



Higher Education Reform in Vietnam: Support for an Incremental Paradigm Shift

Wednesday, June 24, 2009

12:00 – 1:30 p.m.

Room I2-220

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World Bank in Vietnam: recent history

- March 1993: First World Bank (IDA) education project (primary education) effective
- March 1999: First World Bank (IDA) higher education project (“HEP1”) effective
- November 2005: Government’s “Higher Education Reform Agenda 2006-2020” issued
- March 2008: “HEP2” effective

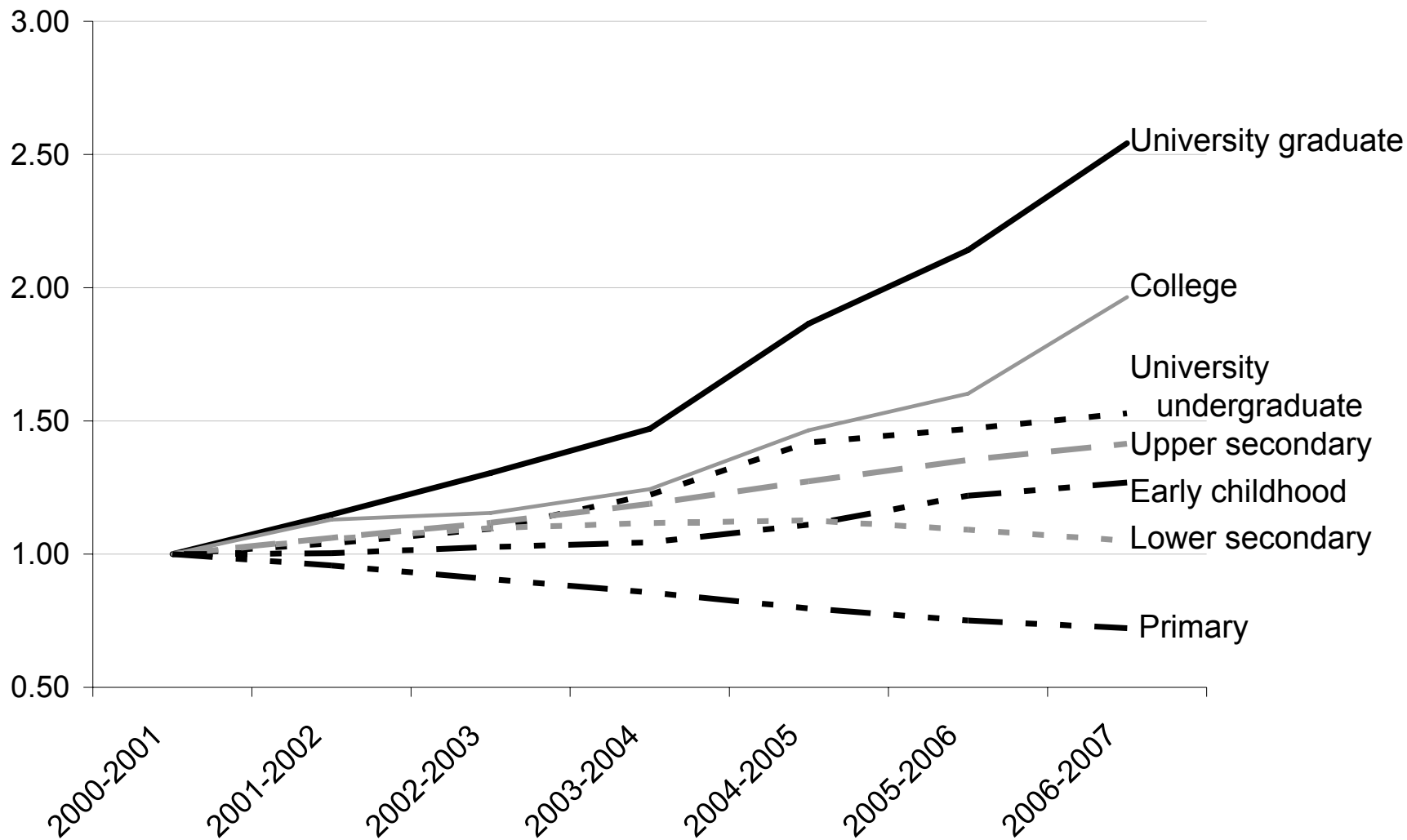
[Broad context]

- MDGs will largely be met
- Broad-based poverty reduction: 58% in 1993 -> 16% in 2006 below poverty line
- VN one of best performing economies over last decade: annual average real GDP growth 7+% BUT uneven spread of wealth, income and MDG achievement by ethnic minority status, region, etc.
- Increasingly integrated into global economy (WTO Nov06) with rising importance of private sector BUT macroeconomic problems emerging in global economic context

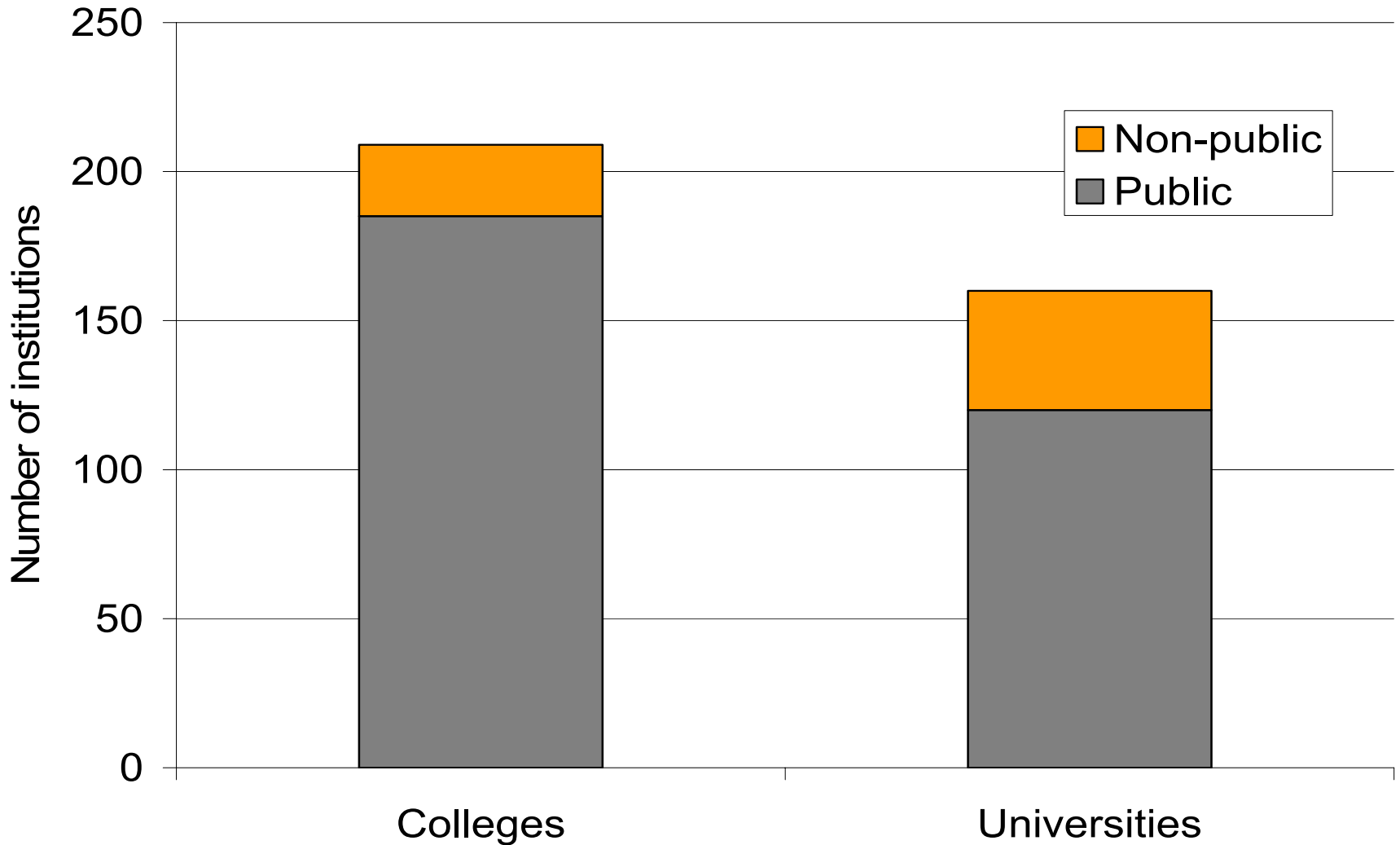
[Policy diagnostics 1996-1998]

- Inefficient: small, highly specialized, mono-disciplinary universities
- Inequitable: widespread subsidies, low cost-recovery
- Weak autonomy: centralized management, split between MOET and “technical oversight ministry”
- Weak responsiveness: little accountability and few incentives to respond to labor market needs in transition economy

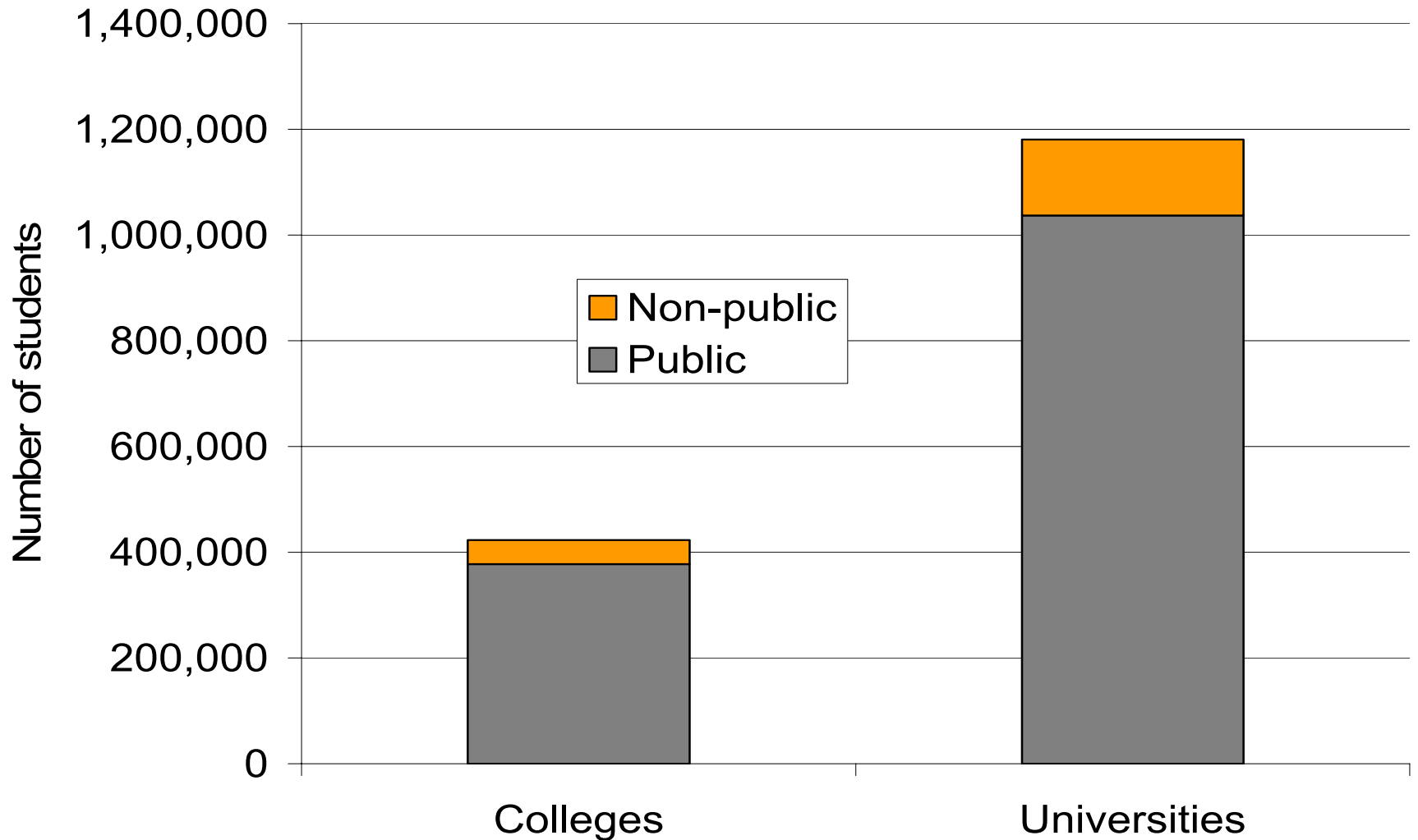
HE enrollments: 900,000 (2001) -> 1,600,000 (2008)



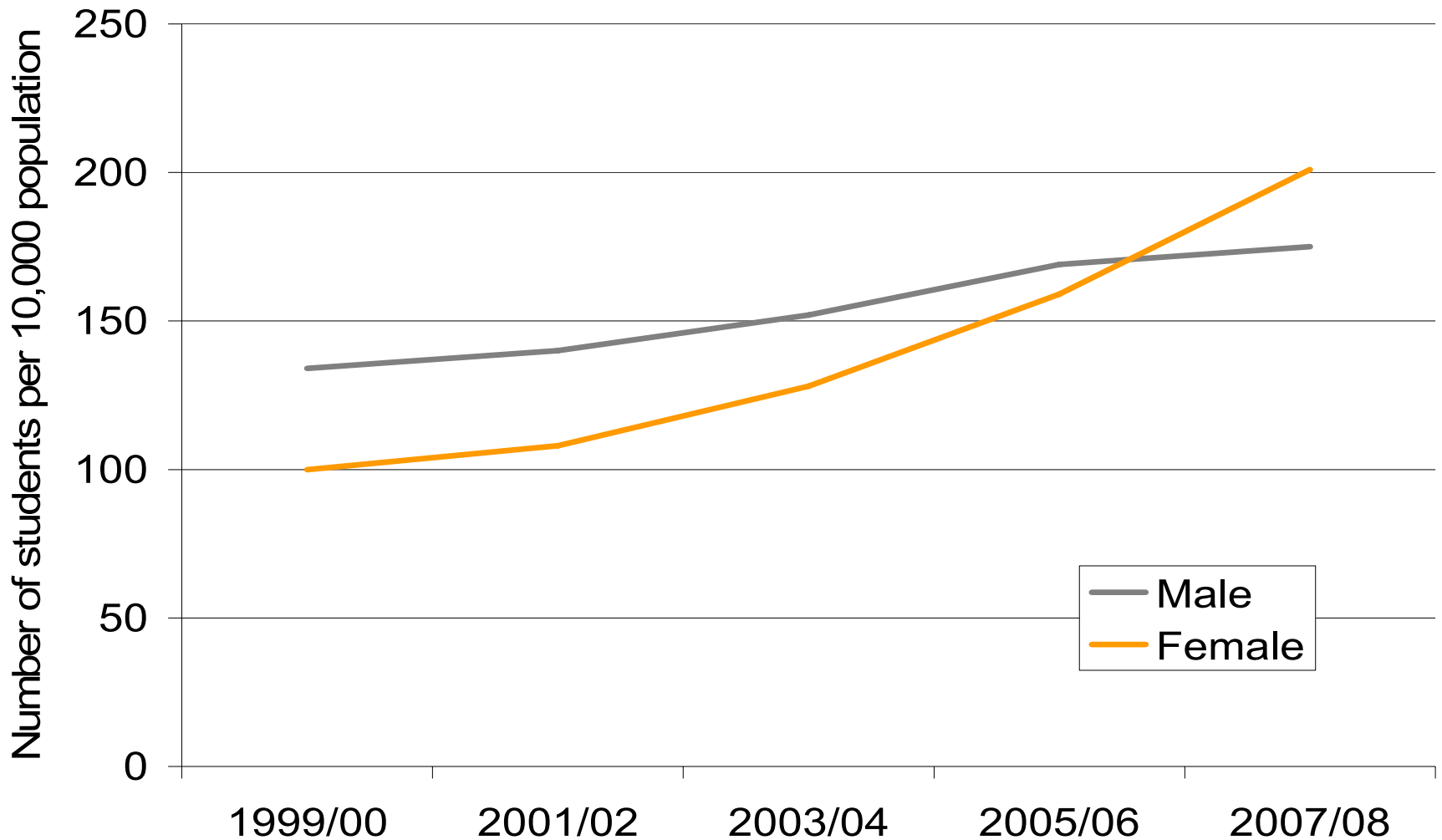
Number of HEIs (2007/08)



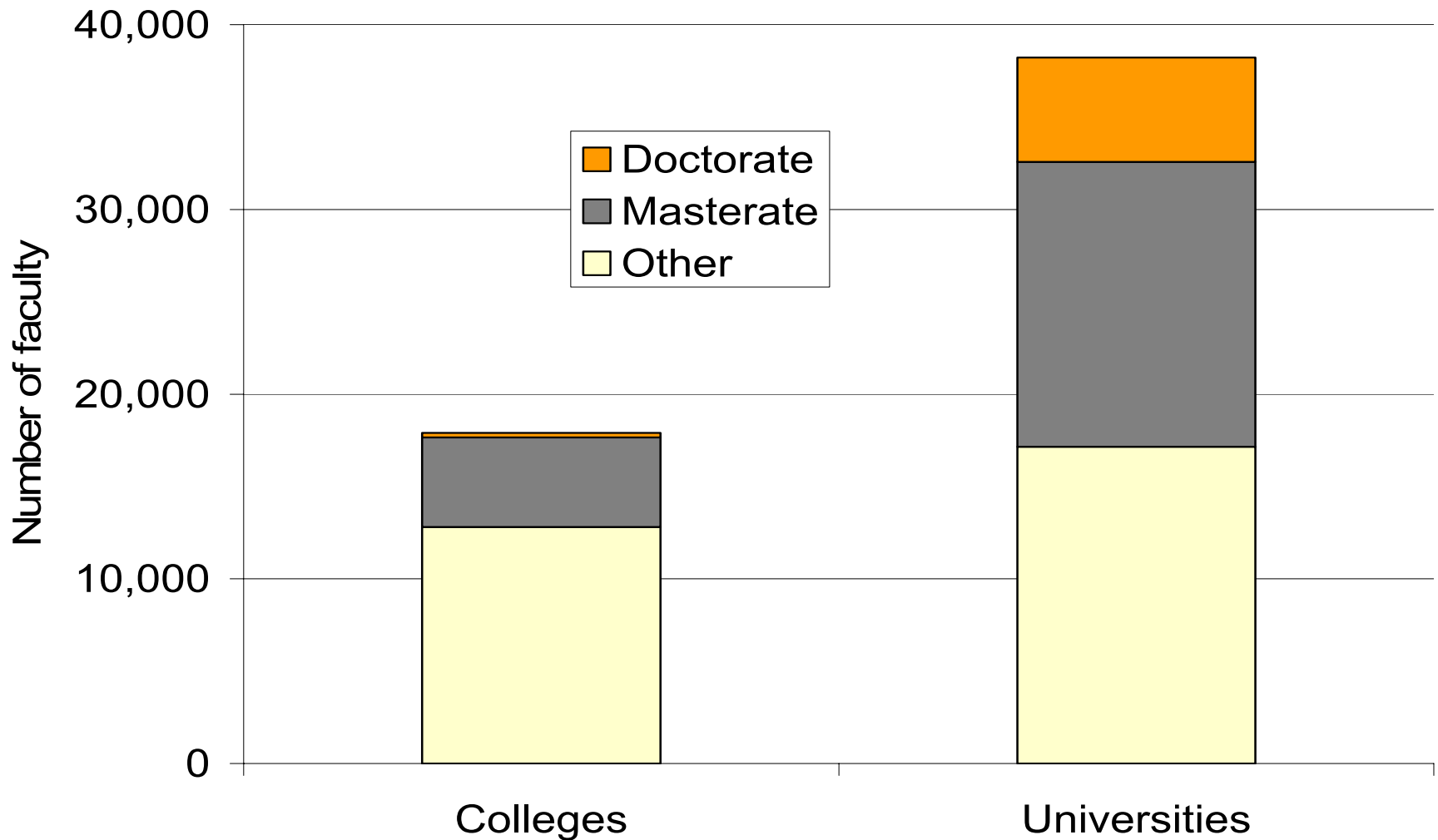
Number of students (2007/08)



Number of students (2007/08)



Number of faculty (2007/08)

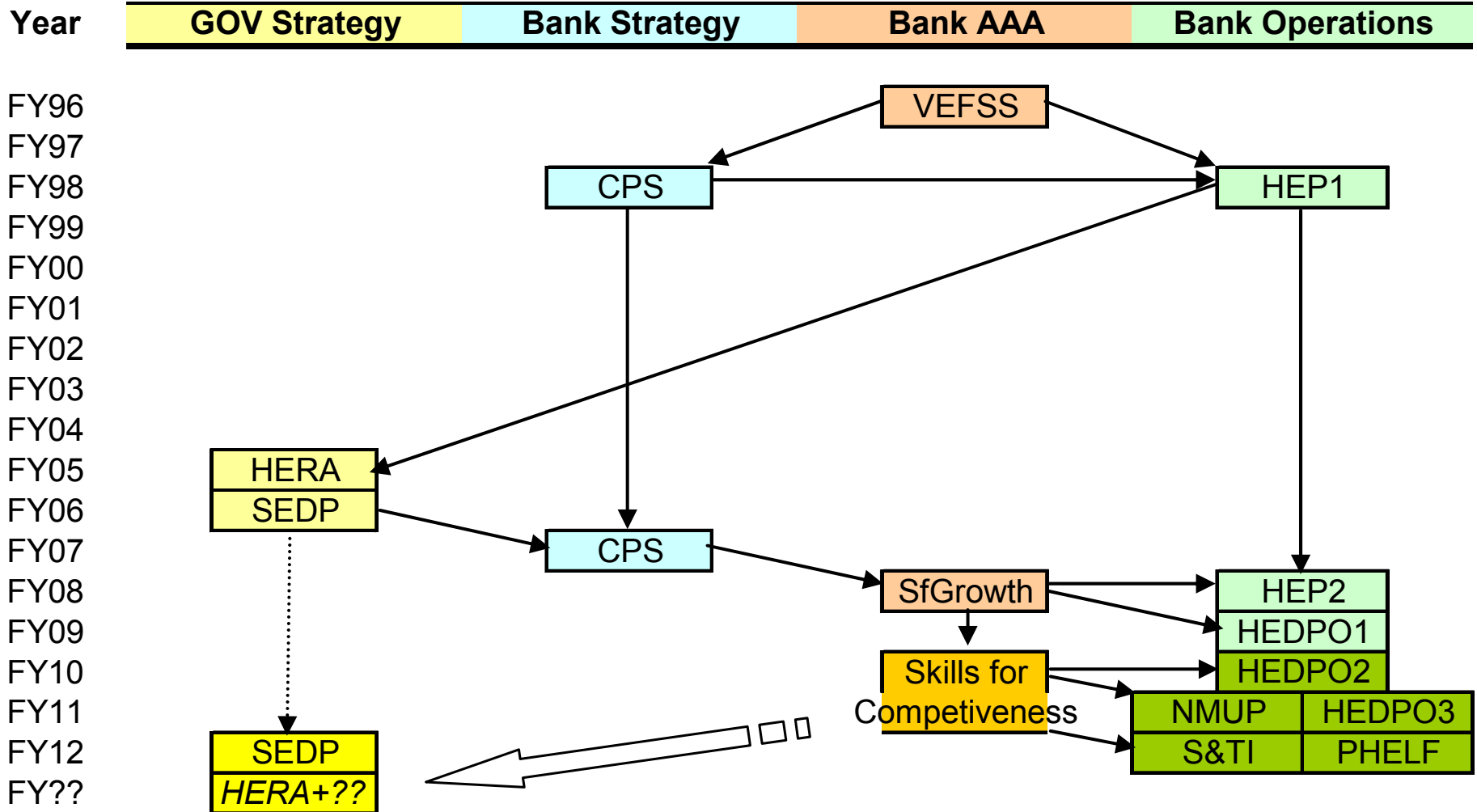


Planned GOV response 1998

- Merge institutions into multidisciplinary universities
- Introduce student fees, with merit-based scholarships and student loans to needy students
- Allow establishment of quasi-private universities
- Move to module/credit-based qualifications framework

World Bank support 1998-2012

... growing and accelerating



Higher Education Project → Higher Education Reform Agenda

- Competitive grant scheme promoted university autonomy
- Modest quality assurance innovations – national standards, pilot evaluations & information disclosure – promoted university accountability
- HERA built on these initial successes

[Higher Education Reform Agenda]

- Increase capacity of university network to respond to growing demand
- Improve quality & efficiency
- Reinforce research, both for teaching quality and knowledge base
- Reform governance, towards greater university autonomy and accountability

Higher Education Reform Agenda

→ Skills for Growth

- SfG asks “Is the higher education system equipped to respond and adapt to the needs of the fast growing economy?”
- SfG proposes operationalizing HERA by: (a) consolidating QA and accountability, (b) deregulating market, & (c) reforming financing such that public funds follow students

[Policy diagnostics 2008]

- Insufficient supply: fast-growing economy calls for skills (teaching) & innovation (research) that universities do not yet match (in numbers or diversity or quality)
- Insufficient finances: 0.5% GDP on higher education (below East Asia average) & low private funding sources
- Overly centralized: central MOET needs to move to oversight/quality control, public good funding and financing equity

HERA + SfG → HEP2/HEDPO/NMUP/S&TI/PHELF

- HEP2: SIL for policy development capacity + grants scheme for autonomy
- HEDPO1-3: DPL for system-wide policy reform in governance, financing and quality assurance
- NMUP: SIL (IBRD) for “demonstration” institutions
- S&TI: SIL for MOST-executed S&T innovation fund + policy reform
- PHELF: SIL (IBRD) for MOF-managed loan fund facility for private providers

Challenges & lessons learned

- Transmission belt from ministerial vision to senior civil service implementation is “loose”
- Incentives for focusing MOET on policy development are weak (given current functional assignments)
- Incentives for weaning MOET off centralized day-to-day control of universities is equally weak