



VIETNAM

VOCATIONAL EDUCATION AND TRAINING POLICY AND SYSTEM UPDATE

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Australian Government
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CONTENTS

Page

I.	System and Governance	1
1.	Governance	1
2.	Training Delivery	2
2.1.	VET Institutions	2
2.2.	VET Students	3
2.3.	VET Teachers	3
3.	Financing VET	4
3.1.	Government budget	4
3.2.	Other financial resources	4
II.	Policy update	5
1.	Highlights from the VET Law	5
2.	Government priority industry sectors	5
3.	National projects under the National Targeted Programs on VET – <i>Employment and Work Safety 2016 - 2020</i>	5
3.1.	Developing high-quality VET institutions until 2020	6
3.2.	AQF Pilot with the Government of Vietnam	6
III.	International engagement	7
1.	Australia	7
1.1.	Policy advice and improved governance in the VET sector	7
1.2.	Capacity building	8
1.3.	Institutional collaboration	8
1.4.	Mobility	9
2.	Other international partners	9
2.1.	Bilateral engagement	9
2.2.	Multilateral engagement	10

I. SYSTEM AND GOVERNANCE

1 Governance

Ministry of Labour, Invalids and Social Affairs (MOLISA)

Like Australia, the responsibility for Vietnam's vocational education and training (VET) system is shared between the central government via MOLISA and provincial governments.

Since August 2016, the Ministry of Labour, Invalids and Social Affairs (MOLISA) became the sole government agency in charge of VET, taking over the VET portfolio from the Ministry of Education and Training (MOET). As a result, 201 colleges and 303 secondary VET schools were moved from MOET to MOLISA's jurisdiction.

While MOLISA is the state government agency in charge of VET policy, there are a large number of VET institutions which fall under the jurisdiction of other government agencies, such as other ministries or provincial People's Committees.

MOLISA's main responsibilities include the development of VET policy, strategies and national occupational standards, management of all qualification levels within the national qualifications framework, national targeted programs, and programs and projects concerned with the VET sector and the management of some training disciplines and occupations.

Directorate of Vocational Education and Training (DVET)

The Directorate of Vocational Education and Training (DVET) is a subordinate agency of MOLISA, undertakes functions of providing consultancy and assistance for Minister of MOLISA in state management and organising implementation of VET law (except for pedagogy) across the country; managing and implementing public services concerned with VET under its authority as regulated by the law¹.

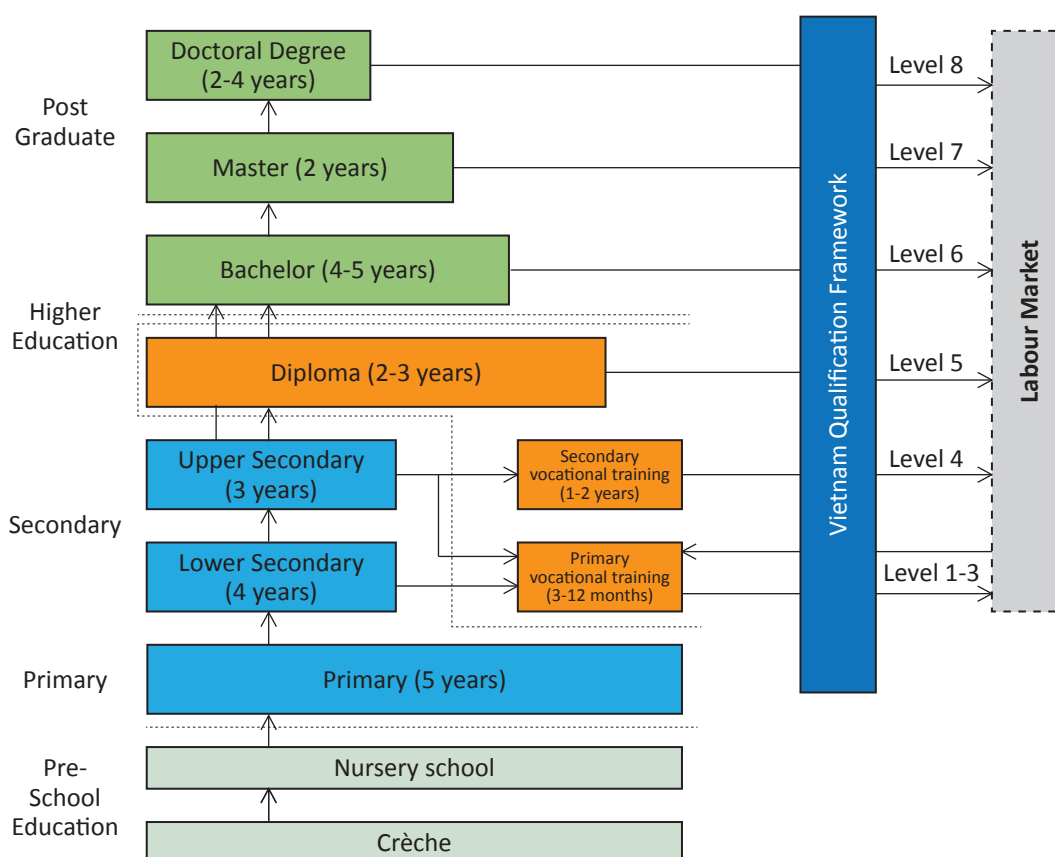
DVET also provides guidance to VET institutions concerning VET training curriculum, personnel, student affairs, physical facilities and training equipment, quality accreditation and skills certificates.

Vietnam's VET aspiration

Only 15% of Vietnam's current workforce have undertaken some form of formal VET training before entering the labour market. By 2030, the Vietnamese Government aims to have 70% of the total number of labour (equivalent to 48 million people) having formal VET qualifications. This presents a huge opportunity for Australian VET providers to deliver both on-shore and off-shore training.

¹ Decision No.29/2017/QĐ-TTg defining the functions, duties, authority and organisation of DVET dated 3 July 2017

Diagram of the Vietnam Education System



2 VET Delivery

2.1 VET Institutions

VET institutions in Vietnam include:

- VET centres – providing training at VQF levels 1, 2, 3
- Secondary VET schools – providing training at VQF levels 1 to 4
- VET colleges – providing training at VQF levels 1 to 5

Types of VET institutions:

- Public VET institutions – owned by the government with infrastructure invested and constructed by the government;
- Private VET institutions – owned by domestic social / private / individual economic organisations with infrastructures invested and constructed by those entities;
- Foreign-invested VET institutions – using 100% foreign capital or as joint ventures between domestic and foreign investors

	2015			2016		
	Total	Public	Non-public ⁵	Total	Public	Non-public ⁵
VET centres	997	653	344	1034	695	339
VET schools	280	178	102	551	308	243
VET colleges	190	142	48	387	304	83
Total VET institutions	1467	973	494	1972	1307	665

Table 2.1: Number of VET institutions categorised by type of ownership

² Include private and foreign-invested

Enterprise VET Institutions

Out of 1972 VET institutions in 2016, there were 483 VET institutions operating under private and public enterprises (known as enterprise VET institutions). These VET institutions often provide training tailored to meet their own needs, including training for their own employees. Funding for training activities often come from the parent companies, tuition fees, government funding or other sources. 73 per cent of enterprise VET institutions are VET centres, providing short-term training of up to 12 months.

2.2 VET Teachers

As of December 2016, the total number of VET teachers in VET institutions was 45,824 persons, with 62 per cent employed by public VET institutions, while the total number of VET teachers in other training institutions delivering VET was 21,862 persons, with 58 per cent employed by public institutions³.

VET teachers must have the right level of technical competence, pedagogical competence, and professional development and research ability corresponding to the level of teaching, as stipulated in *Circular 08/2017/TT-BLDTBXH* as technical and professional standards for VET teachers.

For example, VET trainers teaching diplomas must have a bachelor's degree in a specialised discipline or in specialised pedagogy in line with the teaching occupation (for a theoretical teacher), or one of the skills certificates in line with the teaching occupation (such as national skills certificate level 3) or a college diploma (for a practical teachers). VET teachers also need to meet specific English and IT requirements.

2.3 VET Students

Short-term VET is the predominant mode of vocational training in Vietnam. In 2016, there were over 2.3 million VET students, the majority (78 per cent) undertook primary vocational training (VQF levels 1, 2, 3) and under-3-month training. Only 12 per cent of all VET students attended secondary vocational training (VQF level 4) and 10 per cent attended VET colleges (VQF level 5).

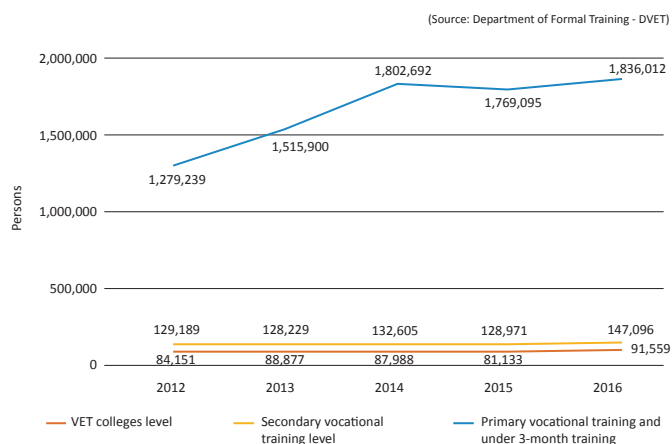


Figure 2.3: Admissions to VET colleges, secondary vocational training, and primary vocational training and under-3-month training from 2012-2016

Employment Outcomes⁵

- In 2016, 70 per cent of graduates from vocational colleges and intermediate level were employed after training
- The average starting monthly salary was AUD 247 for vocational college graduates and AUD 211 for intermediate level graduates
- Operators of inland waterway transport facilities and crane operators are the two higher paid occupations for VET graduates, with monthly salaries of AUD 411 and between AUD 235-411 per month, respectively.

³ Vietnam Vocational Education and Training Report 2016, p. 58

⁴ Vietnam Vocational Education and Training Report 2016, p. 51

⁵ Vietnam Vocational Education and Training Report 2016, p. 56

3 Financing VET

During the period of 2011-2016, government funding accounted for 85.65 per cent of all funding sources for the national VET system. The next largest source of funding for VET activities comes from tuition fees and admission fees, accounted for 10.41 per cent in the same period. Investment from domestic and international organisations, individuals and services provided by VET institutes contributed the smallest amount to VET funding, accounted for 2.86 and 1.08 per cent, respectively⁶.

3.1 Government budget

The total amount of state budget allocated to VET in 2016 was AUD 934.4 million, compared to AUD 576.5 million in 2011.

Government budget for VET is allocated to three main spending categories⁷:

- **Recurrent expenditure** – cover costs spent by VET institutes on the regular tasks entitled to government funding (e.g. staff salaries and welfare, learning and teaching material, administration costs, property purchases, etc.).

The size of the state budget allocation for recurrent expenditure is determined by the targeted number of students enrolled at that institution set by the government. From 2011 to 2016, recurrent expenditure for VET nearly doubled to AUD 398.1 million.

- **Basic construction expenditure** – cover costs for the development of technical infrastructure and doubled over the 2011-2016 period. In 2016 government funding for basic construction at VET institutes was AUD 494.8 million, accounted for 52.95 per cent of the total government budget allocated for VET in the same year.

- **National targeted programs** – funding allocated to specific projects within a specific time-frame in order to achieve urgent objectives or address major shortfalls in the VET system. Funding for national target programs from the state budget fell significantly from AUD 138.2 million in 2011 to AUD 41.5 million in 2016 due to the completion of one of the programs.

3.2 Other financial resources

Non-government financial resources play an important role in contributing to infrastructure investment and teacher salaries, amongst other things. It is crucial for VET institutions in Vietnam to better explore and capitalise on non-state financial resources to self-sustain while ensuring training quality.

Private domestic investment increased from AUD 7.4 million in 2011 to AUD 13.4 million in 2016. Investment contributed by international organisations and individuals fluctuated significantly in the same period. From AUD 17.2 million in 2011, the amount fell to a low of AUD 8.29 million in 2013 before increasing by 2.3 times in 2014. Since then, investment from international entities has grown steadily.

Government budget for VET is increasingly allocated to disadvantaged areas and for key VET institutes. The Government of Vietnam has strongly encouraged individuals and private organisations to invest in VET development activities aimed at promoting creativity, autonomy and self-accountability at VET institutions in the socio-economically advanced areas.

⁶ Vietnam Vocational Education and Training Report 2016, p. 82

⁷ Vietnam Vocational Education and Training Report 2016, pp. 82-92

II. POLICY UPDATE

1 Highlights from the VET Law

The Law on Vocational Education and Training (2015) regulates the national VET system, organisation and operation of vocational education institutions; rights and obligations of organisations and individuals participating in VET activities⁸.

The law aims to improve the quality of training, improve skilled labour supply, and increase productivity and competitiveness in the context of international integration. Two of the most important aspects of the law relates to greater autonomy of VET institutions and the participation of industry.

According to the law, public VET institutions, which finance their recurrent expenditures and investment spending, are entitled to full autonomy in organisation and personnel, finance and property, training and technology, international cooperation and quality assurance.

The law also defines the rights and responsibilities of enterprises in the field of VET, along with preferential policies for those engaged in VET activities. The Article 51 of the law defines that expenses related to VET activities conducted by enterprises are deducted from taxable income as per the tax laws.

2 Government priority industry sectors

According to the policy priority of Vietnam (*Industry Development Strategy toward 2025, vision 2035*) and the ASEAN Framework Agreement for the Integration of Priority Sectors, there are 12 priority industry sectors in Vietnam:

- Agro-based products
- Air travel
- Automotive
- E-ASEAN
- Electronics

- Healthcare (aligns with Australia's strengths - very strong)⁹
- Rubber-based products
Textiles and apparels
- Tourism (aligns with Australia's strengths - strong)⁹
- Wood-based products
- Logistics (aligns with Australia's strengths - moderate)

3 National projects under the National Targeted Program on VET – Employment and Work Safety from 2016 to 2020

The *National Targeted Program on VET – Employment and Work Safety (2016-20)* is aimed at supporting the development of VET and the labour market, closing the gap between labour supply and demand, creating more jobs and reinforcing labour export, increasing labour productivity, and improving working conditions and labour income.

Total funding for this program is AUD 825 million, including AUD 36.7 million of official development assistance (ODA) funding¹⁰.

The biggest component of the program focuses on renovating and enhancing the quality of VET, with two main focuses on the development of high quality VET institutions by 2020 and investment in training for targeted trades. The total funding for this component is AUD 717.5 million, accounting for 87 per cent of the total funding of the program and including 100 per cent of the total amount of ODA funding for the program mentioned above¹⁴.

⁸ *Law on Vocational Education and Training*

⁹ *The Global Demand for Skills KPMG report 2016, p. 6*

¹⁰ *Decision No. 899/QĐ-TTg by the Prime Minister dated 20 June 2017 approving the Targeted Program on VET – Employment and Work Safety 2016-2020*

3.1 Developing high-quality VET institutions until 2020

The project is aimed at improving the capability of 45 public VET institutions (known as high-quality, hereafter, HQ VET institutions) in providing training of specific trades to regional (ASEAN) and international standards, contributing to the comprehensive renovation of VET in Vietnam and meeting the need of high quality human resources for Vietnam's socio-economic development¹¹.

DVET, in collaboration with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the Korea International Cooperation Agency (KOICA) under a trilateral agreement signed in 2016, have reviewed the criteria and recommendations on the assessment and recognition of HQ VET institutions. Under the cooperation, several training courses were provided to a number of selected VET institutions to introduce the criteria and the process of self-accreditation as well as external accreditation for VET institutions¹².

A specific objective of the HQ VET institutions project is to deliver 34 training programs of international standards imported from foreign countries at local VET institutions. Priority is given to the trades that the HQ VET institutions focus their training on, as assigned by the government¹³.

Box 3.1. Proposed criteria for high-quality VET institutions¹⁶

Criterion 1: Practice and demand-oriented training

Criterion 2: Cooperation with the business sector

Criterion 3: Capacity of teachers and management staff

Criterion 4: Organisation and management efficiency

Criterion 5: Financial capacity

Criterion 6: Additional functions of a centre of excellence(CoE)

Criterion 6.1: Training of internal and external teachers on focal occupation(s)

Criterion 6.2: Provision of advisory service on market-oriented training to management staff from other TVET institutes

Criterion 6.3: A hub of national and international vocational training network

Criterion 6.4: A partner in VET reform activities and applied researches

Criterion 6.5: An assessment and certification centre

3.2 AQF Pilot with the Government of Vietnam

Chisholm Institute was contracted by MOLISA/DVET in 2013 to deliver one of Vietnam's most significant and self-funded VET projects.

The project involves training VET Teachers from 25 Vietnam VET institutions to deliver 26 AQF VET qualifications across 12 trades – see below for the list of trades. The training has been undertaken in Australia with the delivery in Vietnam.

The project is due to finish late 2019.

List of trades:

- Restaurant Management
- Resort Management
- Travel Management
- Tour Guide
- Biotechnology
- Graphic Design
- Information Technology Software Application
- Mechatronics
- Industrial Electronics
- Techniques for Electricity Installation and Control in Industry
- Computer Network Management
- Refrigeration and Air Conditioning Engineering



The first batch of Vietnamese vocational teachers receiving training at Chisholm in 2014

¹¹ Decision No. 761/QĐ-TTg by the Prime Minister dated 23 May 2014 approving the project for developing high-quality VET institutions by 2020

¹² Vietnam vocational Education and Training Report 2016, p. 79

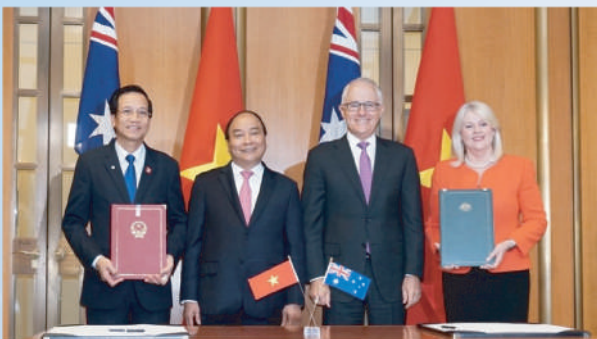
¹³ Decision No. 1820/QĐ-TTg by the Prime Minister dated 26 October 2015 on the amendments and supplements for Decision No. 371/QĐ-TTg

III. INTERNATIONAL ENGAGEMENT

Vietnam is seeking to improve its national competency based VET system, and is looking for advice from a range of partners, including Australia, Germany, Canada, United Kingdom, Korea, Japan, and other countries. Australia, in consultation with relevant stakeholders and other in-country partners, is keen to assist the Vietnamese government’s commitment to upskill the country’s workforce to sustain and promote inclusive economic growth.

1 Australia

In March 2018, Assistant Minister for Vocational Education and Skills the Hon. Karen Andrews MP, signed a **Memorandum of Understanding on vocational education and training** with Minister Dao Ngoc Dung from the Ministry of Labour, Invalids and Social Affairs. The MoU identifies four priority areas of cooperation – policy and governance, quality personnel, institutional collaboration, and mobility. Although a detailed Plan of Action is not yet finalised, the Australian government has been working closely with DVET-MOLISA to further progress the MoU.



*The signing of the MOU on Vocational Education and Training
- 15 March 2018*



*Workshop on Industry Consultative Mechanism in Tourism and Hospitality co-organised by DET and DVET
- 23 March 2018*

1.1 Policy advice and improved governance in the VET sector

Improved links with industry in VET is one of the priorities for the Government of Vietnam. Australia is sharing its experience to assist Vietnam to develop a competency-based vocational education and training system built on strong engagement and partnership between businesses, VET providers and the government to bridge the gap between labour supply and demand. In Vietnam, the Department of Education and Training has been working on the development of an industry skills body model and policy designed to meet the need of industry, government and learners.

With continued assistance from the Australian Government, it is expected that Vietnam will soon be able to establish a functional industry consultative mechanism to ensure VET meets the changing need of industry, particularly when facing the risk of automation replacing Vietnam’s competitive advantage in low-cost labour. Vietnam having efficient industry skills bodies will also provide Australian businesses better access to skilled labour.

The Australian Speakers and Partners in Research, Education and Skills (ASPIRES) Program

ASPIRES is a great way to profile Australian expertise in VET, higher education and research and position Australia as Vietnam's preferred knowledge and skills partner.

The ASPIRES program is facilitated by the Education and Science Counsellor and the Education Team at the Australian Embassy in Hanoi. All events are held in collaboration with either the Ministry of Education and Training or the Ministry of Labour, Invalids and Social Affairs.

The ASPIRES program is open to subject matter experts visiting Vietnam from Australian Universities and VET Providers. Hot topics in the VET sector include:

- Institutional autonomy
- Institutional governance
- Partnerships with industry
- Curriculum development
- Teacher quality
- How to work with industry
- Industry 4.0
- Improving the status of VET as an aspirational career pathway



An ASPIRES event with Australian Vocational Education and Training experts and alumni

1.2 Capacity building

Under the Aus4Skills Program, the Promoting *Industry Linkages with Vocational Education and Training* component addresses the gaps between quality of VET graduates and the need of employers. Aus4Skills is focusing on the logistics sector and a number of selected VET training organisations. The component also offers selected VET managers additional leadership development opportunities.

1.3 Institutional collaboration

DET and Austrade are committed to working together to promote Australian excellence in VET and identify an efficient mechanism to maximise both on-shore and off-shore opportunities for Australian VET providers/Registered Training Organisations in the Vietnam market.

Among others human resource development priorities of the Government of Vietnam, the pressing need to upskill a large number of VET trainers and assessors present tremendous opportunities which International Skills Training (IST)-licensed providers may want to consider.



Workshop on International Skills Training (IST) Courses for Trainers and Assessors - 30 January 2018

IST courses introduced in Vietnam

The Department of Education and Training (DET) has co-organised several workshops with the DVET, MOLISA and Austrade to introduce IST courses in Vietnam, to both vocational colleges and industry representatives. On 30 January 2018, more than thirty representatives from government, local training service providers, and hotel and resort groups in Vietnam joined the workshop "IST Courses for Trainers and Assessors", with the focus on Tourism and Hospitality sector in Vietnam, co-organised by Austrade and the Australian Department of Education and Training in Vietnam.

This event introduced the IST courses to key stakeholders in Tourism and Hospitality in Vietnam, with full understanding of how these courses are delivered and their benefits for the industry. It attracted high interest and triggered discussion among participants around seeking government recognition, costs of delivery, benefits of learners and opportunities to roll out the IST courses in Vietnam.

1.4 Mobility

Australia Awards – Endeavour Mobility Grants (Outbound)

Under the Australia Awards – Endeavour Mobility Grants, the *Asia Vocational Education and Training Program (Asia VET, formerly known as AsiaBound Grants Program)* provide grants for VET students to undertake short-term study in Asia and the Pacific.

From 2016 to 2018, 262 students have been awarded Asia VET grants to undertake short-term VET study in various disciplines such as health, business and management, education, tourism. Awarded institutions included North Coast Institute of TAFE, Chisholm Institute, Canberra Institute of Technology and a number of universities including RMIT, Swinburne University of Technology, Victoria University, etc.

Australia Awards – Endeavour Scholarships and Fellowships (Inbound)

From 2009 to 2018, 38 Vietnamese students received the Endeavour VET Award to undertake VET qualifications in Australia at the Associate Degree, Diploma and Advanced Diploma levels. Fields of study include management and commerce, creative arts, architecture and building, etc.

Endeavour Leadership Program

The Australian Government recently announced the new Endeavour Leadership Program (ELP) as part of the 2018-19 Budget. The ELP amalgamates the two current Endeavour sub programs, Endeavour Scholarships and Fellowships, and Endeavour Mobility Grants into one program.

Under the 2019 round, approximately AUD 27 million in funding is available to support two-way mobility Leadership Activities, including a total value of up to AUD 131,000 for individual Endeavour Leaders to undertake VET in Australia at the levels of Australian Diploma, Advanced Diploma or Associate Degree.

2 Other international partners

Together with the Australian Government, other foreign government and multilateral agencies have also been assisting the Government of Vietnam to improve the VET system with different focuses ranging from policy and system to institutional partnership and industry links, from the agriculture to tourism and hospitality sector. DVET have been organising annual VET Partners Meeting in an effort to better coordinate the available resources.

2.1 Bilateral engagement

Canada

Funded by the Department of Foreign Affairs, Trade and Development Canada (DFATD Canada), the *Vietnam Skills for Employment Project* (20-million-CAD worth, launched in 2014 and expected to finish in 2020) is aimed at strengthening Vietnamese capacity for VET leadership and management at the national and provincial levels.

The project has helped established two Training Centres for Advanced Management located at the National Institution of Education Management in Hanoi and Vietnam National University Ho Chi Minh City. At the provincial level, the project aims to develop capacity for local VET institutions to engage more effectively with industry, ensuring practical training meets industry demand. Following the Canadian community college model, the project built three sample VET programs, at Binh Thuan Community College (Tourism Management – Hospitality program, in partnership with the College of North Atlantic, Canada), Vinh Long Community College (Food Technology program, in partnership with Niagara College, Canada) and Hau Giang Community College (Food and Pharmaceutical Technology program, in partnership with Durham College, Canada).



Denmark

In January 2017, MOLISA and the Danish Ministry of Education launched the two-year (2017-2019) project to pilot dual VET at four VET schools – Hanoi Industrial Vocational College, the North-Eastern Vocational College of Technology, Agriculture and Forestry, the Southern Technology and Agro-Forestry Vocational College and the HCM City Vocational College. The project aims to enhance the cooperation between authorities, VET schools and enterprises in the furniture and graphic design sectors, addressing skills gaps and competencies of VET school graduates to determine what is required by enterprises and the labour market in Vietnam.



Germany

For over 20 years, GIZ has been assisting Vietnam to address a number of pressing environmental and socio-economic challenges, including the growing shortage of skilled labour who can meet the need of a green and sustainable economy. Vocational training is, therefore, one of the main priorities of GIZ's work in Vietnam. GIZ have been working closely with the Vietnamese Government on the development and implementation of strategies and frameworks to improve the VET system with a focus on links with the private sector.

Under the *'Programme Reform of Technical and Vocational Education and Training in Vietnam'*, Vietnamese and German experts have been working together to better involve the business sector in the development of occupational standards and delivery of training, placing an emphasis on practical training and life-long learning.



United Kingdom

Under the Skills for Employability initiative, running in 30 countries by the British Council, the Vietnam program has a strong focus on the quality assurance (QA) system at Vietnam's VET colleges, following the UK QA system model.

Under an MOU with DVET-MOLISA on a collaboration program focusing on developing a QA system, 21 VET colleges in Vietnam have established partnerships with UK colleges, aiming

to enhance the quality of VET delivery locally. Since 2015, there have been a number of exchange visits to and from the UK. Vietnamese college rectors and senior staff went to the UK to learn more about its QA system, followed by the visits to Vietnam by UK skills experts delivering training on QA tools, processes and frameworks. In 2016, the electronic QA Toolkit was handed over to the participating partner colleges.

Most importantly, the collaboration with the British Council on building a QA system of HQ VET institution served as an important fundament for drafting a circular on the establishment of a QA system in VET institutions as stipulated in the Decree No. 48/ND-CP by the Government dated 15 May 2015.

2.2 Multilateral engagement

Asia Development Bank (ADB)

The ADB has had a long history of supporting Vietnam's VET system reform since the 1990s. One of the most significant loan projects in VET has been the **Vietnam: Skills Enhancement Project** (2010 – 2017, AUD 100 million) aimed at addressing the shortage of skilled workers in priority industries¹⁶ by offering training of these trades in 15 public and 5 private vocational colleges.

International Labour Organisation (ILO)

Skills and employability are key areas of work for the ILO in Vietnam. The ILO has been supporting the Government of Vietnam to improve the relevance, quality of teaching, and governance of Vietnam's VET sector.

Vietnam is one of five beneficiary countries of the Russian Federation-funded project *'Applying the G20 Training Strategy: A partnership of the ILO and the Russian Federation'*¹⁴, which aims to tackle the challenges at the policy and institutional level. Under Phase Two (2016-2019) of the project, the ILO in Vietnam are putting a strong emphasis on the public-private partnership in the VET sector and improving national and sectoral VET governance.

¹⁴ <https://www.ilo.org/skills/projects/g20ts/lang--en/index.htm>

¹⁵ *automotive technology, electrical manufacturing, hospitality and tourism, information and communication technology, mechanical manufacturing, navigation and shipping,*