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**Project acronym:**

**VOYAGE**

**Project title:**

**Opportunities for the Young and Graduates Employability in Vietnam**

**Agreement number:**

**561656-EPP-1-2015-1-IT-EPPKA2-CBHE-JP (2015 - 3156 / 001 – 002)**

**Starting date: 15/10/2015**

**Ending date: 14/10/2018**

## **VOYAGE Project: Background Paper**

*"This project has been funded with support from the European Commission. This publication reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein"*

## Project Consortium



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## 1. Proposal Description

### 1.1. Local context analysis

Vietnam is an important country in Asia for its impressive economic development, young and talented workforce, and important economic links with the rest of the world. Over the last decade, Vietnam has been fast becoming the location of choice for major manufacturers<sup>1</sup>. There has been a surge in foreign direct investment (FDI) in Vietnam from US- and Japan-based MNCs such as Intel, Nike, Cisco, Motorola, Canon, and Fujitsu<sup>2</sup>. Various financial institutions such as Goldman Sachs<sup>3</sup> and PricewaterhouseCoopers<sup>4</sup> have forecasted that Vietnam will be among the fastest growing emerging economies in the next decade which will make it become the 17th largest economy in the world by the year 2025.

#### *General Information*

Located strategically on the eastern coast of mainland Southeast Asia, Vietnam has a total area of 329,560 sq. km. The nation is bordered on the north by China, on the east by the Gulf of Tonkin, on the east and south by the South China Sea, on the southwest by the Gulf of Thailand, and on the west by Cambodia and Laos, with a total land boundary of 4,639 km and a coastline of 3,444 km.

The population of Vietnam in 2015 was 94 million people, which placed it at number 15 in population among the 238 nations of the world. Vietnam has a young population with the median age of 29.6 years old and more than 45 percent of the population is between 25-54 years of age. The population growth rate is estimated at 0.97 percent and by the year 2025, the population in Vietnam is expected to exceed 104 million people.

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<sup>1</sup> Bradsher, K. (2008, June). Investors seek Asian options to costly China. The New York Times. World Business Section.

<sup>2</sup> Balfour, F., & Tashiro, H. (2006, March). Good morning, Vietnam. Bloomberg Businessweek.

<sup>3</sup> Goldman Sachs Global Economics Group. (2007). *BRICs and beyond*. Goldman Sachs Group, Inc.

<sup>4</sup> PricewaterhouseCoopers. (2008, March). Vietnam may be fastest growing emerging economy.

## *The Economy*

The economy of Vietnam has undergone fundamental transformation over the last 30 years. From a war-torn, closed and centrally planned economy, Vietnam has become a lower middle-income country with a dynamic market and is increasingly integrated into the global economy. In addition, recent research by World Bank<sup>5</sup> suggested that the growth of Vietnam economy has not only been rapid but also stable and inclusive, benefiting a majority of its population. The key for the impressive development of Vietnam economy was the economic renovation policy (*Đổi Mới*) initiated in 1986 during the 6<sup>th</sup> Party Congress. *Đổi Mới* focused on macroeconomic stabilization by gradually removing state control over key industrial sectors and successfully integrating with the regional (e.g., ASEAN Free trade agreement) and the global economy (e.g., joining World Trade Organization and Trans-Pacific Partnership Agreement). Over the time, the market economy in Vietnam was gradually built and strengthened, making GDP growth was among the best in the world with an average 5.5 percent increase since 1990, surpassed only by China.

Recent economic indicators suggest that Vietnam's economy is growing strong. Vietnam's GDP in 2015 is estimated to increase at 6.68 percent, the highest since 2010 and outpacing much of Asia. The growth has been attributed to strong exports, factory output and record foreign investment. The data also indicated that Vietnam has been effective in its effort to stabilize and recover the economy from the recent global financial crisis. Most notably, the industry and construction sector grew by 9.64 percent in 2015, a big leap from the previous year's increase of 6.42 percent. However, the growth of agriculture, forestry and fisheries increased only by 2.41 percent, lower than that of 2014 at 3.44 percent. According to GSO, the scale of the economy in 2015 reaches €165 billion and per capita GDP in 2015 was estimated at equivalent to €1,773, an increase of €50 compared with 2014.

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<sup>5</sup> World Bank (2016, March). Vietnam 2035: Toward Prosperity, Creativity, Equity, and Democracy.



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Joining the Trans-Pacific Partnership (TPP) and ASEAN Economic Community (AEC) is likely to bring huge economic benefits to Vietnam, especially to its manufacturing sector<sup>6</sup>. Through reduced tariff duties and removal of other trade barriers, Vietnam key export industries such as textiles and apparel industry will enjoy expanded access to some of the biggest markets in the world such as US and Japan, which further attract more foreign direct investment in the country. The membership of the organizations would also bring significant sectoral changes, driving Vietnam's production and labor away from industries without or with eroding comparative advantage (e.g., agricultural sector) and towards comparatively advantaged ones (e.g., textiles and apparel, manufacturing and utility services, and construction). However, in order to maximize the gains of these agreements, Vietnam will need a strong commitment to bring radical changes in its strategic development plan. Experts argue that unless further investment is made into supporting industries (raw materials and machinery) and accompanying infrastructure (road system, port, logistics and construction), Vietnam would not fully absorb the benefits of the free trade. Additionally, the participation in these blocks would require Vietnam to adjust non-trade issues such as labor and intellectual property rights. Consequently, the implementation of the related commitments requires thorough reforms in domestic policies and legal system.

### *Social outcomes*

The World Bank report suggested that the key social indicators in Vietnam have improved across the board. Vietnam has been successfully eliminating poverty over the last 20 years. The percentage of people living in extreme poverty has reduced dramatically from 50 percent in early 1990s to 3 percent today. With the goal of creating a more inclusive society, the current concerns about poverty are focused on minority groups who make up a 15 percent of the population but at the same time account for more than 50 percent of the poor. Vietnamese population is also better

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<sup>6</sup> Sieburg (2016). How the Trans-Pacific Partnership benefits Vietnam's economy

educated and has a higher life expectancy than many countries with similar per capita income. Vietnam cut its maternal mortality rate to the level of upper middle-income country (i.e., 1:870) and reduce 50 percent of the mortality rate under-5 to 21.70 (per 1000 births). Access to basic utilities such as clean water and electricity has been improved dramatically with almost all households is now connected to national electricity grid and up to 97.60 percent of them is now have access to improved water sources (from 62.7 percent in 1990).

### *Current Challenges*

Labor productivity is one of the key concern for Vietnam. Labor productivity (output per worker) growth across industries has been declining since the end of 1990s and currently is among the lowest in the Asia-Pacific region. According to an International Labor Organization (ILO) research<sup>7</sup>, labor productivity in Singapore was nearly 15 times the level in Vietnam. Even compared to other middle-income countries such as Thailand and Malaysia, Vietnam productivity only was one-fifth and two-fifth respectively. In agriculture, where Vietnam has made robust progress in the past, the labor productivity level is still lower than most middle-income countries in the region. With almost half of the workforce is engaged in the agriculture sector, the productivity is a huge issue that Vietnam need to address immediately and strategically.

Many experts pointed to the quality of education and training as a direct antecedent of the current productivity problem in Vietnam. Research found that only less than 20 percent of Vietnam labor force have received some technical training and many of the skills provided by training institutions often do not match the requirement of the labor market. A World Bank survey of employers in 2014 identified gaps in job-related technical skills, as well as in cognitive skills such as problem solving and critical thinking, and core skills such as teamwork and communication. “The

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<sup>7</sup> International Labor Organization Country Office for Vietnam (2014, September). Newsletter: Education-business mismatch worsens already low workforce quality and productivity.



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young and large labor force has opened up many opportunities for Vietnam but unfortunately the low level of skills and technical specialization of the workers is making it difficult for the country to seize those unique chances,” said Gyorgy Sziraczki, Director of ILO Country Office for Vietnam. In order to bridge the gaps and address future demands for skills, closer collaborations between business and educational institutions in the development of skills standards and training curriculum are critical.

### 1.2. Institutional capacity and needs

Hanoi University, National University of Arts Education, and Post and Telecommunications Institute of Technology bring unique experiences and characteristics to the Voyage project with strong capacity in language training, arts educations, and engineering and technology. The strengths of each university complement each other to create one of the most diverse group of programs and student body. This unique characteristics allow the Voyage project to investigate the possible differences in study experiences, satisfaction, and mobility across programs which are significantly different from one another. Partner universities in Vietnam are looking for a model that allow them to track students’ performance during their study and after graduation. Due to the novelty of the concept in Vietnamese higher education system, no single accreditation mechanism has emerged to be effective in helping universities to benchmark their performance. The Voyage program with an extensive experience of AlmaLaurea in running similar programs might be able to provide alternative answer to such a quest.

### 1.3. Projected future impacts and vulnerabilities

It is a common consensus that the quality of education play a crucial role in the future development of Vietnam (UNDP strategic plan 2014-2017). In Vietnam, the education system has seen important development in the last 10 years with the total number of schools doubled and an increase state expenditure on education and training (World Bank, 2014) above the EU average (Eurostat, 2013). As regard to higher education the number of graduates grew significantly from 165,700 in 2003 to 405,900 in 2013 with a remarkable increase in the number of females graduates (General Statistics

Office, 2014). Meanwhile, graduates are facing the dual problem of increasing youth unemployment and a mismatch between graduates' skills and employers' requirements, which are often ascribed to the poor quality of education (Minister of Education, ICEF, 2014, April). As regard to the current issue, the ILO's Vietnam Director recently stated that "It is time to strengthen the link between education and training (...) for the creation of more and better jobs" (ICEF, 2014-April). It is emphasized that: "the gap between higher education and the industry has become wider since the implementation of the economic liberalization policy. Many graduates have difficulties in finding jobs, end up unemployed or underemployed, when employers still complain about the lack of appropriate skills" (Pham, 2008; Tran, 2010b). The mismatch reflects the stagnation of the HEs compared to the development of the internal economy and the weak linkage between the two.

The Voyage project is expected to support Vietnamese universities in identifying instruments and methodologies to improve the effectiveness of education system through the implementation, at local level, of a graduate database system that follows the AlmaLaurea (AL) model in Italy. The graduate data platform will enhance the linkage between education and socio-economic partners, the reform of curricula in line with labor market needs, and the enhancement of the whole HE system efficiency. This project is expected to have a long term impact on the whole socio-economic system and society envisaging as beneficiaries: the graduates, the universities and decision makers, the Vietnamese business community.

More specifically, the project envisages the following beneficiaries and benefits:

- Benefits for graduates
  - Warrant a democratic access to labor markets and job offers
  - Possibility to regularly update personal CV and upgrade experiences and expertise
  - Improve career guidance and placement opportunities
  - Get and use completely free of charge placement services

- Direct sponsorship of the belonging universities through the certification of academic careers
- Exploit innovative services oriented both to placement and to post graduate opportunities
- Benefits for universities
  - Obtain reliable, timely and regularly updated statistical data, which are useful for improving their existing curriculum
  - Facilitate the placement of their graduates in labor markets
  - Promote the easiest and safe mobility of high qualified human resources
  - Gain competitive advantages in the regional and international education markets
- Benefits for firms and local business organizations
  - Availability of updated CV in accordance to career progress of graduates
  - Availability of CV search facilities based on the database web platform open for human resources selection and recruitment purposes
  - Utilization and exploitation of the data collected and included in the data base also after the project conclusion, as one of the main instrument at long-lasting action to improve HE systems in favor of students employability
- Benefits for government bodies and ministries in charge for HE and labor issues
  - Have access to a comprehensive system of information (reliable, timely and regularly updated statistical data) as decisional tools
- For society at large:
  - To facilitate the access to the labor market of the University graduates in Vietnam and to increase their employability chances.
  - To enhance links between university, economy and society overcoming fragmentation.

- To improve competition, productivity and local development in the targeted countries.
- To promote safe and regulated channels for labor migration of the skilled (intra and international recruitment of workers).
- To increase social mobility and inclusion dynamics.

## 2. The Vietnam Higher Education System

### 2.1. General context and main features

#### *Overview of Vietnamese education system*

At national level, the Vietnamese Government approved recently several policies for the future socio-economic development; a special attention is dedicated to the quality of education and gender equality; the Sustainable Development Strategy (2011-2020) states that “Human beings are the center of sustainable development” and one of the motivation of why it was chosen that specific sector is “...to make education and training, science and technology the major driving force for development...”. The Vietnamese Master plan on economic restructuring set that in order to improve the quality of human resources in favor of economic restructuring and growth renovating education management and improving the quality of tertiary education should represent a priority.

The education system has seen an important development in the last ten years. The total number of schools doubled from 2003 to 2013 (214 in 2003, 427 in 2013). The State budget expenditure on education and training, as percentage of total state budget expenditure, increased constantly in the last years, from 11.82 percent in 2009 to 16.83 percent in 2012. With population ages 0-14 (percent of total) at 22.70 percent, above the EU average (15.6 percent), the education sector will play a key role in the Vietnam future development. In regard to higher education the number of graduates grew in an important manner from 165,700 in 2003 to 405,900 in 2013 (public and non-public universities).

The Vietnamese education system is managed by the Ministry of Education and Training with regard to teaching curricula, admission policies and enrolment quotas for each academic institution and issuing diplomas and certificates. The education system consists of 12 years of schooling, followed by four years of bachelor degree, a two year master program and a three year PhD candidature. To enter the higher education level, at the end of grade twelve, students have to sit for the national graduation exam, which, starting from 2015, also enables them to apply for university study<sup>8</sup>. Students will choose the set of examinations including Vietnamese, Mathematics, foreign languages (normally English) and three other subjects following each major direction<sup>9</sup>. A minimum grade of five is required for the students to pass the subject. Upon high school graduation, high school leavers can choose to join a university for higher education or junior college for diploma studies.

A university can be multidisciplinary or with a narrow focus on teaching and/or research in a single discipline. In terms of ownership, a university can be a public institution, semi-public or an entirely private university. There are more than 400 universities and colleges operating in Vietnam. According to the statistics by the Government, the private sector account for approximately 20 of schools and 15 percent of total enrolment at the tertiary level as at 2012. Vietnamese universities offer a variety of undergraduate programs with different modes or delivery systems such as full-time, part-time (for working adults) and distance. An undergraduate course typically requires four years of full time studying. Beyond the undergraduate level, most universities offer graduate and doctoral programs.

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<sup>8</sup> From 2015, MOET combines the national graduation examination and the national university entrance examination into one, easing examination burden for high school leavers.

<sup>9</sup> Group A: mathematics, physics and chemistry (for specialization in physics, engineering and computer science). Group B: mathematics, biology and chemistry (for specialization in medical and biological sciences). Group C: history, geography and literature (for specialization in humanities and social sciences). Group D: foreign languages, literature, mathematics (for specialization in foreign languages and foreign trade). Group E: mathematics, physics and another subject (for specialization in other fields).



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Besides universities, junior colleges and vocational training centers also play a role in the Vietnamese higher education system by offering vocational education diplomas and associated degrees. These programs require shorter enrolment time and upon completion, students can apply for admission to a university.

### *Current challenges facing the Vietnamese higher education system*

An obvious challenge facing the Vietnamese higher education system is that there has always been an excess demand in the system. According to MOET, in 2012, approximately 1.8 million high school leavers registering to take the national university entrance examination, competing for about 600,000 seats offered by universities and colleges. Large and prestigious public universities always attract the best students. It is commonly perceived that private universities have lower quality and hence, attract weaker students. In the last ten years, with the participation of joint programs or fully foreign own programs, large public universities start to face some initial competitive pressure in attracting good students.

The critical issue contributing to the excess demand problem in higher education is the slow growth in the number of teachers and the quality of teaching. As at the beginning of 2014, MOET planned to close 207 undergraduate programs at 71 universities for not having sufficient qualified teaching staff. Paradoxically, the Ministry of Science and Technology reported a number of 101,000 master degree holders and 24,300 PhDs in the country, only 8,520 of whom were teaching at universities<sup>10</sup>. It seems that PhD holders choose not to work in academia where their expertise is most needed. According to the Ash Institute of Harvard Kennedy School (2008, p.6), because of the “appalling working conditions and unattractive incentives”, Vietnamese universities may lag far behind the Southeast Asian neighbors.

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<sup>10</sup> <http://www.universityworldnews.com/article.php?story=20140319075244130>

Secondly, Vietnamese universities need to improve a lot on the quality of governance, also according to the Ash Institute (2008). MOET is maintaining a highly centralized control system which has the power to influence key strategic and operational decisions at the universities. A typical public university is given a limited quota for enrolment, a range of tuition fee, levels of state salary for administrative and teaching staff and other expenses. The recent move in 2014 by MOET to give some level of autonomy to large public universities (currently a pilot program) signals some willingness to change. Hopefully with more autonomy, Vietnamese universities will have more freedom to decide their strategy and allocate their resources more efficiently. However, the key issue to autonomy is accountability to all stakeholders. Universities need to identify relevant stakeholders and design their structure, policies and procedures to hold university management accountable.

The current challenges in the Vietnamese education system pushing Vietnamese students to consider alternatives to the domestic education providers. With rising income among the middle and top income earning families, Vietnamese students now can afford to obtain education from overseas ranging from regional universities such as China, Thailand, Singapore and Malaysia to those from developed economies such as the United States, the United Kingdom, Canada, Australia and Europe. The next section will discuss student mobility in this context.

## 2.2. Student mobility trends

### *Vietnamese students studying overseas*

The rising income among wealthy families in urban areas of Vietnam and the preference of Western education system have led to a significant growth of Vietnamese students studying overseas. According to the Institute of International Education, at the top of the list, Australia and the United States enrolled 36 percent of approximately 106,000 overseas Vietnamese students in 2012 whereas Asia accounted for 34 percent. The United States alone welcome 16,098<sup>11</sup> Vietnamese students in the

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<sup>11</sup> Among which 11,382 were studying at the undergraduate level (ranked sixth among all sending nations), with just 2,785 enrolled at the graduate level (Source: IIE Open Doors, 2013)

academic year of 2012 – 2013, making Vietnam the eighth largest sender of tertiary students to the United States. Other increasingly popular destinations include Singapore, China and Taiwan<sup>12</sup> due to proximity and affordability. The same source of information estimated that 90 percent of the students studying overseas on a self-funding basis. A recent study (Knight, 2012)<sup>13</sup> discovers a positive association between student mobility during studying and future mobility and earnings, which could be among the reasons why parents want to send their kids overseas.

### *Transitioning from the university to the labor market*

Vietnam is a development success story and political and economic reforms launched in 1986 have transformed Vietnam from one of the poorest countries in the world to a lower middle income country within a quarter of a century with per capita income of €1,773 by the end of 2013. As of the April 2014, the total working-age population aged 15 years and older was 69.18 million while in the labor force were 53.58 million. The gender gap participation is prevalent: female labor force participation is 73.2 percent and 8.8 percent lower than the rate for men; the unemployment rate is low at 2.21 percent, but the youth aged 15-24 unemployment rate was 6.66 percent in the first quarter of 2014. Youth accounted for 47.9 percent of the total unemployed population, with the proportion in urban areas (41.2 percent) lower than in rural areas (55.1 percent).

In the first quarter of 2014, for example, more than 162,000 university graduates in Vietnam failed to find jobs, an increase of 4,000 people from the fourth quarter of 2013. Doan Mau Diep, Deputy Minister of Labor, mentioned among other indicators that “the group with the highest unemployment rate was untrained workers, followed by university graduates”. Nguyen Ba Ngoc, deputy director of the Institute of Labor said “about one fifth of people aged 20-24 with a university or higher degrees were unemployed”. Although the unemployment rate of skilled labor is lower than

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<sup>12</sup> <http://wenr.wes.org/2014/05/higher-education-in-vietnam/>

<sup>13</sup> Knight, J. (2012) “A Conceptual Framework for the Regionalization of Higher Education in Asia” in K.H. Mok and D. Neubauer (eds) Higher Education Regionalization in Asia Pacific

average, the graduates from colleges and universities actually have slightly higher unemployment rate than average (World Bank, 2008) and 30 percent of skilled graduates are employed as elementary staff such as personal and manual services. These statistics highlight the mismatch between what skills university graduates possess upon graduation and employers' expectation.

A survey by the World Bank (2008)<sup>14</sup> reported that most workers with higher education are employed in education and training, followed by service and public administration, accounting for approximately 75 percent of all workers with higher education. Within the services sectors, the most high skill intensive sectors are science and technology, insurance and pensions, finance and computer related services. The employment of workers with higher education in manufacturing, construction and utility sectors is limited but increasing.

In terms of ownership style, approximately 30 percent of employees at state owned firms have higher education, whereas only 15 percent and 9 percent of FDI firms and private firms respectively have higher education (World Bank, 2008). This shows that there is a lot demand for workers with higher education from various sectors and types of employers. Therefore, the question of unemployed university graduates remains a puzzle. Answers could be linked to the adequacy and relevance of higher education to the labor market needs in Vietnam.

#### *How relevant is higher education to the employers' needs?*

Many employers consider the major challenge for recruitment is the deficiencies of skilled labor<sup>15</sup>. For example, the HCMC Industrial Park and Export Processing Zone Authority estimated that HCMC's industrial parks and export processing zones needed 500,000 workers at all skilled levels from 2007 to 2010 but could only obtain approximately 15 percent of the need. Japanese firms in Vietnam, for example, found it difficult to recruit middle management level and engineers. Employers perceive

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<sup>14</sup> World Bank (2008) Vietnam: Higher Education and Skills for Growth, Human Development Department, East Asia and Pacific Region.

<sup>15</sup> See ADB-MOLISA survey (2005) and JETRO survey (2006)



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the issues to be skill shortage, high job turnover, and poor quality and relevance of skills. The lack of important skills to perform adequately on the job includes specific job related skills, punctuality, practical skills, foreign languages and communication skills (World Bank, 2008). Solutions for these bottlenecks require a long term strategy of the education sector to enhance graduates' employability, encourage linkages between education and training and industry and to improve the dissemination of job information to increase employment and reduce job misuse.

### 2.3. Description of partner university

#### 2.3.1. Hanoi University

Hanoi University (HANU) was established in 1959 as a government training college for foreign languages. Its mission was to provide pre-departure language training to all Vietnamese students and government officials before going abroad for higher education and training in the Soviet Union and other Eastern European countries. During the next four decades, Hanoi University of Foreign Studies (the former name) was one of the leading universities in language training and research. In 2002, as a part of a larger strategic plan to diversify our training curriculum, the university offered for the first time non-language programs in Business Administration, Tourism and Hospitality Management, and International Studies. Between 2005 and 2007, another three new programs in Information Technology, Financial and Banking, and Accounting were added to the list. In July 2006, the university changed its name to Hanoi University reflect the development in course offering.

Currently, the university are offering 17 undergraduate, 6 master, 2 Ph.D. programs in business, information technology, languages and international studies. It is the home of more than 700 staff and faculty members and approximately 20,000 formal and informal students. Hanoi University is a proud partner of more than 200 international educational institutions with more than 70 articulation and exchange programs.



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With regard to the focus of the Voyage project, the university is currently using an academic management software to manage student's administrative and academic data. The software allows us to management student academic record electronically and can be used to retrieve data on student performance by their field of study, cohort, and other criteria. However, the biggest challenge for the university is to track our student performance and mobility after graduation. Although there has been some effort working toward maintaining close contact with the alumni network, the alumni network is not functioning probably. Finally, as required by the Ministry of Education and Training, Hanoi University have recently establish its own quality assurance program, run by the Center for Assessment and Quality Assurance. However, due to lack of expertise and resources, the current quality assurance program has not been able to assist the university in achieving our new quality standard.

### 2.3.2. National University of Art Education

Established in 1970, National University of Art Education (NUAE), a public university, is Vietnam's pioneer arts education University. Furthermore, NUAE's reputation is founded on its innovative curriculum and teaching approaches, as well as its diverse artistic creations. NUAE receives polytechnic-level funding from the Ministry of Education and Training.

NUAE thrives on diversity and welcomes a culturally diverse student population from ASEAN and beyond. Our students are sought after by arts organisations and the creative industry. Numerous alumni have gone on to make an impact in their diverse fields of practice. As an advocate of lifelong learning, NUAE is dedicated to developing a greater appreciation for the arts in both children and adults. With a rich heritage, outstanding track record and an unwavering dedication to the highest standards of education, NUAE remains at the forefront of the development of arts education in Vietnam.



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At this time, NUAE offers the following specialized programs under 13 faculties: two associate diploma, 14 bachelor, 3 masters, and 2 PhD. programs in 3D Design, Arts Management, Design and Media, Fine Art, Fashion Studies, Dance, Music, and Theatre. It is the home of more than 450 staff and faculty members and approximately 6,000 formal and informal students. The University conducts a comprehensive range of more than 15 articulation and exchange programs in partnership with reputable universities from Singapore, Denmark, Australia, Shanghai - China, Hong Kong, and Egypt. NUAE is also an official member of SEADOM (Southeast Asian Directors of Music Association).

Concerning the focus of the Voyage project, NUAE is currently using ChipchipSoft of IT based system used to manage student's administrative and academic data. The ChipchipSoft can be applied to manage student academic record electronically as well as retrieve data on student performance by their field of study, cohort, and other criteria. Although NUAE has made some effort on maintaining close contact with the alumni network, the alumni network is not functioning probably. According to the education law of Vietnam Ministry of Education and Training, Department of Assessment and Quality Assurance has been established at NUAE. However, due to lack of expertise and resources, the current quality assurance program has not been able to assist the university in achieving a new quality standard.

### 2.3.3. Post and Telecommunications Institute of Technology

Posts and Telecommunications Institute of Technology (PTIT) was founded in 1997 under the Vietnam Posts and Telecommunications Group (VNPT) as the first public university nationwide following the spirit of Resolution 02-NQ/HNTW of the Communist Party: the university within the strong state-owned enterprise, operating with the combination of education, research and business. In 2014, PTIT was upgraded to be the member of Ministry of Information and Communication of Vietnam to deserve its contribution to the modernization and industrialization of the national society.



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This said-above change is considered as a bright marking point to develop PTIT further in every aspect of its operations in the future.

Since its establishment, PTIT has made continuous efforts to overcome challenges of a new university model and nowadays PTIT affirms its status in the domestic and international region through its teaching and research quality. Besides, PTIT has highly concerned the development of its international network not only with renowned universities but also with industry partners. So far, PTIT is so proud to be a common home of more than 20.000 students and 800 lecturers and staffs who have been working to 03 Research Institutes, 02 Training Centers and 02 university campuses (in Hanoi and in Ho Chi Minh City).

In education, PTIT offers various academic degrees from Associate Diploma, Bachelor Degree to Master and PhD degree in numerous fields of studies such as Fundamental Education, Information Technology, Information Security, Telecommunications, Electrical & Electronics, Business Administration, Finance & Accounting, Marketing and Multimedia as well. However, it is recognized that Information Communication Technology (ICT) is always considered as the cutting-edge and highly appreciated fields of PTIT by the social community. In research field, PTIT was the flagship in creating research products and solutions which are mostly applied into the real network of telecommunication companies. It is the matter of pride that PTIT has 30% of its turnover collecting from research outcomes. This makes PTIT different from other universities.

For student management, PTIT uses a modern software system run on its own host to manage students from application, admission to graduation with high degree of security. However, the system only focus on managing information for administrative purposes in a narrow range of indicators related to training activities. The function of data tracking and analyzing for employment matching purposes and for training assessment has not been developed yet.



Co-funded by the  
Erasmus+ Programme  
of the European Union

PTIT currently does not have any Student Association but we have just had PTIT Alumni Association since 2014. The total alumni in the Alumni Liaison committee are 75 people each year. Now PTIT Alumni Association's activities are organized within students graduated in each course. PTIT supports with material facilities when being asked by the Committee. PTIT has the Politics and Student Affairs Department which has a function of career orientation. The department is responsible for performing dissemination activities, consulting high school graduates about PTIT's enrollment events such as: Enrollment consulting festival, Online consulting, face to face consulting at high schools...However, the work of this department mostly focus on processing issues related to training activities while employment support is still limited. Longstanding partners of PTIT usually actively send job offers to the department for dissemination. Since there are only a few of such partners and they are all technology companies, the employment opportunities offered to students are also limited in both quantity and professions.

PTIT has been conducting self-assessment tasks since 2010 and has submitted our assessment report to the Ministry of Education and Training since 2013. PTIT has a functional unit specialized in quality assurance which is named as the Center for educational testing and quality assurance. This Center has taken the assessment process pursuant to directing documents of MOET with participation of all officers, lecturers, staff and students of PTIT. It helps PTIT assure the training quality up to standards of the Ministry. However, it appears the assessment still lack a more comprehensive database with more indicators from students and their experience in working environment after graduation.

### 3. Graduates' overview

#### 3.1. National level

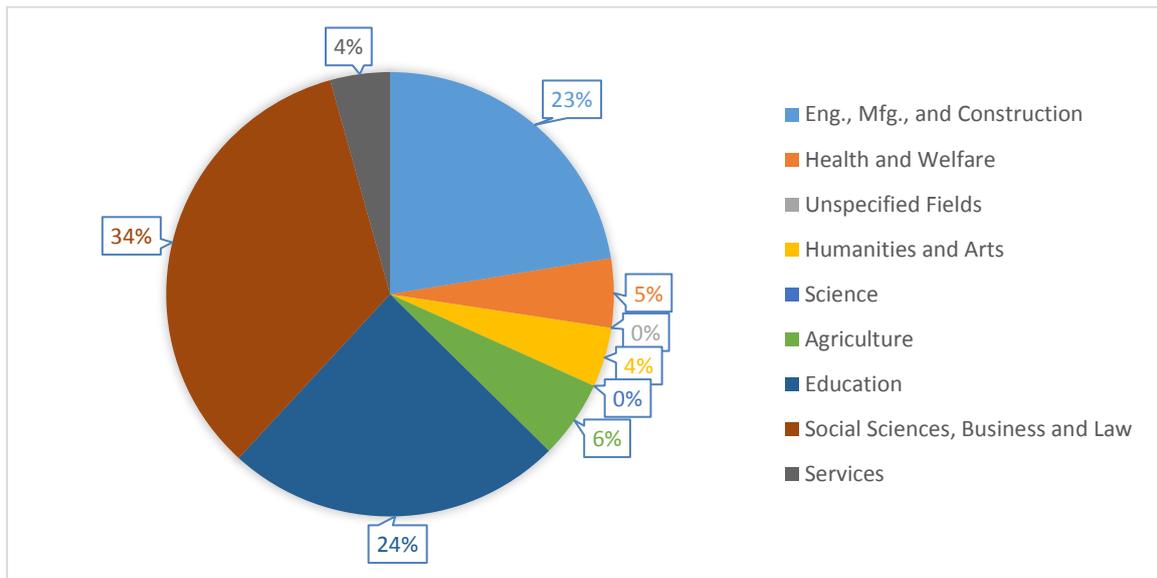


Figure 1: Vietnam graduates by field of study (2014); Source: UNESCO Institute of Statistics

According to Figure 1, the graduates from Vietnam higher education system are not distributed equally across field of study in 2014. The top three programs, account for more than 80 percent of the graduates, are Social sciences, Business and Law (34 percent), Education (24 percent) and Engineering, Manufacturing, and Construction (23 percent). The number of graduates in Service and Health and Warfare programs were extremely low, account for 4 percent and 5 percent respectively. Even for Agriculture program, which corresponds to largest industry in term of labor force, only produces 6% of the total number of graduates in 2014. Finally, it is worrying to see the number of graduates in Science are almost zero (negligible). In addition, Figure 2 indicates that the situation has not changed over the last 12 years making it doubtful if things are changing in a near future.

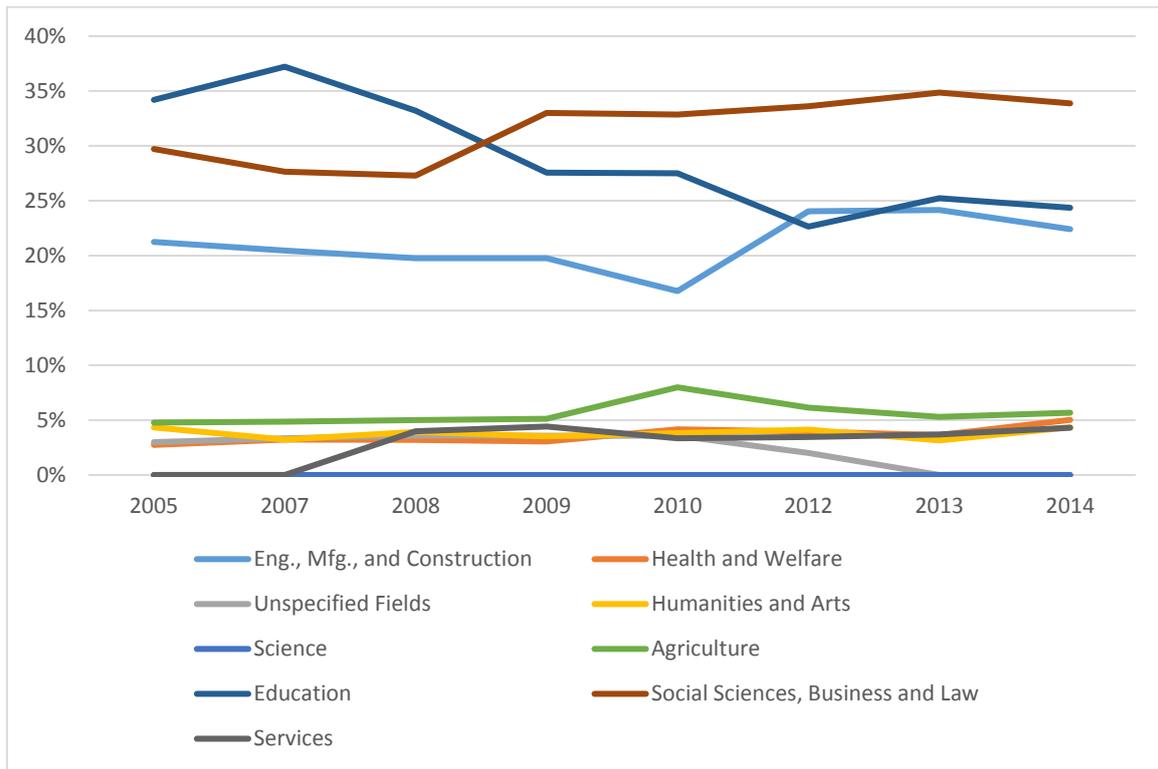
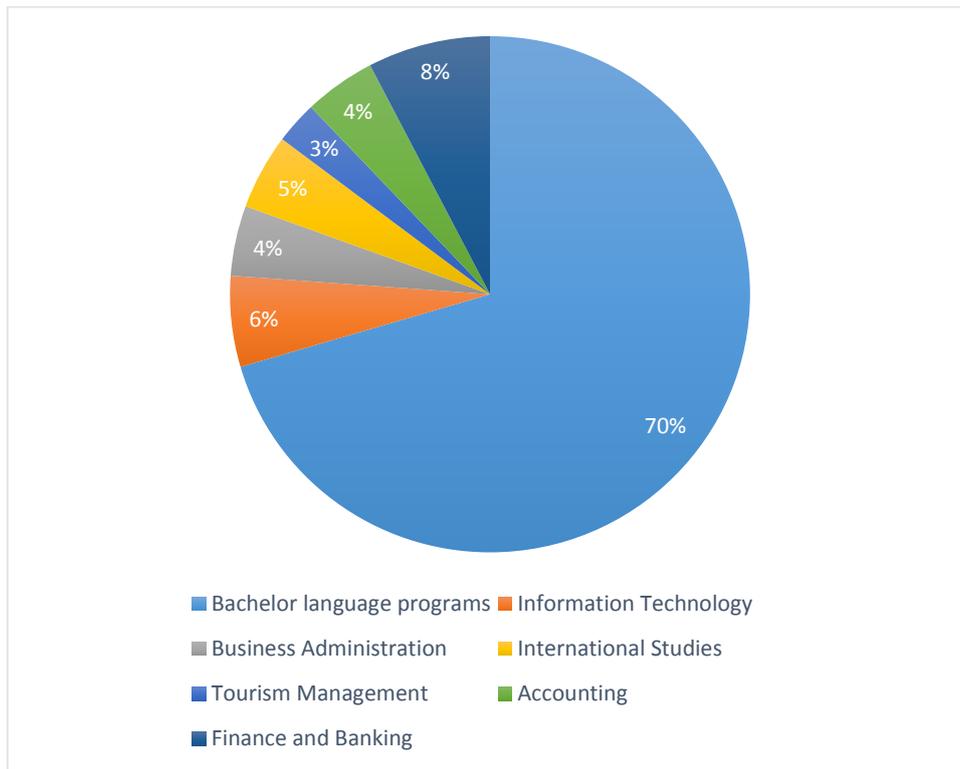


Figure 2: Vietnam graduates by field of study (2005 - 2014)

### 3.2. Hanoi University

#### 3.2.1. Distribution of graduates according to field of study 2014-2015



*Figure 3: HANU Bachelor graduates by field of study (2015)*

According to Figure 3, a majority (70 percent) of bachelor graduates from HANU are from the languages programs. Among those, English (286 students), Chinese (209 students), Japanese (127 students), and Korea (105 students) are the largest programs, accounting for more than 66% of the total language students. Students from non-language programs account for 30% of the total bachelor graduates and they are more equally distributed across programs with Finance and Banking and Information Technology are the top two programs in terms of the number of graduates. Figure 4 provides data regarding master graduates at HANU in 2015. Among the three programs, graduates from English Linguistics program account for 63 percent of the total, followed by those in the French Linguistics (23 percent) and Russian Linguistics (14 percent) programs.

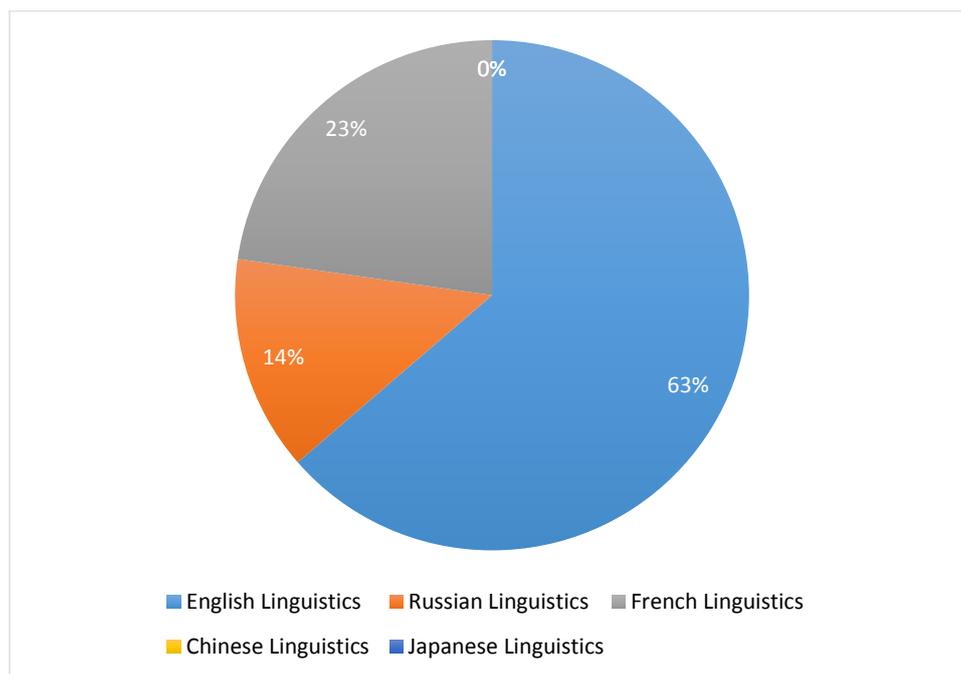


Figure 4: HANU Master graduates by field of study (2015)

### 3.2.2. Distribution of graduates according to field of study: time series 2005-2015

Table 1: HANU graduates by programs (2005 – 2015)

Programs	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Bachelor programs											
English Language	286	236	294	239	224	335	291	333	221	170	313
Russian Language	58	49	49	54	79	89	76	100	152	106	123
French Language	61	68	84	69	107	94	126	87	102	94	95
German Language	52	51	84	59	65	90	103	84	75	56	67
Chinese Language	209	183	160	123	187	166	161	142	131	149	225
Japanese Language	127	105	103	86	116	108	106	103	94	92	104
Korea Language	105	62	76	58	65	57	62	79	45	46	
Spanish Language	36	26	45	44	26	30	35	22	25	44	
Italian Language	72	45	55	23	44	25	24	23	21	41	
Portuguese Language	22	13	25		18	28	19	19			
Vietnamese Language	62	64	137								
<b>Language total</b>	<b>1090</b>	<b>902</b>	<b>1112</b>	<b>755</b>	<b>931</b>	<b>1022</b>	<b>1003</b>	<b>992</b>	<b>866</b>	<b>798</b>	<b>927</b>
Info. Technology	88	76	69	64	87	87	105	107			
Bus. Administration	68	69	114	73	101	101	114	124	96	102	86
International	73	38	53	36	53	62	55	29	25	28	41
Tourism Management	41	33	53	25	62	53	59	76	52	54	71
Accounting	69	101	123	89	77	77					
Finance and Banking	118	95	134	108	109	109	184				
<b>Non language total</b>	<b>457</b>	<b>412</b>	<b>546</b>	<b>395</b>	<b>489</b>	<b>489</b>	<b>517</b>	<b>336</b>	<b>173</b>	<b>184</b>	<b>198</b>

Master programs											
Linguistics, English	28	24	60	96	39	64	33	55	115	74	58
Linguistics, Russian	6	2	4	5	1	6	0	3	2	0	0
Linguistics, French	10	5	5	11	7	3	3	10	2	3	4
Linguistics, Chinese	0	0	0	7	6	6	5	8	15	6	3
Linguistics, Japanese	0	0	0	0	0	0	0	0	9	7	1
<b>Master total</b>	<b>44</b>	<b>31</b>	<b>69</b>	<b>119</b>	<b>53</b>	<b>79</b>	<b>41</b>	<b>76</b>	<b>143</b>	<b>90</b>	<b>66</b>

According to Figure 5, the total number of bachelor graduates from HANU changes slightly upward over the last 11 years while maintaining the relative difference between language vs. non languages programs. Within the language programs, the top four programs in term of total number of graduates remain stable with little fluctuation. The total number of master graduates at HANU reduces slightly over the period with the two big surges in 2007 and 2012. This reflects the challenges of HANU in attracting master students to the Master of Linguistics program.

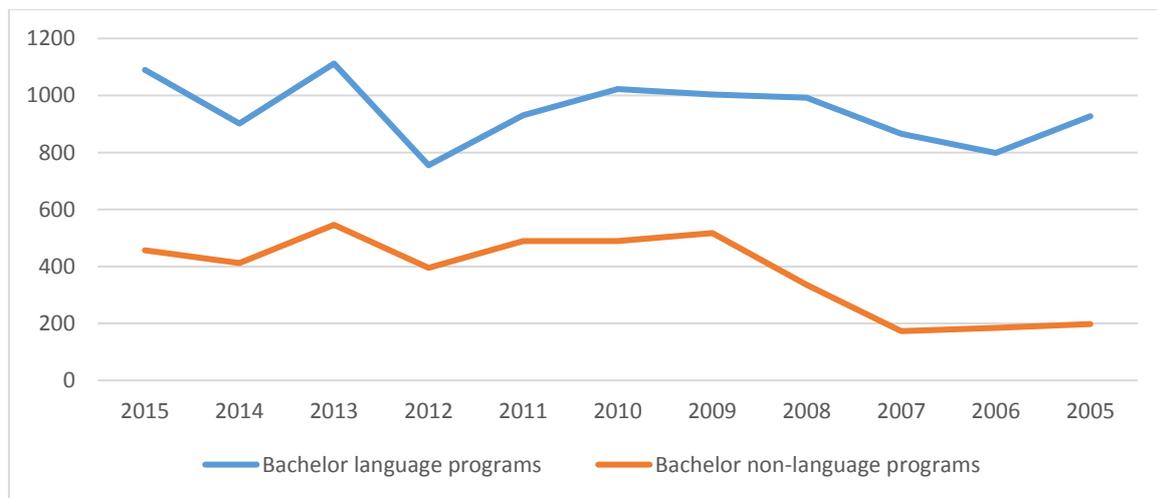


Figure 5: HANU Bachelor graduates by field of study (2005 - 2015)

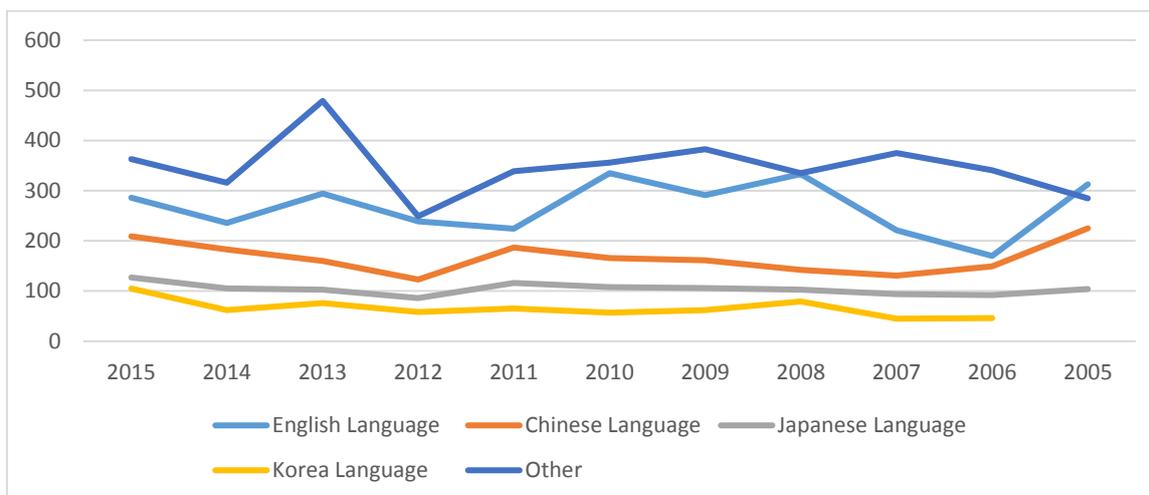


Figure 6: HANU Bachelor language graduates by field of study (2015)

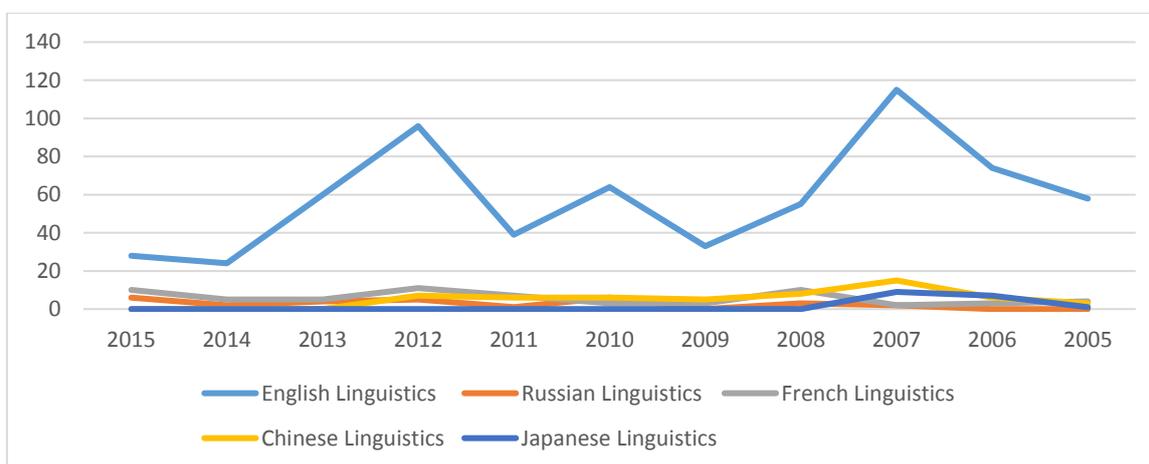


Figure 7: HANU Master graduates by field of study (2005 - 2015)

### 3.3. National University of Art Education

#### 3.3.1. Distribution of graduates according to field of study 2014-2015

According to Figure 8, Music Education attracted the largest number of students among NUEA programs at all levels, accounting for nearly 40% of the total graduates in 2015, followed by Fine Arts programs which account for 24% of the total number of graduates. In addition, in Figure 9, the data suggested that a majority of the graduates are from the bachelor programs and the graduates from diploma and master are negligible, accounting only for 16% of the total graduates.

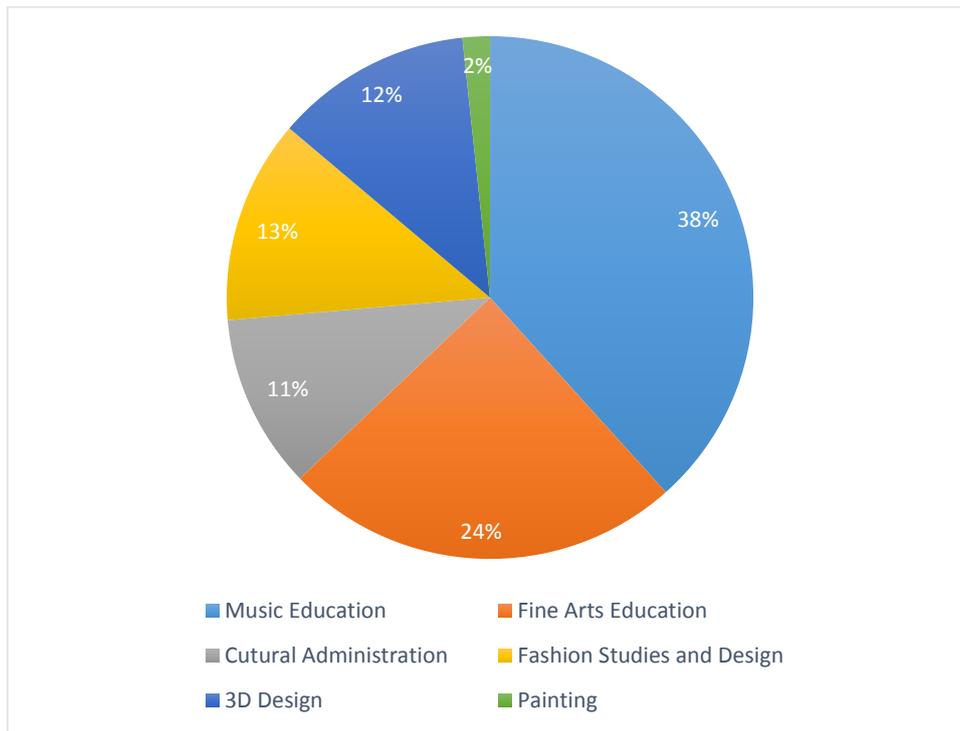


Figure 8: NUAE graduates by field of study (2015)

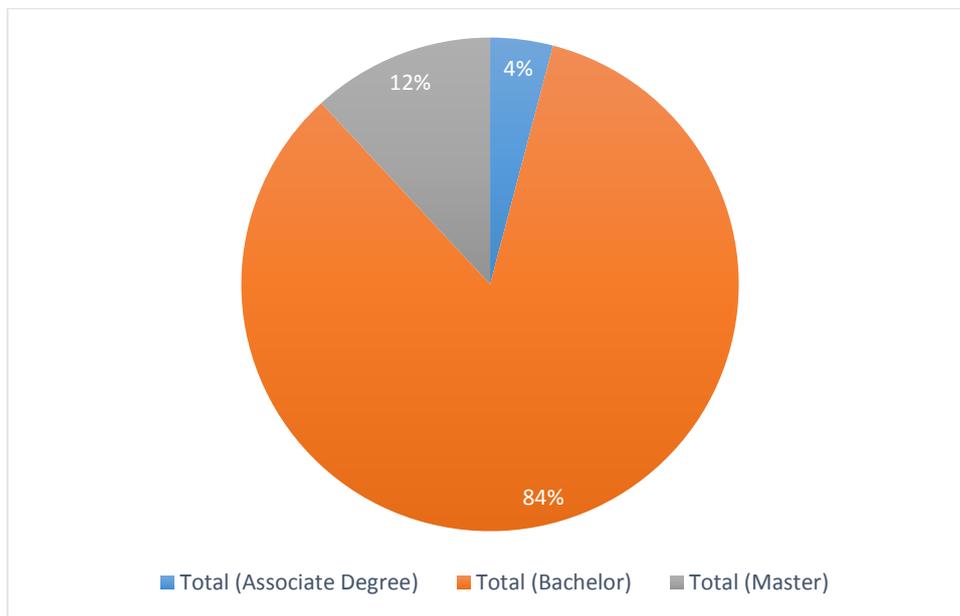


Figure 9: NUAE graduates by level of study (2015)

### 3.3.2. Distribution of graduates according to field of study: time series 2005-2015

Table 2: NUAE graduates by programs (2005 – 2015)

Programs	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
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Associate Degree programs											
Music Education	34	15	17	55	53	64	280	322	312	344	200
Fine Arts Education		13	14	60	48	50	426	472	369	382	245
<b>Total</b>	<b>34</b>	<b>28</b>	<b>31</b>	<b>115</b>	<b>101</b>	<b>114</b>	<b>706</b>	<b>794</b>	<b>681</b>	<b>726</b>	<b>445</b>

Bachelor programs											
Music Education	218	483	728	883	570	430	92	28			
Fine Arts Education	204	439	780	996	652	485	103	40			
Cultural Administration	59	75	229	92	50						
Fashion Studies and Design	105	104	143	77	42						
3D Design	101	70									
Painting	14										
<b>Total</b>	<b>701</b>	<b>1171</b>	<b>1880</b>	<b>2048</b>	<b>1314</b>	<b>915</b>	<b>195</b>	<b>68</b>			

Master programs		
Music Education	68	57
Cultural Administration	31	
<b>Total</b>	<b>99</b>	<b>57</b>

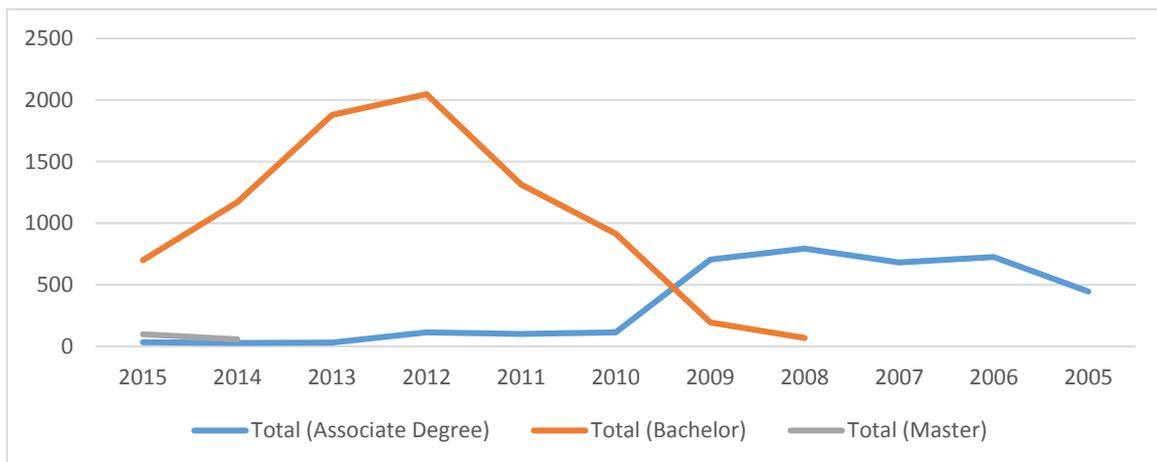
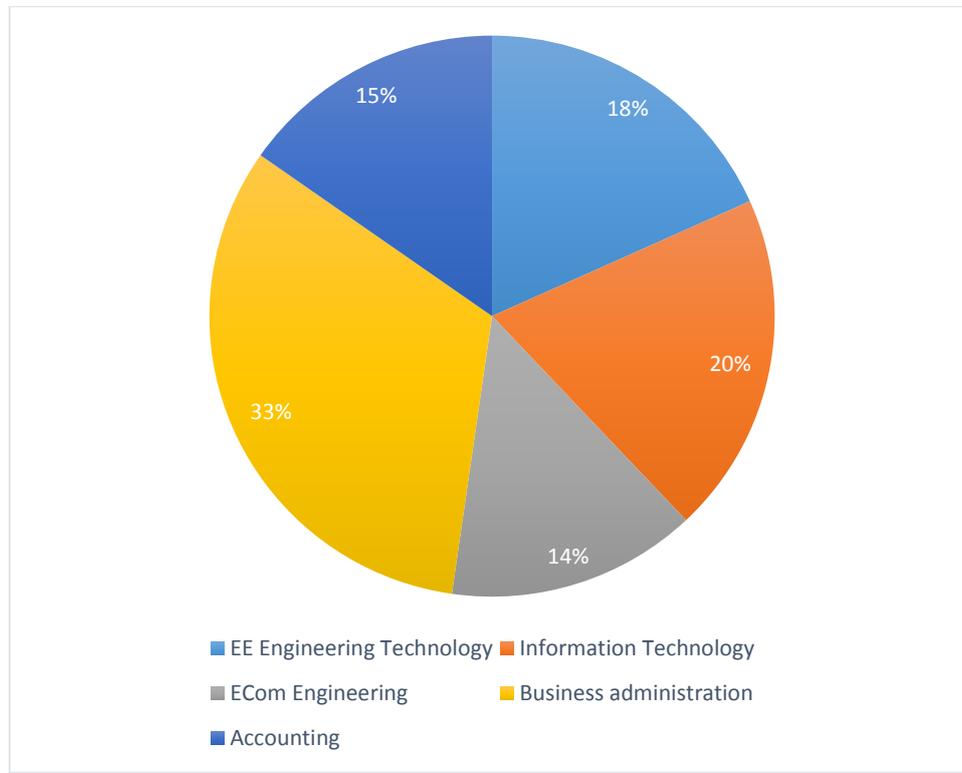


Figure 10: NUAE graduate by field of study (2005 - 2015)

According to Figure 10, the number of graduates at the Associate Degree level reduced gradually since 2010, two years after NUAE had their first students graduated with a Bachelor Degree. On the other hand, the number of graduates with a Bachelor Degree increase sharply to more than 2000 students in 2012 before it drops significantly to 700 students last year in 2015. The two biggest programs, i.e., Music Education and Fine Arts Education saw the largest drops, almost by 75 percent compared with the total number of graduates in 2012.

### 3.4. Post and Telecommunication Institute of Technology

### 3.4.1. Distribution of graduates according to field of study 2014-2015



*Figure 11: PTIT Bachelor graduates by field of study (2015)*

PTIT offers Bachelor's degree in 9 majors, of which 4 were recently approved for admission and has had no graduates in 2014 and 2015. In 2015, PTIT bachelor graduates are from five majors: Electronic & Communication Engineering, Information Technology, Electrical & Electronic Engineering Technology, Business Administration and Accounting. Business Administration is the major with the largest number of graduates, accounting for 33% of total bachelor graduates, followed by Information Technology major with 20%.

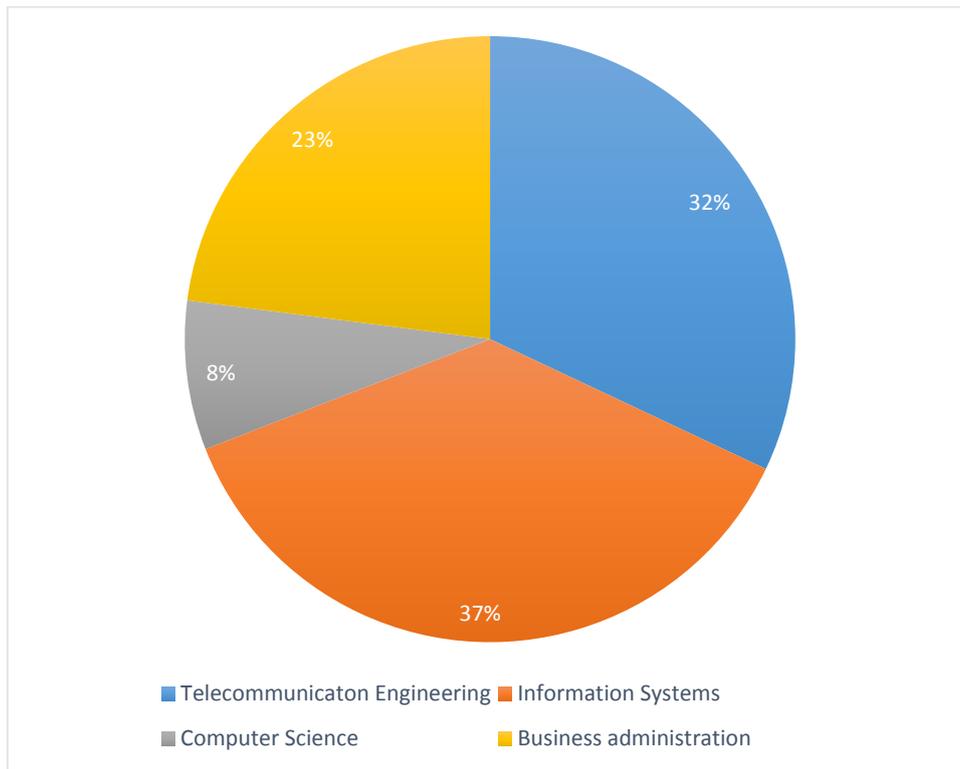


Figure 12: PTIT Master graduates by field of study (2015)

PTIT master graduates are from four majors: Telecommunication Engineering, Information Systems, Computer Science and Business Administration. Information Systems is the major with largest share of master graduates (163), accounting for 37% of the total master graduates in 2015. Electronic Engineering is the major with the second largest number of master graduates of 141, accounting for 32% of the total master graduates in 2015. Computer Science is the major with the smallest number of graduates of only 35, accounting for 8% in the total master graduates.

### 3.4.2. Distribution of graduates according to field of study: time series 2005-2015

Table 3: PTIT graduates by program (2011 – 2015)

Programs	2015	2014	2013
Electrical and Electronic Engineering Technology	511	323	495
Information Technology	550	1002	1359
Electronic and Communications Engineering	400	1122	1859
<b>Total (Technology)</b>	<b>1461</b>	<b>2447</b>	<b>3713</b>
Business administration	907	773	881
Accounting	427	0	189

<b>Total (Business)</b>	<b>1334</b>	<b>773</b>	<b>1070</b>
Telecommunication Engineering	141	42	181
Information Systems	163	39	117
Computer Science	35	29	63
Business administration	101	27	141
<b>Total (Master)</b>	<b>440</b>	<b>137</b>	<b>502</b>

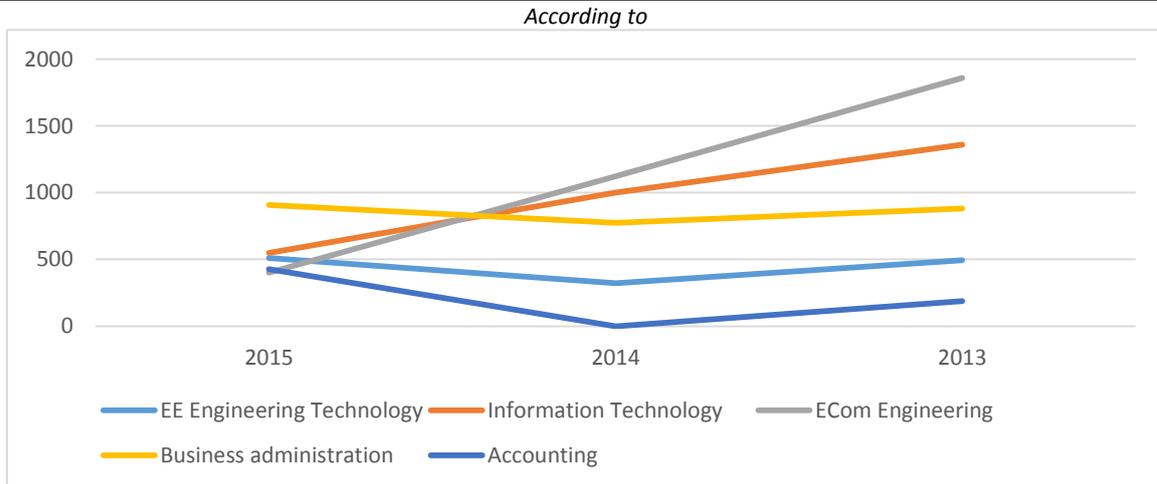
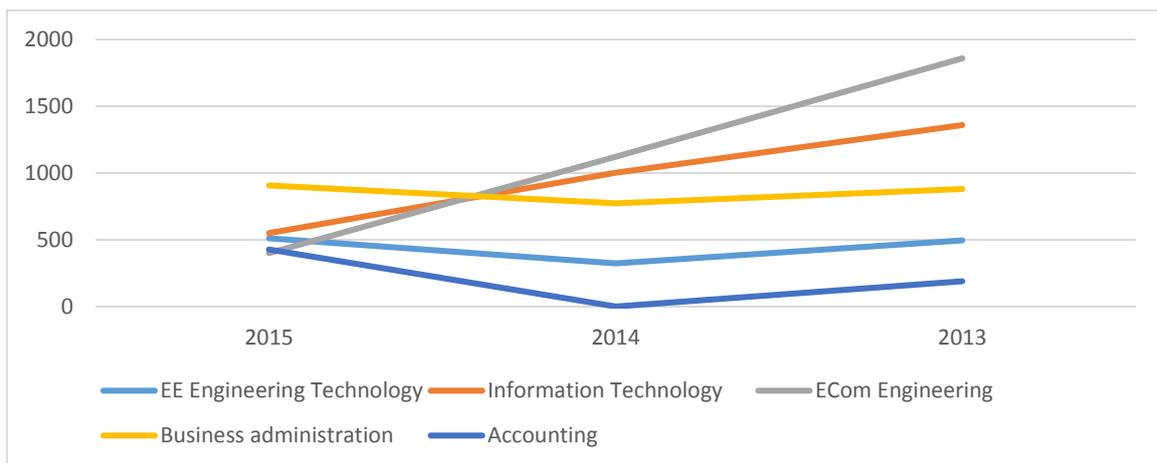


Figure 13 and Table 3, the total number of graduates from PTIT bachelor programs show sharp decrease over the last three years, from a total of 4783 graduates in 2015 to 3220 graduates in 2014 and 2795 graduates in 2015. The number of master graduates also dropped in 2014 by 72% but increase by more than 200% in 2015.



*Figure 13: PTIT Bachelor graduates by field of study (2011 - 2015)*

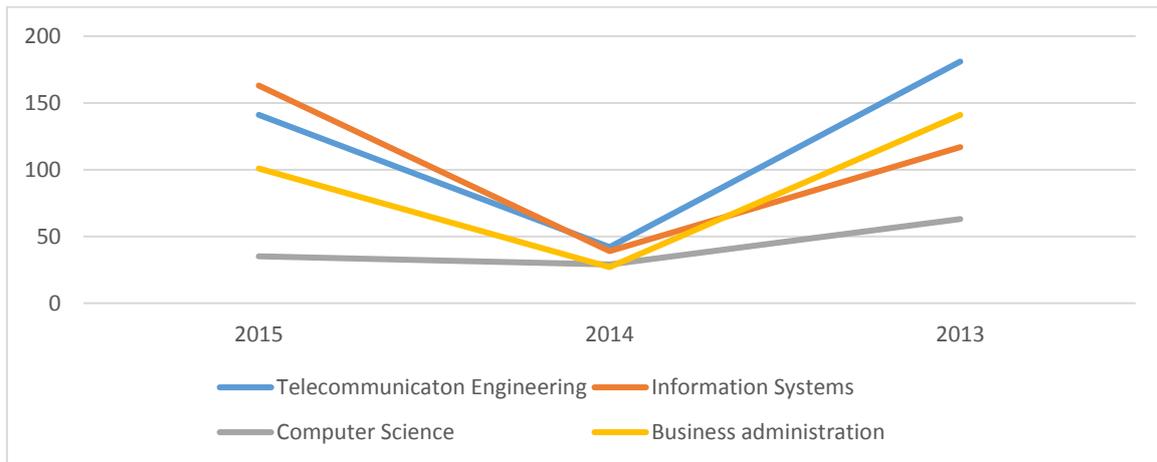


Figure 14: PTIT Master graduates by field of study (2011 - 2015)

#### 4. Labor market overview

##### 4.1. General context and main features

As described in the previous sections, Vietnam has a large and young labor force with a high level of literacy. As of the end of 2015, Vietnam has 69.6 million people aged 15 and above, of which 54.6 million people join into the labor force. Workers in the rural areas still accounted for a large portion of the labor force (i.e., 68 percent) despite recent fast urbanization<sup>16</sup> in the country. The rate of participation for the overall labor force was 78.8 percent and there was a considerable gap between urban and rural areas (i.e., 72.7 percent vs. 82.1 percent). The unemployment rate was at 2.18 percent in the 4<sup>th</sup> quarter of 2015, however, young labor (for those between 15 and 24 years of age) unemployment rate was much higher (i.e., 12.2%) making up more than half of the total unemployed population.

Many experts attribute the competitive advantages of the labor force to the remarkable success of Vietnam in developing the economy over the last 30 years. The Vietnam 2035 report argued that the focus on labor-intensive production and agriculture has been most effective in helping Vietnam to have such a strong and equitable growth since early 1990s. With the deepened integration

<sup>16</sup> <http://english.thesaigontimes.vn/39250/WB-Vietnam-urbanization-among-fastest-in-region-.html>

of Vietnam into the global market (e.g., TPP), the quality of work force is going to be the key in helping Vietnam to successfully grasp the opportunities and deal with the challenges.

In order to have the right amount and the right kind of people for the future needs, it is important for Vietnam to start with the reality of its labor force, especially with the current labor issues at hand. Numerous studies carried out by both Vietnamese government and international organizations (e.g., ILO and World Bank) have suggested several key inter-related issues in Vietnam's labor force: (1) unskilled and low quality labor (2) poor training and education system; (3) imbalanced labor distribution and adaptability; (4) competitive pressures.

First, even though Vietnam have such a large pool of labor, organizations often find themselves struggling to find the right kind of people for their vacancies. Research by Manpower Vietnam in 2008<sup>17</sup> indicated the problem is even more serious that it appears. More specifically, Vietnam was ranked at the bottom 10 percent in the region and a large percentage of employers (one third) said that they were unable to find the skills they needed. The shortage of skilled labor spread across different job categories and is most serious in laborers, management, engineers, and skilled manual trades. Another research by ILO suggested less than one fifth of Vietnam labor force received technical training, which in turn can seriously impact their job performance and organizational outcomes. Vietnam 2035 report argue that the current quality of labor force might seriously influence the ability of Vietnam to further its sustainable economy growth in the next 20 years. It is ironic that the low cost labor which has helped Vietnam to achieve outstanding growth the last 20 years might be an impediment if they country does not improve its quality quickly.

Intel Vietnam in 2006 had an unpleasant taste of reality when the company administered the standardized employment test to more than 2000 Vietnamese IT students but only 5 percent of them (or 90 candidates) passed, and of this group, less than 50 percent was sufficiently proficient in English

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<sup>17</sup> Building a High-Skilled Economy: The New Vietnam (Manpower Group, 2008)

to be qualified for the jobs. The company ended up spending another 7 million dollars again to send around 70 third-year students to Portland State University in Portland, OR, USA for 2 more years of training before returning to Vietnam and work for Intel. Obviously, the quality of labor may influence investors in their location decision, especially for high value-added and high technology companies.

Second, the quality of education and training, especially in higher education, is seen as the biggest challenge for Vietnam in the next 20 years. Only a small percentage of Vietnam labor force receive technical trainings, and when they did, the skill they gain do not match those required by the businesses. As a result, as many as 50% of graduates in Vietnam could not find jobs in their areas of study. Vallely and Wilkinson (2008) warned that unless urgent and fundamental reform is carried out, Vietnam was likely to fail to achieve its enormous potential to compete in the global market. Some of the issues in education and training in Vietnam includes lack of autonomy and academic freedom for universities in teaching and research, poor selection and promotion of staff, lacking of meaningful international connection, outdated curriculum and teaching methodology (e.g., teacher-center, theory focused). Because of these issues, improvements in education have not been able to match with the level of expectations from students, family, businesses and the investment of the State (i.e., above 20% of the state budget).

Third, Vietnam labor force has been slow in making adjustment to the changes in the global market. It has been reported that still more than half of the employed laborers are still engaged in agriculture sectors. While it was an effective to focus on agriculture in the late 1980s and early 1990s, having too many workers on the farms might be counterproductive. However, the dilemma is the more productive industries such as manufacturing and service are still weak due to the training issues mentioned previously. In the textiles and apparel business for example, most of the companies in Vietnam are only engaged in the low value added cut-and-sew manufacturing activities<sup>18</sup> and these

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<sup>18</sup> Sustaining Vietnam's growth: The productivity challenge by McKinsey Global Institute

jobs can leave without any doubts in the next few years when the cost of doing business is less competitive with even lower cost labor force in Cambodia and Myanmar.

As discussed, the participation of Vietnam in AEC and TPP surely provide Vietnam with huge potential to participate more effectively in the global value chain. However, the potential of increased trade and investment might not be realized if Vietnam is not prepared to deal with the identified problems effectively.

#### 4.2. Distribution of enterprises by industry

*Table 4: Distribution of Enterprises by Industry (2009 – 2013)*

<b>Industry</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Accommodation and food services activities	8,858	10,225	12,855	13,137	13,616
Administrative and support activities	6,133	8,374	9,790	11,498	12,555
Agriculture, forestry and fishing	2,408	2,569	3,308	3,517	3,656
Construction	35,178	42,901	44,183	48,790	51,247
Education and training	1,783	2,308	2,547	3,345	3,939
Electricity, gas, steam and air conditioning supply	875	910	1,046	1,086	1,083
Financial, banking and insurance activities	1,096	1,662	1,575	1,914	1,864
Human health and social work activities	663	839	913	996	1,132
Information and communication	4,536	4,570	7,021	7,269	7,770
Manufacturing	42,894	45,472	52,587	56,305	58,688
Mining and quarrying	2,191	2,224	2,544	2,642	2,590
Professional, scientific and technical activities	17,179	20,766	27,778	29,595	32,340
Transportation and storage	9,291	14,424	17,876	19,336	20,614

Water supply, sewerage, waste management and remediation activities	767	850	928	1,133	1,125
Wholesale and retail trade; repair of motor vehicles and motorcycles	6,361	112,601	128,968	134,988	148,481
<b>Total</b>	<b>236,584</b>	<b>279,360</b>	<b>324,691</b>	<b>346,777</b>	<b>373,213</b>

Source: General Statistics Office, analysis by Voyage Team. Unit: Enterprise

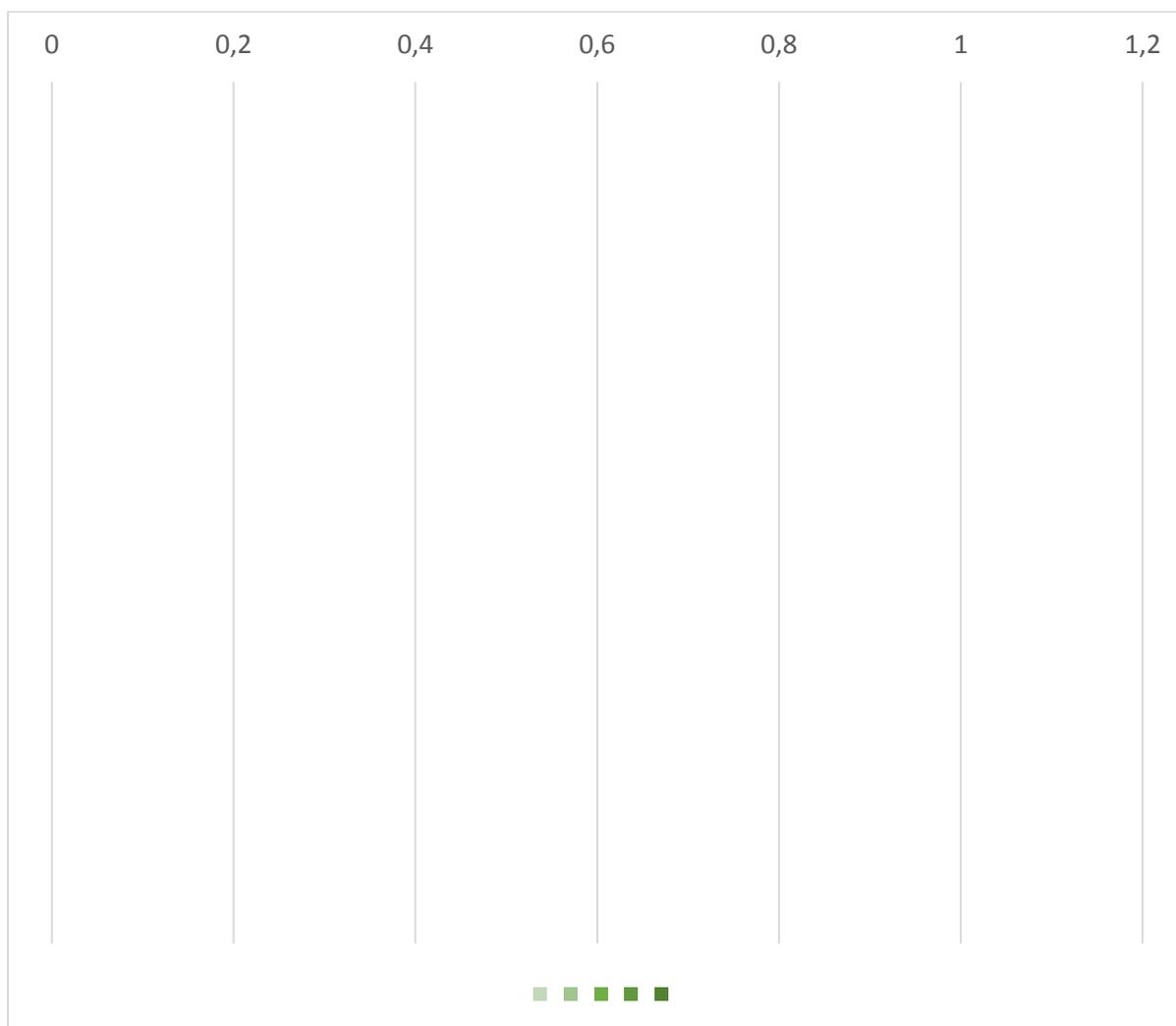


Figure 15: Distribution of Enterprises by Industry (2009 - 2013)

As can be seen from Table 4 and Figure 15, wholesale and retail trade companies account for the largest percentage (around 40 percent) of the total of enterprises in Vietnam, followed by manufacturing (15 percent) and construction businesses (14 percent). In addition, there is a sizable

group (9 percent) of enterprises in the area of professional, scientific and technical activities. The rest of the enterprises across a wide range of areas only account for 19 percent.

The data suggested that while manufacturing and construction sectors are considered as key industries which can give considerable competitive advantages for Vietnam in the global value chain, the reality is bleak as they were outnumbered by trading-only companies. In addition, recent articles have suggested that the Vietnamese companies in the manufacturing sectors are extremely weak and most of them cannot compete with FDI manufacturing firm. For example, out of 41 domestic businesses engaged in Samsung's production chain, only 4 Vietnamese firm were chosen as Samsung direct level 1 suppliers<sup>19</sup>.

#### 4.3. Job growth by industry between 2007 – 2014

*Table 5: Job growth by Industry (2007 - 2014)*

<b>Industry</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Manufacturing	633.8	333.8	450.2	196.8	326.8	129.6	165.1	147.5
Construction	392	96.5	125.7	513.9	113.1	50.4	37.2	4.7
Agriculture, forestry and fishing	368.3	371.9	302.6	-327	83.9	-5.7	42.1	9.4
Wholesale and retail trade	336.4	170.9	50.3	399	277.9	486.3	248.6	89.1
Accommodation and food service activities	271.9	211	266.3	137.3	284.3	142.1	79.2	84.5
Education and training	255.5	-20.8	91.2	89.5	58.4	35.3	46.2	47.1
Transportation and storage	51.2	91.7	-7.2	-9.4	-2.3	83.9	33.5	3.7
Finance and real estate	40.6	10.3	39.7	60.3	64.3	40.5	24.5	25.1
Others	155.7	81.2	102	140.7	90.1	79.7	42.1	45

*Source: General Statistics Office, analysis by Voyage Team. Unit: thousands jobs*

Table 5 and Figure 16 show the job growth across key industries between 2007 and 2014. The data was collected by the GSO and focus on the annual employed population at 15 years of age and above by kinds of economic activity. The changes in the total of employed population were calculated by the differences between each consecutive year. The data suggested that four industries (i.e.,

<sup>19</sup> <http://vietnamnews.vn/economy/talking-shop/273425/samsung-seeks-more-vietnamese-suppliers.html>

wholesale and retail trade, manufacturing, accommodation and food service activities and construction) accounted for 72% job growth from 2006 – 2014. This finding is understandable because trade, construction and manufacturing sectors alone accounted for more than 70% of the enterprises (see Figure 16Figure 15).

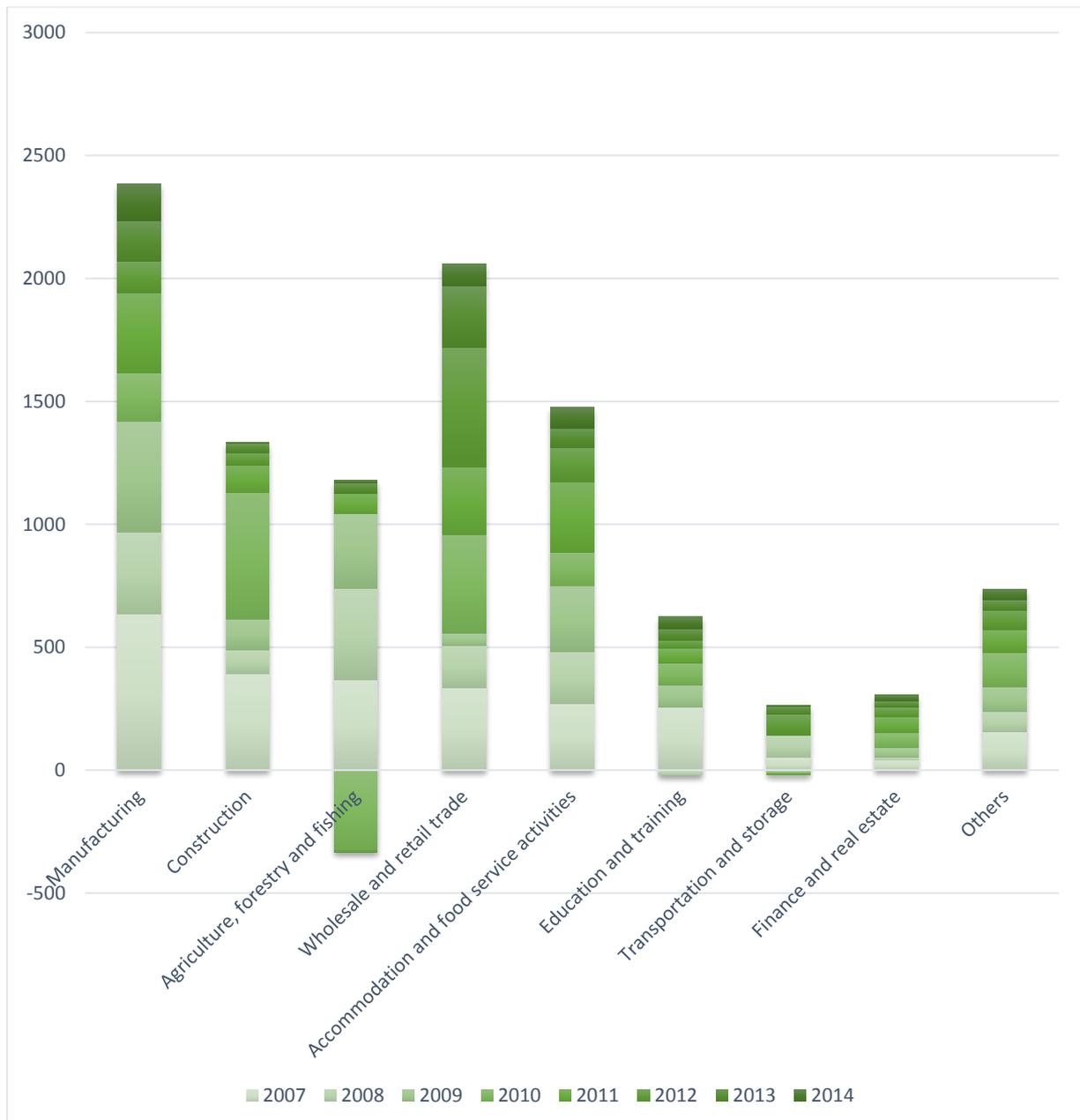


Figure 16: Job growth by industry (in thousand)

#### 4.4. Trained Employees by industry

As indicated in Table 6, the percentage of trained employees by industry varies greatly. Some of the industry (e.g., Education and training, Human health and social work activities, Financial, banking and insurance activities, Information and communication, and Professional, scientific and technical activities) have a relatively large percentage of employees who have had some training prior to their jobs. Unfortunately, some of the largest industries that experienced most job growth over the last few years (e.g., manufacturing, wholesale and retail trade, construction) have a disturbing low percentage of workers who are trained on the job. This can seriously harm the growth of some of the key industries in Vietnam in the next decades.

*Table 6: Trained employees<sup>20</sup> by industry*

	2009	2010	2011	2012	2013	2014
Education and training	78	90.8	90.3	91.2	91.1	90.8
Human health and social work activities	76.4	86.8	86.9	86.2	85.5	88.8
Financial, banking and insurance activities	67.3	79.3	78.8	78.8	80.2	80.7
Information and communication	61.8	69.8	71.8	72.7	78.5	77.7
Professional, scientific and technical activities	63.4	65.2	73	75.9	73.8	76.9
Transportation and storage	41.2	33.6	36.2	43.5	46.4	44.5
Administrative and support service activities	30.2	31.6	35.6	35.3	39.4	36.4
Arts, entertainment and recreation	14	16.6	16.4	19.5	19	22.7
<b>Manufacturing</b>	<b>14.9</b>	<b>13.4</b>	<b>14.8</b>	<b>16.8</b>	<b>18.3</b>	<b>17.9</b>
<b>Wholesale and retail trade</b>	<b>13.3</b>	<b>13.7</b>	<b>14.3</b>	<b>14.9</b>	<b>16.6</b>	<b>17.5</b>
<b>Construction</b>	<b>12.4</b>	<b>12.6</b>	<b>11.7</b>	<b>12.6</b>	<b>14.1</b>	<b>13.9</b>
<b>Accommodation and food service activities</b>	<b>8.4</b>	<b>8.1</b>	<b>9</b>	<b>9.3</b>	<b>10.2</b>	<b>11.7</b>
Agriculture, forestry and fishing	3.9	2.4	2.7	3	3.5	3.6
Total	14.8	14.6	15.4	16.6	17.9	18.2

<sup>20</sup> Trained employed workers are those who have ever attended and graduated from a school/class/center of technique and qualification training of the educational level or the equivalent level of training belonging to the National Education System for 3 months and over (with degree or certificate of training results).

#### 4.5. Unemployment in Vietnam

Unemployment rate in Vietnam have decreased gradually from 5.3 percent in 2005 to 3.4 percent in 2014. This is a significant achievement of Vietnam in comparison with the unemployment rates around the world, especially in Europe. However, close investigation of the unemployment by education indicated some issues which have discussed in depth in section 4.1. More specifically, the data suggested that the unemployment among people who went to college (16.5%) is considerably higher than those who only have a vocation training (1.5%). This could be the result of some of the issues in Vietnam higher education such as lack of effective teaching methodology or the skills students receive do not match with the expectations of the labor market. This issues deserve serious investigation in a near future.

*Table 7: Unemployment by region (2005 - 2014)*

Unemployment rate (%)	2005	2007	2008	2009	2010	2011	2012	2013	2014
Whole country	5.31	4.64	4.65	4.60	4.29	3.60	3.21	3.59	3.40
Red river delta	5.61	5.74	5.35	4.59	3.73	3.41	3.49	5.13	4.86
Northern midlands and mountain areas	5.07	3.85	4.17	3.90	3.42	2.62	2.25	2.26	2.35
North Central and Central coastal areas	5.20	4.95	4.77	5.54	5.01	3.96	3.91	3.81	3.71
Central highlands	4.23	2.11	2.51	3.05	3.37	1.95	1.89	2.07	1.94
South east	5.62	4.83	4.89	4.54	4.72	4.13	3.24	3.34	3.00
Mekong river delta	4.87	4.03	4.12	4.54	4.08	3.37	2.87	2.96	2.79

*Table 8: Unemployment rate by gender and education (2014)*

	Total	Male	Female
Total	100	100	100
Never attended	2.1	2	2.2
Incomplete primary	5.2	4.2	6.3
Completed primary	14	14.1	13.8
Completed lower secondary	21.1	21.7	20.5
Occupational elementary	3.1	5.3	0.6
Completed upper secondary	17.6	19.1	15.9
Secondary vocational school	3.1	4.5	1.6
Professional secondary school	8.1	6	10.3
Vocational college	1.5	2.3	0.6
Professional college	7.7	5.4	10.3
University and over	16.5	15.4	17.7

## 5. Institutional capacity and needs

### 5.1. General overview on institutional capacities and needs

Hanoi University, National University of Arts Education, and Post and Telecommunications Institute of Technology bring unique experiences and characteristics to the Voyage project. In this section, we provide a brief description of the capacities and needs of the three universities.

Hanoi University brings nearly 60 year of experience in language training and research to the project. HANU is the destination of choice for various types of students in addition to regular formal students. With distance learning and in-service programs, the students body are diverse which enhance the dynamics and diversity of its learning environment. In addition to traditional language programs, Hanoi University also was the first university in the country to offer several of its program entirely in English such as Business Administration, Tourism, Finance and Banking, Accounting, International Studies, and Information Technology. With a strong network of international partnership, students from Hanoi University are able to travel extensively while finishing the academic programs, both in Vietnam and abroad.

National University of Art Education is one of the most diverse university in the country in terms of programs and student body, many of them are from ASEAN countries and beyond. As an advocate of lifelong learning, NUAE is dedicated to developing a greater appreciation for the arts in both children and adults. With a rich heritage, outstanding track record and an unwavering dedication to the highest standards of education, NUAE remains at the forefront of the development of arts education in Vietnam.

Posts and Telecommunications Institute of Technology (PTIT) was the first public university established within the strong state-owned enterprise, operating with a close combination of training, research, and business. In training, PTIT offers various academic degrees from Associate Diploma, Bachelor Degree to Master and PhD degree in numerous fields of studies such as Fundamental



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Education, Information Technology, Information Security, Telecommunications, Electrical & Electronics, Business Administration, Finance & Accounting, Marketing and Multimedia as well. The university's Information Communication Technology (ICT) program is considered as the most cutting-edge program in the country. With regard to research, PTIT is the flagship in creating research products and solutions which are applied by a large number of telecommunication companies. As the results, thirty percent of its revenue is from research outcomes.

The unique characteristics in terms of programs and students allow the three universities together to create one of the most diverse consortium for this kind of project. As will be discussed in the next sections, most universities in Vietnam are looking for a model that allow them to track students' performance during their study and after graduation. Due to the novelty of the concept in Vietnamese higher education system, no single accreditation mechanism has emerged to be effective in helping universities to benchmark their performance. The Voyage program with an extensive experience of AlmaLaurea in running similar programs might be able to provide alternative answer to such a quest.

## 5.2. On-going mechanism for quality assurance and accreditation

Quality assurance (QA) and accreditation were introduced to Vietnam in mid 1990s through several projects funded by the World Bank (WB) which aimed to explore different options for internal quality assurance in Vietnamese higher education system. In 2000, the first quality assurance centers (QACs) were established at the two Vietnam National University in Hanoi and Ho Chi Minh City as a recognition of the importance of quality in higher education. The first World Bank's Vietnam Higher Education Project (HEP1) from 2004 through 2006 was focused on improving the infrastructure of higher education in Vietnam. Quality assurance was not the core of HEP1 but was at least considered as the 'immaterial infrastructure' for the quality of education. Ministry of Education and Training set up a new office in 2003 which later named as General Directory for Educational Testing and



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Accreditation (GDETA). The new office was tasked to build an accreditation system in higher education in Vietnam. Later on, in 2006, with the help from ProfQim project, funded by the Dutch government, a guideline and documentation regarding accreditation standards was created to support the higher education institutions for external assessment. At the same time, five quality assurance centers (QACs) were established at five more universities (Hue University, Danang University, Can Tho University, Thai Nguyen University, and Vinh University). By July 2009, there were 110 universities in the countries with a QAC.

Recently, with the support from the World Bank's second Higher Education Project (HEP2) for a quality assurance center network, quality assurance centers have been established in many more universities. There have been more discussions and exchanges on QA which resulted in initial preparation of QA procedures, the introduction of external accreditation exercises as well as the conduct of self-evaluation. These activities were supported by the training activities organized by GDETA, often with the participation of international projects (HEP1, HEP2 and ProfQim). Together with these training activities, the requirement for universities to establish quality assurance center to be responsible for their internal quality assurance activities has been considered as a deliberate strategy to promote quality assurance processes in Vietnamese higher education institutions. Nevertheless, whether Universities in Vietnam have actually implemented quality assurance process as expected, especially after the QA international projects ended, is still ambiguous.

In general, there is a great deal of differences among universities in terms of how ready and qualified they are with regard to internal quality assurance system. In general, most of the universities are still learning to carry out the quality assurance activities and programs. Consequently, they are facing numerous problem in their implementation. First, experts argue that all the project in QA supported by HEP1, HEP2, and ProfQim were pilot, therefore, the methodology changes are expected. The different methodologies from different projects create problems to draw conclusions and lessons regarding the effectiveness of the projects might be challenging. Second, most of the quality assurance



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program at Vietnamese universities are considered as control rather than quality improvement tool.

Third, due to the challenges at the early stage of introducing quality assurance programs to Vietnam, the national coordinator, GDETA, was overloaded which ultimately then influence their ability to coordinate different stakeholders of the process effectively. Due to these issues, it is difficult to know if the quality assurance projects have helped higher education institutions in Vietnam.

At the university level, there is little reinforcement from MOET and its agency GDETA, most likely due to their overload of commitments in other areas of responsibility. In addition, different universities have different priorities which may or may not be congruent with the vague goals setup by MOET. Finally, lacking of resources and capacity or skill can be also a challenge for universities to implement quality assurance program effectively. Therefore, even all partner universities have some sort of formal procedures and criteria for quality assurance, the formal accreditation system in Vietnam still does not exist.

### 5.3. Expected benefits of Voyage

The data provided by the Voyage project is valuable source of information for educational institution to understand better information about graduates in terms of their demographic and administrative information, students experience and satisfaction and allow educational institutions to track student mobility after graduation. In addition, the data regarding students learning and experience can provide valuable information to help universities to understand better about their areas of excellence and areas whose performance can be improved.

The Voyage project, in addition, also provide the information so that universities can make informed decision some of their key areas of responsibility such as making changes in the quantity of admission and recruitment of students to reflect the demand of the labor market, i.e., avoiding labor deficit and labor surplus. Changes in the curriculum and teaching methodology can also be made in light of the information provided by the project. Schools and department can focus more on skills and



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competencies which are more relevant to the labor market and manage students experience better  
to improve the quality and satisfaction of students.