among provinces: 69% of them are in the North, 20% in the South and 11% in Central Vietnam. There are 15 provinces with no vocational schools while certain industries can develop many vocational training schools (for example, the Vietnam Coal Corporation has 6 training schools, most of them are in Quảng Ninh).

In recent years, the demand for trained workers has increased, many training centers were established and tried to attract learners by fair means or foul. In Hải Phòng for example, there were 45 vocational training centers (either public or private ones), and this sector was badly organized: a center could be under the direction of three or four governmental bodies but nobody knew how many teachers working in these cen-

ters and how much investment they received. In Thái Bình, a province specializing in rice production, there are 18 training centers and four of them could provide full-time vocational training courses. These 18 centers train some 1,800 workers every year but the quality of training courses are not high enough to meet the market demand.

Thus, the vocational training service in recent years has made some progress but its quality is poor. The state control over this sector isn't strict enough and there has been no master plan to develop this service.

Secondly, various sources of finance haven't been mobilized to develop the vocational training service. Before the 1990s, all of public vocational training schools were financed by the state. From 1990 to 1997, many corporations came into being

grants-in-aid to vocational training service will produce bad effects on the quality of service and development of these schools. At present, facilities and equipment of these schools are scarce and obsolete; and the army of teachers have no chance to improve their teaching skills. Only 70% of teachers in these schools have university or college degrees. In such a situation, it's very hard to ask these schools for well-trained workers.

Thirdly, there is no bridge between vocational training and employment. At present, the supply of training courses to laborers isn't reliable, the amount of trained laborers is small and many laborers graduating from vocational school couldn't find suitable jobs.

Experience from newly developed countries shows that capital and well-trained labor force are decisive



and the management of vocational training schools was transferred to them. They are still public schools that are financed by either the state or state-run corporations. In 1998, according to an instruction by the Ministry of Finance, the general treasury covered only 45% of expenditures for vocational schools and from 2001 on, corporations will cover all of these expenditures and include them in production costs. To ensure budget for these schools, learners are required to pay tuition fees.

This policy is reasonable and appropriate to the market economy because tuition fees help solve the budget deficit. This source of finance, however, is limited, especially in remote and depressed areas where tuition fee becomes a burden to learners and their parents. Thus, cuts in

factors for success of an economic strategy. In fact, many countries have eagerly imported modern machines, equipment and technologies in the hope of accelerating the economic growth. These imports, however, became a great waste because they lacked an army of technicians and skilled workers to operate these imports.

South Korea has succeeded in solving this problem. Results of many R&D activities are included in training courses of vocational schools to help learners get accustomed to and master modern technologies and scientific advances. For example, when a new kind of automobile is produced, the first ones from factories are sent to vocational schools as facilities for study. This method allows learners to keep abreast with

the newest developments in production.

Regrettably, vocational schools in Vietnam fail to keep pace with changes in production and as a result, workers from these schools couldn't meet requirements posed by companies or couldn't complete their assigned jobs. This is also one of reasons why Vietnam couldn't develop technology-intensive industries which are essential to the integration into the world economy.

II. MEASURES TO REFORM THE VOCATIONAL TRAINING SERVICE

The VCP Central Executive Committee sets the following targets for the vocational training service in the coming years: expanding the vocational training service to ensure training for 22%-25% of the labor force; supplying enough trained laborers to industrial parks and export processing zones; and considering possibility of exporting labor. To achieve these targets, we think that the following measures should be taken:

1. Making a blueprint for the vocational training service

This is the most important and urgent task that aims at accelerating and orienting its future development. At present, there are various kinds of vocational schools: public, semi-public and private ones. A perfect blueprint and better government control can help reorganize the system of vocational schools, distribute them more evenly among industries and provinces, and save them from double management. Only if the system of vocational schools is reorganized is the quality of its training services improved.

This system could offer two forms of training services: long-term (or full-time) and short-term (or part-time) courses. Vocational schools could be divided into five groups:

- Vocational schools run by local governments or civic organizations giving short-term training courses to laborers.

- Training courses organized by companies or corporations.

- Privately-run vocational training centers.

- Public vocational schools and training colleges giving full-time courses.

- Vocational training provided by international cooperation programs.

Such a system could adjust itself to the labor market that is taking shape in Vietnam and could meet the market demand in terms of both

quality and quantity of trained laborers. This is also an open system that trains both technical workers, technicians and engineers, that is, allowing learners to improve their knowledge and skills continuously.

Vocational training schools should be distributed among provinces and zones according to the comparative advantages, that is, according to trades or industries the province specializes in. In provinces with no vocational schools, the local government should make plan to build them as soon as possible and stress should be put on training workers for industrial parks and export processing zones, and training rural residents in non-farming trades.

Giving vocational training courses to rural residents aims at attracting young laborers with some education (from high schools or middle schools) and providing them with knowledge of new farming techniques; and training workers for rural industries. These courses should be supplied by formal vocational-training schools because in fact, the objective of this project is to prepare a well-trained labor force for large-scale farms and agro-industries.

In addition, short-term training courses in both farming and non-farming trades are needed for rural residents to develop their businesses and raising personal income. These courses could be given by vocational centers run by district governments and civic organizations.

The project to supply short- and long-term training courses to rural residents also helps change the structure of industry and develop the commercial farming.

2. More investment in vocational training service

All possible sources of finance should be mobilized to develop this service:

- Public investment from both local and central governments: this source of investment should be used properly and kept from being converted to other purposes (the public investment in this service rose from 6.5% of the national budget expenditure in 1999 to 7.3% in 2000).

- Foreign source: this source comes in foreign-financed training programs or scholarship and local government could use foreign aid to have laborer trained abroad.

- Investment from companies employing workers from vocational schools: local governments and companies (both state-run and private

ones) could cooperate in working out programs to train laborers needed for future development of companies.

- Funds for vocational training raised from the public: besides collecting tuition fees, vocational schools can call for financial support from the public through the association of learners' parents.

The mobilization of different sources of finance, however, is only a precondition for developing this service. The crucial problem is how to use these sources effectively. To achieve this aim, methods of transferring and controlling the use of grants-in-aid should be innovated in order to ensure that money arrives its destination and it is used for intended purposes.

3. Reform in the state control over this service

Related ministries should create subordinate bodies responsible for controlling vocational schools under ministerial management in order to avoid duplication of management (in which a school is responsible to many governmental bodies but the attention paid by these bodies to the school is just a formality). Responsibility of ministries and local governments for vocational training service should be made clear.

These management bodies should inspect regularly the implementation of training programs, quality of training service and the granting of certificates by vocational schools.

4. Linkage between vocational training and employment

Learners of vocational schools need chances to practice their skills at schools and factories. The school management is responsible for arranging their apprenticeship. Moreover, the school could be allowed to establish its own workshops or factories in order to provide learners with chances and facilities for practice and supply additional income to teachers.

5. Changes in public opinion about technical occupations

The Vietnamese people tend to prefer professions to technical occupations. That is why most students from high schools try their best to go to universities. Therefore various measures should be taken to change this way of thinking: giving more incentives and scholarships to students in vocational schools, organizing technical skill contests, ensuring employment for learners after graduation, etc. ■